CONDOMINIUM OFFERING PLAN
577 5TH STREET CONDOMINIUM
577 5TH STREET
BROOKLYN, KINGS COUNTY, NEW YORK 11215

Residential Units.....2	**$ 6,000,000**
Total Amount of Offering	**$ 6,000,000**

SPONSOR AND SELLING AGENT:

PROSPECT PARK INVESTMENTS, LLC
1311 MILWAUKEE STREET
DELAFIELD, WI 53018

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

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASER. SEE PAGE 1.

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

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

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

Prepared By:

Law Office of Claudia V. Murdoch, P.C.
117 Seventh Avenue
Brooklyn, New York 11215
(718) 569-0045

Brickner Makow LLP
292 Warren Street
Brooklyn, New York 11201
(718) 624-1550

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DEFINITIONS

For convenience of presentation general definitions of key terms used in Part I of the Plan are set forth below, which definitions are subject to the more particular definitions of such terms set forth in the DECLARATION and BYLAWS included in Part II of this Plan.

Board of Managers: The executive and administrative entity designated to act on behalf of the Unit Owners in governing the Condominium.

Building: The building that is the subject of this Offering Plan, which is constructed on the Land and in which the units of the condominium will be located.

Bylaws: The Bylaws governing the operation of the Condominium, the form of which are set forth in Part II of this Plan.

Common Charges: Monthly payments made to the Board of Managers in proportion to each Unit Owner's Common Interest for the purpose of meeting the Common Expenses.

Common Elements: The Land and all parts of the Building other than the Units, including the foundations, windows, roof, and supports of the Building and all areas or facilities therein for the common use of the Units and the Unit Owners.

Common Expenses: The cost and expenses associated with the repair, maintenance, replacement, restoration, operation of, and any alteration, addition to, or improvement of, the Common Elements.

Common Interest: The proportionate interest of each Unit Owner as expressed in a numerical percentage in the Common Elements as determined in accordance with the Declaration. The total of all Common Interests of all Unit Owners equals 100%.

Consummation of the Plan: The filing of the Declaration of the condominium and the first transfer of title to a condominium Unit to at least one purchaser under the Plan following a declaration of effectiveness by the Sponsor.

Declaration of Condominium: The instrument creating the Condominium, the form of which is set forth in Part II of this Plan.

Equal to or Better Quality: Comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as acceptable.

Filing: The issuance of a letter or writing, including electronic, from the New York State Department of Law evidencing that an offering plan or amendment has been accepted for filing.

General Common Elements: All of the Common Elements that are not Limited Common Elements.

Land: The land referred to and more particularly described in the Declaration.

Limited Common Elements: Those Common Elements that serve or benefit a single Unit and the use of which is restricted to said Unit.

Offering Plan: This disclosure document pursuant to Part 20 of Title 13 N.Y.C.R.R., Regulations Governing Newly Constructed, Vacant, or Non-Residential Condominiums.

Property: The Land, the Building, and the appurtenances thereto.

Purchase Agreement: The agreement to purchase a Unit offered for sale pursuant to the Plan, the form of which is set forth in Part II of this Plan.

Purchaser: A Purchaser of a Unit pursuant to a Purchase Agreement.

Sponsor: Prospect Park Investments, LLC, 1311 Milwaukee Street, Delafield, WI 53018.

Unit: Any space designated as a Unit in the Declaration, consisting of a specific apartment in the Building and an appurtenant undivided fee interest in the Common Elements. All of such units are collectively referred to as "**Units**."

Unit Owner: Any owner of any Unit. All of such owners are collectively referred to as the "**Unit Owners**."

SPECIAL RISKS

1) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **TIME IS OF THE ESSENCE** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default will both have the Contract canceled, and lose his down payment. Purchase Agreements will not be contingent upon financing unless a financing rider is executed by the parties. If a Purchase Agreement is contingent upon financing and the purchaser fails to notify the Sponsor in the event s/he has failed to obtain mortgage financing within forty (40) days after receipt of a fully executed Purchase Agreement, then such purchaser will be required to proceed to closing, notwithstanding the fact that purchaser has failed to obtain mortgage financing. If such purchaser then fails to proceed to closing the down payment may be retained by the Sponsor. Purchasers are advised to consult with their attorney concerning all terms of this offering. Please see the 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.

2) In general, sellers of real property are obligated to pay the New York City real property transfer tax and New York State documentary stamp taxes. However, the terms of this Offering Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1.425% of purchase price for residential units), and New York State Documentary Stamp Taxes ($4.00 per thousand) to the Purchaser; therefore, the costs of such taxes represent an additional closing cost to the Purchaser, as well as an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser is responsible for paying to the Sponsor a reimbursement fee of $2,500.00, for paying to the Sponsor's attorney a document preparation fee of $3,000.00. If the closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of $850 will be charged for attending the closing. If the closing takes longer than two (2) hours through no fault of the Sponsor, an additional fee of $250 will be charged for each hour or part thereof that the closing is not concluded. If the closing is adjourned at Purchaser's request, an additional fee of $350 will be charged for each adjournment. Additionally, in the event that the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign a Purchase Agreement, the Purchaser shall pay an additional fee of $1,500 to Sponsor's counsel for preparation and processing of the assignment. In the event the Sponsor shall enter into an Interim Lease with the purchaser, there will be an additional fee of $750.00 per unit. In the event that a purchaser defaults, a fee of $350 will be charged for each default letter. In the event that the closing date set by Sponsor shall

be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative): (i) all adjustments shall be made as of the original closing date and (ii) Purchaser shall pay interest on the unpaid balance of the total Purchase Price to Sponsor from the originally scheduled closing date until the actual date of closing at the rate of 12% per annum. Please see the section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

3) Transfer of control of the Condominium Board of Managers shall pass to unit owners other than the Sponsor at the earlier of: 1) sixty (60) days after the date by which both of the units have been conveyed to unit purchasers, or 2) three (3) years after the first conveyance of a unit to a unit purchaser. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions that can be taken by the Board of Managers while the Sponsor remains in control of the Board of Managers. Such limitations are set forth in the CONTROL BY THE SPONSOR of this Offering Plan.

Until the earlier of five (5) years from the date of closing, or at the time at which the Sponsor or Successor Sponsor owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those expenses described in Schedule B or expenses required to comply with applicable laws or regulations, to remedy any notice of violation, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of occupants of the Building or to remedy any work order by an insurer. 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.

Please see the section of the Offering Plan entitled CONTROL BY THE SPONSOR for a more complete explanation.

4) The 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, escrow deposit, or other security has been furnished to secure the Sponsor's obligations. Please see the section of the Offering Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR for a more detailed explanation.

5) Pursuant to existing law and regulation, the Sponsor may declare the plan effective by selling a minimum of fifteen (15%) percent of the residential units in the building,

which in the case of this building means one (1) unit. If the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium even though there is no guarantee that all of the purchasers counted towards effectiveness will ultimately purchase their units. The Plan would have to be re-declared effective in the event that there was one sale and the sole purchaser failed to close the sale. Please see the EFFECTIVE DATE section of this Offering Plan.

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

Even after a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. Please see the PROCEDURE TO PURCHASE section of this Offering Plan.

7) The Sponsor is not limiting the conditions under which it will rent rather than sell units after consummation of the Offering Plan. There is no commitment to sell more than one (1) unit in this Condominium, which is the minimum necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

8) The By-Laws do not include a provision that, after the initial Sponsor control period, a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL

BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

9) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, the 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 unless the plan is not consummated. A Purchaser will receive a refund of funds used for upgrades if the Plan is abandoned. Please see the PROCEDURE TO PURCHASE Section of this Offering Plan.

10) 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 Common Charges. Please see FOOTNOTES TO SCHEDULE B and SCHEDULE B1.

11) All down payments will be placed in an IOLA account. IOLA stands for "interest on lawyer accounts," and is a special type of account maintained by an attorney for the purpose of holding escrow funds. The escrow account is federally insured by the FDIC at the maximum amount of $250,000. To the extent that the total contract deposits exceed $250,000, they will not be federally insured. Interest earned on IOLA accounts is paid over to the state of New York. No interest is credited to either the purchaser or the seller. Please see the PROCEDURE TO PURCHASE section of this Offering Plan.

12) It is anticipated that the Condominium will be self-managed by the unit owners. Therefore, no amount has been included in the projected budget for the first year of operation for a management fee. Should the Board of Managers at any time elect to employ the services of a managing agent, this will represent an additional cost of approximately 6% to 10% of the annual operating budget, which would require a concomitant increase in the common charges. In addition, no amount is budgeted for a superintendent or custodian and, again, in the event the Board of Managers determines that it is in the best interest of the Condominium to employ a superintendent or custodian, this will result in an increase in common charges. Please see FOOTNOTES 8 and 9 to SCHEDULE B for a more complete explanation, including a listing of some of the tasks that unit owners will need to perform in the event neither a superintendent nor managing agent is employed.

13) Unit 1 will include a cellar storage area, a rear yard area, and a private parlor floor deck area as limited common elements. Unit 2 will include a cellar storage area, a private roof terrace area at the 2nd floor level, and a private roof terrace area at the 4th floor as limited common elements. The cellar floor level of the subject premises is uninhabitable. Cellar spaces may not legally be used as a bedroom or living room. To do so may result in a building code violation being issued for the building. Residential cellar spaces appurtenant to units may not be used for sleeping or dining space. Cellar space has less light and air than ordinary living space and is more susceptible to dampness. No structures of any kind may be built in or on these limited common elements except for temporary structures such as sukkots. The right to use and occupancy is subject to the right of the Condominium to enter into said areas for the purpose of inspection or building repairs. Please see the DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan for a more complete explanation.

14) The projected insurance coverage for the building does not include officers' and directors' liability. Officers' and directors' liability is a type of coverage which protects members of the Board of Managers or officers of the condominium from any liability engendered by performance of their functions, to the extent such activities are within the scope of their designated capacities and do not constitute criminal acts by such officer(s) or manager(s). In the event the condominium wishes to extend such insurance coverage to its directors and managers, this will represent an additional cost on the amount projected for insurance coverage in Schedule B. Please see SCHEDULE B and FOOTNOTES thereto for a more complete explanation.

15) The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith. The Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his or her duties, except acts of willful misconduct or acts made in bad faith. However, the several liability of a Unit Owner shall be limited to the extent that his or her proportionate interest in the Common Elements bears to the total liability of the members of the Board of Managers. See BOARD OF MANAGERS in Part I of the Plan.

16) At each unit closing the Sponsor will transfer maintenance manuals and warranties for said Unit, as applicable, to the Purchaser. At the meeting of the Board of Managers to be convened within sixty (60) days after the closing of the first unit the Sponsor will transfer construction documents, including "as-built" materials, maintenance manuals, and warranties, as applicable, to the Condominium. Please see the CONTROL BY THE SPONSOR section in Part I and the ARCHITECT'S REPORT located in Part II of this Offering Plan.

17) The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies 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. Please see PROCEDURE TO PURCHASE in Part I, and PURCHASE AGREEMENT located in Part II of this Offering Plan.

18) In the event a child under eleven (11) years old resides in a unit or visits a unit for an extended period of time, the owner of that unit will be required, at his/her own cost and expense, to install child safety window guards on all windows in conformity with applicable New York City Administrative Code sections, and shall not remove them until permitted by applicable law. Failure to do so may create great risk to the life and health of such child, and result in the imposition of a violation against the building which would be the responsibility of the unit owner to cure. Please see the ARCHITECT'S REPORT in Part II for a more complete explanation.

19) There are three separate roof levels at the subject premises. There is a roof terrace at the second floor level that is allocated to Unit 2 as a limited common element. This roof terrace is suitable for walking and recreation. There is another roof terrace at the penthouse level that is allocated to Unit 2 as a limited common element. This roof terrace is also suitable for walking and recreation. The main roof of the subject premises is a common element; this roof surface is functional for mechanical access and emergency egress and is not suitable for recreation. With regard to the three separate roof levels, no permanent structures may be built on any of the roof levels without a permit from the Building Department, and the Board of Managers. The Board of Managers will have access for inspection and structural repair and may regulate any one or more of the following aspects of construction:

1. Time periods during which work is permitted;
2. The manner in which construction degree will be handled;
3. Measures which must be taken to prevent compromising the security of the building during construction;
4. Interruption of services during construction;
5. Liability insurance for contractors during construction.

Applicable zoning rules do not currently allow the construction of anything on the roof other than temporary structures such as sukkots. Any structural damage occurring to any

of the roof levels shall be the sole responsibility of the Condominium and/or any such Unit Owner causing such damage and will need to be repaired at the Condominium or such Unit Owner's sole cost and expense as determined by the Condominium Board of Managers. Any surface damage to the rooftop terraces at the second floor and penthouse levels allocated to Unit 2 as limited common elements shall be the sole responsibility of the Unit Owner of Unit 2. Improper use of the roof may void any roof warranty described in the DESCRIPTION OF PROPERTY AND BUILDING CONDITION. Please see SCHEDULE A and DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in this Offering Plan.

20) Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs, so long as such longer time is reasonable. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. An interim lessee assumes the risk of loss to his/her personal property that is not covered by the condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance. Please see the PROCEDURE TO PURCHASE section of the Offering Plan.

21) The Sponsor anticipates that the first closing of a unit will occur by June 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than May 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first unit closing occurs before May 31, 2022, 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 your 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, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the Purchase Agreement, affected purchasers will be offered a right of rescission.

Purchasers will have at least fifteen (15) days from presentation of an offer of rescission within which to elect to rescind.

Please see the PROCEDURE TO PURCHASE section in Part I of this Offering Plan.

22) Units will not be separately assessed for the first year of condominium operation. On closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of the 2021/2022 tax year. As each subsequent individual condominium Unit is sold, the purchasers thereof, as a standard closing adjustment, shall reimburse the Sponsor for the portion of their tax liability paid by the Sponsor from the date of closing through the end of the 2021/2022 tax year. The amount of the taxes deposited with the Board of the condominium will be disclosed in the post-closing amendments until the units are separately assessed. The Board shall be authorized to pay such taxes as and when due from such escrow fund. It is anticipated that Units will be separately assessed for the 2022/2023 tax year, and that individual Unit Owners (whether purchasers, holders of unsold shares, or the Sponsor) will pay the taxes thereof as set forth in the attached SCHEDULE A. After the units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other unit. Please see SCHEDULE A and REAL ESTATE TAXES located in Part I of this Offering Plan.

23) Units 1 and 2 each contain cellar storage space. Cellar space is not habitable and may not be used for sleeping or dining. Cellar space has less light and air than ordinary living space and is more susceptible to dampness. Cellar space shall not be rented independently. Please see SCHEDULE A located in Part I of this Offering Plan.

24) The Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in this Plan, nor will the Sponsor indemnify the Board of Managers or defend lawsuits that arise which are not the result of the Sponsor's acts or omissions. Each prospective Purchaser may have the Building and apartments therein inspected by an architect or engineer of his or her own choosing to determine the quality of materials and workmanship. Any and all representations and obligations, which are imposed by the Sponsor by virtue of this Offering Plan or the

General Business Law, the performance of which shall occur after the transfer of title shall survive delivery of the deed. However, nothing herein is intended to abrogate the responsibility of the Sponsor under the General Obligations Law, the General Business Law and the Regulations promulgated by the Department of Law. Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. See section entitled SPONSOR'S STATEMENT OF BUILDING CONDITION.

25) Although sufficient to replace the structure if totally destroyed, the fire and extended coverage is below the total purchase price of the property. In addition, pursuant to Section 254 of the Real Property Law, the holder of a mortgage encumbering the Unit has the right to retain the proceeds of the fire insurance policies in the event of damage by fire. See FOOTNOTES TO SCHEDULE B.

26) Sponsor will in no event be liable for minor imperfections to the Unit (as defined in the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR). The Sponsor shall not be liable for, or obligated to defend, any suit with respect to the building or any Unit arising out of any occurrence taking place after the First Closing, except claims stemming from the gross negligence of Sponsor or its agents, employees, or contractors. All obligations of the Sponsor shall be enforceable only by the Board of Managers and not by the individual Unit Owners, unless an alleged construction defect relates to one Unit only and is not a common defect affecting two or more Units. During the period that the Sponsor controls the Board, however, any decision to enforce such obligations shall be made by majority vote of the non-Sponsor controlled members of the Board of Managers. See RIGHTS AND OBLIGATIONS OF THE SPONSOR in Part I of the Plan.

27) The north wall of the subject premises are designated as a landmark by the New York City Landmarks Preservation Commission (LPC). Any type of construction on the building that affect its historic façade, such as work to the brownstone or limestone exteriors, decorative cornice, and windows or stone sills along the north wall must receive a permit from the LPC prior to the start of construction. Prior to the commencement of construction that may alter the outward appearance of the building, building owners are required to apply to the LPC for permission to perform such construction, and must provide detailed construction plans and information regarding the contractor, including but not limited to the contractor's contact and insurance information. Prior to consummation of the Offering Plan the responsibility of applying

to the LPC for construction permission is the Sponsor's; after consummation the responsibility is the unit owners'. Unit owners may reasonably anticipate extra costs of approximately 5% to 25% by virtue of complying with the requirements of the LPC, as well as extra time needed to secure the permission of the LPC prior to construction. No line item in the budget is provided for such expense, as the property is newly renovated and such construction is not anticipated during the first year of operation. Please see ARCHITECT'S REPORT located in Part II of this Offering Plan.

28) Individual unit owners are responsible for repairs to and maintenance within their own condominium units and will be required to obtain HO-6 (wall-to-wall) insurance coverage at their own cost and expense to insure them for such risks as fire and casualty losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments. Otherwise, unit owners would not be covered for risks such as fire and casualty losses within their apartments. The condominium Board of Managers is not obligated to repair and maintain individual apartments, nor provide casualty and/or liability insurance for occurrences that may occur in individual apartments. Please see RIGHTS AND OBLIGATIONS OF UNIT OWNERS / BOARD OF MANAGERS included herein.

29) New York City Local Law 147 went into effect on August 28, 2018 and requires buildings with three or more residential units to adopt written smoking policies. For condominiums such as the subject premises, the Board of Managers must adopt such a policy; the policy for this condominium is as follows: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements. Please see the RIGHTS AND OBLIGATIONS OF UNIT OWNERS section of this Offering Plan.

30) Sponsor is reserving the right to delay the collection of Common Charges until such time into the future. During any such period of delay, the Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any reserve fund payments required by lenders. Such expenses shall not include individual unit owner expenses such as real estate taxes, utility charges, etc. Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to update the budget for the Condominium as required by Department of Law governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such

fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of Common Charges, Sponsor will notify all unit owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent Purchasers. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.

31) Principals of Sponsor have executed the Certification of Sponsor and Principals set forth in Part II of the Plan solely for Martin Act purposes. Consistent with a First Department decision in Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, *et.al.*, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013), the Principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. Please see CERTIFICATION OF SPONSOR AND PRINCIPALS located in Part II of this Offering Plan.

32) On November 15, 2018, the Financial Crimes Enforcement Network ("FinCEN") announced the issuance of a revised Geographic Targeting Order ("GTO"). This revised GTO requires U.S. title insurance companies to identify and report to FinCEN the natural persons behind companies making certain "all-cash" purchases of residential real property located within New York City where the purchase price exceeds $300,000.00. Virtual currency, as well as other forms of payment aside from "all-cash," are also governed by this order. The subject premises are located within this GTO. All-cash purchasers closing after November 17, 2018 will be subject to the reporting requirements of this GTO. Purchasers are advised to confer with their own counsel regarding the effects of the GTO on their real estate purchases.

33) On March 31, 2019, New York State announced additions to the base real estate transfer tax ("transfer tax") and established a new supplemental tax ("supplemental tax") on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is $3 million or more, and conveyances of any other property when the consideration for the conveyance is $2 million or more. The new

supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is $2 million or more. Purchasers shall be responsible for paying the base transfer tax and supplemental tax. The purchaser's payment of the base transfer tax will itself be deemed additional consideration, resulting in a "tax on a tax" effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs. Please see CLOSING COSTS AND ADJUSTMENTS section of the Offering Plan for a more complete explanation.

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

Furthermore, because Sponsor and the By-Laws of the Condominium may permit unit owners to undertake renovations to individual units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO. Please see the RIGHTS AND OBLIGATIONS OF THE SPONSOR section of this Offering Plan.

35) No lead-based paint was detected at this property. All interior elements including walls, stairs, doors, casings, and flooring have been removed during demolition. No lead testing reports can be located from the contractor. However, the original building was built circa 1890. Buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004, a copy of which is included as an exhibit to this plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for, lead paint. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

36) The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit, except as required by the New York State Housing Merchant Implied Warranty Law. The Sponsor is not limiting the New York State Housing Merchant Implied Warranty Law. The Sponsor's obligation, regardless of any limitations in the warranty or in this offering plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Please see RIGHTS AND OBLIGATIONS OF THE SPONSOR located in Part I of this Plan and the HOUSING MERCHANT IMPLIED WARRANTY LAW located in Part II of this Offering Plan at pages HM1-HM7.

37) The square footage in SCHEDULE A located in Part I of this Offering Plan is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area, and adding together for each apartment all of the areas contained therein. The square footages of each unit are not based upon measurements from interior surfaces of interior walls, but are based upon the approximate area measured horizontally from the outside face of the glass window and/or exterior walls to the centerline of the partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, elevators and other mechanical equipment spaces that are not part of the unit. Columns, mechanical pipes, shafts, chases, chaseways, public corridors, elevator shaft space and conduits are not deducted from the measurement of the unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square

footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration.

38) Unit 2 Penthouse space is for accessory use only. Such space shall not be used for sleeping, cooking, and/or living purposes and may not be rented independently. To do so may result in a violation being placed against the building which would be the responsibility of the unit owner to remove. See FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan.

39) Winder stair treads are not code-compliant for Unit 2 interior "convenience" stair (from the 3rd floor to the penthouse floor), which could pose a risk for someone stumbling and falling on the stairs causing harm. Stairs within dwelling units are allowed to have winder treads, but the tread depth shall not be less than 7" deep at any point per 1938 Old Code for required stairs (4)(D)(Dimensions of Treads and Risers). Please see ARCHITECT'S DESCRIPTION OF PROPERTY included in Part II of this Offering Plan.

40) The East and West side walls of the subject premises are structural "party" walls shared with the neighbor and the property line runs down the center of such walls. The East wall is a brick party wall with 2 wythes of brick separation with the neighbor. The East party wall had cracks that were seen after demolition. All cracks have been repaired as per the structural engineer's guidelines and are in good condition. The West wall is a brick party wall with 2 wythes of brick separation with the neighbor. The West party wall had cracks that were seen after demolition. All cracks have been repaired as per the structural engineer's guidelines and are in good condition. Please see ARCHITECT'S DESCRIPTION OF PROPERTY included in Part II of this Offering Plan.

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 577 5th Street, Brooklyn, New York. The purpose of this plan is to set forth fully 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 apartment, all unit owners, and all other persons entitled to service pursuant to local law or statute.

The Sponsor of this offering plan is Prospect Park Investments, LLC, a Wisconsin limited liability company formed on July 14, 2014, with offices at 1311 Milwaukee Street, Delafield, Wisconsin 53018. The Principal of the Sponsor is David May, also of 1311 Milwaukee Street, Delafield, Wisconsin 53018. The Sponsor acquired title to the property on January 19, 2018, from the principal of the Sponsor David May and his wife Teresa May in their personal names. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED as 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. 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 at 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 consist of a single building composed of four stories, a cellar, and a basement, and containing, in aggregate, two (2) residential units. Unit 2 is currently occupied by David Joseph May, the son of the Principal of the Sponsor, and his wife, Rebecca May. There are no tax exemption or abatement benefits currently applicable to the premises. The property is located in the Park Slope section of Brooklyn. There will be

no on-site recreational facilities. The Sponsor intends to market both residential units for sale and will provide in each residential unit a gas range, dishwasher, refrigerator, microwave, and stackable washer/dryer unit. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. In the event Sponsor has rented a Unit and, subsequently, sells the Unit pursuant to this Plan, such sale of the Unit will provide that it will be sold with used appliances and in "as is" condition, except for any applicable warranties expressly provided in this Plan. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of 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, sexual orientation, national origin, ancestry, or any other reason prohibited by civil rights law in the sale of apartments offered by this Plan, or in the leasing of any apartment in the Building. Unit owners have an unrestricted right to lease, sell or mortgage units. Use of units is limited to residential use and appurtenant home office use.

This is an existing building, originally constructed pre-Certificate of Occupancy circa 1890, which underwent renovation of existing systems and structures starting in 2016 and expected to be substantially completed in January of 2021. The structure and materials comprising the exterior of the building has remained. Changes to interior layout include removal and installation of non-load bearing partitions, plumbing, and related mechanical works. No change to the building's use is proposed, but Sponsor will obtain a temporary or final Certificate of Occupancy prior to closing on any unit.

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/her unit outright and is entitled to exclusive possession of such unit. Each purchaser also has an interest in, 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 which, in addition to his/her own Unit, 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 that 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 such unit owner(s). In this condominium, Unit 1 will include a cellar storage area, a rear yard area, and a private parlor floor deck area as limited common elements. Unit 2 will include a cellar storage area, a private roof terrace area at the 2nd floor level, and a private roof terrace area at the 4th floor as limited common elements. No structures of any kind may be built in or on these limited common elements except for temporary structures such sukkots. The right to use and occupancy is subject to the right of the Condominium to enter into said areas for the purpose of inspection or building repairs. Please see the DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan for a more complete explanation.

(3) After filing of the Declaration, each unit will be separately taxed and may be separately mortgaged; each unit owner may deduct from adjusted gross income for income tax purposes real estate taxes and mortgage interest. No unit owner will be responsible for payment of, or any lien arising out of nonpayment of, real estate taxes assessed against any other unit in the building.

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

(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 apartments to their personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments.

(7) Unit owners are responsible for maintenance and repairs to their individual units.

(8) The condominium Board does not have the right to approve or disapprove Purchasers, so there is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents.

(9) Each unit owner is obligated to comply with the DECLARATION, the BY-LAWS, rules and regulations, and any other requirements of the Board of Managers.

The purchase prices, estimated common charges, and estimated real estate taxes 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 Sponsor has not obtained construction financing and does not intend to obtain such financing.

While the Sponsor will endeavor in good faith to sell all units in a reasonably timely manner, the Sponsor is not limiting the conditions under which it will rent rather than sell units. There is no commitment to sell more units than the 15% necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. Additionally, the By-Laws do not include a provision that after expiration of the initial Sponsor Control period, a majority of the Board of Managers must be Owner-Occupants or members of an owner occupant's household who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor is bound by Sponsor's representation regarding its commitment to sell units.

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 UNIT.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The structure which is the subject of this Offering Plan will consist of a single building composed of a cellar, a basement, and four stories, and will contain, in aggregate, two (2) residential units. The property is located in the Park Slope section of Brooklyn in a Landmark Preservation District. There will be no common recreational facilities. All cabinetry and fixtures in kitchens and baths will be new. The Sponsor will install a gas burning stove, refrigerator, dishwasher, microwave, and stackable washer/dryer in each residential unit. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

There are three separate roof levels at the subject premises. There is a roof terrace at the second floor level that is allocated to Unit 2 as a limited common element. This roof terrace is suitable for walking and recreation. There is another roof terrace at the penthouse level that is allocated to Unit 2 as a limited common element. This roof terrace is also suitable for walking and recreation. The main roof of the subject premises is a common element; this roof surface is functional for mechanical access and emergency egress and is not suitable for recreation.

Certain units will have the right to exclusive use of portions of the common elements of the property. These areas are called limited common elements. Unit 1 will include a cellar storage area, a rear yard area, and a private parlor floor deck area as limited common elements. Unit 2 will include a cellar storage area, a private roof terrace area at the 2nd floor level, and a private roof terrace area at the penthouse level as limited common elements. No structures of any kind may be built in or on these limited common elements except for temporary structures such as sukkots. The right to use and occupancy is subject to the right of the Condominium to enter into said areas for the purpose of inspection or building repairs.

This is an existing building originally constructed circa 1890, which underwent renovation of existing systems and structures starting in 2016 and expected to be substantially completed in January of 2021. The structure and materials comprising the exterior of the building has remained. Changes to interior layout include removal and installation of non-load bearing partitions, plumbing, and related mechanical works. The interior of the building is currently under construction. As a result of the interior

renovation, a new Certificate of Occupancy will be issued for a two-dwelling building upon completion of construction. No change to use or occupancy is proposed.

The Sponsor acquired the property on January 19, 2018 from the principal of the Sponsor and his wife in their personal names. The principal of the Sponsor and his wife had acquired the property in their personal names on July 7, 2014 from the prior owners. The property was owner-occupied at the time of the July 7, 2014 acquisition and the three prior owners leased back the property for approximately 3 months after the closing date while they were getting their new home ready for occupancy. Thereafter, the prior owners vacated the property and moved into their new home, at which point the property became vacant.

The Sponsor will complete the work set forth in this plan relating to the building, and the apartments contained therein, in accordance with all applicable zoning and building laws, including, but not limited to, the 1938 Building Code of the City of New York, the New York City Administrative Code, and the Zoning Resolution of 1961 as amended, and subject to procurement of all applicable and proper permits which are required, if any. All residential units will be equipped with operable smoke and carbon monoxide detectors as required by the New York City Administrative Code.

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 in Part II of this Offering Plan. With reference to such material, a licensed architect or engineer 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 on 5th Street, between 8th Avenue and Prospect Park West, in the Park Slope section of Brooklyn, in the county of Kings, in the city and state of New York. There are no undeveloped areas adjoining the premises. This is a residential urban neighborhood that is served by shopping, recreational, medical, religious, and educational facilities, as well as a network of streets, roads, and urban transportation. Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York.

Nearby 5th and 7th Avenues are main thoroughfares of shopping, restaurants, and activity. The B67 and B69 buses serve 7th Avenue, and the B63 bus serves 5th Avenue. Both the B63 and the B67 buses provide access to the nearby Barclays Center, home of the Brooklyn Nets. The R subway line has a station located nearby at Union Street and 4th Avenue. The 2/3 subway line also has a stop located nearby at Grand Army Plaza. Also near Grand Army Plaza is the main branch of the Brooklyn Public Library. The Brooklyn Botanic Garden is nearby. A branch of local grocery and gourmet store Union Market is located at the corner of Union Street and 6th Avenue. There is a gym located at the corner of 5th Avenue and Union Street. The subject premises are within walking distance of Prospect Park. Methodist Hospital is located nearby at 7th Avenue and 6th Street. Nearby places of worship include the Church of St. Francis Xavier, which also runs a parochial school, at 6th Avenue and Carroll Street (the school is located on President Street), and Congregation Beth Elohim, at 8th Avenue and Garfield Place. P.S. 321 is the local zoned public elementary school; the subject premises are located in educational District 15. The private Berkeley Carroll School is located nearby.

Zoning of the site is R6A Residential, which permits residential use as-of-right, as well as community facilities such as churches, schools, and medical offices.

Neither the Sponsor nor principal of the Sponsor own, or have the option to acquire, any adjacent areas that are not fully developed.

SCHEDULE A

PURCHASE PRICES AND ALLOCATION OF COMMON INTEREST

577 5th Street, Brooklyn, New York

First Year of Operation

June 1, 2021 - May 31, 2022

Unit	Habitable Sq. Ftg. (1A)	Other Sq. Ftg. (1B)	Bdms/ Bths (2)	% of Common Interest (3)	Offering Price (4)	Monthly Common Charges (5)	Monthly Real Es. Taxes (6)	Monthly Carrying Charges (7)	Annual Common Charges (8)	Annual Real Es. Taxes (9)	Annual Carrying Charges (10)
1	2,436	814.5	3/2.5	50.00%	$3,000,000	$908.50	$1,062.50	$1,971.00	$10,902.00	$12,750.00	$23,652.00
2	1,901	1,836	2/3.5	50.00%	$3,000,000	$908.50	$1,062.50	$1,971.00	$10,902.00	$12,750.00	$23,652.00
TOTALS				100%	$ 6,000,000	$1,817.00	$2,125.00	$3,942.00	$21,804.00	$25,500.00	$47,304.00

Notes:

1) As part of the "Other Sq. Ftg." column above, Unit 1 will include a cellar storage area of 238.5 sf and a rear yard area of 576 sf allocated as limited common elements. Unit 2 will include as part of "Other Square Footages" a cellar storage area of 624 sf, an accessible storage area of 382 sf at the penthouse level, a private roof terrace area at the 2nd floor level of 312 sf, and a private roof terrace area at the penthouse level of 518 sf as limited common elements.

2) The cellar floor level of the subject premises is uninhabitable. Cellar spaces may not legally be used as a bedroom or living room. To do so may result in a building code violation being issued for the building. Residential cellar spaces appurtenant to units may not be used for sleeping or dining space. Cellar space has less light and air than ordinary living space and is more susceptible to dampness.

3) In addition to the purchase price there are additional closing costs assessed against each unit, such as document preparation fee, payment of transfer taxes, working capital fund contribution equal to two months' common charges, etc. Additionally, Purchasers will pay their own title insurance costs, recording charges, and mortgage recording taxes. Please see the CLOSING COSTS AND ADJUSTMENTS section of this Offering Plan for a more complete explanation.

FOOTNOTES TO SCHEDULE A

1. The square footage in SCHEDULE A is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area, and adding together for each apartment all of the areas contained therein. The square footage of each unit is not based upon measurements from interior surfaces of interior walls. The square footage of each unit consists of the area measured horizontally from the outside face of the glass window and/or exterior walls to the centerline of the partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, elevators, and other mechanical equipment spaces that are not part of the unit Columns, mechanical pipes, shafts, chases, chaseways, and public corridors are not deducted from measurement of unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan, and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration.

2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths that do not include a tub or shower are counted as half baths. See the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.

3. The determination of percentages of Common Interest allocated to each unit is based upon equal percentages, one for each unit as of the date of filing the Declaration, or in equal percentages within separate classifications of units as of the date of filing the Declaration, as per Section 339(i)(1)(iii) of the New York State Real Property Law.

4. Across-the-board changes in unit prices, advertised price changes, and increases in individual unit prices may be made only by an amendment duly filed with the New York State Department of Law; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. Purchasers will also incur certain closing costs in connection with the purchase of their unit. See CHANGES IN PRICES IN UNITS and CLOSING COSTS AND ADJUSTMENTS sections of this Offering Plan.

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

6. After the condominium is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A 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.

The anticipated date of completion of construction is January of 2021.

Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. Sponsor has received an estimate from the Mazursky Group, 42 Broadway, Suite 1744, New York, NY 10004 of an estimated post-completion of construction assessed value for the 2021/2022 tax year for the entire building of $120,000.00. This estimate assumes a tax rate of 20.25% for Tax Class One properties, and therefore projects a total tax burden for the entire building of $25,500.00 for the projected first year of condominium operation. Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes up to the limits imposed by the Tax Cuts and Jobs Act of 2017. See COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

7. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each unit.

8. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued. The projected tax deduction may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any), or from changes in the allocation of constant debt service payments to interest and principal; or due to changes in real property taxes resulting changes in the assessed value, tax rates, or the method of assessing real property; or from changes in the tax laws governing deductibility of mortgage interest and real estate taxes. Please see the COUNSEL'S TAX OPINION LETTER set forth in this Offering Plan for a more complete explanation.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
June 1, 2021 – May 31, 2022

INCOME	
Common Charges	$ 21,800
EXPENSES	
Gas for Heat and Hot Water (1)	$ -0-
Electricity (2)	$ 792
Water and Sewer (3)	$ 2,118
Repairs and Maintenance (4)	$ 1,000
Services and Supplies (5)	$ 500
Insurance (6)	$ 11,190
Legal, Accounting, and Professional Fees (7)	$ 3,000
Labor (8)	$ -0-
Management (9)	$ -0-
Miscellaneous (10)	$ 1,000
Capital Reserve Fund (11)	$ 2,200
Total	$ 21,800

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN SIX (6) MONTHS BEYOND THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTION EXCEEDS ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR MUST OFFER ALL PURCHASERS THE RIGHT TO RESCIND. SUCH PURCHASERS SHALL EXERCISE SAID RIGHT OF RESCISSION IN A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION OF SAID AMENDED BUDGET, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR MUST RETURN ANY DEPOSIT OR DOWN-PAYMENT TO A PURCHASER WHO RESCINDS WITHIN 10 DAYS AFTER RECEIPT OF NOTICE OF RESCISSION.

ADDITIONALLY, PURCHASERS WILL BE OFFERED THE OPPORTUNITY TO RESCIND THEIR PURCHASE AGREEMENT IN THE EVENT CLOSING DOES NOT OCCUR WITHIN 12 MONTHS FROM THE COMMENCEMENT DATE OF THE PROJECTED BUDGET.

PURCHASERS SHOULD ALSO NOTE THAT EVEN IF THE FIRST CLOSING OCCURS ON OR BEFORE THE DATE PROJECTED AS THE DATE OF COMMENCEMENT OF OPERATION AT THE TIME THE PURCHASE AGREEMENT WAS ENTERED INTO OR WITHIN THE TWELVE (12) MONTH PERIOD THEREAFTER, THE CLOSING OF SUBSEQUENT UNITS MAY BE SUBSTANTIALLY DELAYED BEYOND SUCH DATES IF A TEMPORARY CERTIFICATE OF OCCUPANCY HAS NOT BEEN ISSUED FOR SUCH UNITS OR FOR THE FLOOR ON WHICH SUCH UNITS ARE LOCATED. IN SUCH CASE, PROVIDED THAT THE SPONSOR IS DILIGENTLY PURSUING COMPLETION OF CONSTRUCTION AND ISSUANCE OF A CERTIFICATE OF OCCUPANCY AND IS OTHERWISE IN COMPLIANCE WITH ITS OBLIGATIONS UNDER THE PLAN, A PURCHASER WILL NOT BE ENTITLED TO A RIGHT OF RESCISSION OR TO MAKE CLAIMS AGAINST THE SPONSOR FOR DAMAGES OR LOSSES AS A RESULT OF SUCH DELAYS AND WILL NOT BE EXCUSED FROM PAYING THE FULL PURCHASE PRICE FOR THE UNIT. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATIONS AS TO WHETHER TO PURCHASE A UNIT. IN THE EVENT, HOWEVER, SPONSOR CANNOT CONVEY TITLE TO THE UNIT ON OR BEFORE TWELVE (12) MONTHS FROM THE DATE OF THE PURCHASE AGREEMENT, AFFECTED PURCHASERS WILL BE OFFERED A RIGHT OF RESCISSION.

FOOTNOTES TO SCHEDULE B

1. Heat and hot water for each unit are provided by separate gas fired boilers and hot water heaters serving each unit. Each purchaser will pay separately for the heat and hot water supplied to his/her unit. No heat is provided to the common areas of the building. See SCHEDULE B1 hereinafter set forth for an estimate of individual heat and hot water charges.

2. The Sponsor has obtained an estimate, dated October 25, 2019, from M.E.P. Designs, Inc., 1839 Ocean Parkway, Brooklyn, New York, of approximately 2,000 kilowatt hours per year of electrical usage for the common areas. The projection in SCHEDULE B is based on a rate of approximately 30 cents per kilowatt hour, and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water is supplied to the building by the City of New York through a single water meter serving the entire building. Projected water and sewer costs are based upon a current New York City estimate of 200 gallons per day per residential unit, current charges of $3.81 per 100 cubic feet of water consumed, and sewer charges of $6.06 per 100 cubic feet of water consumed. Projected figure also includes a 10% allowance for inflation.

4. Repairs and maintenance to building: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. Insofar as this is a newly renovated building it is not anticipated that any major repairs will be required. The budgeted figure includes such items of regular maintenance as cleaning, painting and minor mechanical, carpentry, or electrical work. Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances.

5. Services and supplies: These include items expected to be consumed in the normal course of building operation, including light bulbs, cleaning supplies, paints, and hardware items.

6. Insurance: Sponsor has received projection as of December 10, 2019 estimating the cost of coverage for the building via a package policy through Brownstone Agency, Inc., 32 Old Slip, New York, NY 10005 in the following coverage amounts:

Building.....$2,505,000 Replacement Value

Liability.....$1,000,000 Per Occurrence
$2,000,000 Aggregate

Deductible.....$5,000

The foregoing insurance, including the public liability coverage included therein will be in effect at the time of closing. The insurance company has advised the Sponsor via letter that in its opinion, the amount of coverage is adequate to rebuild the building structure if totally destroyed by any insured peril; however, the policy does not guaranty the replacement of individual fixture and improvements installed by individual unit owners. This policy waives a standard co-insurance clause, so that no insured thereunder shall be a co-insurer. The policy will provide that:

(i) each unit owner will be an additional insured;
(ii) there will be no cancellation without notice to the board of managers and individual unit owners;
(iii) will waive subrogation;
(iv) will waive invalidity because of the acts of the insured and individual unit owners;
(v) and, will waive pro rata reduction if individual unit owners obtain additional individual coverage.

The policy does not include officers and directors liability, umbrella coverage, boiler coverage, or blanket fidelity, which can be provided at extra cost. Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risk as fire and casualty losses to unit contents, replacements, additions, up-graded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on or in the limited common elements pertinent to the units.

7. Legal and Accounting Fees: This figure is based on an estimate, dated November 12, 2019, received from Sikich Certified Public Accountants and Advisors, for preparation of Federal tax returns, which estimate was $2,500.00. An additional $500 is budgeted for the preparation of state and local tax returns. No legal services are budgeted for during the first year of operation. In the event that legal services are necessary, same would represent an

additional cost. An attorney for the condominium has not been determined. The condominium Board of Managers will determine the attorney for the condominium in the future.

8. Due to the size of the building, it is expected that no superintendent will be employed. Should the Board of Managers elect at any time to employ the services of a superintendent, this will represent an additional cost, which would require a concomitant increase in the common charges. Activities which the unit owners will need to perform in the event no superintendent is employed include rubbish removal, cleaning, painting, bulb replacement, snow removal, landscaping and minor repairs.

9. Due to the size of the building, it is expected that the building will be self-managing. Should the Board of Managers elect at any time to employ the services of a managing agent, this will represent an additional cost of approximately 6%-10% of the annual operating budget, which would require a concomitant increase in the common charges.

Activities which the unit owners will need to perform in the event no managing agent is employed include maintenance of checking and savings accounts for the condominium; collection of monthly common charges; payment of all condominium common charges; processing of all individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the day-to-day operation of the building; compliance with all government laws and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of condominium-adopted rules and regulations including enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual unit owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building, will need to be dealt with by the Board of Managers.

10. The miscellaneous budgeted item is intended to provide a cushion for unforeseen costs and an opportunity for the condominium to accrue a reserve for future expense.

11. The projected item represents a reserve for repair or replacement of major mechanical systems or structural elements of the building. The capital reserve fund may not be used for regular operating expenses or to reduce the monthly common charges.

SCHEDULE B1
June 1, 2021 – May 31, 2022

Heat and hot water are provided to each individual unit by separate boilers and hot water heaters serving each such unit. The attached Exhibit A includes annual estimates received on October 25, 2019 from M.E.P. Designs, Inc., 1839 Ocean Parkway, Brooklyn, NY 11223 for the cost of providing gas for heat, hot water, cooking, and drying, and the cost of providing electricity, for each residential unit. The costs do not include an estimate of gas used for any other purpose.

The estimate assumes the following:

(a) Current National Grid gas rate of $1.50 per therm;
(b) Indoor design temperature of 72 degrees Fahrenheit;
(c) Winter outdoor design temperature of 15 degrees Fahrenheit.

Taxes are based on current New York City and New York State sales taxes applicable to the sale of natural gas use for home heating purposes and to electricity.

A 10% inflation factor has been included with regard to heating and electricity costs.

The cost of providing hot water for domestic use (washing, bathing, etc.) is highly dependent both on the number of people located in the apartment and their pattern of usage.

SCHEDULE B1 - EXHIBIT A
Annual Utility Estimates
577 5th Street, Brooklyn, New York

Unit	Electricity Estimate	Gas Estimate	Taxes	Inflation	Total
1	$2,571.00	$2,617.00	$448.76	$518.80	$6,155.56
2	$2,979.00	$2,979.00	$515.37	$595.80	$7,069.17

CHANGES IN PRICES AND UNITS

Across-the-board increases or decreases in unit prices, advertised price changes, and increases in individual unit prices may be made only by an amendment duly filed with the New York State Department of Law. However, prices are negotiable and Sponsor may enter into an agreement with a purchaser to sell one or more units at prices lower than those set forth in SCHEDULE A without filing an amendment 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. If a Purchase Agreement has been executed and delivered to the Sponsor for that unit then no material change will be made in unit size, layout, or percentage of common interest unless the affected purchaser consents. No material change will be made in the size, and no material adverse change will be made in the quality, of common elements unless all purchasers consent. 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.

BROOKLYN PROPERTIES
LICENSED REAL ESTATE BROKERAGE FIRM
LOCATIONS 113 7th Avenue | 213 7th Avenue | 85 Fort Greene Place
718.788.3888 | info@brooklynproperties.com

March 13, 2020

COMPLIANCE WITH REAL PROPERTY LAW 339-(i)(1)(iii)

Prospect Park Investments, LLC
1311 Milwaukee Street, Delafield, WI 53018

Dear Sir or Madam:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 577 5th Street, Brooklyn, New York, with Section 339(i)(1)(iii) of the New York Real Property Law. You have informed us that the method of allocation chosen is that the interest of each of the units shall be in equal percentages, one for each unit as of the date of filing the Declaration, or in equal percentages within separate classifications of units as of the date of filing the Declaration. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339(i)(1)(iii) of the New York State Real Property Law.

I have been a licensed real estate broker for in excess of twenty years and have managed approximately eleven total buildings in this area over ten years with extensive experience in the sale, management, and rental of cooperative and condominium units in Kings County. We have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof. We are not, in any way, associated with you or any other participant in the project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to us in such reasonable inquiries as to the validity thereof as we deemed appropriate under the circumstances; and, is not intended as a guarantee of the actual value of any individual unit. We consent to the inclusion of this letter in your Offering Plan.

Sincerely,

Hal Lehrman
Licensed Real Estate Broker

INTERIM LEASE

The Sponsor may, at Sponsor's option, extend an interim lease to any purchaser who has executed a contract of sale for a unit at the subject premises and is not in default thereon. It shall be in the Sponsor's sole and exclusive discretion as to whether or not to offer an interim lease. The Sponsor may, for any or for no reason, refuse to offer an interim lease to any purchaser. The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status, or any other grounds prohibited by law. Interim leases or short term leases shall not be offered to any party who has not executed a Purchase Agreement for a unit. The interim lease shall not create a landlord-tenant relationship; rather, it shall be deemed the use and occupancy agreement and part of the contract. No rental protection laws are applicable to the interim leases. The interim lease will provide that in the event the contract is cancelled or the Plan is abandoned the Interim Lessee will move out on 30 days written notice. The interim lease will further provide that an uncured default under the Purchase Agreement is a default under the interim lease, and that an uncured default under the interim lease is a default under the Purchase Agreement. Notwithstanding the foregoing, before the Sponsor can utilize a default under the interim lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim lessee, unless the interim lessee has vacated the unit. The Sponsor must make a written demand for payment after default at least 30 days before forfeiture of the deposit may be declared. Interim lessee has 30 days to vacate the unit after receipt of written notice of a default, after delivery to the Sponsor of written notice of exercise of right of rescission, or after delivery to the purchaser of written notice that the Plan has been abandoned. A person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. Any conflict between the Plan and the Interim Lease will be resolved in favor of the Plan. A SAMPLE INTERIM LEASE is located in Part II of this Offering Plan.

PROCEDURE TO PURCHASE

Persons desiring to purchase condominium units will be required to execute a Purchase Agreement 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 BRICKNER MAKOW, LLP IOLA ACCOUNT. The Sponsor is not obligated to negotiate with the Purchaser. Sponsor reserves the right to accept a lesser downpayment to accommodate Purchasers, but in no case will the downpayment be less than 5% of the purchase price of the unit.

The prospective purchaser must have the Offering Plan and all filed amendments in his/her 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 is postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreements 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 downpayment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart, or reject the Purchase Agreement and refund in full any downpayment taken. If the Sponsor takes no action, the Purchase Agreement will be deemed rejected. This Offering Plan will expire twelve (12) months from the date on which it is accepted by the New York State Department of Law, unless extended by a duly filed amendment hereto.

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

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h 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 expenses of the Sponsor in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

The law firm of Brickner Makow LLP, with an address at 292 Warren Street, Brooklyn, New York, New York 11201, telephone number 718-624-1550, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories Tracy E. Makow and Howard M. Brickner. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Agent has established the escrow account at JPMorgan Chase Bank, located at 192 Smith Street, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Brickner Makow LLP IOLA Trust Account ("Escrow Account") . The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

All Deposits made by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of BRICKNER MAKOW, LLP IOLA ACCOUNT, As Escrow Agent.

All deposits made by Purchaser prior to closing will be placed, within five (5) business days after the Agreement is signed by all necessary parties, in a segregated special Escrow Account. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the Escrow Agreement.

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

The Purchase Agreement is attached hereto in Part II of the Offering Plan. The relevant escrow trust fund provisions are included in Section 5 of the Purchase Agreement, which

incorporates all of the provision of the Escrow Agreement set forth in Part II of this Offering Plan. The Purchase Agreement must be executed by the Purchaser, Seller, and 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 Account. Within ten (10) days of placing the Deposit in the escrow account, the Escrow Agent shall notify the Purchaser that such funds have been placed in the Bank by providing written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the name and address of the bank where the account is located.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

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 section 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of 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 shall release the Deposit if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs 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 will not object to the release of the escrowed funds 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. The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. Set forth in Part II of this Offering Plan is a copy of the Escrow Agreement between the Sponsor and the Escrowee that incorporates the terms of the Attorney General's 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 the New York State Department of Law, in lieu of escrow of such funds. Such alternate security must be approved by the Department of Law. 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.

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs, so long as such longer period of time is reasonable. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. An interim lessee assumes the risk of loss to his/her personal property that is not covered by the condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance.

Purchase Agreements will be contingent on Purchaser obtaining a firm written commitment for financing. Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for financing within such 40 day period, and fails to notify Sponsor's attorney within five days thereafter, **TIME BEING OF THE ESSENCE THERETO**, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his/her 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, and that Purchaser is exercising his right to rescind the contract, Sponsor will return the down payment within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind.

Certain provisions of the Purchase Agreement are "**time of the essence**." This means that failure strictly to comply with the time requirements of said provisions may result in the Purchaser losing his right to complete the purchase, and forfeiting his downpayment hereunder. Thus, a Purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default will both have the Contract canceled and lose his downpayment; however, Sponsor must make written demand for payment after default at least 30 days before forfeiture 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 forty (40) days after executing the Purchase Agreement will be required to proceed to closing, notwithstanding the fact that purchaser has failed to obtain mortgage financing, and if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor.

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. Sponsor will permit Purchasers to waive this 30 day provision by delivering to Sponsor's attorney written notice that Purchaser wishes to close prior to the expiration of the 30 day notice period. While no such waiver is included herein, Sponsor reserves the right to include such waiver in a subsequent amendment.

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. If Purchaser refuses at closing to sign such a Power of Attorney, the Purchase Agreement shall be deemed cancelled and

all rights of the parties thereunder shall terminate except that the amount of the purchaser's down payment shall be paid over to the Sponsor as liquidated damages.

The Sponsor anticipates that the first closing of a unit will occur by June 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than May 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs before June 1, 2022, 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 your 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 THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.** In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the purchase agreement, affected purchasers will be offered a right of rescission.

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 Agreements.

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.

EFFECTIVE DATE

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.

For offerings of five or fewer units, the Plan shall be declared effective by personal service of notice on each purchaser or by commencement of service by mail stating that the plan was declared effective on a particular date, the percentage 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. To clarify, for offerings of five or fewer units, a closing may occur without the Sponsor submitting an amendment to the Department of Law to declare the Plan effective; however, Sponsor must comply with 13 NYCRR §20.5(e) when submitting a post-closing amendment pursuant to 13 NYCRR §20.5(f).

The Plan may be declared effective upon the execution of Purchase Agreements for 15% (in number, not common interest) of the units in the building to bona fide purchasers, including investors; therefore, in the case of this Plan, the Sponsor needs only to sell one (1) unit in order to declare the Plan effective. 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 been waived; a Purchaser who has not had at least three (3) business days to review the Offering Plan and all filed amendments prior to executing a purchase agreement or had less than seven (7) days after delivering an executed purchase agreement together with the required deposit to rescind the purchase agreement and have the full deposit refunded immediately; 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, the selling agent, or the managing agent, or to any principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage, or adoption, or as a business associate, 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. Units purchased by an investor or for the purpose of resale shall be counted towards the minimum number of units required to declare the Plan effective.

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 N.Y.C.R.R. § 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, then Sponsor must re-declare the Offering Plan effective.

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 both units. Prior to the sale of 80% of such Units, or prior to being declared effective, the Plan may be abandoned by the Sponsor at its option. The Sponsor cannot abandon the plan for any judgments or liens against the property resulting from acts of the Sponsor or any of its principals or which are known to the Sponsor on the date of the plan. If the Sponsor abandons the plan, the Sponsor will return all monies paid by Purchasers, including down payments and the cost of custom work, if any, 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. If payments under Purchase Agreements have been received, the amount of such funds and the manner and time when these funds will be returned to purchasers must be disclosed. The funds must be returned within five (5) days after the amendment abandoning the Plan has been accepted for filing.

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 litigation, or expenditure of an amount in excess of one-half (1/2) of one percent (1%) of the total offering price, or substantial damage or destruction of the building by fire or other casualty 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, any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees. Such title defects, violations, or substantial damage or destruction of the building by fire or other casualty, or determinations of any authority or regulatory association, which exist on the date of the 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. The Sponsor may also not abandon the plan on account of any judgments or liens against the property resulting from the acts of the Sponsor or any of its Principals, or which are known to the Sponsor or any of its Principals on the date of presentation of the Plan.

TERMS OF SALE

Upon 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 leases, mortgages, liens, encumbrances, and title exceptions other than the easement set forth in the aforementioned Deed, the Condominium Declaration, and any state of facts an accurate survey may show, provided same does not render title unmarketable.

Permitted Exceptions

Title to each Unit will be subject to the following exceptions (the "Permitted Exceptions"):

1. Rights of tenants or persons in possession, if any;

2. Standard exceptions contained in the title report;

3. Taxes, tax liens, tax sales, water rates, sewer rents and assessments set forth in a title report.

4. AS TO THE BUILDING: Any statement of facts which a subsequent survey of would disclose provided that such additional statement of facts do not render title unmarketable;

AS TO THE UNIT: With respect to Condominium Unit No. ___ the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

5. Covenants, conditions, easements, leases, agreements of record, etc., more fully set forth as follows:

A. Covenants and Restrictions in Liber 37 Page 235 Section 4.
B. Landmark Designation in Reel 656 Page 1097.

Risk of loss from fire or other casualty remains with the Sponsor until title is passed, unless and until the Purchaser is given the right of possession of a unit pursuant to a written agreement with the Sponsor. Upon Purchaser acquiring the right of possession of the unit, all risk of loss to the unit and its contents, to the extent not covered by building insurance, passes to Purchaser, and Sponsor shall not thereafter be responsible for repairing any damage.

On November 8, 2019, the Financial Crimes Enforcement Network ("FinCEN") announced the issuance of a revised Geographic Targeting Order ("GTO"). This revised GTO requires U.S. title insurance companies to identify and report to FinCEN the natural persons behind companies making certain "all-cash" purchases of residential real property if the transaction meets the following criteria:

1. Residential real property is purchased by a domestic or foreign business entity, including but not limited to a corporation, limited liability company, or partnership.
2. The residential real property is located in the Borough of Brooklyn, Queens, Bronx, Staten Island, or Manhattan
3. The purchase price exceeds $300,000.00.
4. Such purchase is made without a bank loan or other similar form of financing.
5. Such purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

The subject premises are located within the GTO described above. All-cash purchasers closing after November 12, 2019 and ending May 9, 2020 will be subject to the reporting requirements of this GTO. Purchasers are advised to confer with their own counsel regarding the effects of the GTO on their real estate purchases. Please see CLOSING COSTS & ADJUSTMENTS section of this offering plan.

A closing will take place only concurrently with the issuance of a temporary or permanent Certificate of Occupancy for the entire project, or issuance of a partial, temporary, or permanent Certificate of Occupancy for the unit closed or the building in which the unit is located.

All personal property owned by the Sponsor or Owner of the property that is 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, 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.

If any mortgages or construction loans encumbering the property will not be satisfied at or prior to closing of the first unit, each mortgagee will, at the time of the conveyance of the first unit, either consent to the formation of a Condominium and acknowledge that its lien will be limited to Unsold Condominium Units, or subordinate the lien of its mortgage to the Declaration of the Condominium, or release its lien upon the Condominium Unit being conveyed and its interest in the Common Elements.

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 which will vary depending upon the Purchase Price of the Unit. Purchasers are free to utilize the title insurance company of their choice without incurring any Sponsor-imposed additional fees. Rates set by the New York Board of Title Underwriters are currently $3,155.00 on a Purchase Price of $1,000,000.00 and approximately $2.57 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently $445.00 on a mortgage of $500,001.00 and $0.70 for each additional thousand dollars or fraction thereof. Where mortgage and fee title are obtained simultaneously the charge for mortgage insurance is reduced to 30% of the usual applicable rate, up to the amount of the fee insurance; the amounts provided reflect this.

(b) Fees for recording the Deed and Power of Attorney are $42.00 for the first two pages, plus $5.00 per page for every page thereafter, and a $50.00 service charge per instrument. Additionally, there is a $25.00 charge for recording the Real Property Transfer Tax Return along with the deed. General fees for recording the mortgage include a base charge of $42.00, plus $5.00 per page, and therefore may vary in accordance with the instrument to be recorded. A general sample estimate is provided for illustrative purposes.

(c) If the purchaser obtains a mortgage loan, the purchaser will pay a mortgage tax of 2.05% of the principal amount of the mortgage if the mortgage is under $500,000.00; under New York State Law the lending institution is required to pay 0.25%, so the effective rate of a residential mortgage under $500,000.00 will be 1.8%. If the residential mortgage is $500,000.00 or over the rate will be 2.175%, minus the 0.25% lending institution's contribution, for a mortgage tax rate of 1.925%. 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) All legal costs, fees, and expenses charged by the purchaser's attorney will be the sole responsibility of each purchaser.

(e) New York City Real Property Transfer taxes, currently one (1%) percent of the Purchase Price of up to $499,999, and 1.425% for those priced $500,000 or above, will be the sole responsibility of the purchaser. Sellers in general are obligated to pay the New York City Real Property transfer tax; however, the Purchaser will be obligated here to pay the New York City Real Property transfer tax, and therefore such payment by the Purchaser is deemed an additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(f) 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. Sellers in general are obligated to pay the New York State Documentary Stamp tax; however, the Purchaser here will be obligated to pay the New York City Documentary Stamp tax, and therefore such payment by the Purchaser is deemed additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(g) At closing, each purchaser will be required to make a contribution to the Working Capital Fund in an amount equal to two months' common charges for the unit purchased.

(h) All costs with regard to any mortgage that the purchaser places 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 the purchaser's own and sole responsibility.

(i) All closings will occur in Kings County at a location designated by the Sponsor's Attorney. Under no circumstances will Sponsor or its Attorney be required to close at any place other than a location designated by Sponsor's Attorney. In the event that Sponsor consents to a closing outside of a location designated by Sponsor's Attorney, there will be an attendance fee of $850.00. If the closing takes longer than two (2) hours through no fault of the Sponsor, an additional fee of $250 will be charged for each hour or part thereof that the closing is not concluded. If the closing is adjourned at Purchaser's request, an additional fee of $350 will be charged for each adjournment. Additionally, in the event that the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign a Purchase Agreement, the Purchaser shall pay an additional fee of $1,250 to Sponsor's counsel for preparation and processing of the assignment. In the event the Sponsor shall enter into an Interim Lease with the purchaser, there will be an additional fee of $750.00 per unit. In the event that a purchaser defaults, a fee of $350 will be charged for each default letter. In the event that the closing date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative): (i) all adjustments shall be made as of the original closing date and (ii) Purchaser shall pay interest on the unpaid balance of the total Purchase Price to Sponsor from the originally scheduled closing date until the actual date of closing at the rate of 12% per annum. These fees are cumulative to the extent applicable in an individual closing.

(j) Purchasers of an apartment with a purchase price of $1,000,000.00 or higher will be required to pay the New York State Mansion Tax. Effective July 1, 2019, conveyances of residential real property with a consideration of two million ($2,000,000.00) dollars or more will be subject to a supplemental Mansion Tax. Below is a table showing the break-down of the supplemental Mansion Tax charges for residential real property with considerations up to $9,999,999.99:

Consideration	New York Mansion Tax (including supplemental Mansion Tax
$1,000,000.00 or less	Not subject to tax
$1,000,000.00 to 1,999,999.99	1%

$2,000,000.00 to 2,999,999.99	1.25%
$3,000,000.00 to 4,999,999.99	1.5%
$5,000,000.00 to 9,999,999.99	2.25%

(k) On March 31, 2019, New York State announced additions to the base real estate transfer tax ("transfer tax") and established a new supplemental tax ("supplemental tax") on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional base transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is $3 million or more, and conveyances of any other property when the consideration for the conveyance is $2 million or more. For conveyances of residential real property where the consideration for the entire conveyance is $3 million or more, the new additional base tax rate is $1.25 for each $500 or fractional part thereof ("additional base tax"). The new supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is $2 million or more. For conveyances of residential real property where the entire conveyance amount is at least $2 million but less than $3 million, the new supplemental tax is one-quarter of one percent (0.25%). For conveyances of residential real property where the entire conveyance amount is at least $3 million but less than $5 million, the new supplemental tax is one-half of one percent (0.5%). Purchasers shall be responsible for paying the additional base transfer tax and supplemental tax. The purchaser's payment of the additional base transfer tax and supplemental tax will themselves be deemed additional consideration, resulting in a "tax on a tax" effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs.

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.

Purchasers shall pay to the Sponsor's Attorney at closing a fee of $3,000.00 for the preparation of closing documents.

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 that 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. The Sponsor shall be entitled to reimbursement from unit owners for any taxes paid on their behalf.

At closing, each purchaser will pay to the Sponsor a reimbursement fee of $2,500.00 towards the costs of preparing and filing the Offering Plan.

Except as specifically set forth herein, the Sponsor will pay all costs and expenses incurred in connection 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 is set forth on the next page. Said example is for illustrative purposes only and is not intended to be comprehensive.

SAMPLE CLOSING COSTS

$3,000,000.00 Purchase Price
$2,400,000.00 Mortgage

Mortgage and Fee Title Insurance	$ 10,070.00
Deed and Power of Attorney Recording	$ 250.00
Mortgage Recording Fee	$ 350.00
Mortgage Recording Tax	$ 46,200.00
New York City Transfer Tax	$ 43,851.00
New York State Documentary Stamp Tax	$ 12,312.00
Additional Base Tax	$ 7,693.00
Supplemental Transfer Tax	$ 15,386.00
Working Capital Fund Contribution	$ 1,817.00
Document Preparation Fee	$ 3,000.00
Reimbursement Fee	$ 2,500.00
New York State "Mansion" Tax	$ 46,159.00
TOTAL:	$189,588.00

In addition to the foregoing, the purchaser will, of course, be responsible for any fees charged by his/her own bank and his/her own Attorney, and any additional fees incurred because of Default or failure to close at the scheduled time or place. Purchaser will also be responsible for the mortgage recording charge which is calculated on the basis of $42.00 for the first two pages, plus $5.00 per page for every page thereafter, and a $50.00 service charge.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor will complete the work set forth in this Plan relating to the building and the apartments 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 required, if any. 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 apartments, 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 of buildings or units, other improvements, or common elements, if such changes adversely affect the public areas, or 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 all affected purchasers consent in writing to such change, and all affected purchasers 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 that are to be performed subsequent to the closing date, will survive delivery of the Deed.

The Sponsor shall obtain a Temporary or Final Certificate of Occupancy prior to the closing of the first unit. If Temporary, the Sponsor shall continue to renew the Temporary Certificate of Occupancy until it procures the Final Certificate of Occupancy. If the first unit closing takes place prior to issuance of the Final Certificate of Occupancy, the Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL section 352-e(2-b) unless the Sponsor's engineer, architect, or other qualified expert certifies that a lesser amount will reasonably be necessary to complete the work needed to obtain a Final Certificate of Occupancy, in which case the sum exceeding the amount so certified by the Sponsor's engineer, architect, or other qualified expert may be released from the special escrow account. Alternatively, the Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

While the Sponsor will endeavor in good faith to sell all units in a reasonably timely manner, the Sponsor is retaining the unconditional right to rent rather than sell units. Thus, Sponsor may never sell more than the 15% of units required to declare the plan

effective. As a result of this, the 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. The condominium Board does not have the right to approve or disapprove Purchasers, so there is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents. Owner-occupants and non-resident owners, including Sponsor or purchasers for investment, may have inherent conflict on how the condominium should be managed because of their different reasons for purchasing (i.e., purchase as home as opposed to purchase as investment).

The Sponsor has not obtained construction financing and does not intend to obtain such financing. There are no obligations regarding marketing of units and no limits or requirements regarding renting rather than selling imposed by a construction lender. If the Sponsor elects to obtain construction financing at a later date, Sponsor will amend this Offering Plan and disclose all material terms of such financing.

The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit, except as required by the New York State Housing Merchant Implied Warranty Law, located in Part II of this Offering Plan at pages HM1-HM7. New York State General Business Law requires the builder of new dwelling consisting of five stories or less to provide a warranty to the Purchaser as follows:

(a) For one year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for the items not covered by code, the construction must be in accordance with locally accepted building practices.

(b) For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(c) For six years, the home must be free from physical defects in the structural elements (foundations, floors, walls, roof framing) which make it unsafe or unlivable.

The Housing Merchant Implied Warranty is also applicable to the common elements. In addition to, and not withstanding any limitations set forth in the Housing Merchant Implied Warranty Law, Sponsor remains under a duty to construct the premises in accordance with all applicable codes, filed plans, and specifications, and, for items not covered by local building codes, locally accepted building practices for such items. Any

conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. All representations under this Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan that are specifically to be performed subsequent to the closing date, shall survive delivery of the deed.

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

Unless the Plan has been abandoned pursuant to the EFFECTIVE DATE section of this Offering Plan, Sponsor will repair any damage from casualty or other cause that occurs prior to the closing of a unit. A Purchaser is under the obligation to inspect the unit prior to closing. Sponsor will have no liability of any kind for patent damage to a unit not reported prior to closing. With regard to patent damage to a unit which is reported prior to closing, Sponsor will, as set forth above, repair all such damage within fifteen (15) days after closing (or such longer time as is required to accommodate the delivery of materials which must be ordered to complete any such repairs). In the event Sponsor fails to perform such obligation, Purchaser may enforce same in a court of competent jurisdiction.

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 mechanics' liens that are lodged against the property by virtue of work done by the Sponsor, or on 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 it 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 of the obligations of the Sponsor for those units under the Offering Plan, applicable laws, or regulations.

The Sponsor will defend any suits or proceedings against the condominium arising out of the Sponsor's acts or omissions, and the Sponsor does hereby indemnify the condominium, the Board of Managers, and individual unit owners therefore. Nothing contained herein shall limit the rights of the condominium that are granted pursuant to law and statute.

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 this 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 (6) 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.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”) covering the entire building but with only a temporary certificate of

occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor and its Principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its Principals make no representations or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Furthermore, because Sponsor and the By-laws of the Condominium may permit unit owners to undertake renovations to individual units prior to the procurement of an FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its Principals are obligated to procure the FCO.

It is the obligation of the Sponsor and its principals to procure the TCO. As described in greater detail in the Plan, Sponsor will maintain sufficient funds in escrow to cover the anticipated costs of obtaining a FCO. Sponsor will also use best efforts to extend the TCO; however, the TCO may lapse for reasons outside the Sponsor's control. Procuring an FCO is the obligation of the Sponsor and its principals. In the absence of a FCO or TCO it is unlawful to reside in or rent a unit and will be difficult for owners or purchasers to obtain financing and pass clear title.

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

http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. Please see the ARCHITECT'S REPORT located in Part II of this Offering Plan.

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, beginning on page CBL1. A summary of certain pertinent provisions of these By-Laws is set forth below. The By-Laws limit the number of Managers on the Board of Managers (hereinafter called "Managers") to not less than three (3). They will be David May, the principal of the Sponsor; Teresa May, the wife of David May; and David Joseph May, the son of David May and Teresa May. The first Board of Managers to be elected by the Unit Owners shall consist of three (3) members.

At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building at this time, a majority of the new Board of Managers may be Sponsor-appointees.

Transfer of control of the Condominium Board of Managers shall pass to unit owners other than the Sponsor at the earlier of the following:

a) Sixty (60) days after the date by which both of the units have been conveyed to unit purchasers; or

b) Three (3) years after the first conveyance of a unit to a unit purchaser.

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

1. Shall not eliminate or reduce the number of employees, insurance coverages, 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 order of an insurance carrier.

The Sponsor may exercise veto power over other expenses for a period ending not more than five (5) years after the closing of the first unit, or whenever the unsold units constitute less than 25% of the common interest, whichever is sooner. Additionally, the By-Laws do not include a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household that are unrelated to the Sponsor and its Principals after the end of the initial Sponsor control period.

Until the earlier of five 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 that 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations, remedy any notice of a violation, or remedy any work order from an insurer. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

All Board Members who are unit owners shall serve without compensation. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended. Any member of the Board of Managers who is a designee of the Sponsor, may contract or deal with Sponsor or a partner, affiliate, or entity controlled by the Sponsor; however, such Board members shall remain under a fiduciary duty to act in the best interest of the condominium. Additionally, such Board Members shall be required to disclose the nature of their relationship(s) in dealing with the Sponsor to all unit owners.

BOARD OF MANAGERS

The Condominium shall be governed according to the By-Laws in Part II, beginning on page CBL1.

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. They will be David May, the principal of the Sponsor; Teresa May, the wife of David May; and David Joseph May, the son of David May and Teresa May. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within 60 days after the First Closing; they may, however, be re-elected at such time. The Sponsor has no obligation to sell more than one (1) unit in the Condominium. The By-Laws do not include a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its 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 Condominium Unit shall be entitled to elect one manager to the Board of Managers. The third Manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself. The odd number of Managers is intended to prevent deadlocks in voting. Transfer of control of the Condominium Board of Managers shall pass to unit owners other than the Sponsor at the earlier of the following:

a) Sixty (60) days after the date by which both of the units have been conveyed to unit purchasers; or

b) Three (3) years after the first conveyance of a unit to a unit purchaser.

Members of the Board of Managers who are unit owners shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended and shall be borne by the unit owners. Officers and/or members of the Board appointed by the Sponsor or Sponsor's designees may NOT serve with compensation borne by the unit owners.

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

The Board Managers will be responsible for the operations of the affairs of the Condominium, including, but not limited to, the fiscal operation, repairs and maintenance of the common areas of the Property, replacement and capital improvements to the common areas of the Property, the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws, and shall have the powers and duties necessary for the administration of such affairs. As per Article IV, Section 10 of the By-Laws, Board Members who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended.

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 Holder(s) of Unsold Units 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 or members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements of all Unit Owners.

The principal officers of the Condominium shall be the President, Vice-President, Secretary, and 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. Officers who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for an Officer who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended. The officers shall be elected annually by the Board of Managers, and each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed with or without cause.

The President shall be the chief executive officer of the Condominium, and shall have all of the general powers and duties which are incident to the office of a president pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him/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, 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 pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

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

The Board of Managers, or the Secretary, shall keep detailed records of the actions and minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium. In addition, an annual audited financial statement of the Condominium and an income tax deduction statement certified by an independent Certified Public Accountant shall be rendered by the Board of Managers to all Unit Owners on 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 unanimous (100% in number and in common interest) vote of the Unit Owners as per Article XI, Section 1 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 of 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.
Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. If there are non-Sponsor members of the Board, and there is a vote on whether to sue the Sponsor, the Sponsor's board representatives cannot lawfully vote on that issue.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

The headings used in this Section are inserted only as a matter of convenience and in no way define or limit the scope of the information contained within this Section.

1. Sale, lease, and mortgaging of units by unit owners.

Unit Owners will have the right to sell, lease, or mortgage their units, without restriction, except as set forth herein, subject to the requirements that all Common Charges are current. A Unit Owner may only sell or lease the entire Unit. A Unit Owner may not sell or rent only a portion of a Unit. While lease of a condominium unit, like any other contract, is subject to regulation by certain state laws (General Obligations Law, Multiple Dwelling Law, etc.), the terms of the lease (including rent) will not be subject to any state or local rent regulatory laws.

2. No right of first refusal.

The Board of Managers does not have a right of first refusal with regards to the sale or lease of any unit.

3. Common charges and assessments.

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 Real Property Law, 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 apartment owned by a non-occupying owner to make rental payments directly to the Board of Managers where such non-occupying owner is in default on payments of common charges, assessments, or late fees for such unit for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying owner. The procedures by which the Board of Managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned section which is recited at Page RE1 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 be exempt from all Common Charges and Expenses thereafter assessed.

4. Repairs and Maintenance.

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), 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 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.

5. Additions, alterations, and improvements.

No Unit Owner may make any structural addition, alteration or improvement in his Unit 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 apartments and standard home improvement 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.

6. Insurance.

The Board of Managers shall obtain and maintain: (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) liability insurance for personal injury or property damage in an amount not less than one million dollars; and (3) 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 required to carry casualty insurance protection for their furniture and the interiors of their Units and for personal liability coverage for their own benefit at their own expense and such policies must contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any other insurance carried by a Unit Owner. Please see SCHEDULE B for details of insurance coverage.

The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the event of a loss amounting to $100,000.00 or less and to the

insurance trustee if the loss exceeds $100,000.00. Such proceeds shall be applied to the repairing, restoring, or rebuilding of the subject premises unless otherwise determined by unit owners. In no event shall the proceeds of any insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the City and State of New York.

7. Restrictions on occupancy and use.

The By-Laws provide that the use of the Units shall be restricted to and be in accordance with the following provisions:

(a) A Unit Owner may only use his/her Unit for a purpose consistent with any applicable ordinance or statute, or regulation of a government authority that has jurisdiction over the Condominium, but in no event for a use that violates the By-Laws of the Condominium.

(b) The Common Elements shall be used for the furnishing of services and facilities for which they are reasonably suited and capable, and which are incident to the use and occupancy of Units.

(c) No nuisances shall be allowed on the Property, nor shall any use or practice be allowed that interferes with the peaceful possession or use of the Property by its residents or occupants.

(d) No improper, offensive, or unlawful use shall be made of the Property nor any part thereof. Violations of laws, orders, rules, regulations, or requirements, of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated by, and at the sole expense of, the respective Unit Owners or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property or comply with such laws.

(e) Each Unit Owner shall keep his Unit in a good state of cleanliness and repair in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof.

Each Unit Owner will have an undivided interest in the Common Elements in the respective percentages set forth in SCHEDULE A in Part I. Subject to the provisions of

the By-Laws and Rules and Regulations, the Common Elements are appurtenant to, serve, and benefit each Unit to the extent of such Unit's percentage share of the Common Elements, and the Common Elements are for the common use of all Unit Owners.

Further restrictions on the use of Units are set forth in the By-Laws, which are set forth in Part II of the Plan, and in Rules and Regulations made in accordance with the By-Laws. Rules and Regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers as provided in the By-Laws. Such restrictions include a restriction that the unit shall be used for private residence only, or any home occupation use permitted under applicable zoning law, ordinances, building codes ,or other governmental regulations. Units may not be used for any unlawful purpose, and any use which amounts to a violation of law or to rules, regulations, or requirements of any governmental agency having jurisdiction thereover shall be eliminated at the sole expense of the unit owner.

8. Other material rights and obligations

A Unit Owner by acceptance of a Deed for a Unit shall have granted a right of access to the Unit and to all appurtenant areas, if any, to the Managing Agent and/or any other person authorized by the Board of Managers or the Managing Agent for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services of other Common Elements in his/her Unit or elsewhere in the Building in which the Unit is located, to remove violations, cure defaults by a Unit Owner, and for any other purpose provided in the Plan, Declaration, or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are 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.

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

9. Smoking Policy.

New York City Local Law 147 went into effect on August 28, 2018 and requires buildings with three or more residential units to adopt written smoking policies. For condominiums such as the subject premises, the Board of Managers must adopt such a policy; the policy for this condominium is as follows: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the

building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements.

REAL ESTATE TAXES

After the units are separately assessed, pursuant to Section 339-y of the Real Property Law, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other unit. Units will not be separately assessed for the first year of condominium operation. On closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of 2021/2022 tax year. The Board of Managers shall be authorized to pay such taxes as and when due from such escrow fund. As each subsequent individual condominium Unit is sold, the purchasers thereof, as a standard closing adjustment, shall reimburse the Sponsor for the portion of their tax liability paid by the Sponsor from the date of closing through the end of the 2021/2022 tax year. It is anticipated that Units will be separately assessed for the 2022/2023 tax year, and that individual Unit Owners (whether purchasers, holders of unsold shares, or the Sponsor) will pay the taxes thereof as set forth in the attached SCHEDULE A. The amount of the taxes deposited with the Board of the condominium will be disclosed in the post closing amendments until the units are separately assessed.

The Sponsor is not applying for any property tax exemption or abatement. Sponsor has received an estimate from Sponsor has received an estimate from the Mazursky Group, 42 Broadway, Suite 1744, New York, NY 10004 of an estimated assessed value for the 2021/2022 tax year for the entire building of $120,000.00. This estimate assumes a tax rate of 20.25% for Tax Class One properties, and therefore projects a total tax burden for the entire building of $25,500.00 for the 2021/2022 tax year, which is the projected first year of condominium operation. The real estate taxes payable in SCHEDULE A are determined by applying the tax rate to the projected assessed value. The City of New York is not bound by the allocation of Common Interest, and may allocate on a different basis. All figures are estimates.

There are no tax certiorari proceedings currently pending. Individual owners may challenge the assessment of their property by filing a tax protest in accord with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessment, the general grant of power in the Board of Managers to operate the property in the best interest of unit owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all unit owners. The Building benefits from the limitations imposed by Sections 581 (which

prevents a building from being assessed at a higher level than similarly situated rental properties merely because of its status) and 1805 (which limits the annual increases due to changes in market value) of the Real Property Tax Law.

The projections set forth herein are based on current New York City Tax rates and assessment procedures. No guarantee or warranty is or can be made that the tax rates will not change in the future, or that the assessed value of the property will not rise due to changes in assessment practices and policies or increases in market value that are reflected in the assessed value.

Real Estate Tax Projection

for

577 5th Street

Brooklyn, New York

Prepared for:
Mr. David L. May
1311 Milwaukee Street
Delafield, Wisconsin 53018

November 26, 2019

November 26, 2019

Mr. David L. May
1311 Milwaukee Street
Delafield, Wisconsin 53018

Re: 577 5th Street
Brooklyn, New York

I, JEROME MAZURSKY, CERTIFY:

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

THAT I have been retained by the sponsor to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation and real estate taxes of the above-captioned property after completion of its renovation and conversion to a residential condominium;

THAT in estimating the assessed valuation of the property, I am aware of the renovation costs and sales values of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly-renovated condominiums. Specifically, discussions centered on appropriate land and building factors, and renovation costs and sales values for properties similar to the subject in type and location.

I have discovered the following:

1) The subject property is located at 577 5th Street in the Park Slope section of the borough of Brooklyn. The property is improved with a 4-story, masonry two family walk-up (B1) with a cellar and penthouse, constructed circa 1899. The sponsor is in the process of gut-renovating the building, enlarging the penthouse, and converting the property into a condominium that will contain two (2) residential units. The building will contain 4,719 square feet.

The site has 20' frontage on the northerly side of 5th Street and extends 100' in depth. The property is rectangularly-shaped and contains 2,000 square feet of ground area. It is identified on the city's tax records as Block 1083 Lot 62.

2) The renovation includes new mechanical work, all new plumbing work, enlargement of the existing penthouse and new interior partitions. After completion, the units will contain the following approximate square foot areas and uses:

Unit	Area	Use
1	2,503	1- 3BR, 3 ½ Bath, Duplex Apartment
2	2,216	1- 3BR, 3 ½ Bath, Triplex Apartment

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

Tax Class 1 consists of primarily residential properties that contain up to three units. Tax Class 1C includes 1-3 unit residential condominiums previously assessed in Tax Class 1. Class 1C properties are assessed at 6% of market value. Increases in assessed value for equalization are limited to 6% per year or 20% over five years. Increases for renovations are generally limited to 6% of estimated renovation/construction cost.

The 2019/20 Class 1C tax rate is $21.167 per $100. I estimate the Class 1C tax rate after completion of renovation/construction at $21.25 per $100.

4) The recent history of assessed valuation for 577 5th Street (Block 1083 Lot 62) is as follows:

2018/19	Land	Total
Actual:	$ 10,994	$ 66,106
Market Value:		$ 4,738,000

2019/20	Land	Total
Actual	$ 10,637	$ 66,644
Market Value:		$ 4,937,000

5) It is my judgment that after completion of renovation, the total assessed valuation of the condominium will be as follows:

	Land	Total
Actual	$11,077	$120,000
Market Value:		$ 4,600,000

6) The tax liability, after completion of renovation/construction, is estimated at $25,500. The calculation is as follows:

$120,000 [1] x .2125 [2] = $ 25,500

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

1. Estimated Taxable Assessed Value after completion of the renovation/construction.
2. Estimated Class 1C Tax Rate

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

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

_____

Jerome Mazursky, MAI, CAE

DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the COUNSEL'S TAX OPINION LETTER, including the Tax Cuts and Jobs Act of 2017. Each individual Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year, up to the limits imposed by the Tax Cuts and Jobs Act of 2017.

The Condominium will be governed by a Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. While there is presently no direct authority as to the tax status of the Condominium for Federal Income Tax purposes, Sponsor's Counsel is of the opinion that the Condominium will not be treated as an association taxable as a corporation, due to the fact that it will qualify as an exempt homeowner's association under section 528(c)(1) of the IRS code. As a result, the condominium may not be subject to Federal corporate income tax on its taxable income, if any.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, and judicial decisions. 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.

THE LAW OFFICE OF CLAUDIA V. MURDOCH P.C.

ATTORNEY AT LAW
CLAV@CLAVLAW.COM

117 SEVENTH AVENUE
BROOKLYN, NY 11215

PHONE: (718) 569-0045
FAX: (718) 763-1095

OPINION OF COUNSEL REGARDING TAX STATUS OF THE 577 5TH STREET CONDOMINIUM PURSUANT TO TITLE 13 NYCRR § 20.3(y)

The purpose of this document is to render an opinion with regard to 1) the availability of tax deductions for real estate taxes and mortgage interest under current federal, state, and city law; 2) the income tax status of the condominium; and 3) the condominium's compliance with New York State Real Property Law Section 339(i).

This discussion assumes that the condominium in question, the 577 5th Street Condominium, located at 577 5th Street, Brooklyn, New York, is a validly-formed condominium under New York's Condominium Act (Article 9B of the New York State Real Property Law) consisting of two (2) residential units.

1. Availability of Tax Deductions

A. Tax Deductions for Real Estate Taxes

Section 164(a) of the Internal Revenue Code has traditionally spoken to the issue of deductibility of real estate taxes: "Except as otherwise provided in this section, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued: (1) State and local, and foreign, real property taxes." I.R.C. § 164(a). The section further defines a State or local tax as "includ[ing] only a tax imposed by a State, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia." I.R.C. § 164(b)(2).

New York, as one of the original 13 states, arguably traces its statehood back to 1776, and ratified the present United States Constitution in 1788. Clearly, its statehood is well-established. New York's 1964 Condominium Act clearly establishes the conceptualization of condominium units as real property, stating, "each unit and its common interest, not including any personal property, shall be deemed to be a parcel and shall be subject to separate assessment and taxation." N.Y. REAL PROP. LAW §

339-y. Each condominium unit is accordingly assigned its own block and lot; purchasers of condominium units take ownership of their units pursuant to real property deeds. Furthermore, the Condominium Act explicitly states, "each unit, together with its common interest, shall for all purposes constitute real property." N.Y. REAL PROP. LAW § 339-g. Therefore, New York state and city property taxes on condominium units constitute potentially deductible real property taxes for federal income tax purposes.

With regard to deductions, New York tax law generally follows the federal system: "If federal taxable income of a resident individual is determined by itemizing deductions from his federal adjusted gross income, he may elect to deduct his New York itemized deduction in lieu of his standard New York deduction." N.Y. TAX LAW § 615(a). (Indeed, New York State's 2012 Resident Itemized Deduction Schedule includes a line item for interest paid as reflected in the taxpayer's federal Schedule A.)

On January 1, 2018, the new federal Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changes the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. The Federal Tax Cuts and Jobs Act of 2017 allows an itemized deduction of up to $10,000.00 for the total of state and local property taxes and income or sales taxes. This maximum applies to both single and married filers.

It is therefore my opinion that owners of residential units in this condominium who itemize their deductions will be eligible to deduct real estate taxes paid on said units for federal income tax purposes as well as New York state and city income tax purposes, subject to the limits imposed by the Internal Revenue Code, the New York tax law, and the specific taxpayer's personal situation. Each potential purchaser is strongly encouraged to consult with his or her own tax advisor concerning the deductibility of real estate taxes in his or her specific situation.

B. Tax Deductions for Mortgage Interest

Prior to January 1, 2018, the general Internal Revenue Code rule concerning interest has been, "There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness." I.R.C. § 163(a). While subsection (h) disallowed deductions for personal interest (I.R.C. § 163(h)(1)), it also clarified, "For purposes of this subsection, the term 'personal interest' means any interest allowable as a deduction under this chapter *other than* (D) any qualified residence interest (within the meaning of paragraph (3))" (emphasis mine). I.R.C. § 163(h)(2). Paragraph (3) stated, "The term 'qualified residence interest' means any interest which is paid or accrued during the taxable year on (i) acquisition indebtedness with respect to any qualified residence of the taxpayer, or (ii) home equity indebtedness with respect to any qualified residence of the taxpayer." I.R.C. § 163(h)(3). "Acquisition indebtedness" is further defined as "any indebtedness which (I) is incurred in acquiring, constructing, or substantially improving any qualified residence of the taxpayer, and (II) is secured by such residence." I.R.C. § 163(h)(3)(B)(i). The subsection limited acquisition indebtedness to $1,000,000.00. I.R.C. § 163(h)(3)(B)(ii). "Home equity indebtedness" was defined as "any indebtedness (other than acquisition indebtedness) secured by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed (I) the fair market value of such qualified residence, reduced by (II) the amount of acquisition indebtedness with respect to such residence." I.R.C. § 163(h)(3)(C)(i). The subsection limited home equity indebtedness to $100,000.00. I.R.C. § 163(h)(3)(C)(ii).

The Tax Cuts and Jobs Act of 2017 limits deductible mortgage debt to $750,000.00 for new loans taken out after 12/14/17, and interest paid on home equity debt is no longer deductible through 12/31/25; interest is still deductible on home equity loans (or second mortgages) if the proceeds are used for substantial improvement of the residence.

Again, here, New York tax law allows individuals who itemize their deductions for federal income tax purposes to elect to deduct their New York itemized deductions in lieu of their standard New York deduction. N.Y. TAX LAW § 615(a).

Given the provisions above, it is my opinion that purchasers who intend to use their units in this condominium for residential purposes and who itemize their deductions will generally be able to deduct their home mortgage interest for federal and New York State income tax purposes subject to the limits imposed by § 163 of the Internal Revenue Code as modified by the Tax Cuts and Jobs Act of 2017. Unit owners are strongly advised to consult with their own tax advisors regarding the effects of

the Tax Cuts and Jobs Act of 2017 on their tax burdens and their prospective real estate purchases. I express no opinion with regard to mortgage interest deductibility for purchasers of non-residential units or purchasers of units for non-residential reasons, such as investment or resale. Such purchasers are also strongly advised to consult with tax professionals to see if mortgage interest may be deductible for them and their purposes under other provisions of the Internal Revenue Code.

These materials are difficult even for practitioners to comprehend, as is evidenced by the plethora of clarifying Revenue Rulings and discussions surrounding the pertinent provisions of the Internal Revenue Code. Potential purchasers are ***strongly*** advised to consult with their own tax experts with regard to deductibility of mortgage interest, as § 163 contains several limitations on deductibility that may or may not apply to a given taxpayer's specific situation. This opinion is only intended to render a general opinion; purchasers' or owners' specific situations are well beyond the scope of this document and require a far more tailored analysis.

2. Income Tax Status of the Condominium

The Internal Revenue Code exempts "homeowners associations" from income taxes, and defines a "homeowners association" as "an organization which is a condominium management association. . . if (A) such organization is organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property; (B) 60 percent or more of the gross income of such organization for the taxable year consists solely of amounts received as membership dues, fees, or assessments from (i) owners of residential units in the case of a condominium management association. . . (C) 90 percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance, and care of association property. . . (D) no part of the net earnings of such organization inures. . . to the benefit of any private shareholder or individual, and (E) such organization elects (at such time and in such manner as the Secretary by regulations prescribes) to have this section apply for the taxable year." I.R.C. § 528. Additionally, the section states that, "the term 'condominium management association' means any organization meeting the requirements of subparagraph (A) of paragraph (1) with respect to a condominium project substantially all of the units of which are used by individuals for residences." I.R.C. § 528(c)(2).

Given that this condominium consists solely of residential units, it is my opinion that this condominium as managed by its Board of Managers will qualify as a homeowners association within the meaning of I.R.C. § 528 and will therefore be

exempt from income taxes, provided, of course, that the Board of Managers properly elects to file under § 528.

3. Discussion Regarding the Condominium's Compliance with New York State Real Property Law § 339(i)

Real Property Law § 339(i) governs allocation of common interest and provides four acceptable methods for allocating common interest among condominium units. The allocation of common interest to the units in this condominium has been made pursuant to Real Property Law § 339(i)(1)(iii), which allows for common interest to be in equal percentages, one for each unit as of the date of filing the Declaration, or in equal percentages within separate classifications of units as of the date of filing the Declaration. N.Y. REAL PROP. LAW § 339(i)(1)(iii). It is my opinion that this condominium's allocation of common interest complies with Real Property Law § 339(i)(1)(iii). This opinion is also based on expert factual determinations as required by § 20.3(i) of Title 13 NYCRR; specifically, Sponsor's expert's opinion included in the Offering Plan at the section entitled COMPLIANCE WITH REAL PROPERTY LAW 339(i)(1)(iii).

Conclusion

In my opinion, the condominium will be eligible for tax-exempt status under I.R.C. § 528, if it elects such status, and unit owners will potentially be eligible for the real estate tax deductions and 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 bases 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 § 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 the benefits described above.

Sincerely,
Claudia V. Murdoch
Claudia V. Murdoch
January 13, 2020

RESERVE FUND

Sponsor is not creating a fund on closing to be used as a reserve for capital expenditures. However, the budget for the first year of condominium operation in SCHEDULE B includes a budgeted Capital Reserve Fund for repair and replacement of major systems or structural elements of the building. This budgeted item will start the gradual creation of a reserve fund. Unit owners will therefore be contributing to the Capital Reserve Fund through their common charges, beginning with common charge adjustments paid at the closings of their individual condominium units. (Unit owners will also, at closing, pay their contributions to the building's Working Capital Fund.) In the event a need arises for capital expenditures such as renewal or replacement of building components or systems, or to remedy major building defects, and the reserve fund is inadequate to pay for those expenditures, it will be necessary to raise needed capital either by assessing individual units or owners for the cost of such expenditures. However, in the Sponsor's estimation, and in view of the fact that all major building systems and components are newly renovated, it is anticipated that there will be no needed capital expenditures within the five (5) years immediately following the first closing of a condominium unit under the Offering Plan. 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 governmental agency has passed upon the adequacy of the fund.

WORKING CAPITAL FUND

At closing of title to each unit, the unit owner for such unit will contribute to the working capital fund of the Condominium an amount equal to two months' common charges (see CLOSING COSTS AND ADJUSTMENTS). Sponsor will make the required contribution for all unsold units at the time of the closing of the first unit, and will be reimbursed therefore on each subsequent closing of a unit by the unit purchaser. This Working Capital Fund will be used to make repairs and improvements and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE B. While the Sponsor controls the Board of Managers (see CONTROL BY THE SPONSOR), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Working Capital Fund will not be reduced by any closing adjustments to the Sponsor. All closing adjustments to the Sponsor will be paid in equal monthly installments over the twelve (12) month period following closing. All adjustments represent reimbursement for prepayment of expenses already included in the budget set forth herein, and therefore do not represent an additional expense to Condominium Purchasers.

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.

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this project is Prospect Park Investments, LLC, a Wisconsin limited liability company formed on July 14, 2014, with offices at 1311 Milwaukee Street, Delafield, Wisconsin 53018. The Principal of the Sponsor is David May, also of 1311 Milwaukee Street, Delafield, Wisconsin 53018. Mr. May is former President of North America Operations and Global Research & Development at S.C. Johnson & Son of Racine, Wisconsin, the manufacturer and distributor of consumer packaged goods. Mr. May retired from the company in 2014 and has no prior experience in real estate development. Neither the Sponsor nor the principal of the Sponsor has previously been the Sponsor or the principal of the Sponsor of any Offering Plans in the state of New York during the preceding five years.

There are no felony convictions, bankruptcies, judgments, or injunctions against the Sponsor or principal to the best of the knowledge of the principal of the Sponsor.

COUNSEL: Sponsor has engaged Claudia V. Murdoch, Esq. of the Law Office of Claudia V. Murdoch, P.C., 117 Seventh Avenue, Brooklyn, New York 11215, to represent it in the conversion of the premises to condominium ownership. The law firm of Brickner Makow, LLP, will act as the Sponsor's closing attorney, and will be the escrow agent for purchasers' down payments. Ms. Murdoch and Brickner Makow, LLP represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT: The architect, Ben Herzog, R.A., has offices at 247 Prospect Avenue, 2nd Floor, Brooklyn, New York 11215, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. Mr. Herzog has been an architect for over 15 years and has extensive experience in preparing reports for new construction condominiums, as well as renovations of existing structures. Mr. Herzog's previous condominium conversion projects in the vicinity of the subject premises include The 423 3rd Street Condominium and The 227 Berkeley Place Condominium. The architect has no relationship with or financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction except for his fee for services rendered in connection with his report.

SELLING AGENT: The Sponsor is currently the selling agent for the plan. The Sponsor has not previously been the selling agent for any offering of condominium or cooperative interests in real property in or from the State of New York.

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.

There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or any other person or persons that might become a lien against the Property or that 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, except as disclosed elsewhere in this Offering Plan.

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered pursuant to the Offering Plan. No deposits or advances of funds have been taken by, or on behalf of, the Sponsor in connection with the reservation, sale, or transfer of any units offered pursuant to this Offering Plan.

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 prospective purchasers. There has been no market test pursuant to Cooperative Policy Statement No. 1.

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, sexual orientation, disability, age, marital status, national origin, or ancestry in the sale of the units offered by the Plan, or in the leasing of any apartment in the building.

Operable smoke detectors and carbon monoxide detectors will be installed in all apartments as per the New York City Administrative Code.

If there is a material amendment to the Offering Plan that adversely affects a purchaser, such purchaser shall have the right to rescind his/her 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 that is not expressly contained herein. This Plan may not be changed or modified orally.

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 connection 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 or public accountant.

2) Prior notice of the annual Unit Owners meeting, which shall occur in March, and which notice shall be no less than thirty (30) days prior to the scheduled 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 budget shall be certified by a qualified budget expert.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the DESCRIPTION OF PROPERTY AND SPECIFICATIONS set forth in Part II of this Offering Plan. With reference to such material, a licensed architect or engineer 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, to the best of the Sponsor's knowledge, the following description accurately states the condition of the building and its equipment (see DESCRIPTION OF PROPERTY AND SPECIFICATIONS in Part II of the Plan).

The Property will be offered in its condition as described in this plan. Neither the Sponsor nor its Principal will have any obligation to make repairs or improvements except to the extent that the building or its systems do not conform to the conditions as described in the Plan. The Sponsor will cure, or cause to be cured, all violations of record against the Property on the closing date, eliminate all known dangerous or hazardous conditions, and comply with all work orders from mortgagees.

PART II

PURCHASE AGREEMENT

THE 577 5TH STREET CONDOMINUM
577 5th Street
Brooklyn, New York 11215

Condominium Unit No. ___

Agreement, dated _____ , 20___ , is between Prospect Park Investments, LLC, with offices at 1311 Milwaukee Street, Delafield, WI 53018 (the "Sponsor") and

(the "Purchaser").

1. *Agreement to Purchase*. Purchaser agrees to purchase from Sponsor, who agrees to sell to Purchaser, the Condominium Unit in THE 577 5TH STREET CONDOMINUM, located at 577 5TH STREET , Brooklyn, New York, designated as Unit No. ____ together with a ____% undivided interest in the Common Elements of the Condominium.

The Purchase Price is $_____ payable as follows:

1. Down Payment, paid simultaneously herewith: $

2. Balance, due at closing: $

This Purchase Agreement is made pursuant to the terms of a condominium offering plan covering THE 577 5TH STREET CONDOMINUM (the "Plan").

Purchaser has delivered to Sponsor his check for the Down Payment shown above, made payable to "Brickner Makow, LLP IOLA Account". This check is accepted by Sponsor subject to collection. Purchaser will pay the above-stated Balance, by cash or by mortgage, at the Closing of Title as discussed in paragraph 2 hereof.

2. *Delivery of the Deed*. The closing of title shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such time and date for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten(10) business days-prior written notice of the new scheduled date and time for closing. In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's Closing to his apartment, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be twelve percent (12%) per annum. This rate shall be in effect for as long as there is any unpaid amounts owing towards the full purchase price. The Closing shall take place at the office of the Sponsor's attorney. At Closing, Purchaser shall pay

Sponsor the Balance due by certified check or official bank check drawn on a New York bank payable to the order of Sponsor (or such other payee as Sponsor may designate - PLEASE NOTE - NO THIRD PARTY CHECKS WILL BE ACCEPTED- and Sponsor shall deliver to Purchaser the deed to the Unit. The deed delivered to Purchaser shall be a standard type of deed known as a bargain and sale deed with covenant against grantor's acts. Purchaser shall pay the New York State and New York City transfer taxes on such deed. When Sponsor delivers the deed, Purchaser shall sign it and the power of attorney in favor of the Board of Managers of the Condominium in the form set forth in the Plan.

3. *Receipt of Documents*. Sponsor has delivered to Purchaser at least three (3) full business days prior to his signing this Agreement, the proposed Declaration, By-Laws, Schedules, Plans and Exhibits contained in the Plan, as amended, all of which are made part of this Agreement as if they were set forth in full in this Agreement. Purchaser has read the Plan and agrees to be bound by the Plan. If Purchaser has not received the Plan at least three (3) full business days before signing this Agreement, Purchaser has seven (7) days, after delivering this Purchase Agreement and Down Payment, to rescind this Purchase Agreement and have the Down Payment promptly refunded. In order to rescind, a written notice of rescission must be delivered to Brickner Makow LLP Attn: Howard M. Brickner, Esq., 292 Warren Street, Brooklyn, New York 11201, personally or by mail (facsimiles are not acceptable). If personally delivered, the notice must be received by 5:00 p.m. on the seventh (7^{th}) day after delivery of the Purchase Agreement. If mailed, the notice must be postmarked by midnight of the seventh (7^{th}) day after delivery of the Purchase Agreement. Delivery of the Purchase Agreement will be deemed to have occurred on the date of personal delivery or, if mailed, on the fifth day after the date of mailing. Purchaser acknowledges that except as stated in this Agreement (and as set forth in the Declaration, By-Laws, and Plan), Purchaser has not relied on any representations or other statements of any kind or nature made by Sponsor or any other persons or entities, written or oral, including but not limited to, any representations relating to the description, size or dimensions of the Unit or rooms or any amenities contained in the Unit or the Building, and the estimated common charges, real estate taxes or other expenses of the Condominium.

4. *Marketable Title*. Sponsor shall convey to Purchaser such good and marketable title as any reputable title company having the authority to do business in the State of New York shall approve and insure for fee title insurance and mortgage title insurance, if any (subject to the terms of the Plan and of the Declaration and By-Laws as filed) and free and clear of all liens and encumbrances except (i) the lien of the mortgage, if any, applied for by Purchaser and (ii) those liens and encumbrances set forth in the Plan and on Exhibit A annexed hereto. If Purchaser shall order fee title insurance, it shall be purchased at his own cost and expense. If Purchaser orders title insurance from any company other than the one which Sponsor selects, and such title company raises any exception to title which Sponsor's company is willing to omit without any additional premium or cost, then such exception shall not, in any event, constitute an objection to Closing. Sponsor shall have no obligation whatsoever to provide additional information, affidavits, undertakings or any other thing requested by any title company other than Sponsor's title company in order to omit any exception, which has not been raised or has been omitted by Sponsor's title company.

5. *Inspection; Condition of Units*. At least one (1) day before Closing, a representative of the Sponsor and Purchaser shall inspect the Unit. At the conclusion of the inspection, Purchaser will complete and sign a "punch list". Purchaser's signing of this Purchase Agreement shall constitute his acceptance of the Unit and the Building in the condition in which it shall be at the time of Closing,

subject to any items to be corrected which are noted on the punch list, without any abatement or credit against the Purchase Price or any provision for escrow deposits at closing.

Except for the items set forth on the punch list, Sponsor will have no obligation to repair or correct Minor Imperfections (as that term is defined in the Plan.).

6. Effectiveness of Offering Plan. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective and that the Plan shall not be declared effective except as provided by the Plan. The Sponsor may abandon the Plan at any time prior to declaring it effective. If the Plan is abandoned, does not become effective, or is not consummated for any reason after being declared effective within the time prescribed by the Plan, this Purchase Agreement shall be deemed cancelled and the Plan terminated. Within ten (10) days thereafter, Purchaser will receive back the Down Payment paid by Purchaser hereunder together with interest, if any, earned thereon. Upon repayment, no party shall have any claim against any other party or person, including but not limited to, the Sponsor, the Escrow Agent or the Selling Agent and all parties shall be released *in accordance with the terms of the Escrow Agreement*.

7. *Closing Expenses and Adjustments.* At the closing of title, Purchaser shall pay, in addition to any other fees disclosed and provided for in the Offering Plan and any amendments thereto, the following, by Purchaser's unendorsed certified check or official bank check:

(i) Any charges for the cost of title examination and fee insurance, the New York State (TP-584), New York City (RPT) Real Estate Transfer Taxes and the NYS mansion Tax (all as stepped-up) and recording charges for the deed and power of attorney in favor of the Board of Managers; (ii) an amount equal to two (2) months' common charges, representing Purchaser's share of initial working capital for the Condominium; (iii) Sponsor's counsel, Brickner Makow LLP, a fee of $3,000 for services in connection with preparing various closing documents and for coordinating and attending the closing.–If the closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of $850 will be charged for attending the closing. If the closing is adjourned at Purchaser's request, an additional fee of $350.00 will be charged for each adjournment. Additionally, in the event that the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign a Purchase Agreement, the Purchaser shall pay an additional of $1,250.00 to Sponsor’s counsel for preparation and processing of the assignment. In the event the Sponsor shall enter into an Interim Lease with the purchaser, there will be an additional fee of $750.00 per Unit. In the event that a purchaser defaults, a fee of $350.00 will be charged for each default letter. The foregoing fees shall be cumulative. Such fees shall be payable at or prior to closing by Purchaser's unendorsed certified check or official bank check made payable directly to Brickner Makow LLP; and (iv) in the event that Purchaser obtains a mortgage loan for the Unit, Purchaser shall also pay the cost of the mortgage recording tax, premium for mortgage title insurance (if required by the Lender), mortgage recording fees, all of the Lender's charges and, to the Sponsor, an amount equal to the credit to which Purchaser would be entitled under Section 339-ee(2) of the New York Condominium Act by reason of mortgage taxes previously paid. Adjustments (as of the Closing Date) shall be made for real estate taxes and common charges assessed during the month in which title closes or established as a reserve based upon the last bill received. If the Unit has not been separately assessed on the closing date for the then current fiscal tax year, taxes shall be apportioned based upon the assessment of the Condominium and the percentage interest in the Common Elements appurtenant to the Unit. No adjournment of Closing by Purchaser shall be permitted; however, in the event that the Closing Date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's

attorney, lender or representative) (1) all adjustments shall be made as of the original Closing Date and (2) Purchaser shall pay interest on the unpaid balance of the total purchase price to Sponsor from the originally scheduled Closing Date until the actual date of Closing at the rate of 12% per annum. If the Units have not been separately assessed prior to the Closing, Purchaser shall reimburse Sponsor for unpaid real estate taxes levied against the Unit until the Units are separately assessed. Sponsor shall pay the real estate taxes from an escrow account when such taxes are due and payable. Purchaser shall promptly reimburse Sponsor for such payments eve n if they become due and are paid after Closing. Any errors or omissions in computing apportionments shall be corrected and payment made to the proper party promptly after discovery. The provisions of this paragraph shall survive Closing.

8. *Escrow of Down Payment*.

8.1. The law firm of Brickner Makow LLP, with an address at 292 Warren Street, Brooklyn, New York, New York 11201, telephone number 718-624-1550, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories Tracy E. Makow and Howard M. Brickner. 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.

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

8.3. The Escrow Agent has established the escrow account at JPMorgan Chase Bank, located at 192 Smith Street, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Brickner Makow LLP IOLA Trust Account ("Escrow Account") . The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

8.4. All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Brickner Makow LLP IOLA Trust Account, as Escrow Agent.

8.5. The Escrow Account shall be an IOLA account and all interest earned thereon shall enure and be payable to the State of New York 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.

8.6. 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. With ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. 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 with the terms of the purchase Agreement.

8.7. The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, N.Y. 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

8.8. 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.

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

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

(a) pursuant to terms and conditions set forth in the Purchase Agreement in Paragraph 8 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/building] is located and shall give written notice to both parties of such deposit.

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

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

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

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

8.11. 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.

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

8.13. 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).

8.14. 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.

8.15. 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.

8.16. 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.

8.17. 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.

8.18. 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.

8.19. 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.

9. *Sponsor's Rights if Purchaser Fails to Keep His Promises and Agreements.* All sums Purchaser pays to Sponsor on account of this Agreement and the reasonable expenses of the examination of title to the Unit shall constitute liens on the Unit. However, these liens shall not continue after default by Purchaser under this Agreement. Subject to provisions of Paragraph 8 hereof, Sponsor shall have the right to keep the Down Payment and any interest earned thereon if (a) Purchaser does not pay the Total Purchase Price for his Unit or any part of the Total Purchase Price when due; (b) Purchaser does not sign any of the documents referred to in the Plan which Purchaser is required to sign when Sponsor offers to deliver to Purchaser the deed to his Unit; or (c) Purchaser fails to keep any other promise contained in this Agreement.

Before Sponsor shall have the right to keep the Down Payment and the interest earned thereon, Sponsor must first send Purchaser a notice stating that Sponsor intends to cancel this Agreement describing each promise which Sponsor thinks Purchaser did not keep under this Agreement. If Purchaser does not cause each of these promises to be kept within thirty (30) days after Sponsor's notice is sent, Sponsor may keep the Down Payment and all interest earned thereon. After such time period expires, neither Sponsor nor Purchaser shall have any further obligations under this Agreement, this Agreement shall be considered cancelled without any further action by either party, and Sponsor shall have the right to sell the Unit to any other person or entity whatsoever. THIS PROVISION IS OF THE ESSENCE AND NO EXTENSION OF THE CURE PERIOD WILL BE GRANTED.

10. *Sponsor's Inability to Deliver Deed; Cancellation of the Purchase Agreement.* If Sponsor is unable to deliver to Purchaser a deed to the Unit in accordance with this Agreement because of Sponsor's inability to complete the filing of the Plan in accordance with the Plan, as it may be amended, Sponsor shall immediately notify Purchaser in writing and this Agreement will terminate. In that case, the sole obligation of Sponsor shall be to return to Purchaser the Down Payment together with interest, if any, earned thereon.

11. *Recording of Condominium Declaration*. Purchaser understands that the Declaration and By-Laws establishing the Condominium shall be recorded by Sponsor in the Office of the New York City Register in the County of Kings prior to the closing of title to the first Unit as set forth in the Plan. Sponsor shall file with the Declaration when it is recorded or shall amend the Declaration prior to the Closing Date and file at such time a verified statement of a registered architect or licensed professional engineer certifying that the floor plans being filed fully and fairly depict the layout, location, Unit designation and approximate dimensions of the Unit. The Declaration and By-Laws, when recorded by Sponsor, shall be substantially in the form of the Declaration and By-Laws set forth in the Plan and no changes in those documents shall have a material adverse effect upon Purchaser. Sponsor shall not record the Declaration until the Plan has been declared effective in the manner provided therein.

12. *Personal Property Included in Sale; Excluded Items*. All articles of personal property, fixtures and equipment described in the Plan for the Unit being purchased by Purchaser are included in this sale. They shall be delivered free and clear of all liens and encumbrances except the lien of the mortgage, if any, applied for by Purchaser.

13. *Risk of Loss.* The risk of loss or damage to the Unit by fire or any other cause until the delivery of the deed or until Purchaser enters into possession of the Unit, whichever is earlier, is assumed by Sponsor.

14. *Existence of Liens - Not Objection to Title*. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided Sponsor shall deposit a sufficient amount of money with its title company so that the company shall be willing to insure against collection of the taxes or liens from the Unit. Purchaser agrees that Sponsor may pay and discharge any liens and encumbrances upon any unit not provided for in this Agreement out of the monies to be paid by Purchaser at the time of closing title to the Unit.

15. *Execution of Required Documents, etc.* Purchaser agrees to deliver to Sponsor all documents and to perform all acts required by Sponsor or by any governmental authority to carry out the provisions and intent of the Plan, establish the Condominium and conform to the provisions of all applicable laws and regulations. This Paragraph 15 shall survive delivery of the deed. Purchaser specifically agrees to execute any such documents or perform any such acts after Closing promptly upon request at no cost or expense to either party.

16. *Binding Nature of Purchase Agreement, Assignability, Use.* This Agreement is binding upon the Purchaser, Sponsor and their respective heirs, executors, administrators and assigns. Purchaser will not record this Agreement, nor give, sell or assign his rights in this Agreement without Sponsor's prior written consent which may be arbitrarily refused. Additionally, if and only if the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign this Agreement, Purchaser shall pay Sponsor a fee of $1,250 to Sponsor's counsel for preparation and processing of the assignment. Purchaser hereby represents that the Unit is being purchased for residential use or a use permitted by the Declaration and By-Laws and for no other purpose.

17. *Notice*. Unless another method is provided for in this Agreement, any notice to be given to either party shall be in writing and sent by hand, certified mail (return receipt requested) or by nationally recognized overnight courier to the address shown on page one of this Agreement or to such address as either party may later designate to the other in writing in the manner described in this Paragraph 17. A copy of any notice sent to Sponsor shall also be sent in the same manner to

A copy of any notice sent to Sponsor shall also be sent in the same manner to Brickner Makow LLP Attn: Howard M. Brickner, Esq., 292 Warren Street, Brooklyn, New York 11201.

18. *Acceptance of Agreement*. This Agreement shall not be binding on Purchaser or the Sponsor until this Purchase Agreement shall be accepted, by endorsement by the Sponsor, and a fully signed copy of this Agreement shall have been delivered or mailed to Purchaser. Within twenty (20) days after receipt of the Purchase Agreement from a prospective Purchaser, the Sponsor will either accept the Purchase Agreement or reject it, in which latter case, the Down Payment will be refunded to Purchaser without interest. The failure of the Sponsor to act within the twenty (20) day period shall be deemed a rejection of the Purchase Agreement. If the Purchase Agreement is accepted, a counterpart thereof, signed by the Sponsor or the Selling Agent on behalf of the Sponsor, will be returned to the prospective Purchaser. Notwithstanding the date which shall appear hereon, such twenty (20) day period shall not commence until Purchaser has delivered good funds for the Down Payment.

19. *No Discriminatory Inducement*. Purchaser represents that he is over eighteen (18) years of age, and the sale of the designated Unit was made to Purchaser in good faith pursuant to the terms set forth in the Plan, without fraud or duress.

20. *Broker*. Sponsor and Purchaser agree that no broker other than

brought about this sale. Sponsor agrees to pay the commission due such broker on the sale and Purchaser agrees to indemnify and hold harmless the Sponsor from and against any and all claims, liabilities, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered or incurred by the Sponsor by reason of any claim arising out of any conversations or negotiations had by Purchaser with any broker, finder or like person claiming to have dealt with Purchaser in connection with the sale of the Unit other than the broker set forth in this Paragraph 20. The representations and indemnities set forth in this Paragraph 20 shall survive the Closing hereunder.

21. *Definitions*. All defined terms contained in the Plan will have the same meaning ascribed to them in this Agreement. The term "Purchaser" shall be read as "Purchasers" if more than one person signs this Agreement. In that case, the obligations of all purchasers shall be considered joint and several.

22. *Entire Agreement; Plan Controls; Governing Law.* This Agreement states the entire understanding between the parties hereto. Neither party shall be bound by any oral representations or agreements. All of the terms of the Plan are incorporated in this Agreement as though fully contained herein. In the event of any discrepancy between this Agreement and the Plan, the Plan shall control. The laws of the State of New York shall govern this Agreement without regard to any principles of conflicts of law.

23. *Waiver*. Purchaser waives any right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan. The failure of the Sponsor to insist upon strict performance of any of the terms or conditions of this Agreement shall not be deemed a waiver of any subsequent breach or default in the terms and conditions of this Agreement.

24. *Survival of Seller's and Purchaser's Obligations*. Sponsor shall have no obligations under this Agreement or the Plan after Sponsor delivers to Purchaser the deed to the Unit unless this Agreement or the Plan specifically gives Sponsor an obligation after that time. All representations made by Purchaser in this Agreement shall expressly survive the closing of title.

25. *Agreement Not Contingent Upon Financing Unless Fiaincing Rider is Agreed to and Executed by the Sponsor*. See Financing Rider attached hereto and made a part hereof.

26. *Amendments to Offering Plan*. Purchaser understands that the Unit Purchaser is purchasing is covered by a Condominium Offering Plan and that the terms of the Plan may be amended from time to time to, among other things, increase or decrease the prices at which all of the Units are being offered or in such other respects as the Sponsor sees fit. No such amendment shall increase the sales price of the Unit Purchaser is purchasing hereunder so long as Purchaser is not in default. In the event any amendment to the Plan, whether made before or after the Plan is declared effective, materially alters the Plan in a manner which adversely affects Purchaser, he will be afforded

a fifteen (15) day period within which to rescind this Agreement following delivery to him of such a copy of such amendment to the Plan. Should Purchaser then elect to rescind, Purchaser will receive back his Down Payment, together with interest, if any, earned thereon and Purchaser shall have no other rights or remedies against the Sponsor. In no event shall such amendment excuse Purchaser's performance hereunder (unless Purchaser rescinds as set forth above) nor entitle Purchaser to any offset or credit against the Purchase Price.

27. *Captions*. The captions in this Agreement are for convenience only and are not part of this Agreement.

28. *Plain Language*. Purchaser has read this Agreement and Purchaser understands it. Under New York law (General Obligations Law Section 5-702), Purchaser knows that as a consumer, Purchaser has a right to an agreement written in clear and simple language. Sponsor and Purchaser both believe this is such an agreement.

29. *Smoking Policy*. Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements. Purchaser acknowledges and agrees to abide by this policy.

Date: _____, 20__

_____
Purchaser

_____
Purchaser

Accepted and agreed to by:

_____
Sponsor

As to Paragraph 8 of the Purchase Agreement:

ESCROW AGENT: Brickner Makow LLP

_____
By:

EXHIBIT A

Permitted Encumbrances

a. The terms, burdens, conditions, covenants, restrictions, easements and provisions, all as set forth in the Declaration, the By-Laws and the Rules and Regulations made thereunder; the Power of Attorney from Purchaser to the Board of Managers; and Floor Plans, all as may be amended from time to time;

b. Any state of facts which an accurate survey or inspection of the Unit would show provided such facts do not render title unmarketable and would not prevent the use of the Unit for dwelling purposes;

c. Covenants, restrictions, easements and agreements of record if any, provided the same do not prevent the use and maintenance of the structure;

d. Zoning regulations and ordinances which are not violated by the existing structures;

e. Consents by the Seller or any former owner of the premises for the erection of any structure or structures on, under or above any street or streets on which any premises may abut;

f. Beams and beam rights, and party wall and party wall agreements, if any;

g. Possible lack of right to maintain vault or vaulted areas under and coal chutes in the sidewalks;

h. Projections and encroachments, if any, or retaining walls, doors, ledges, water tables, standpipes, chimneys, lintels, coal chutes, windows, bay windows, trim, coping, cornices, ornamental projections, fences and retaining walls;

i. Mechanics' liens, if any1 provided that any reputable title company licensed to do business in the State of New York agrees to insure the Purchaser against the collection thereof out of the Unit but not against the Property;

j. Rights, if any, acquired by any utility or licensed public service company to maintain and operate lines, wires, cables, poles and distribution boxes in, over and upon said Property;

k. Variations if any, between tax lot and lines of record title;

l. Existing Interim Leases between Sponsor and Purchaser;

m. Party wall agreements;

n. Legislative restrictions, if any;

o. Standard printed exceptions contained in the form of title insurance to be issued by the title insurance company insuring the Purchaser's title to the Property, included but not limited to:

(i) Defects and encumbrances arising or becoming a lien after the date of the title policy, except as therein provided;

(ii) Consequences of the exercise and enforcement or attempted enforcement of any governmental war or police powers over the Property;

(iii) Any laws, regulations or ordinances (including, but not limited to zoning, building, environmental protection) as to the use, occupancy, sub-division or improvement of the premises; adopted or imposed by any governmental body, or the effect of any non- compliance with, or any violation thereof;

(iv) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to by or with the privity of the insured;

(v) Title to any property beyond the lines of the premises or to areas within or rights or easements in any abutting streets, roads, avenues, lanes, ways or waterways, with a right to maintain train vaults, tunnels, ramps or any other structure or improvement, unless the policy specifically provides that such titles, rights or easements are insured. Notwithstanding any provision in this paragraph to the contrary, the policy, unless otherwise excepted, shall insure the ordinary rights of access and egress belonging to the abutting owners;

(vi) Title to any personal property, whether the same be attached to or used in connection with said premises or otherwise.

p. Service, maintenance and license agreements, if any, of other Units or portions of Common and Limited Common Elements;

q. The lien of any unpaid Common Charges, real estate tax, water and sewer charges provided the same are adjusted at the Closing;

r. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers) except that the Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments from and after such date (however, the then current installment shall be adjusted at Closing);

s. Any other Declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building;

t. Violations noted or issued of record after the First Closing by any governmental authority. Any violations which the Sponsor is obligated to remove will not be an objection to the closing of Units after the date of First Closing, provided Sponsor agrees in writing with Board of Managers to remove same of record.

THE 577 5TH STREET CONDOMINUM
577 5TH STREET
Brooklyn, New York

INFORMATION SHEET

Unit No. _____

PLEASE PRINT CLEARLY
ALL NAMES WILL APPEAR ON THE DEED EXACTLY AS ENTERED HERE

Name of
Purchaser:_____

Address of
Purchaser:_____

Telephone Number: (home)_____
(office)_____

Social Security No:_____

Attorney:_____

Address:_____

Phone & Fax: _____

FINANCING CONTINGENCY RIDER TO PURCHASE AGREEMENT

1. This Rider (the "Rider") amends and modifies that certain Purchase Agreement (the "Agreement") by and between with offices at (the "Sponsor") and (the "Purchaser").

2. Financing Contingency.

a. The obligations of issuance within forty (40) days of the date hereof of a written mortgage loan commitment (a "Commitment") in the amount of $ at prevailing rates and terms for a conventional first lien purchase money mortgage loan from a commercial bank, savings bank, trust company, savings and loan association, an insurance company, an educational institution, a federal, state municipal or similar public employee's welfare, pension or retirement fund system, credit union to which Purchaser is a member, or state or an agency thereof ("Institutional Lender") for a term of at least 30 years and on other customer commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender for such mortgage loan. An application for such a mortgage loan commitment must be made through an Institutional Lender, licensed mortgage banker or broker (the "Mortgage Banker") within five (5) business days after Sponsor accepts and delivers to Purchaser or Purchaser's attorney the fully executed Agreement. Sponsor will have the right, but not the obligation, to cancel the mortgage financing contingency if Purchaser fails to make such application for such mortgage loan within such five (5) business day time period. Purchaser agrees promptly to furnish to any prospective Institutional Lender such truthful, accurate and complete information, data and documents pertaining to Purchaser's and Family Member's financial condition as may be required by such prospective Institutional Lender; pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Institutional Lender to the end of securing the mortgage loan, and comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Sponsor with a copy thereof promptly after receipt. Purchasers' failure to provide information promptly upon request, or to accept a Commitment issued to Purchaser on the terms set forth herein, will constitute an event of default for which Sponsor will have the right to cancel the Purchase Agreement and retain Purchaser's Down Payment. Purchasers will have forty (40) days from the date Sponsor accepts and delivers to Purchasers the fully executed Agreement to obtain the Commitment as provided above. In the event Purchaser fails to obtain a Commitment within such time period, Purchaser must notify Sponsor of same within five (5) business days subsequent to such forty (40) day period, or the financing contingency shall be deemed waived by Purchaser. Unless waived by Sponsor, Sponsor, if it so desires, shall then have forty (40) days after receipt of such notice to secure a Commitment for Purchaser from the same or another Institutional Lender in the same amount at prevailing rates and terms. In the event no such Commitment is furnished prior to the expiration of such forty (40) day period, this Purchase Agreement shall be terminated and the Down Payment, shall be refunded to Purchaser, provided Purchaser has not waived the financing contingency

prior to the expiration of such forty (40) day period. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from any Institutional Lender. Once a Commitment from an Institutional Lender has been issued to Purchaser, any financing contingency which previously existed is deemed extinguished; provided, however, a Commitment subject to an appraisal satisfactory to the Institutional Lender shall not result in extinguishment of the financing contingency until satisfied. Accordingly, any revocation or withdrawal of such Commitment shall not reinstate any financing contingency, and, in such event, this 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 the Commitment lapses or expires before Closing, and Purchaser has made a good faith effort to extend the Commitment, Sponsor will grant to Purchaser a right to rescind the Purchase Agreement, provided Purchaser shall have notified Sponsor in writing within ten (10) days of receipt of such offer that Purchaser elects to exercise such right and, upon such election, the Down Payment shall be refunded to Purchaser. 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 Purchase Agreement or the Offering Plan shall not relieve Purchaser of Purchaser's obligation to close title.

3. Definitions.

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement or in the Plan.

IN WITNESS WHEREOF, the parties have executed this Rider as of the date written hereinbelow.

Date:

_____
-Purchaser

_____
-Purchaser

Accepted and agreed to by:

_____
By:

UNIT DEED

Title No._____

PROSPECT PARK INVESTMENTS LLC

TO

_____

_____

BLOCK _____

LOT_____

KINGS COUNTY

RECORD AND RETURN BY MAIL TO:

_____
_____
_____

UNIT DEED

THIS INDENTURE, made the _____ day of _____, 20__, between Prospect Park Investments, LLC, 1311 Milwaukee Street, Delafield, WI 53018 (collectively, the "Grantor"), and _____ residing at _____ ("Grantee").

WTINESSETH, that the Grantor, in consideration of Ten ($10.00) Dollars, lawful money of the United States, and other valuable consideration paid by the Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, the Condominium Unit known as Unit ____ and more particularly described on Schedule A annexed hereto.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, By-Laws, rules, regulations and easements set forth in the Condominium Documents, filed and recorded as described in Schedule A annexed hereto.

TOGETHER with all right, title and interest, if any, of the Grantor in and to any streets and roads abutting the above-described premises to the center lines thereof,

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to said premises.

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

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

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

The term "Unit" as used in this Deed has the same meaning as the term "Unit" as defined in Article 9-B of the Real Property Law of the State of New York.

Except as otherwise specifically permitted by the Board of Managers, or provided in the Declaration or By-Laws, the Unit is intended for residential use or, in the event that the Unit conveyed hereby is a parking space Unit, for use as a parking space.

By accepting this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

IN PRESENCE OF:

GRANTORS:

_____

_____

GRANTEE(S):

_____

_____

STATE OF NEW YORK)
)ss:
COUNTY OF)

On the ___ day of _____ in the year 20_, before me, the undersigned, a Notary Public in and for the State of New York, personally appeared

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

_____
NOTARY PUBLIC

STATE OF NEW YORK)
)ss:
COUNTY OF)

On the ___ day of _____ in the year 20 _, before me, the undersigned, a Notary Public in and for the State of New York, personally appeared

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

_____
NOTARY PUBLIC

SCHEDULE "A"

The Condominium Unit (the "Unit") known as Unit No. _____ in the Building (the "Building") known as THE 577 FIFTH STREET CONDOMINUM and by the street address 577 FIFTH STREET , Brooklyn, New York, being in the Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated as Unit No. _____ as described in the Declaration establishing a plan of condominium ownership of the Building and the land (hereinafter called the "Land") upon which the Building is situate (which Land is more particularly described below) under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") made by David May and Teresa May dated _____ , which declaration was recorded in the Office of the City Register of The City of New York (the "City Register's Office") on _____ as CRFN _____, (which declaration, and any amendments thereto, are hereinafter collectively called the "Declaration") which Unit is also designated as Tax Lot _____ in Block 931 in the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York, and on the floor plans of the building, certified by Diego Aguilera and filed with the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____, and also filed in the City Register's Office on _____ as CRFN _____.

Together with an undivided _____% interest on the common elements of the Property as same are described in said Declaration.

The Land in which said condominium unit is located is bounded and described as follows:

ALL that certain plot piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 19th Street, distant 145 feet easterly from the corner formed by the intersection of the southerly side of 19ht Street with the easterly side of 3rd Avenue, as said 3rd Avenue existed before it widening;

RUNNING THENCE southerly, parallel with 3rd Avenue and part of the distance through a party wall, 100 feet;

THENCE easterly, parallel with 19th Street, 20 feet;

THENCE northerly, again parallel with 3rd Avenue, 100 feet to the southerly side of 19th Street; and

THENCE westerly, along the southerly side of 19th Street, 20 feet to the point or place of BEGINNING.

POWER OF ATTORNEY

The undersigned, _____, residing at _____, owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. ____ at 577 FIFTH STREET , Brooklyn, New York, said Unit being designated and described as Unit No. ____ in the Declaration and also designated as Tax Lot _____ in Tax Block _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, (does) (do) hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), in accordance with the Unit Owners' respective Common Interests, on behalf of all Unit Owners, subject to the provisions of the By-Laws then in effect, to acquire or lease any Unit, together with its Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; to acquire any Unit, together with its Common Interest, that becomes the subject of a foreclosure or other similar sale, on such terms and at such price or at such rental, as the case may be, as said attorneys-in fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorney-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and to execute, acknowledge and deliver (a) any Declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate.

The acts of a majority of such persons constituting the Board of Managers or such other number as may be required by the By-Laws, shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint David May and Teresa May or their respective designees (hereinafter collectively referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article "Nineteenth" of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Sponsor

to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivisions (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a physical modification to the Undersigned's Unit, or (iii) adversely affect the mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned [in the event of a matter described in subdivision (i) or (ii) of this paragraph] or the holder of such mortgage [in the event described in subdivision (iii) of this paragraph] shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in THE 577 FIFTH STREET CONDOMINUM.

IN WITNESS WHEREOF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the ____ day of _____, 20__.

_____

_____

STATE OF NEW YORK)
)ss:
COUNTY OF)

On the _____ day of _____ in the year 20_, before me, the undersigned, a Notary Public in and for said State of New York, personally appeared

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

_____
Notary Public

UNIT OWNER'S POWER OF ATTORNEY

Title No. _____

BLOCK _____

LOT _____

KINGS COUNTY

RECORD AND RETURN BY MAIL TO:

BRICKNER MAKOW LLP
292 Warren Street
Brooklyn, New York 11201
Attention: Howard M. Brickner, Esq.

SAMPLE INTERIM LEASE

AGREEMENT made this day of , 20__, between PROSPECT PARK INVESTMENTS, LLC, (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 577 5th Street, Brooklyn, New York; and,

WHEREAS, PURCHASER has executed a Purchase Agreement for Unit at said premises; and,

WHEREAS, PURCHASER wishes to occupy said apartment prior to the closing of the transaction;

NOW, THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

1) Commencing on _____, and terminating as hereinafter specified, PURCHASER shall have the right to use and occupy the aforementioned apartment.

2) PURCHASER shall pay a fee for use and occupancy of the apartment of $_____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this agreement is not governed or subject to any rent regulatory laws.

3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. No portion of the use and occupancy fee will be applied to the purchase price of the apartment.

4) The terms of the Offering Plan, and all related documents in effect as of the date hereof are incorporated in and made a part of this agreement.

5) As of the date of this Agreement, risk of loss to the apartment and its contents by fire or other hazard shall be determined pursuant to the terms of the Offering Plan.

6) PURCHASER shall pay all utility costs and make any repairs to the apartment for which s/he would be obligated as owner. SPONSOR will not be responsible for ordinary wear and tear to the apartment during the PURCHASER'S occupancy.

7) PURCHASER may not make any alterations to the apartment without SPONSOR'S written consent.

8) This lease will terminate on the happening of the earliest of the following:

a) Closing;
b) Rescission of the Purchase Agreement by PURCHASER;
c) Default by PURCHASER.

9) Upon a default by PURCHASER of the Purchase Agreement that is not cured within 15 days after notice thereof, or rescission by PURCHASER, PURCHASER'S right to occupy the apartment will terminate, and PURCHASER must vacate the apartment within thirty (30) days after mailing of Notice to Vacate by the SPONSOR. Such notice must be by certified mail, return receipt requested, to the apartment. PURCHASER agrees to pay SPONSOR $_____ per day for each day s/he remains in possession beyond the 30th day following mailing of the Notice to Vacate in conformity with this section. SPONSOR is hereby irrevocably authorized to deduct said per diem sum directly from any amounts being held as a security deposit hereunder. Nothing contained herein shall be construed so as to limit SPONSOR's ability to have PURCHASER evicted from the premises and to pursue any other legal remedy available to SPONSOR; nor shall anything herein be construed as a waiver by the SPONSOR of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.

10) Any default under this agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this agreement. Any such default will terminate PURCHASER'S right to use and occupancy, and will also terminate PURCHASER'S right to purchase the apartment, and may result in loss of the down payment.

11) This agreement may not be assigned, and may not be changed, except by signed, written instrument. This agreement is the entire agreement between the parties as regards use and occupancy of the apartment pending closing.

12) If any term of this agreement differs from the Offering Plan as accepted for filing by the Attorney General of the State of New York, the offering plan shall be controlling.

13) Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements. Purchaser acknowledges and agrees to abide by this policy.

IN WITNESS WHEREOF, the parties hereunto set their hands this
day of , 20____.

SPONSOR
PROSPECT PARK INVESTMENTS, LLC

_____

PURCHASER

_____

TAX ESCROW AGREEMENT

AGREEMENT made this 25 day of February, 2020, by and between PROSPECT PARK INVESTMENTS, LLC (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 577 5TH STREET CONDOMINIUM (hereinafter "The Board");

W I T N E S S E T H:

WHEREAS, Sponsors are the Sponsors of the Offering Plan for the conversion to condominium ownership of the land and building located at 577 5th Street, Brooklyn, New York; and,

WHEREAS, The Board is The Board of Managers charged with governing the operation of said condominium; and,

WHEREAS, the individual condominium units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first unit located thereat; and,

WHEREAS, pursuant to the terms of the Offering Plan for said condominium conversion Sponsor desires to secure their obligation to pay real estate taxes for the unsold units;

NOW, THEREFORE, the parties agree as follows:

1. On the first closing of a unit at the premises, Sponsor will deposit in escrow with The Board in a special segregated escrow account to be maintained by The Board in The Board's own name, an amount equal to real estate taxes attributable to the unsold units for the six month period immediately following such closing.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. The funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

4. Upon each subsequent closing of the units, the Sponsor may collect the estimated amount of taxes attributable to such unit for the balance of the six month period from the purchaser thereof.

5. If the escrow was kept in an interest-bearing account, the interest earned thereon belongs to the Sponsor.

6. The escrow account shall be maintained in accord with all laws, rules, and regulations of the State of New York, specifically including, but not limited to, the General Business Law, and shall be deemed held for the benefit of the condominium.

IN WITNESS WHEREOF, the parties set their hands the date above first written.

PROSPECT PARK INVESTMENTS, LLC
By:
DAVID MAY

THE BOARD OF MANAGERS OF THE
577 5TH STREET CONDOMINIUM
By:
DAVID MAY

577 5TH ST, BROOKLYN, NEW YORK

Description of Property and Specifications

Prepared by: Ben Herzog Architect, PC

247 Prospect Avenue, 2nd floor, Brooklyn, NY 11215

Date: 11.04.20

(a) Location and Use of Property

This property and its proposed use will comply with zoning and use regulations. A Temporary Certificate of Occupancy will be presented at Closing.

1. Address: 577 5th St, Brooklyn, NY 11215
2. Block: 1083 Lot: 62 Borough: Brooklyn
3. Zoning: The property is in the R7-B
4. Permissible Use: Residential
5. Year Built: 1890 And redeveloped in 2016

(b) Status of Construction

1. Year Built and Redeveloped: The building was originally constructed around 1890 and was redeveloped starting in 2016 and substantially complete January 2018. As a result of the interior renovation, a new certificate of occupancy will be issued. At present, there is not a Certificate of Occupancy listed for the building.

- Permit Number: 321093838-01-AL

2. The building is classified as construction classification 3 per the 1938 Building Code of the City of New York. All work including general construction, heating, ventilation, plumbing, and electrical work must be completed before a permanent certificate of occupancy can be issued. The structural support members will consist of non-combustible bearing walls and shall have a minimum fire protection rating of two hours. Structural floor / ceiling and roof/ceiling assemblies shall be of combustible materials with a minimum fire protection rating of one hour.

3. The Sponsor will obtain a temporary Certificate of Occupancy prior to closing. The renovated Building is currently under construction under NYC DOB 1938 building code and building permit #321093838-01-AL

4. The project is proposed as one zoning lot containing one 3 story building, penthouse, basement and cellar. Located on floors Basement to the penthouse are 2 individual residences. The two apartment units are located as follows:

Apartment 1 —residential duplex unit consisting of two floors joined by a private staircase, parlor floor deck, rear yard and separate storage in cellar. The primary entrance to apartment 1 is provided on the 1st floor and includes a living room, dining room / kitchen, half bathroom, and deck. A private staircase provides access to the basement floor of apartment 1. The basement includes a private rear entrance, three bedrooms. two bathrooms, and a corridor. A closet on the basement level contains a stackable washer and dryer provided by the sponsor. A private storage space in the cellar is accessible via a public staircase from the basement entry. Apartment 2 – residential triplex unit consisting of three floors joined by a private staircase. The apartment includes a living room, kitchen, powder room, two bedrooms, three bathrooms, a media room, and laundry room with side by

side washer and dryer provided by the sponsor. A private storage space in the cellar is accessible via a public staircase from the basement entry. Apartment 2 has a private roof deck off the 2nd floor and 4th floor of the building.

(c) Site

1. Building will be located at 577 5th Street, Brooklyn, New York and occupies Block 1083. Lot 62 in the Borough of Brooklyn on the New York City tax map. The size of the entire zoning lot is 2,000 s.f. as per survey conducted by Perfect Point Land Surveying [79-14 Rockaway Beach Blvd, Rockaway Beach, NY 11693 (ph. (718) 474-7700)]. The footprint of the lot is 100.00 ' x 20.00'.

2. Number of Building and Use:

- Number of Buildings = 1
- Use Group 3 Residential

3. There are no streets owned or maintained by the project.

(i) The Street fronting the site, 5th Street, is a one-way street paved with asphalt which is in new condition.

(ii) The existing curb is concrete and in good condition.

(iii) There are no catch basins on the property.

(iv) There is no street lighting on the property. The nearest street lighting is in front of 576 5th Street.

(v) There is one fire hydrant in front of 581 5th Street.

4. Drives, sidewalks and ramps:

a. Paving

The sidewalk is existing concrete and is in good condition.

b. Curbing

The existing curbing is concrete and is in good condition

c. Catch Basins

There are no catch basins on the property.

d. Street Lighting

There is no street lighting on the property. The nearest street lighting is in front of 576 5th Street.

e. Conformity with Municipal Codes

The existing sidewalk, paving and curb are designed to conform to the standards of the New York City Department of Transportation and the New York City Department of Building Code.

(d) Utilities

Water

Water is obtained by tap to the New York City water main located on 5th Street. The building will have 1 water meter that will be installed prior to closing of residential units. All water invoices will be separated for individual tenants. Rates for water use are set by the NYC Water Board.

Sewer

The existing building sewer connection is connected to the sanitary sewer located on 5th St and maintained by the New York City Sewer Department. From the property line to the city sewer line the sewer size is six inches. The Condominium will be responsible to maintain and repair the sewer within the boundary of the Condominium. There are charges for the sewer connections to the street sewers and the sewer tax will be paid as part of the common charge of the condominium.

Gas

Gas service is provided by National Grid through an underground connection on 5th Street. There are 2 gas meters in the building. The gas service for the building fuels cooking ranges, hot water and dryers in each apartment. Piping is black iron schedule 40 pipe with malleable fittings.

Electrical

Electric service to the building is an underground by connection to electric service on 5th Street. The incoming service is 3@ #2awg 200 amps single phase. All circuits are protected with circuit breakers. All wiring from load side of meter into the buildings as well as all wiring in the building is copper and is installed in accordance with requirements of the New York Board of Fire Underwriters, the Department of Water Supply, Gas and Electricity, and the National Electric Code. All electrical wall outlets are duplex receptacles. All lighting circuits are protected with a twenty (20) ampere Circuit breaker. All utility outlets are installed as per the New York City Electrical Code requirements. Separate circuits are provided for the washing machine, dryers, and air conditioning units. Each residential unit is provided with 100 amps single phase. Each condo unit has a 100 amp meter panel.

All residential units are provided with electrical installations consisting of branch wiring, receptacles, lighting, and other electrical devices. Lighting within the apartments will typically be fluorescent or LED fixtures with lights provided in living rooms, hallways, closets, bathrooms, and kitchens.

There is a 200 amp house meter connected to (2) house panels which are all located in the cellar electrical room. A new smart meter will be installed for each electrical meter.

All residential units will be separately metered for individual electrical consumption and all costs associated there with will be the sole cost of the Condominium Unit Owner. All common electric use will be metered on one common use (PLP) meter and included in the Common Charge of the Condominium and charged to each residential unit as part of their common charges.

There are no generators in the building for power outages.

Telephone/Cable/WiFi

Verizon and/or Time Warner Cable will provide telephone/cable/data service. Each residential unit will be separately billed and the telephone Service to each unit will be the sole responsibility of the Condominium Residential Unit. There will be no common telephone. Cable/WiFi Service will be available to each residential unit through wiring provided from a central patch panel in the cellar to a location within each unit. Each unit owner will be responsible for arranging final connections, for obtaining a Service account,

and for the cable television service for their unit. Wiring designed for data transmission will be provided from a central patch panel in the cellar to a single location within each unit. Each unit will have distribution wiring form that location to various locations within the unit. Each unit owner will be responsible for arranging final connections and for all costs of equipment and maintenance, and for obtaining a Service account if required, and for the cost of operating and service for their unit.

(e) Sub-Soil Conditions

No hazardous materials, and/or environmental restrictions are present on the property. The existing structural walls and soil has been determined by the structural engineer to be able to adequately support a building of the proposed size.

The survey was conducted by Perfect Point Land Surveying indicates no visible streams of natural watercourses in the property. The building is located outside the FEMA flood hazard zone and is located in the unshaded “X" zone.
(1) There is no apparent evidence of uneven foundation movement, settling cracking, mortar joint decay, etc.

(2) There is no apparent evidence of moisture, seepage or ground water infiltration.

(3) There is no apparent danger for flooding due to a water table overflow from other bodies of water. The site and surrounding properties are relatively flat and there is no apparent potential for mudslides or erosion from surrounding properties. The building is located outside the FEMA flood hazard zone and is located in the unshaded “X" zone.

(f) Landscaping and enclosures

(1) The front areaway of the building is existing concrete and is in good condition. New concrete patching has been installed at the location of the new gas line service from the street.

(2) The existing planting area will remain at the front area way. An assortment of perennial and annual flowers are planted in the planting area.

(3) No new trees required by the N.Y City Department of Parks.

(4) There is a new wood slat fencing of 6 feet (6’-0”) above the finish grade of the backyard.

(5) There is a black, metal basement entrance gate keyed for the use of both Unit 1 and Unit 2 for access to the cellar.

(6) Garden Walls: There are no garden walls

(7) Retaining Walls: There are no exposed retaining walls or foundation walls.

(8) There are no pools or fountains

(g) Building size

(1) The height of the building at the roof measuring from the base plane along 5th Street to the top of the main roof structure is approximately 51'. The existing height of the building has been maintained. A height of 75'-0"is the maximum height permitted in this zoning district. The building is legally established in height as 4 stories and penthouse. The ceiling heights of living rooms and bedrooms (habitable rooms) in the residential apartments vary, but are a minimum of 8'-0" high. The railings on the 2nd floor terrace are 3'-6" high and at the main roof are 3'-6" high. There are railings meeting code requirements on the main roof. The stair bulkheads extend above the rooftop level along with miscellaneous mechanical equipment and plumbing stacks.

The approximate ceiling heights for each unit include the following:
Unit 1 - basement bathrooms – 8'-0", 1st floor kitchen - 10'-0", 1st floor powder room - 10'-0"
Unit 2 – 2nd floor kitchen – 9'-0", 2nd floor powder room – 9'-0", 3rd floor bathrooms – 8'-6", penthouse storage – 7'-4"
Cellar storage – 8'-0"

(2) There is not a crawl space within the building.

(3) There is one cellar level below the basement floor level of the building with a floor to ceiling height of approx. 7 feet

(4) In addition to the cellar, there is a basement, three stories and a penthouse each with a floor to ceiling height of living rooms and bedrooms (habitable rooms) in the residential apartments that vary, but are a minimum of 8'-0" high.
The approximate gross square foot footages of each floor are the follows
Cellar Floor approximately =1257 sq. ft.
Basement approximately = 1257 sq.ft.
1st floor approximately = 1246 sq.ft.
2nd Floor approximately = 934 sq.ft.
3rd Floor approximately = 900 sq.ft.
Penthouse approximately = 382 sq.ft.

(5) There will be (4) equipment rooms in the building. Two equipment rooms are located at the Cellar level of the building that house each of the hot water heaters. The third equipment room is in the basement and houses the washer and dryer for Unit 1. The fourth equipment room is located on the third floor and houses the washer and dryer for Unit 2.

(6) The existing parapet at the party walls is existing to remain. The top of the parapet on the east party wall is approximately 4'-0" from above the roof and the top of the parapet on the west party wall is approximately 18" above the roof.

(h) <u>Structural System</u>

Throughout the building, the floor is supported with metal and wood 2 x 8 joists with two layers of plywood making the floor substrate. The basement floor structure is Brick foundation walls. The existing structural system and foundation were in moderately good condition for a building that is 100 years old. Existing floor joists that were damaged beyond repair were replace or sistered as determined by the structural engineer. No underpinning was required.

The foundation is an existing concrete slab construction. There is an existing perforated drain pipe installed at the perimeter of the cellar subfloor which feeds into an existing sump pump to provide additional drainage for the foundation.

The typical structural system of the floors is existing wood joists or new metal C joists pocketed into the party walls, with an overlay of (2) layers ¾" plywood. There is 6" sound insulation between floor joists and 3" sound insulation at bathroom walls and hall corridor walls. The STC rating of the sound batts in the interior walls is a minimum of 45 in with the wall assembly. The STC rating of the sound batts in the floor is a minimum of 50 in the floor assembly.

No waterproofing was added to the existing foundation walls.

1. Exterior Building:

i. Walls:

South Wall: The north exterior wall is existing Brick composed of 3 wythes of brick. The interior cavity of the wall is insulated with batt insulation for an 'R' value of minimum 19, and faced with 5/8" gypsum board on the inside. The minimum fire rating for the interior walls is 1 hour and the minimum fire rating for the exterior walls is 2 hours. The north wall is subject to Landmarks' designation. The front façade has a brownstone exterior at the basement level then transitioning to limestone at the 1st floor level. The 2nd floor contains a limestone covered bay window with (2) decorative limestone corbels below. The façade has limestone at the edges and brick infill within the limestone borders. The 3rd floor continues with the limestone edges and brick infill. The decorative cornice at the top is painted wood and the mansard roof consists of clay tiles. All elements at the front façade are in good condition.

North Wall: The south exterior wall is existing Brick composed of 3 wythes of brick and is painted. The interior cavity of the wall is insulated with batt insulation for an 'R' value of minimum 19, and faced with 5/8" gypsum board on the inside. The minimum fire rating for the interior walls is 1 hour and the minimum fire rating for the exterior walls is 2 hours. The north wall is subject to Landmarks' designation.

East Wall: Brick Party wall, with 2 wythes of Brick separation with Neighbor. The interior finish of this is 1 5/8 Metal studs with 5/8 Sheetrock. The structural party wall is shared with the neighbor and the property lot line runs down the middle. The east party wall had cracks that were seen after demolition. All cracks have been repair per the structural engineer's guidelines and are in good condition.

West Wall: Brick Party wall, with 2 wythes of Brick separation with Neighbor. The interior finish of this is 1 5/8 Metal studs with 5/8 Sheetrock. The structural party wall is shared with the neighbor and the property lot line runs down the middle. The west party wall had cracks that were seen after demolition. All cracks have been repair per the structural engineer's guidelines and are in good condition.

(ii) Windows:

All replaced windows are double- glazed Marvin windows and have a thermal break system. The perimeter of the windows will be fitted with latex-based caulking compound at interior and exterior surfaces. Windows will be casement at the 2nd floor rear façade and double hung at all other replaced locations. Existing stone sills will remain. Existing lintels remain and will be reinforced as required. The interior finish of the lintels will be gypsum wallboards on furring channels. There will be no lot line windows. The remaining existing windows are on the front

façade and are wood double hung windows with single pane glass, with the exception of the (2) casement windows at the front window bay which are also wood and single pane. The sills and exterior casings are wood. There are no screens on the existing windows and the existing windows are in moderately good condition.

The existing window lintels and sills are painted stone and are in good condition.

The manufacturer will provide a one year warrantee for parts and hardware, and a five year warrantee for glazing for the new windows.

(iii) Landmark status
This building is in a Historic District. The front and rear facades are affected by the Landmark's Historic District. Any changes to the front façade or rear façade involving change of color for painted trim or doors, new windows, changes in front area way, stoop, or rear deck will involve the approval of LPC. Any permanent features added to the roof like pergolas would need the approval of LPC.

2. Parapets and Copings:

The parapets are existing masonry parapets with terracotta copings on top. The parapets are in moderately good condition.

3. Chimneys:

There is one brick, existing building chimney on the west party wall that remains. One brick chimney at the west party wall towards the rear of the roof was removed during construction. The chimney was repaired during construction to provide a code compliant termination of the chimney cap and to repair the loose bricks and mortar. There are (2) stainless steel exhaust flues for the new gas fireplace inserts terminating through the penthouse chimney located at the west party wall at the mansard roof. There are (2) PVC intake flues and (2) PVC exhaust flues for the new boilers terminating through the roof of the penthouse chimney located at the west party wall at the mansard roof. There is (1) metal gas dryer flue terminating through the roof adjacent to the penthouse chimney at the west party wall.

4. Balconies and terraces:

There are no balconies. There are roof terraces.

(i) The 2nd floor roof terrace deck and penthouse roof terrace deck surface is existing pressure treated 2x6 wood decking and is dedicated to the use of Unit 2. The condition of the decking is moderately good. The existing metal deck off of the 1st floor is existing to remain and is dedicated to the use of Unit 1. The existing metal decking and treads are diamond plate and in good condition.

(ii) The balustrades are painted metal and will be vertical with no space larger than 4".

(iii) The new metal painted 3'-6 "high guard rail surrounding the new deck at the Roof level. The guard rail consists of 2" solid metal posts and vertical railings. The railings do not create a ladder effect.

(iv) There are existing terracotta copings at the penthouse roof terrace and existing bluestone copings at the 2nd floor terrace.

(v) There are no soffits at the terraces.

(vi) The door to the penthouse roof terrace is a metal 45 minute hour fire rated door that is thermally broken. The door to the 2nd floor roof terrace is a Marvin aluminum clad door.

(vii) The purchaser cannot place obstacles in the designated 6'-0" clear path for fire department access.

5. Exterior Entrances:

i. The main entrance door is located at the first floor and is the existing wood door, and a wood frame refinished and painted. The door and frame are in good condition. The door has a mortise lock. The doors to the 1st floor deck and basement patio are existing wood doors with deadbolt locks, the basement front entrance door is the existing wood door with a deadbolt lock. The doors are in good condition. The door to the penthouse roof terrace is a new metal 45 minute hour fire rated door that is thermally broken with a dead bolt lock. The door to the 2nd floor roof terrace is a new Marvin aluminum clad door with a factory installed mortise lock.

ii. Vestibule doors and frames
The vestibule door is a 45 minute fire rated wood door with self closing hinges.

iii. Exterior stairs
There is an existing brownstone stoop and there are concrete steps to the front basement entry to remain. No repairs are needed to the existing stoop. The existing metal stairs to the deck at the first floor are remaining and in good condition.

iv. Railing and Balustrade
There are no new railings or balustrades proposed at the exterior entrances. The brownstone handrails at the front stoop are in good condition. The existing metal railings at the rear deck are in good condition.

v. Mail boxes
U.S.P.S approved mail boxes are provided for each unit at the 1st floor vestibule.

vi. Lighting:
There will be wall mounted lighting fixtures provided adjacent to the 1st Floor and Basement entrances at the front and rear of the building. Wall mounted light fixtures will be provided at the bulkhead on the roof.

6. Service Entrances:

There are no service entrances.

7. Roof and Roof Structures:

i. Type of roofs for all areas;
The existing ridged roof has the existing terracotta tiles to remain over the penthouse area. The existing pitch of the tiled roof is approximately 16/12 at the front facade and is in good condition. At the other side of the mansard gable the roof transitions to an approximate ¼" per foot roof slope. The 2nd floor rood deck is sloped approximately ¼" per foot and is in good condition. The penthouse roof deck over the 3rd floor is sloped at ¼" per foot and is in good condition.

The penthouse tile roof is existing to remain and is in good condition. The flat roof at the penthouse consists of new R38C Owens Corning or approved equal batt insulation, 1 new layer of ¾" plywood substrate, 2" Dow Solutions rigid insulation and a new Kemper roof system that consists of Kempertec Proper Primer and Kemperol 2K-PUR/165 membrane. The expected useful life or this roof will be about twenty (20) years. There is a 20 year "no dollar limit" warranty to the roof.

The 2nd floor roof deck has existing 3x10 wood joists to remain and in good condition with new R38C Owens Corning or approved equal batt insulation, 1 new layer of ¾" plywood substrate, 2" Dow Solutions rigid insulation and a new Kemper roof system that consists of Kempertec Proper Primer and Kemperol 2K-PUR/165 membrane. The expected useful life or this roof will be about twenty (20) years. There is a 20 year "no dollar limit" warranty to the roof.

The penthouse roof deck has new 3 1/2" x 11 ¼" LVLs every 16". The construction of the roofing consists of the roof joists with new R38C Owens Corning or approved equal batt insulation, 1 new layer of ¾" plywood substrate, new 2" Dow Solutions rigid insulation and a new Kemper roof system that consists of Kempertec Proper Primer and Kemperol 2K-PUR/165 membrane. The expected useful life or this roof will be about twenty (20) years. There is a 20 year "no dollar limit" warranty to the roof.

Flashing at the roof penetrations consists of the Kemperol 2K-PUR/165 membrane and is part of the full Kemper roofing system. The flashing at the parapet walls consists of the new Kempertec Proper Primer and Kemperol 2K-PUR/165 membrane and is turned up 8" on the parapet wall surface.

The wood deck installation is accepted by the roof manufacturer to retain the roof warranty.

ii. Drains
a. The existing roof pitch will remain. New aluminum rear roof drains will extend to an existing roof drain system. New aluminum gutters and leaders have been installed at the rear façade at the penthouse roof level. The penthouse roof deck and 2nd floor roof deck have existing aluminum gutters that are in good condition. The 2nd floor roof deck has a scupper on the west side of the building that connects to a leader that terminates at the rear yard.

b. New gutters and external ladders will be of extruded aluminum and will transport run off from the roof areas to the storm drains connected to the sewer line on the property.

iii. Skylights

There are no skylights on the property or over the new bulkhead to the roof.

iv. Bulkheads
There is a new bulkhead to the roof. All components of the bulkhead stair including stringers, treads and risers, are wood construction.
The structure in the Bulkhead is structural steel framing with light gauge steel framing infill at the walls and 10" C joists. The bulkhead will have a brick veneer exterior finish. The bulkhead is in good condition.

v. Metal work at roof level:
a. There will be a new metal painted 3'-6 "high guard rail surrounding the new deck at the Roof level. The guard rail consists of 2" solid metal posts and railings. The balustrade for the guardrail at the rear yard stairs is ½" solid metal vertical balustrades at a 4" spacing.

The coping at the parapets are existing terracotta at the penthouse roof terrace and bluestone at the 2nd floor roof terrace.

There will be no hatches at the roof.

vi. Roof top facilities:
There are two Roof Decks located at the penthouse and 2nd floor levels of the building for the exclusive use of Unit 2. The surface of the Roof Deck material will consist of wood decking. The roof will be used for recreation. The roof deck for Unit 2 is approximately 364 square feet at the 2nd floor and 496 square feet at the penthouse roof. The roof deck is code compliant and has a maximum occupancy of 15 people. The purchaser cannot place obstacles in the designated 6'-0" clear path for fire department access.
The roof deck will comply with NYC Department of Buildings Bulletin 2018-002 and the rooftop deck will be indicated on the PW1A as "Residence Accessory outdoor recreation space" and will listed on the certificate of occupancy.

8. Fire Escape

There are no fire escapes on the building.

9. Yards and Courts

The building has a front yard that is approximately 20'-0" feet wide and ranges from 11'-0" deep and a back yard, approximately 20'-0" feet wide and 31'-1" deep. The building rear yard is for the exclusive use of the Unit 2. The front Court yard is common to the building.

i. Paving
The paving at the front yard and part of the backyard is existing poured concrete.

ii. Drainage
The run off from the yard areas will be transported, via area drains by to the New York City sewer system.

iii. Railing
There is an existing metal railing at the rear deck.

iv. Stairs
There is an existing concrete stair from the front yard to the basement. The existing metal stairs to the deck at the first floor are remaining and in good condition.

v. Fencing:
There is a new wood slat fencing of 6 feet (6'-0") above the finish grade of the backyard.

vi. Walls:
There are existing planting beds that will remain in the rear yard.

10. Interior Stairs

There is a common interior stair from the basement to cellar. In Unit 1 there is a convenience stair connecting the basement to the 1st floor. In Unit 2 there is a convenience stair connecting the 1st floor to the penthouse. All stairs are new.

i. Enclosure
The common stair at the cellar is not fire rated. Because this is a 2 family residence, the stair going from the 1st floor to the roof does not need to be enclosed. There is a wall and door separation that prohibits the Unit 1 owner from entering the upper floors.

The stair leading from the 1st floor to roof is not a public element and is occupied by the Unit 2 owner only. The 1938 code exempts the means of egress requirements for 1 and 2 family residences as stated under Article 7 (6.1.1) so closet type spaces are allowed under staircases. There is a 1 hour fire rating at the storage areas under the stair.

ii. Stair construction
All components of the new stairs from the cellar floor to roof including stringers, treads and risers, are wood construction. The winder treads have been approved by the building department as shown with less than 7" at any point and have been built according to the approved plans. According to the 1938 building code, the stair winders are to be 7" minimum at any point.

iii. Guard rails and balustrades
Where there are no surrounding walls, the perimeter of the stairs and landings shall be protected with wood guardrails with a minimum height of three feet and zero inches (3'-0") above the level of the landings. Balustrades shall be made of wood with a maximum distance between balusters of four inches (4").

11. Interior Doors and Frames

i. Unit entrance door
The Apartment entrance doors and frames will be solid-core wood. They will have a minimum 45 minute fire rating with self-closing devices. All interior apartment doors and frames are new solid-core pre-painted veneer or pressed fiberboard. Closets are new solid-core pre-painted veneer or pressed fiberboard. All wood interior doors have a finger-jointed, softwood trim or are trimless.

ii. Corridor doors and frames

There are no corridor doors in this building.

iii. Stair hall doors and frames
There are no stair and hall doors in this building.

iv. Roof doors, Cellar doors and frames
The door at the bulkhead will be hollow metal mounted on metal frame, 1 ½ hour fire rated.

12. Elevators

There will be no elevator in the building.

(i) Auxiliary Facilities

a. Laundry Facilities:

Each residential unit will have a laundry room or closet with complete plumbing for water and waste connections, and electrical outlets for stacked washing machine and dryer. The basement and first floor units have laundry closets and the third floor unit has a laundry room. Dryers will be gas fired and connected to an exhaust duct riser to a roof. Washer& dryer will be included as follows:
Lower Unit -
Washer: Maytag MHW3505FW Front Loading Washer
Dryer: Maytag MGD3500FW Gas Front Load Dryer

Upper Unit -
Washer: Whirlpool WFW87HEDC Front Loading Washer
Dryer: Whirlpool WGD87HEDC Gas Front Load Dryer

b. Refuse Disposal

Each residential unit must be responsible for recyclable refuse to be deposited at the west side of the front areaway. The trash pickup is public and has the following schedule:

- Garbage: Wednesday and Saturday
- Recycling: Saturday

There are no other auxiliary facilities offered.

(j) Plumbing and Drainage

1. Water Supply
Water is supplied to the units through connections from the building to the New York City Water Distribution System. There is a minimum 2" copper water main conveying the water into the building. The main shut off valve is located in the utilities room in the cellar at the south wall (street facing). Each unit is supplied with cold water from 1" copper piping. Each unit has its own hot water heating unit, located in the cellar.
The domestic hot water system described above will be adequate to take care of all the plumbing fixtures in each apartment including the washers and dishwashers.

The hot and cold water piping throughout the building shall be insulated as per the Energy conservation Code 2016. All hot and cold water supply pipping shall be fitted with a minimum ½" polyethylene thermal insulation.

2. Fire Protection System
The building will not be provided with a fire sprinkler system.

3. Water storage tank(s) and enclosures.
There will be no water storage tanks at the roof of the building.

4. Water pressure
The building will not have a booster pump.

5. Sanitary sewage system
    i. Sewage piping
    Piping for the sanitary sewage systems shall be service weight cast iron with hubless fittings.
    ii. Sewage pumps
    There are no sewage pumps provided
    iii. Sewage disposal
    The sanitary waste will be conveyed to the New York City sewer system via service weight cast iron with hubless fittings pipping. The House trap will convey the sewage to existing 6" sanitary drains which will then be connected to an existing 8" sanitary sewer located beneath 5th Street.

6. Permit(s) required
A permit for installation of plumbing fixtures will be obtained from the Department of Buildings prior to installation of all plumbing work within the building and the site.
All plumbing work will be performed by a N.Y. State licensed Plumber.

7. Storm drainage
The run off Roof drainage system will consist of gutters and leaders. Gutters and leaders will be extruded aluminum. These will be connected and drained by gravity to the combined sewer in 5th Street.
The storm drainage system has been approved by N.Y.City Department of Environmental Protection, prior to approval of the plans by the N.Y.City Department of Buildings.
    a. Catch basins
    There are no catch basins on the property.
    b. Yard and roof drains
    There will be external gutters, roof drains and vertical leaders located at the Roof level of the building. Gutters and leaders at the pitched roof shall be of extruded aluminum.
    c. Piping
    The vertical drain piping in this building will be cast iron with hubless fittings.
    d. Ejector or sump pumps: There are no sump pumps or ejector pumps for storm drainage.

(k) Heating

1. Each residential unit is heated with hydronic radiators that are supplied with hot water via a Weil McLain Ultra 155 condensing boiler. Each unit has its own Weil McLain Ultra 155 condensing boiler. The boilers have an input BTU of 155K BTU/Hr. The uniform energy factor (UEF) is .94. The warranty is 1 year for labor, 5 years for parts, and 15 years for the heat exchanger. The thermostats are Emerson 70 series and are zoned per unit but not per room.

   The 2nd floor is heating with hydronic radiant heat in the floor that is heated via the condensing boiler. Each apartment has separate thermostats for the living room and individual bedrooms. The heating system is designed to maintain a minimum indoor temperature of 68 degrees Fahrenheit. Minimum ambient temperature for condensing unit is -4 degrees Fahrenheit. For domestic hot water the condensing boiler has an indirect heat water storage tank locating next to the boiler in the cellar. Incoming water at 50 degree F. is heated inside heater with a temperature rise of around 40 or 60 degree F. Based on temperature set point and the out coming water temperature from heater is 90 or 110 degree F as per the standard requirement. Comparing this requirement with the below heater schedule, the water heater satisfies the standard requirements.
   The insulation used for the air distribution ducts is 1" thick and having an R-value of 4.2. The insulation is made of fiberglass.
   The water heater piping is insulated to avoid losses and maintain the standard temperature requirement.

   There are no electric heaters in the cellar.

   The interior design temperatures used for heating and cooling load calculations are per 2014 NYCECC to be a maximum minimum of 75 degree F for cooling.

   Ambient temperature as used in calculation follows:
   During summer: 87 deg F
   During winter: 5 deg

2. Boiler

There are (2) Weil McLean Ultra 155 condensing boilers located in the cellar. The boilers have an input BTU of 155K BTU/Hr. The uniform energy factor (UEF) is .94. The warranty is 1 year for labor, 5 years for parts, and 15 years for the heat exchanger.

(l) Gas Supply

1. Type

   Gas service will be provided by National Grid through an underground connection on 5th Street.

2. Meters

   There are two gas meters in the building. The gas service for the building will fuel cooking ranges, hot water, heat and dryers in each apartment.

3. Piping

A new 2" diameter steel pipe was provided by National Grid to the building that meets the requirements of ASTM A106 or API 1104, with a minimum of schedule 40 wall thickness. Piping within the building is black iron schedule 40 pipe with malleable fittings.

(m) Air Conditioning

Each residential unit will be heated and air-conditioned by ceiling mounted AC units with associated air distribution ductwork. Groups of AC units will be connected together to a central variable refrigerant flow (VRF) system that includes a roof mounted condensing unit. Each unit will have dedicated condensing units. Each apartment will have separate thermostats for the living room and individual bedrooms. Heating system is designed to maintain a minimum indoor temperature of 68 degrees Fahrenheit. Minimum ambient temperature for condensing unit is -4 degrees Fahrenheit. Electric unit heaters are provided in utility rooms and storage room. Incoming water at 50 degree F. will be heated inside heater with a temperature rise of around 40 or 60 degree F. Based on temperature set point and the out coming water temperature from heater will be 90 or 110 degree F as per the standard requirement. Comparing this requirement with the below heater schedule, the water heater satisfies the standard requirements. For calculations we have considered ambient temperature of 50 degree F. Required room temperature will be maintained by HVAC. Also, water piping is insulated to avoid losses and maintain the standard temperature requirement. The insulation for rooftop piping: Refrigerant piping insulation is 1-1/2" thick Armaflex II or approved equal. All joints shall be sealed and taped. Both liquid and suction lines shall be insulated.

Air Handlers: Mitsubishi, concealed duct mini-splitsSEZ-KD12NA4, SEZ-KD09NA4, SEZ-KD15NA4, PEAD-A24AA4

Condensing Units: Mitsubishi Hyper Heat MXZ-C series, Multi-zone MXZ-4C36NAHZ, MXZ-5C42NAHZ
The SEER rating of the MXZ-4C36NAHZ unit is 19.2 and the SEER rating of the MXZ-5C42NAHZ unit is 19.7.
All exterior metals, including fasteners are corrosion resistant. Unit 1's condenser is located in the rear yard and Unit 2's condenser is located at the parapet wall at the penthouse roof deck.

Controls/ Thermostat: Mitsubishi PAR-32MAA-J

Warranty: There is a 5 year limited parts warranty and 7 year compressor warranty.

(n) Ventilation

Mechanical ventilation for residential units will be provided for bathrooms and powder rooms. Mechanical ventilation for toilets will consist of individual exhaust fans in all bathrooms and powder rooms with ductwork extending through the roof. Kitchen exhaust ducts will be provided for all residential kitchens with individual 600 cfm exhaust fans. The ductwork will extend through the roof. The maintenance of each exhaust fan is the responsibility of the owner of each apartment.

The noise emission from the kitchen exhaust fans is emission 9.5 Sones. The noise emission from the bath exhaust fans is 1.4 Sones.

Registers with automatic dampers will be provided. 50 CFM minimum exhaust will be provided for each bathroom. Kitchens will be exhausted with 600 CFM through kitchen exhaust hood. Dryer will be provided with minimum 200 CFM exhaust.

The cellar gas meter room will be provided with a fresh air duct vented through the hatch at the front areaway. This will meet the code requirement for fresh air.

Titus ct-481 grills or approved equal will be used for hvac supply and return registers. 50 CFM minimum exhaust from each bath will be installed.

The gas fireplace inserts are vented through the existing chimney through the roof using a 3" aluminum flexible liner for each unit. They terminate through the penthouse chimney. The maximum BTU for each unit is 20,500 BTUs.

(o) Electrical system

1. Service from main service switchgear
   Electric service to the building will be underground by connection to electric service on 5th Street. The incoming service will be 200 Amps 120/208-volt single phase, three wire service. The electrical service will be transported throughout the building via, new, insulated, three wire cables. The wire material and size is aluminum AFC cable systems 12/2 solid MC lite cable.

2. Service to individual units
   There will be separate meters for each residential unit. Each unit will be supplied with 100 Amps of electrical service. Each apartment will be served with single phase, 3 wire 120-208 volt electricity and will be separately metered for individual electrical consumption. All costs associated there with will be the sole cost of the condominium unit owner. The wire material and size is aluminum AFC cable systems 12/2 solid MC lite cable.

3. Compartment switchgear
   The individual service switches and meters supplying power to the apartment panels will be located outside on a first floor towards the front of the building.

4. Unit service
   Each unit will be equipped with a 100 amp fuses and circuit breakers. The electrical system will be adequate to handle modern usage and appliances such as air conditioners, dishwashers. AFCI and GFCI shall be provided.

5. Adequacy
   a. Service
      There will be approximate forty two (42) circuits with circuit breakers provided for each unit. All lighting circuits will be protected with a twenty (20) ampere Circuit breaker. The circuits will have the capacity to handle modern usage and appliances such as air conditioners, dishwashers. AFCI and GFCI shall be provided. All electrical wall outlets are duplex receptacles Separate circuits will be provided for the washing machine, dryers, and VRF fan coil air conditioning units.

b. Lighting and fixtures

There shall be at least one centrally located, overhead led, lighting fixture provided in each bedroom, living room, kitchen and bathroom within each residential unit. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination. Lighting fixtures and electrical outlets shall be installed by a licensed electrician and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

c. Convenience outlets appliance outlets

There will be convenience outlets and appliances outlets provided in each unit. There are no designated children play areas, so tamper- resistant receptacles will not be provided by the sponsor. Unit owners may install tamper-resistant receptacles at their own expense. Convenient outlets and appliance outlets shall be installed by a licensed electrician and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

6. Generators

There are no generators provided.

(p) Intercommunication Systems

A video intercom system will be provided for all Residential Units in the building. There will be an intercom station with monitor capability within each unit. There will be a video camera and intercom station outside the first floor building entrance. The intercom system is AiPhone GT Series. A 1 year limited manufacturer warranty is provided.

(q) Public area lighting

Lighting in building stairs, cellar corridor and first floor lobby will be either recessed LED or fluorescent fixtures with battery pack emergency ballasts as required. Public area lighting and controls will comply with NYC Energy codes.

The electric lighting fixtures for every public hall, stair, and fire stair on every floor with be in accordance with the following requirements: Each light is capable of providing the illumination equivalent to incandescent lights of at least ten watts per 25 square feet of floor-area or fraction thereof. Each lighting fixture shall be provided with one or more lights of a total of not less than 60 watts. The lighting fixtures will be Halo White 4” round reflector, model # H457RTATE010.

The sponsor will install one or more lights at or near the outside of the front entrance way of the building which shall in the aggregate provide not less than 50 watts incandescent illumination or its equivalent for a building with a frontage up to 22 feet. The lighting fixtures make/model is TBD. The exterior lighting and controls will comply with NYC energy Codes.
The sponsor will install in every yard and court one or more lights of at least 40 watts of incandescent illumination or its equivalent, in such locations as the department may prescribe. The lighting fixture make/model is TBD. The yard and court lighting will comply with NYC energy codes.

(r) Garages and Parking areas

There will be no garages or parking areas at this building.

(s) Swimming Pools

There will be no swimming pools at this building.

(t) Tennis Courts play grounds and recreation facilities

There will be no Tennis Courts, play grounds or other recreation facilities at this building.

(u) Permits and certificates

The following permits listed are required with their respective agencies.

Department of Buildings:
1. Alteration Type 1 Construction Permit
2. Plumber's Affidavit and Permit
3. Landmarks Certificate of No Effect

The architect's plans have been filed and approved by the New York City Department of Buildings. Permits issued by New York City Department of building are valid for a minimum of one year from the date of issue or on the expiration date of the contractor's insurance policy whichever comes first. All work types for permit issued by the Department of Building are subject to inspection and signoff by the Department of Buildings prior to the issuance of a Certificate of Occupancy.

No boiler safety inspection is required since individual boilers are heating individual units and the building holds less than 5 families.

(v) Violations

There currently no active violations listed for the property as per the N.Y.City Department of Buildings Information system website. The sponsor will cure any outstanding violation prior to closing.

(w) Residential Unit Information

The building will have a total of two (2) residential units. The residential units will be located at the cellar through third floor levels.

UNIT 1 will consist of:

three (3) bedrooms, two (2) bathrooms, powder room, living/dining room, kitchen and laundry/mechanical closet, cellar storage room.

UNIT 2 will consist of:

two (2) bedrooms, three (3) bathrooms, media room, powder room, living/dining room, kitchen and laundry/mechanical closet, cellar storage room.

UNIT SIZES:

The approximate area (within reasonable tolerances) calculates the square footage as the area of each unit consisting of the area measured horizontally from the outside face of the glass window and/or exterior walls to the centerline of the partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, elevators and other mechanical equipment spaces that are not part of the unit. Columns, mechanical pipes, shafts, chases, chaseways, public corridors, elevator shaft space and conduits are not deducted from measurement of unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling. The Square footage in the Schedule A is not based upon measurements from interior surfaces or interior walls, and the areas compromising the units is significantly less than the areas listed in Schedule A. Dimensions shown on the floor plans reflect the approximate interior dimensions of main areas of the unit.
The approximate gross square footages for each unit are as follows:

UNIT 1:	Cellar Storage	= 238.5 sf
	Basement	= 1257 sf
	First floor	= 1179 sf
	Rear yard	= 576 sf
	Total	= 3250.5 sf
UNIT 2:	Cellar Storage	= 624 sf
	First floor	= 67 sf
	Second floor	= 934 sf
	Second floor terrace	= 312 sf
	Third floor	= 900 sf
	Penthouse	= 382 sf
	Penthouse roof terrace	= 518 sf
	Total	= 3737 sf

UNIT FINISHES:

The units will be finished as described herein.
The finished floor of the living/dining room and bedroom areas of the residential units shall be a hardwood finished floor of ¾" thick x 5" wide white oak over 3/4" plywood subfloor. The sponsor reserves the right to provide hardwood flooring of a different species or grade which is equal to or better than noted above. Thereafter unit owners may finish carpentry or other material of their own choice and at their own expense.
The walls and ceilings of residential units shall be of gypsum wallboard. When finished the walls and ceilings shall be primed and painted. Thereafter the unit owners may decorate by finishing with paint, wallpaper, paneling, etc. of their own choice. Residential kitchens shall have engineered wood flooring and gypsum wall board walls and ceilings. The new kitchen cabinets in Unit 1 are Medallion Platinum framed insert cabinets in maple with a painted white icing finish. The new kitchen cabinets in Unit 2 are

Medallion Platinum framed insert cabinets in maple with a custom painted finish. All appliances are new.
Full, residential bathrooms shall be equipped with a washbasin, water closet and a combination tub/shower or shower only. The bathrooms shall have ceramic floors. Tile shall extend floor to ceiling at all walls of showers.

When completed, the following exterior finishes will be installed.

Location	Floors
Main Roof Terrace	Pressure treated Wood

When completed, the following interior finishes will be installed.

Location	Floors	Base	Walls	Ceilings
Living/Dining Room	Wood	Wood	G.W.B painted	G.W.B. painted
Bedroom	Wood	Wood	G.W.B painted	G.W.B. painted
Kitchen	Wood	Wood	G.W.B painted	G.W.B. painted
Bathroom	Ceramic Tile	Ceramic Tile	Tile	G.W.B. painted
Laundry/Mech Cl	Ceramic Tile	Ceramic Tile	G.W.B painted	G.W.B. painted

Note:
G.W.B Denotes Gypsum Wallboard
Countertops:

- Unit 1
  - Kitchen – Black absolute granite – 2 cm thick – leathered
  - Kitchen – Superwhite quartzite – 2 cm thick – honed
  - Master bathroom – Carrara Marble – 2 cm thick – honed
  - Secondary bathroom – Carrara Marble – 2 cm thick - honed

- Unit 2
  - Kitchen – Superwhite quartzite – 2 cm thick - honed
  - Master bathroom – Carrara Marble – 2 cm thick – honed
  - Secondary bathroom – Carrara Marble – 2 cm thick - honed

APPLIANCE SCHEDULE:

LOWER UNIT						
01-A1	WASHER	1	BASEMENT LAUNDRY	MAYTAG	MHW3505FW	27"W x 32 15/16"D x 39 3/4"H
01-A2	DRYER	1	BASEMENT LAUNDRY	MAYTAG	MHGD3500FW	
01-A3	DISHWASHER	1	1ST FLR KITCHEN	BOSCH	SHP65T55UC	33 7/8" x 23 9/16" x 23 3/4"
01-A4	RANGE HOOD	1	1ST FLR KITCHEN	BEST RANGE HOODS	WTT32136SB	36" W
01-A5	RANGE	1	1ST FLR KITCHEN	WOLF	DF366	36"
01-A6	FRIDGE	1	1ST FLR KITCHEN	ELECTROLUX	EW26SS75QS	69"H x 35 5/8"W x 33"D
01-A7	GARBAGE DISPOSAL	1	2ND FLOOR KITCHEN	INSINKERATOR	BADGER 5	12-5/8"
01-A8	MICROWAVE	1	1ST FLR KITCHEN	GE	JES1656SRSS	12 13/16" x 21 3/4" x 17 11/16"
UPPER UNIT						
02-A1	DISHWASHER	1	2ND FLOOR KITCHEN	BOSCH	SHX65T55UC	33 7/8" x 23 9/16" x 23 3/4"
02-A2	MICROWAVE DRAWER	1	2ND FLOOR KITCHEN	SHARP	SMD2470AS	23 7/8" x 15 7/8" x 23 1/64"
02-A3	36" GAS RANGE	1	2ND FLOOR KITCHEN	WOLF	DF366	36"
02-A4	36" HOOD VENT	1	2ND FLOOR KITCHEN	BEST RANGE HOODS	PIK33	33 3/4" W
02-A5	36" FRIDGE	1	2ND FLOOR KITCHEN	EXISTING	EXISTING	EXISTING
02-A6	GARBAGE DISPOSAL	1	2ND FLOOR KITCHEN	INSINKERATOR	BADGER 5	12-5/8"
02-A7	WASHER	1	3RD FLOOR LAUNDRY	WHIRLPOOL	WFW87HEDC	27"W x 38 3/4"H x 33 1/8"D
02-A8	DRYER	1	3RD FLOOR LAUNDRY	WHIRLPOOL	WGD87HEDC	27"W x 39"H x 31"D

PLUMBING SCHEDULE:

LOWER UNIT					
01 -PL1	TOILET	1	BASEMENT MASTER BATH	KOHLER	HIGHLINE K-3658
01-PL2	SINK	1	BASEMENT MASTER BATH	KOHLER	ARCHER K-2355-0
01-PL3	FAUCET	2	BASEMENT MASTER BATH	MIRABELLE	MIRWSCSA800CP
01-PL4	TUB	1	BASEMENT MASTER BATH	KOHLER	ARCHER K-1123-0
01-PL5	PRESSURE-BALANCE TUB/SHOWER SET	1	BASEMENT MASTER BATH	MIRABELLE	MIRSA8030ECP
01-PL6	TOILET	1	BASEMENT BATH	KOHLER	HIGHLINE K-3658
01-PL7	SINK	1	BASEMENT BATH	KOHLER	ARCHER K-2355-0
01-PL8	FAUCET	1	BASEMENT BATH	KOHLER	BANCROFT K-10579-4-CP
01-PL9	TUB (APRON)	1	BASEMENT BATH	KOHLER	VILLAGER K-715
01-PL10	PRESSURE-BALANCE TUB/SHOWER SET	1	BASEMENT BATH	KOHLER	BANCROFT K-TS10581-4

01-PL11	KITCHEN SINK	1	1ST FLOOR KITCHEN	KOHLER	STRIVE K-5281
01-PL12	KITCHEN FAUCET	1	1ST FLOOR KITCHEN	KOHLER	SIMPLICE K-596
01-PL13	TOILET	1	1ST FLOOR POWDER	EXISTING	EXISTING
01-PL14	TOILET TRIP LEVER	1	1ST FLOOR POWDER	KOHLER	BANCROFT K-9475-SN
01-PL15	SINK	1	1ST FLOOR POWDER	EXISTING	EXISTING
01-PL16	FAUCET	1	1ST FLOOR POWDER	KOHLER	BANCROFT K-10577-4
UPPER UNIT					
02-PL1	TOILET	1	2ND FLOOR POWDER	KOHLER	BANCROFT K-3827-0
02-PL1	TOILET SEAT	1	2ND FLOOR POWDER	KOHLER	BANCROFT K-4659-0
02-PL1A	TOILET TRIP LEVER	1	2ND FLOOR POWDER	KOHLER	BANCROFT K-9475-2ZB
02-PL2	SINK	1	2ND FLOOR POWDER	RENOVATORS SUPPLY	WHITE CHINA STANDING PEDESTAL SINK #96876
02-PL3	FAUCET	1	2ND FLOOR POWDER	KINGSTON BRASS	KINGSTON BRASS KB1973AX
02-PL4	SINK	1	2ND FLOOR KITCHEN	KOHLER	UNDERTONE K-3171-NA
02-PL5	FAUCET	1	2ND FLOOR KITCHEN	KOHLER	ARTIFACTS K-76519-4-CP
02-PL6	TOILET	1	3RD FLOOR MASTER BATH	KOHLER	BANCROFT K-3827-0
02-PL6	TOILET SEAT	1	3RD FLOOR MASTER BATH	KOHLER	BANCROFT K-4659-0
02-PL6A	TOILET TRIP LEVER	1	3RD FLOOR MASTER BATH	KOHLER	BANCROFT K-9475-2ZB
02-PL7	SINKS	2	3RD FLOOR MASTER BATH	KOHLER	ARCHER K-2355-0
02-PL8	FAUCET	2	3RD FLOOR MASTER BATH	KINGSTON BRASS	HERITAGE KS1975AL
02-PL9	PRESSURE BALANCE SHOWER TRIM	1	3RD FLOOR MASTER BATH	KOHLER	ARTIFACTS K-T72767-9M-2BZ
02-PL10	SHOWER HEAD	1	3RD FLOOR MASTER BATH	KOHLER	FAIRFAX K-12008-AK-2BZ
02-PL11	SHOWER ARM AND FLANGE	1	3RD FLOOR MASTER BATH	KOHLER	MASTERSHOWER K-7397-2BZ
02-PL12	TUB	1	3RD FLOOR MASTER BATH	MIRABELLE	EDENTON MIREDS6036WH
02-PL13	TUB FAUCET	1	3RD FLOOR MASTER BATH	KINGSTON BRASS	CC1095T5
02-PL14	TOILET	1	3RD FLOOR GUEST BATH	KOHLER	BANCROFT K-3827-0
02-PL14	TOILET SEAT	1	3RD FLOOR GUEST BATH	KOHLER	BANCROFT K-4659-0
02-PL15	FAUCET	1	3RD FLOOR GUEST BATH	KINGSTON BRASS	HERITAGE KS1971AL
02-PL16	TUB (APRON)	1	3RD FLOOR GUEST BATH	KOHLER	SUBMERSE K-R825-RA-0
02-PL17	PRESSURE BALANCE SHOWER SET	1	3RD FLOOR GUEST BATH	KOHLER	BANCROFT K-TS10581-4-CP
02-PL18	SINK	1	3RD FLOOR GUEST BATH	KOHLER	CAXTON K-2211-0
02-PL19	TOILET	1	4TH FLOOR BATH	KOHLER	BANCROFT K-3827-0
02-PL19	TOILET SEAT	1	4TH FLOOR BATH	KOHLER	BANCROFT K-4659-0
02-PL20	FAUCET	1	4TH FLOOR BATH	KOHLER	FAIRFAX K-12266-4-CP
02-PL21	PRESSURE BALANCE SHOWER SET	1	4TH FLOOR BATH	KOHLER	DEVONSHIRE K-TS396-4E-CP
02-PL22	SINK	1	4TH FLOOR BATH	KOHLER	CAXTON K-2211-0

(x) Finish Schedule for Spaces other than Units

Room	Sub-Floor	Floor	Walls	Ceiling
Cellar Utility Room	CONC	CONC	MAS/GWB/PNT	GWB/PNT
Basement Entry		TILE	GWB/PNT	GWB/PNT
1st Floor Entry		TILE	GWB/PNT	GWB/PNT
Stair	Wood	Wood		

Note:

MAS	Denotes Masonry
CONC	Denotes Concrete
ST	Denotes Stone
GWB	Denotes Gypsum Wallboard
PNT	Denotes Paint

(y) Safety and Warning Devices

a. Smoke detectors

The units will be having combination smoke/carbon monoxide detectors inside and outside of all bedrooms. The lobby, cellar hallway and roof will have smoke detectors.

(z) Additional Information required

The following documents shall be transmitted to the condo management upon transfer of control as applicable:

a. Final as built drawings
b. Operation & maintenance manuals for mechanical equipment
c. Electronic system manual
d. Manufacturer roof warranty
e. Major equipment start-up sheets & control system as built
f. Original test& balance report of HVAC system

(bb) Further Development

No further development is proposed with this property.

(cc) Asbestos

Asbestos was detected at the roof. The building site has been remediated and no asbestos is present. See supporting documentation provided.
There is no asbestos containing material (ACM) present in insulating or fireproofing material in the building.

(dd) Lead-based Paint

All interior elements including walls, stairs, doors, casings, flooring have been removed during demolition. No lead testing reports can be located from the contractor.

Compliance with Local Law 58 (The Handicap Access Law)

The building as Designed complies with Local Law 58 of the City of New York and the 2010 building code for Accessibility requirements.

General Comments

Although the Sponsor intends to use fixtures, appliances, equipment and materials described herewith, it reserves the right to substitute fixtures, appliances, equipment and materials of equal or better quality.

Certification

The building and units will be constructed in accordance with the building code and regulations of the City of New York Zoning Resolutions, New York state Energy Code and any other applicable authority, and in accordance with the plans and specifications filed with the department of Buildings. With reference to the preparation of such material the sponsor consults with the registered architects who prepared the plans and specifications

Seal and Signature of Architect



NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT NOTIFICATION (Form ACP7)

RECEIVED
9/4/2015
DEP
BUREAU OF ENVIRONMENT REMEDIATION & ENFORCEMENT
ASBESTOS CONTROL PROGRAM
TRU 1

This form must be submitted to the DEP not less than one week in advance of the start of abatement activities.

I. FACILITY

1. Premise No. 577 Street Name 5th Street Borough Brooklyn Zip 11215
2. AKA _____ Type of Facility Residence BIN 3025573 Block 01083 Lot 0062
3. Is the abatement activity not associated with a building / structure (ie., a street activity job)? ☐ Yes ☒ No
4. If yes, specify location, on _____ between _____ and _____
5. Is this building a one-or-two family residence? ☒ Yes ☐ No Is the building height more than 75 feet? ☐ Yes ☒ No
6. Is the abatement activity conducted in a Government owned building? ☐ Yes ☒ No
6a. Is it a Build-It-Back project? ☐ Yes ☒ No App ID # _____

II. BUILDING OWNER

7. Name David May Address 577 5th St
8. City Brooklyn State NY Zip 11215 Contact Person David May
9. Tel. # 2627708400 Fax # _____ Email davidlloydmay@gmail.com

III. APPLICANT

10. Applicant's Affliation ☐ Owner ☒ Asbestos contractor ☐ Third Party Air Monitor ☐ Other _____
11. Name Abatek Corp. Address 74-16A Grand Avenue
12. City ELMHURST State NY Zip 11373 Contact Person Janusz Nowak
13. Tel. # 7183264757 Fax # 7183262553 Email abatekcorp@yahoo.com

IV. ASBESTOS ABATEMENT CONTRACTOR

14. Name Abatek Corp. DOL Lic. # 29796 Address 6332 78th Street
15. City Middle Village State NY Zip 11379 Contact Person Abatek Corp.
16. Tel. # 718-326-4757 Fax # 718-326-2553 Email abatekcorp@yahoo.com

V. THIRD PARTY AIR MONITOR

17. Name Environmental Management Services, Inc. DOL Lic. # 28442 Address 2324 Sound St.
18. City Astoria State NY Zip 11105 Contact Person Environmental Management Services, Inc.
19. Tel. # 347-396-5556 Fax # 347-242-3803 Email kamberi@aol.com
20. Sample Analysis Laboratory Alpha Labs NYS DOH ELAP # 11833

VI. PROJECT INFORMATION

21. Start date 10/7/2015 Projected completion date 7/31/2016
22. Asbestos work schedule Monday 9:00AM - 5:00PM, Tuesday 9:00AM - 5:00PM, Wednesday 9:00AM - 5:00PM, Thursday 9:00AM - 5:00PM, Friday 9:00AM - 5:00PM

Access to inspect the premises must be provided during the work schedule indicated above.

TRU #	ACP7 Fee	EN #
TRU1505BK15	$800.00	

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23. Total amount of asbestos-containing material 480 Square Feet, and/or _____ Linear Feet

24. Is the area under containment on any single floor equal to or more than a. 15,000 sq.ft ☐ Yes ☒ No b. 7,500 sq.ft. ☐ Yes ☒ No

25. TYPE OF ABATEMENT: Removal

26. ABATEMENT PROCEDURE: Exterior Foam

VII. PROJECT DETAILS

27. DOES THE ASBESTOS PROJECT INVOLVE

(Checking "Yes" to any of the following subsections will require notice to FDNY as per Section 901.7 NYC Fire Code, Local Law 26 of 2008)

A. Disengagement or obstruction of any component of exit signage or exit lighting system? ☐ Yes ☒ No

B. Disengagement of any fire alarm system component including any fire alarm-initiating device? ☐ Yes ☒ No

C. Shut-off of the sprinkler system water supply? ☐ Yes ☒ No

D. Shut-off of any part of a standpipe system or standpipe system components, including valves or fire pumps? ☐ Yes ☒ No

28. DOES THE ASBESTOS PROJECT INVOLVE

(If you answer "Yes" to any of the following, you must submit a complete Work Place Safety Plan and obtain an Asbestos Abatement permit from DEP before commencing abatement activities. Please see section 1-26 of the DEP Asbestos Rules and the instructions for this form)

A. Obstruction of an exit door leading to an exit stair or the exterior of the building? ☐ Yes ☒ No

B. Obstruction of an exterior fire escape or access to that fire escape? ☐ Yes ☒ No

C. Obstruction of a fire-rated corridor leading to an exit door? ☐ Yes ☒ No

D. Removal of handrails in an exit stair or ramp within the work area*? ☐ Yes ☒ No

E. Removal or dismantling of any fire alarm system component including any fire alarm-initiating device (e.g. smoke detectors and manual pull stations) within the work area*? ☐ Yes ☒ No

F. Removal or dismantling of any exit sign, including directional signs, or any component of the exit lighting system, including photoluminescent exit path marking within the work area*? ☐ Yes ☒ No

G. Removal or dismantling of any part of a sprinkler system including piping or sprinkler head within the work area*? ☐ Yes ☒ No

H. Removal or dismantling of any part of a standpipe system, including valves or fire pumps within the work area*? ☐ Yes ☒ No

29. DOES THE ASBESTOS PROJECT INVOLVE

(If you answer " Yes" to any of the following, you must obtain an Asbestos Abatement Permit from DEP before commencing abatement activities. Please see section 1-26 of the DEP Asbestos Rules and the instruction form that will be generated once you submit this application)

A. Removal of any fire-resistance rated portions of a wall, ceiling, floor, door, corridor, partition, or structural element enclosure including spray on fire-resistance rated materials within the work area*? ☐ Yes ☒ No

B. Removal of any fire dampers, smoke dampers, fire stopping materials, fireblocking or draft stopping within fire-resistance rated assemblies or within concealed spaces? ☐ Yes ☒ No

C. Removal of any non-load bearing / non-fire-resistance rated wall (greater than 45 sq.ft or 50% of a given wall) within the work area*? ☐ Yes ☒ No

D. Any plumbing work other than the repair or replacement of plumbing fixtures within the work area*? ☐ Yes ☒ No

TRU #	ACP7 Fee	EN #
TRU1505BK15	$800.00	

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VIII. ASBESTOS HAULER

30. Asbestos Hauler Codi Transport Ltd. NYS DEC Permit # 1A-688 TEL.# (631) 694-6001

Disposal Site(s) Southern Alleghenies 843 Miller Picking Road Davidsville PA 15928

IX. LOCATION OF ABATEMENT

Total amount of asbestos-containing material 480 Square Feet, and/or _____ Linear Feet

Floor	Entire Floor	Section of Floor	Type Of Abatement	Abatement Procedure	Type of Asbestos Containing Material	Amount of ACM		A-TRU Review/ Approval/Permit Required	Variance Required
						Square Feet	Linear Feet		
Roof	Yes		Removal	Exterior Foam	membrane	480		No	No
					TOTAL ACM	480			

Please note:

1. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion

2. Any modification of information provided on this form must be reported immediately in writing directly to the NYC DEP Asbestos Control Program

TRU #	ACP7 Fee	EN #
TRU1505BK15	$800.00	

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NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU1505BK15

Premise Address 577 5th Street Borough Brooklyn Zip 11215

DEP Asbestos Control Program is in receipt of the following document (s)

- [x] Project Monitor's Report
- [ ] A-TR1 form filed by Registered Design Professional

Based on the above submitted documentation the Department is issuing the

- [X] Project Completion Form (entire project)
- [ ] Project Completion Form (partial project)

(See next page for the list of closed-out location(s) of abatement)

DEP hereby acknowledges that it has received the above documentation required pursuant to section 1-22(b) of the DEP Asbestos Rules (15 RCNY Chapter 1) for the completion of this project. Please note that the issuance of this Form is not a certification that the asbestos project was performed in accordance with the DEP Asbestos Rules or that the building is free of asbestos containing material. This Form is issued based on representations contained in documentation submitted by the applicant, or other relevant party.

Date: February 25, 2016

Signature

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

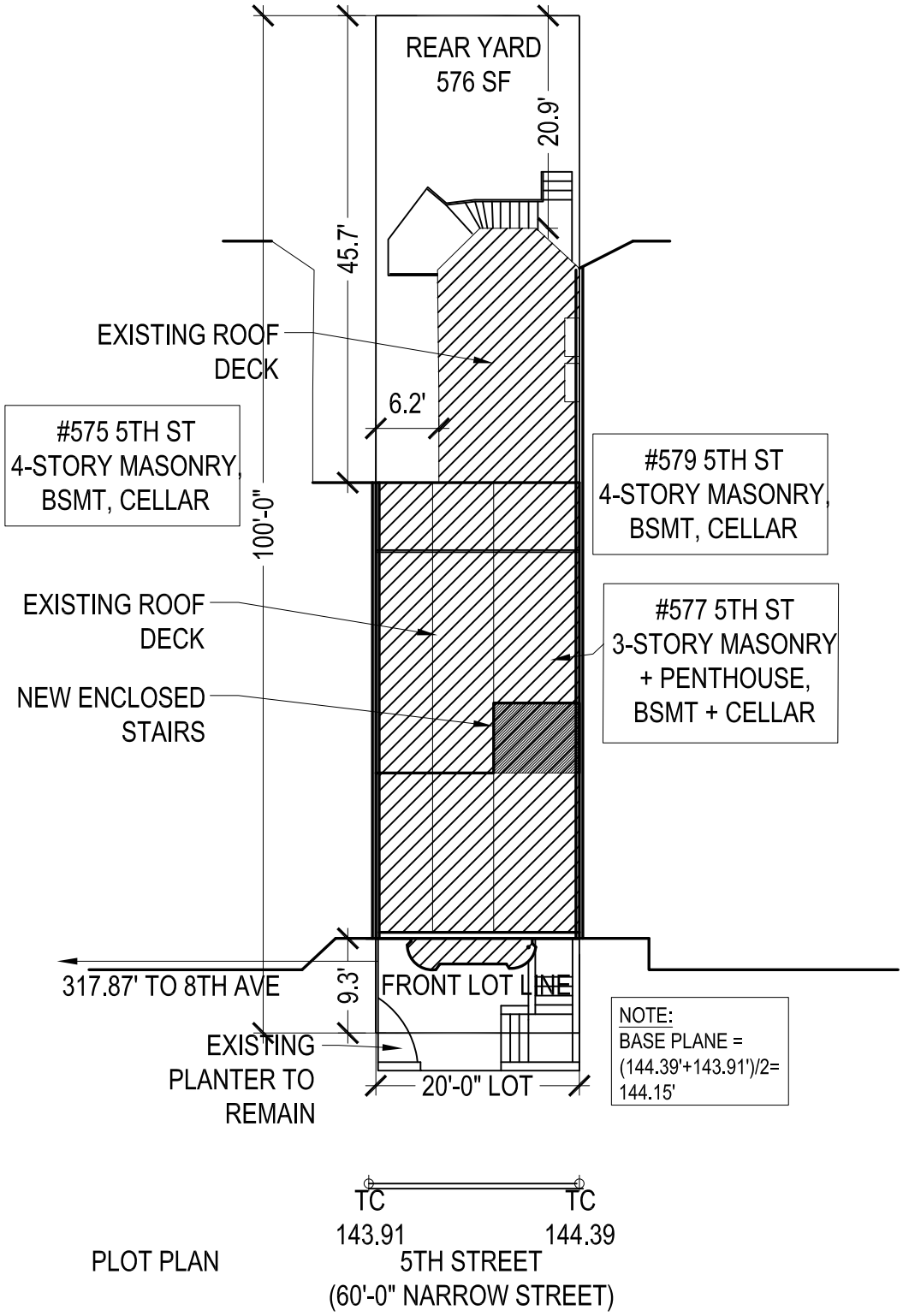
ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU1505BK15

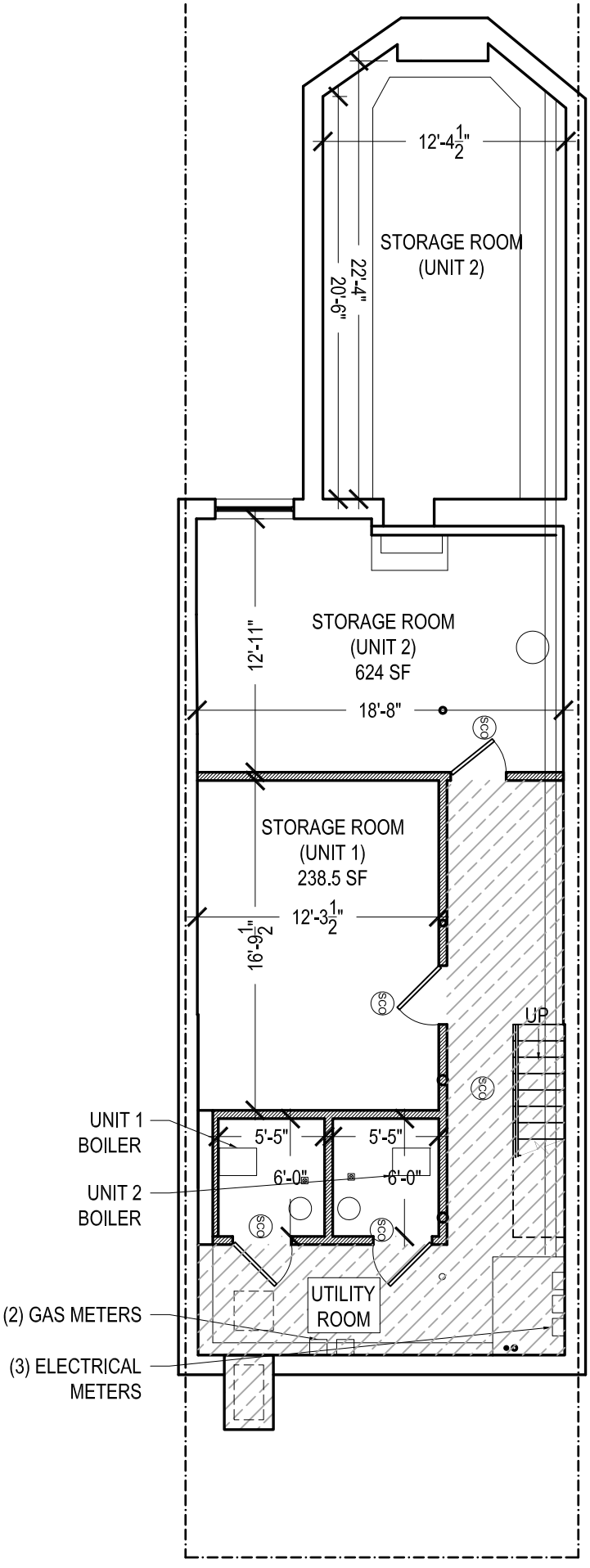
Premise Address 577 5th Street Borough Brooklyn Zip 11215

CLOSED-OUT LOCATION(S) OF ABATEMENT

Floor	Section of Floor	Type of Asbestos Containing Material	Amount of ACM		DOB Job Number(s) (if applicable)
			Square Feet	Linear Feet	
Roof		membrane	480		
		TOTAL ACM	480		


REAR YARD
576 SF
20.9'
45.7'
EXISTING ROOF
DECK
6.2'
#575 5TH ST
4-STORY MASONRY,
BSMT, CELLAR
#579 5TH ST
4-STORY MASONRY,
BSMT, CELLAR
100'-0"
EXISTING ROOF
DECK
#577 5TH ST
3-STORY MASONRY
+ PENTHOUSE,
BSMT + CELLAR
NEW ENCLOSED
STAIRS
317.87' TO 8TH AVE
9.3'
FRONT LOT LINE
NOTE:
BASE PLANE =
(144.39'+143.91')/2=
144.15'
EXISTING
PLANTER TO
REMAIN
20'-0" LOT
TC
143.91
TC
144.39
5TH STREET
(60'-0" NARROW STREET)

PLOT PLAN



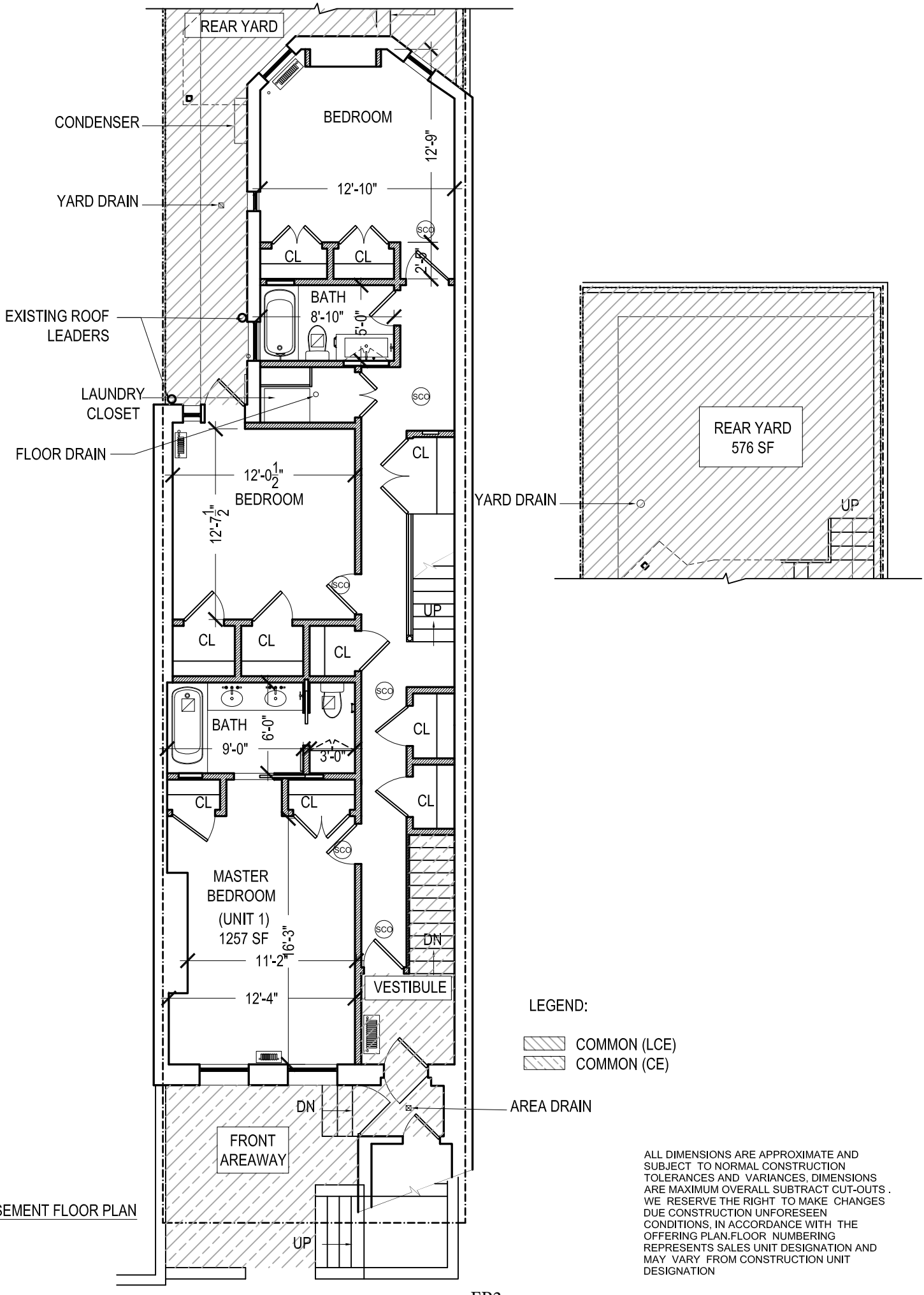
NOTE:
ALL STORAGE SPACES NOT TO BE USED AS LIVING ROOM OR FOR SLEEPING PURPOSES AND WILL NOT BE RENTED INDEPENDENTLY

LEGEND:

COMMON (LCE)
COMMON (CE)

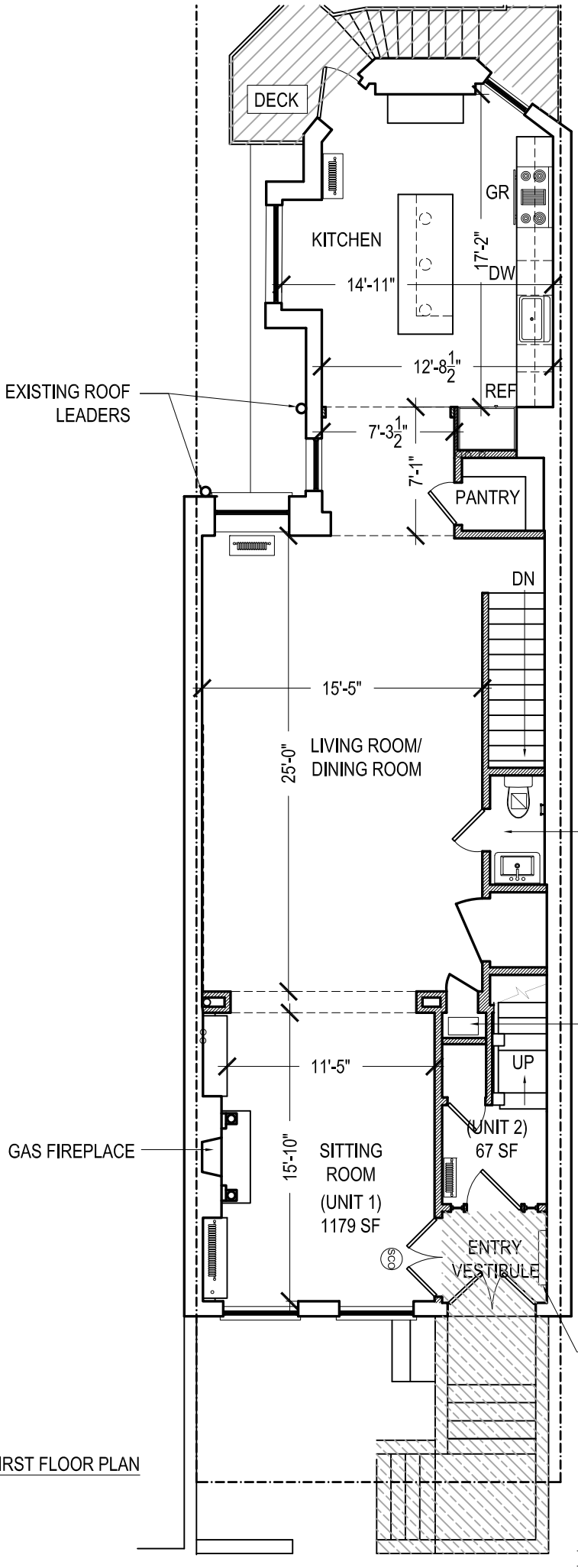
CELLAR FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES, DIMENSIONS ARE MAXIMUM OVERALL SUBTRACT CUT-OUTS . WE RESERVE THE RIGHT TO MAKE CHANGES DUE CONSTRUCTION UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATION AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATION



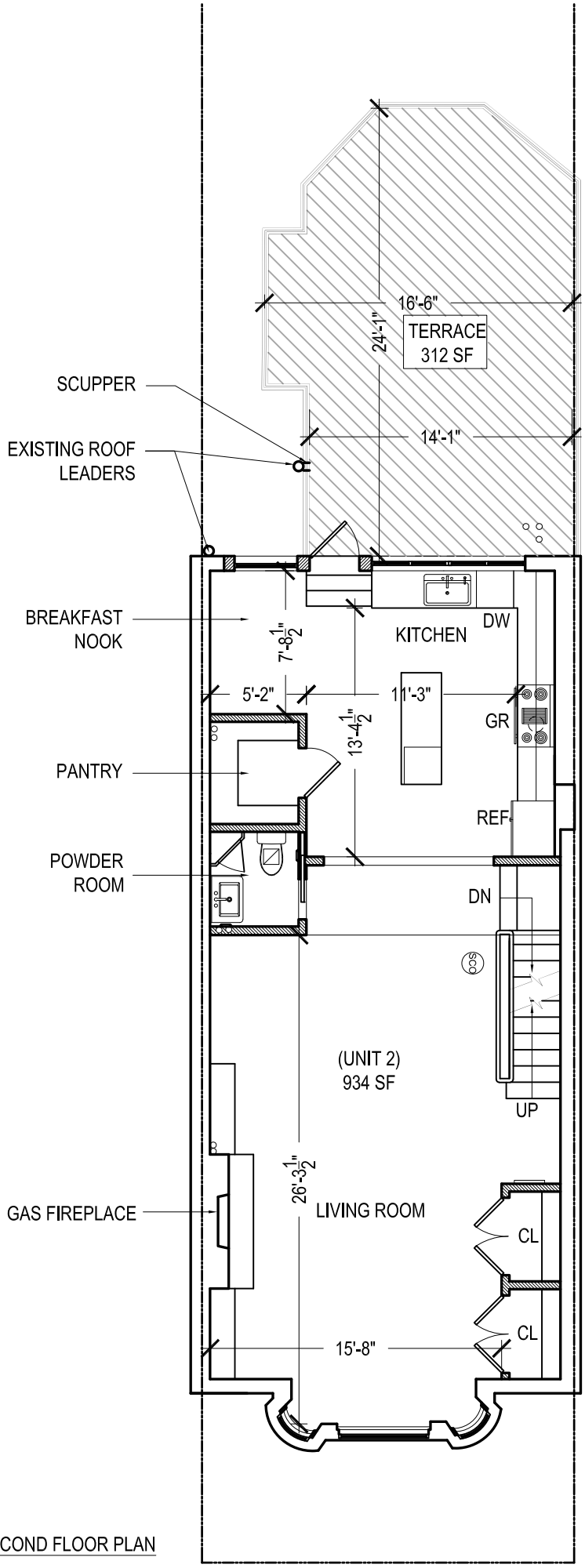
BASEMENT FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES, DIMENSIONS ARE MAXIMUM OVERALL SUBTRACT CUT-OUTS . WE RESERVE THE RIGHT TO MAKE CHANGES DUE CONSTRUCTION UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATION AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATION



FIRST FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES, DIMENSIONS ARE MAXIMUM OVERALL SUBTRACT CUT-OUTS . WE RESERVE THE RIGHT TO MAKE CHANGES DUE CONSTRUCTION UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATION AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATION

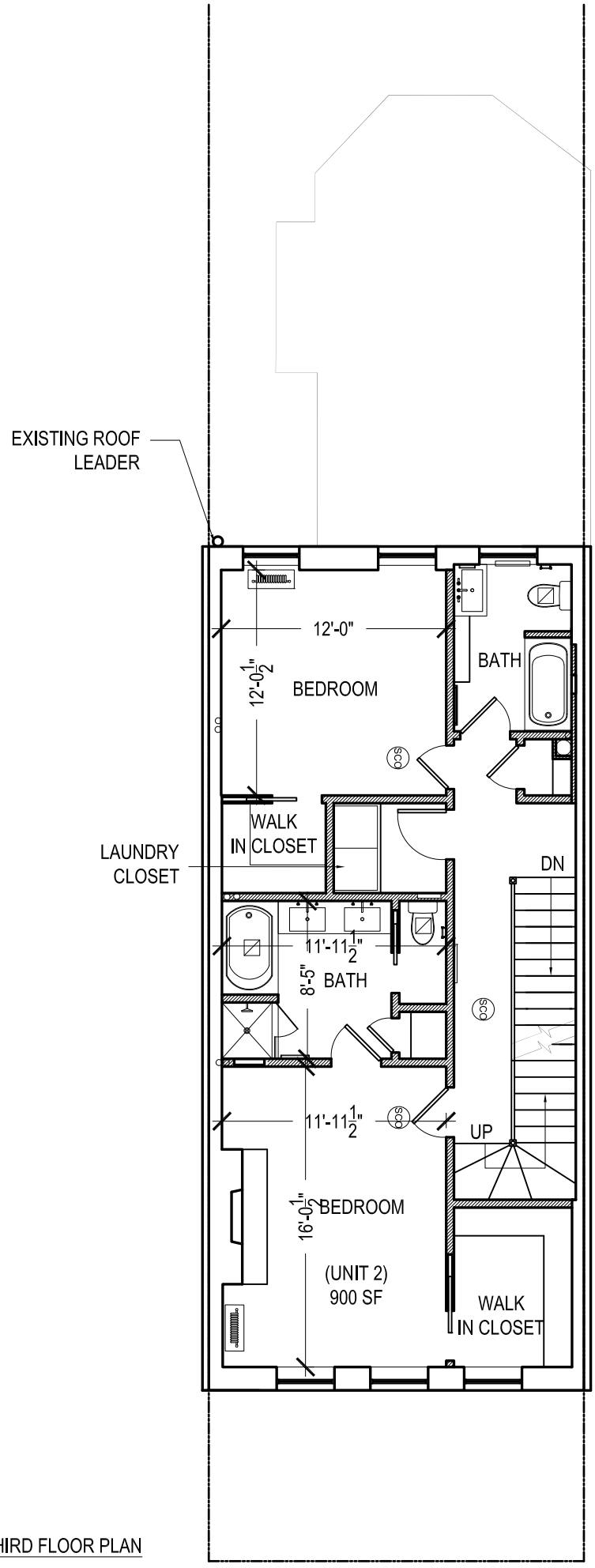


LEGEND:

COMMON (LCE)
COMMON (CE)
DW DISHWASHER
REF REFRIGERATOR
GR GAS RANGE

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES, DIMENSIONS ARE MAXIMUM OVERALL SUBTRACT CUT-OUTS . WE RESERVE THE RIGHT TO MAKE CHANGES DUE CONSTRUCTION UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATION AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATION

SECOND FLOOR PLAN

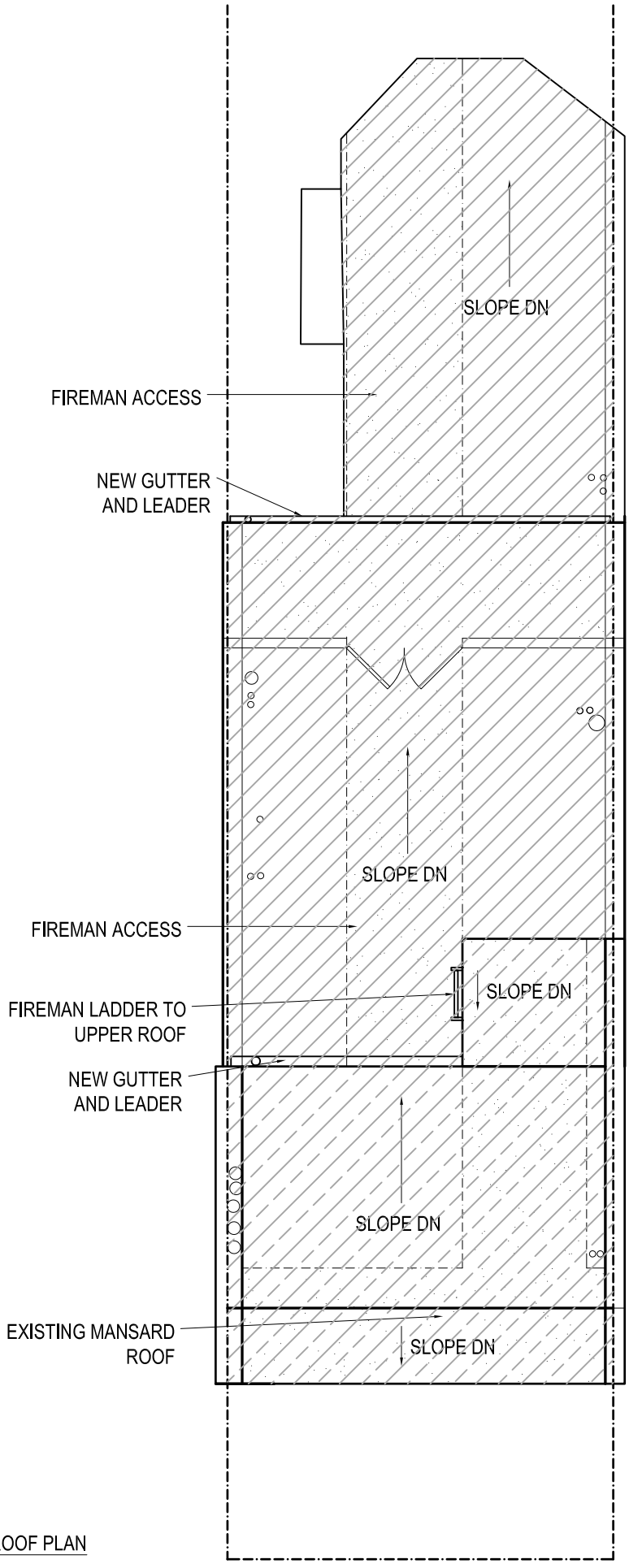


LEGEND:

COMMON (LCE)
COMMON (CE)

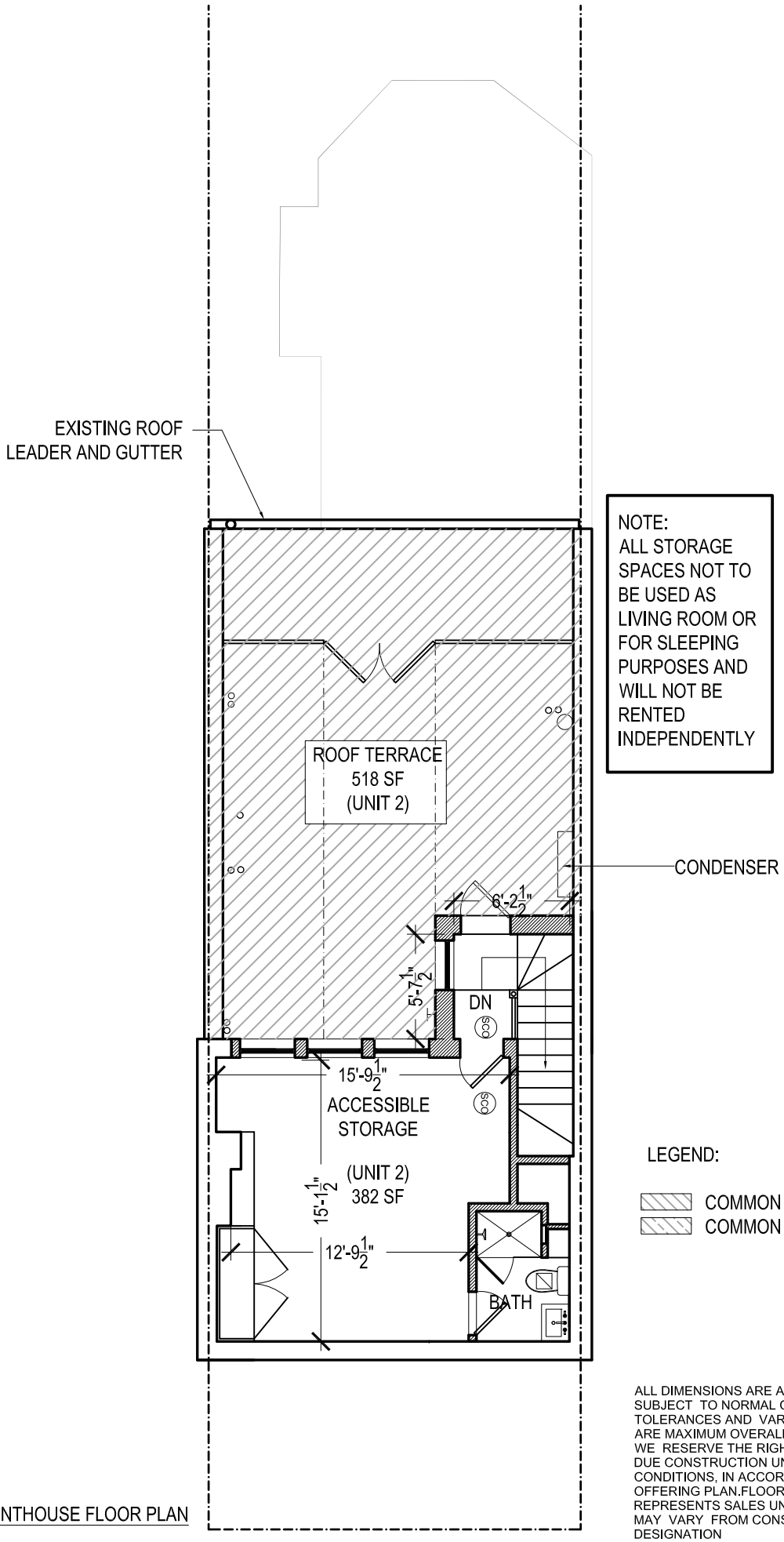
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THIRD FLOOR PLAN



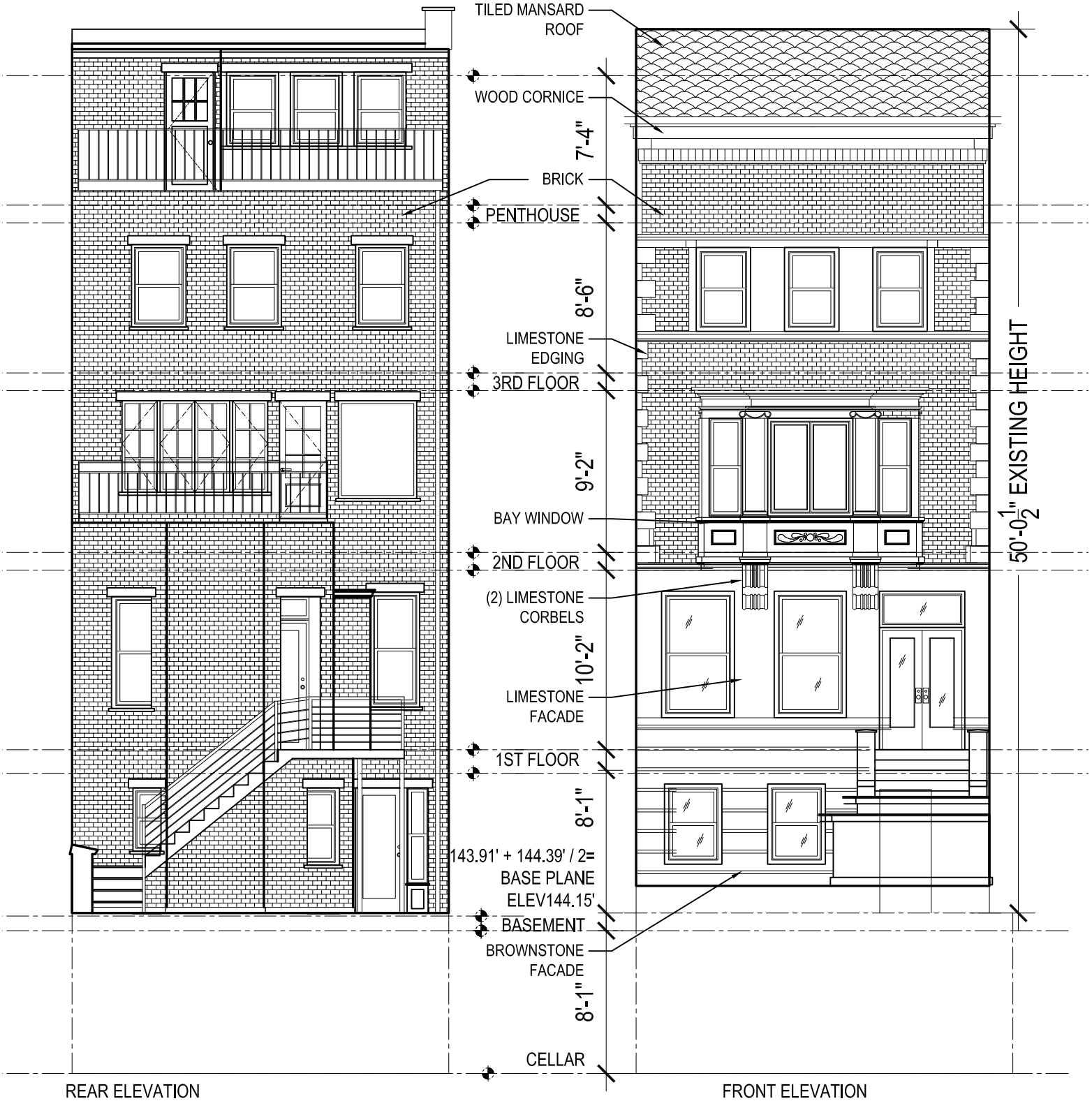
ROOF PLAN

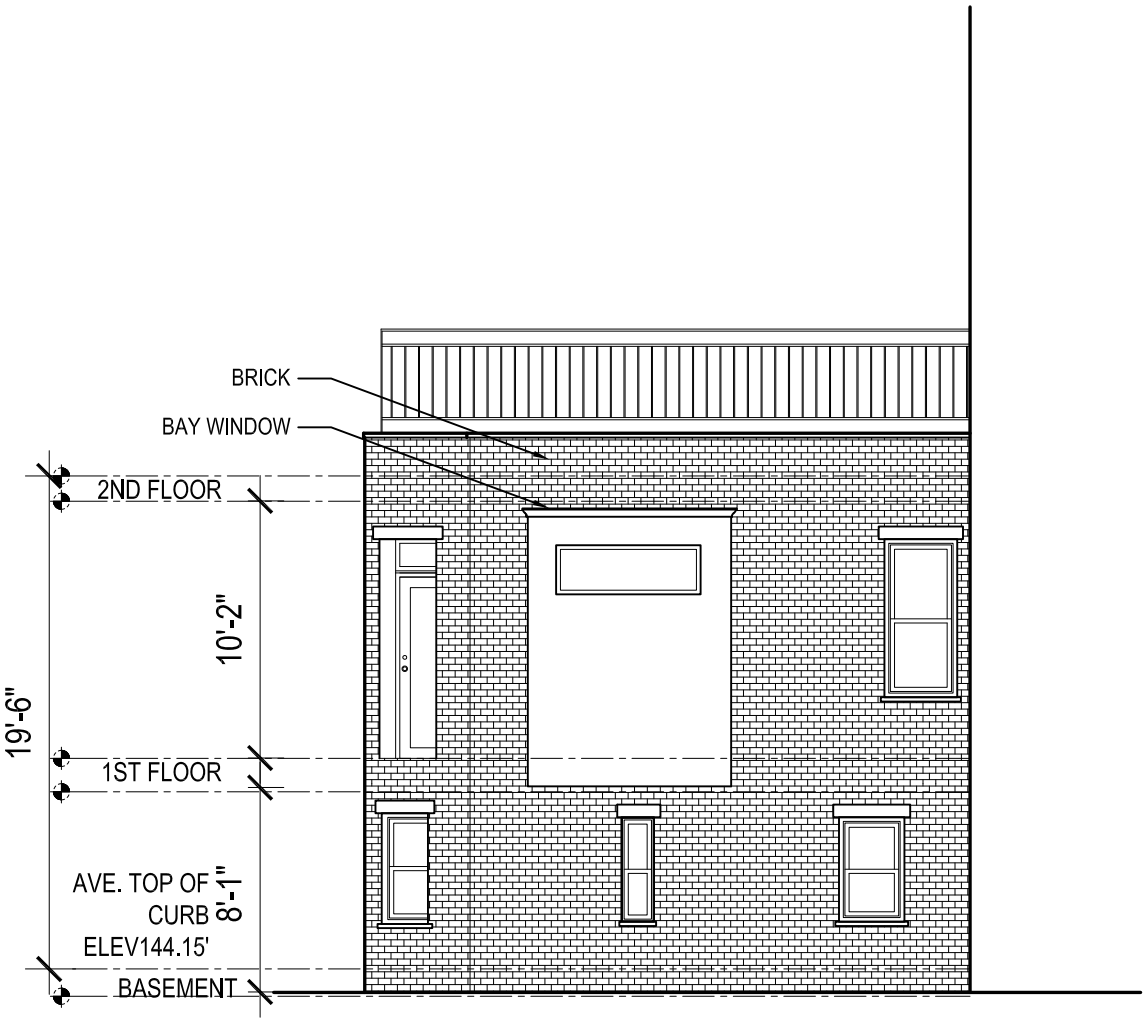
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES, DIMENSIONS ARE MAXIMUM OVERALL SUBTRACT CUT-OUTS . WE RESERVE THE RIGHT TO MAKE CHANGES DUE CONSTRUCTION UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATION AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATION



PENTHOUSE FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES, DIMENSIONS ARE MAXIMUM OVERALL SUBTRACT CUT-OUTS . WE RESERVE THE RIGHT TO MAKE CHANGES DUE CONSTRUCTION UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATION AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATION


TILED MANSARD ROOF
WOOD CORNICE
7'-4"
BRICK
PENTHOUSE
8'-6"
LIMESTONE EDGING
3RD FLOOR
9'-2"
BAY WINDOW
2ND FLOOR
(2) LIMESTONE CORBELS
10'-2"
LIMESTONE FACADE
1ST FLOOR
8'-1"
143.91' + 144.39' / 2=
BASE PLANE ELEV144.15'
BASEMENT
BROWNSTONE FACADE
8'-1"
CELLAR
50'-0 1/2" EXISTING HEIGHT
REAR ELEVATION
FRONT ELEVATION



SIDE ELEVATION

General Business Law—Civil Practice Law and Rules
New Homes—Sales—Warranties

We ACT to amend the general business law and civil practice law and rules, in relation to warranties on sales of new homes.

Approved September 6, 1988, effective as provided in S 3.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

§ 1. The general business law is amended by adding a new article S 1 thirty-six B to read as follows:

ARTICLE 36-B

§ 777. Definitions.
777-a. Housing Merchant Implied Warranty
777-b. Exclusion or modification of warranties.

§ 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship

and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner.

Merchantability, fitness and all other implied warranties with respect to goods shall be

governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a

new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and

whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a

limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2004

No. 1

Introduced by Council Members Perkins, Lopez, Quinn, Reed, Boyland, Rivera, Brewer, Jackson, Liu, Yassky, Barron, Reyna, Clarke, Sanders Jr., Recchia Jr., Vann, Katz, Gerson, Gioia, Baez, DeBlasio, Serrano, Foster, Monserrate, Jennings Jr., Seabrook, Addabbo Jr., Moskowitz, Koppell, Martinez, Gonzalez, Espada Jr., Gentile, Avella, Comrie Jr., Weprin, Nelson, James, the Speaker (Council Member Miller) and the Public Advocate (Ms. Gotbaum).

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to childhood lead poisoning prevention, including the avoidance and remediation of lead-based paint hazards in housing and day care facilities, the repeal of local law number 38 for the year 1999 and the repeal of subdivision h of section 27-2013 and section 27-2126 of such code.

Be it enacted by the Council as follows:

Section 1. This local law shall be known and may be cited as the New York City Childhood Lead Poisoning Prevention Act of 2003.

§2. Local law number 38 for the year 1999 is hereby REPEALED.

§3. Local Law number 1 for the year 1982 is hereby REPEALED.

§4. Local law number 50 for the year 1972 is hereby REPEALED.

§5. Subchapter 2 of chapter 2 of title 27 of the administrative code of the city of New York is amended by adding a new article 14 to read as follows:

Article 14

Lead Poisoning Prevention and Control

§27-2056.1 Statement of Findings and Purposes.
§27-2056.2 Definitions.
§27-2056.3 Owners' Responsibility to Remediate.
§27-2056.4 Owners' Responsibility to Notify Occupants and Investigate.
§27-2056.5 Presumption.
§27-2056.6 Violation in a Dwelling Unit.
§27-2056.7 Audit and Inspection by Department following Commissioner's order to abate.
§27-2056.8 Violation in a Dwelling Unit Upon Turnover.
§27-2056.9 Department Inspections.
§27-2056.10 Department Implementation and Enforcement.
§27-2056.11 Work Practices.
§27-2056.12 Reporting.
§27-2056.13 Transmittal of Violations to the Department of Health and Mental Hygiene.
§27-2056.14 Request to the Department from the Department of Health and Mental Hygiene to Execute an Order Pursuant to § 17-147 of the Administrative Code.
§27-2056.15 Waiver of Benefit Void.
§27-2056.16 Exemption for Emergency Conditions.
§27-2056.17 Record Keeping Requirements.
§27-2056.18 Application of this article based on age of child.

§27-2056.1 Statement of findings and purposes. The council finds that lead poisoning from paint containing lead is a preventable childhood disease and a public health crisis. The council further finds that the hazard in

dwellings that may occur from paint containing lead is subject to many factors, such as the age of a building and its maintenance. The Council also finds and declares that City government must focus on primary prevention as the essential tool to combat childhood lead poisoning and to achieve the goal of preventing children from suffering the adverse health and other effects of exposure to lead-based paint. The pursuit of primary prevention, which means eliminating lead hazards before children are exposed, has been recommended by the United States Centers for Disease Control and Prevention and promoted by leading experts in the field as a critical course of action to protect the health of young children. The Council, therefore, declares that resources must be directed to primary prevention, including identifying children who are most at risk.

The council recognizes that it cannot legislate a single maintenance standard for all dwellings to eliminate this hazard. Instead, the council by enacting this article makes it the responsibility of every owner of a multiple dwelling to investigate dwelling units for lead-based paint hazards and to address such hazards on a case-by-case basis as the conditions may warrant, taking such actions as are necessary to prevent a child from becoming lead poisoned. Having established this responsibility, the council finds that sufficient information exists to guide owners in making determinations about the existence of lead-based paint hazards. See, e.g., United States environmental protection agency, "Identification of Dangerous Levels of Lead; Final Rule" Federal Register, Vol. 66, No. 4 (January 5, 2001); United States department of housing and urban development, "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997).

The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 5,638 were newly identified with elevated blood lead levels of 10 micrograms per deciliter or above. The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 653 were newly identified at or above the department's environmental intervention blood lead level, which is a blood lead level equal to or exceeding 20 micrograms per deciliter in a single test or two reported blood lead levels between 15 and 19 micrograms per deciliter at least three months apart, and has also reported an overall incidence of 931 children tested with blood lead levels equal to or exceeding 20 micrograms per deciliter. When a child is identified with environmental intervention blood lead levels, the city is obligated to investigate potential sources of the lead poisoning, incurring the expense of an environmental investigation and often times also incurring the expense of medical treatment and remedial education, if necessary. The council finds that these blood lead levels among New York city children constitute a severe health crisis and has established as its goal the elimination of childhood lead poisoning by the year 2010.

In addition, the department of health and mental hygiene has reported for the year 2001 that only 29% of children in New York city are tested both at age one and age two for the disease of lead poisoning even though the testing of all children at age one and age two is mandatory under state law. The council finds that improved screening among these children is critical since children at these ages are at greatest risk for lead poisoning. The council declares that it is reasonable and necessary to increase the rate of blood-lead testing. This local law requires the department of health and mental hygiene to report to the council on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels.

The council further finds that the administration and enforcement of the City's lead poisoning prevention programs can be better coordinated. While it is intended that the department of housing preservation and development remain the agency responsible for the implementation and enforcement of this article, it is also intended that the department of health and mental hygiene shall have a significant role in the promulgation and interpretation of rules and in the development of necessary procedures pursuant to this article.

§27-2056.2 Definitions. Whenever used in this article the following terms shall have the following meanings:

(1) "Chewable surface" shall mean a protruding interior window sill in a dwelling unit in a multiple dwelling where a child of applicable age resides and which is readily accessible to such child. "Chewable surface" shall also mean any other type of interior edge or protrusion in a dwelling unit in a multiple dwelling, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where an occupant has notified the owner that a child of applicable age who resides in that multiple dwelling has mouthed or chewed such edge or protrusion.

(2) "Common area" shall mean a portion of a multiple dwelling that is not within a dwelling unit and is regularly used by occupants for access to and egress from any dwelling unit within such multiple dwelling.

(3) "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including, but not limited to, rotted or decayed wood, or wood or plaster that has been subject to moisture or disturbance.

(4) "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion and abrade, scrape, or bind when in relative motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

(5) "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

(6) "Lead-based paint hazard" shall mean any condition in a dwelling or dwelling unit that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

(7) "Lead-based paint" shall mean paint or other similar surface coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997) and the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, a laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5% of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

(8) "Lead-contaminated dust" shall mean dust containing lead at a mass per area concentration of 40 or more micrograms per square foot on a floor, 250 or more micrograms per square foot on window sills, and 400 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the department of health and mental hygiene.

(9) "Lead-contaminated dust clearance test" shall mean a test for lead-contaminated dust on floors, window wells, and window sills in a dwelling, that is made in accordance with section 27-2056.11 of this article.

(10) "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

(11) "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead-based paint, or other method approved by the commissioner of health and mental hygiene.

(12) "Rule" or "rules" shall mean a rule or rules promulgated pursuant to section 1043 of the New York city charter.

(13) "Turnover" shall mean the occupancy of a dwelling unit subsequent to the termination of a tenancy and the vacatur by a prior tenant of such dwelling unit.

(14) "Underlying defect" shall mean a physical condition in a dwelling or dwelling unit that is causing or has caused paint to peel or a painted surface to deteriorate or fail, such as a structural or plumbing failure that allows water to intrude into a dwelling or dwelling unit.

(15) "Window" shall mean the non-glass parts of a window, including but not limited to any window sash, window well, window jamb, window sill, or window molding.

§27-2056.3 Owners' Responsibility to Remediate. The existence of a lead-based paint hazard in any multiple dwelling where a child of applicable age resides is hereby declared to constitute a condition dangerous to life and health. An owner shall take action to prevent the reasonably foreseeable occurrence of such a condition and shall expeditiously remediate such condition and any underlying defect, when such underlying defect exists, consistent with the work practices established pursuant to section 27-2056.11 of this article, except where lead-contaminated

dust is present in such multiple dwelling and the department of health and mental hygiene has made a determination pursuant to paragraph six of subdivision c of section 27-2056.10 of this article.

§27-2056.4. Owners' Responsibility to Notify Occupants and to Investigate. a. In any dwelling unit in a multiple dwelling erected prior to January first, nineteen hundred sixty where a child of applicable age resides, and in any dwelling unit in a multiple dwelling erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight where a child of applicable age resides and the owner has actual knowledge of the presence of lead-based paint, and in common areas of such multiple dwellings, the owner shall cause an investigation to be made for peeling paint, chewable surfaces, deteriorated subsurfaces, friction surfaces and impact surfaces. Such investigation shall be undertaken at least once a year and more often if necessary, such as when, in the exercise of reasonable care, an owner knows or should have known of a condition that is reasonably foreseeable to cause a lead-based paint hazard, or an occupant makes a complaint concerning a condition that is likely to cause a lead-based paint hazard or requests an inspection, or the department issues a notice of violation or orders the correction of a violation that is likely to cause a lead-based paint hazard. The owner shall ascertain whether a child resides therein pursuant to the requirements of this section.

b. No occupant in a dwelling unit in such multiple dwelling shall refuse or unreasonably fail to provide accurate and truthful information regarding the residency of a child of applicable age therein, nor shall an occupant refuse access to the owner at a reasonable time and upon reasonable prior notice to any part of the dwelling unit for the purpose of investigation and repair of lead-based paint hazards.

c. All leases offered to tenants or prospective tenants in such multiple dwellings must contain a notice, conspicuously set forth therein, which advises tenants of the obligations of the owner and tenant as set forth in this section. Such notice must be in a manner approved by the department, the content of which shall, at a minimum, be in English and Spanish. The owner of such multiple dwelling shall provide the occupant of such multiple dwelling with the pamphlet described in subdivision b of section 17-179 of this code.

d. (1) The owner of such a multiple dwelling shall provide to an occupant of a dwelling unit at the signing of a lease, including a renewal lease, if any, or upon any agreement to lease, or at the commencement of occupancy if there is no lease, a notice in English and Spanish, the form and content of which shall be approved by the department of health and mental hygiene, inquiring whether a child of applicable age resides or will reside therein. If there is a lease, such notice shall be included in such lease or be attached as a rider to such lease. Such notice shall be completed by the occupant at the time of such signing of a lease, including a renewal lease, if any, or such agreement to lease, or at such commencement of occupancy.

(2) Where an occupant has responded to the notice provided by the owner pursuant to paragraph one of subdivision d of this section by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to subdivision e of this section during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead-contaminated dust.

e. (1) Each year, an owner of a multiple dwelling erected prior to January first, nineteen hundred sixty shall, no earlier than January first and no later than January sixteenth, except as provided for in subparagraph iii of paragraph two of this subdivision, present to the occupant of each dwelling unit in such multiple dwelling a notice inquiring as to whether a child of applicable age resides therein. Such notice, the form and content of which shall be approved by the department of health and mental hygiene, shall be presented as provided for in paragraph two of this subdivision, and shall be in English and Spanish.

(2) The owner may present the notice required by paragraph one of this subdivision by delivering said notice by any one of the following methods:

(i) by first class mail, addressed to the occupant of the dwelling unit;

(ii) by hand delivery to the occupant of the dwelling unit;

(iii) by enclosure with the January rent bill, if such rent bill is delivered after December fifteenth but no later than January sixteenth; or

(iv) by delivering said notice in conjunction with the annual notice required pursuant to section 17-123 of this code and the rules of the department of health and mental hygiene pertaining to the installation of window guards.

(3) (i) Upon receipt of such notice the occupant shall have the responsibility to deliver by February fifteenth of that year, a written response to the owner indicating whether or not a child of applicable age resides therein. If, subsequent to delivery of such notice, the owner does not receive such written response by February fifteenth, and does not otherwise have actual knowledge as to whether a child of applicable age resides therein, then the owner shall at reasonable times and upon reasonable notice inspect that occupant's dwelling unit to ascertain the residency of a child of applicable age and, when necessary, conduct an investigation in order to make that determination. Where, between February sixteenth and March first of that year, the owner has made reasonable attempts to gain access to a dwelling unit to determine if a child of applicable age resides in that dwelling unit and was unable to gain access, the owner shall notify the department of health and mental hygiene of that circumstance.

(ii) Where an occupant has responded to the notice provided by the owner pursuant to subparagraph (i) of this paragraph by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to this subdivision during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead contaminated dust.

(4) For calendar year two thousand four, an owner shall be deemed to have satisfied the provisions of paragraphs one through three of this subdivision if such owner delivers or has already delivered to each dwelling unit where a child under six years of age resides a notice identical or substantially similar to that required to have been delivered in calendar year two thousand three, (i) in the same manner as was required in calendar year two thousand three, and (ii) during the same periods of time in calendar year two thousand four as such notice was required to have been delivered during calendar year two thousand three.

f. The owner shall inform the occupant in writing of the results of an investigation undertaken pursuant to this section and shall provide a copy of any such report received or generated by an investigation. The owner shall retain a copy of each investigation report, for ten years from the date of such report and such report shall be made available to the department on request and shall be transferred by the owner to the owner's successor in title.

g. Any owner who violates the provisions of this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any violation of this section shall subject the owner to a civil penalty of not more than one thousand five hundred dollars per violation.

h. The department may, at its discretion, perform sample audits to determine compliance with the requirements of this section.

§27-2056.5 Presumption. a. In any multiple dwelling erected prior to January 1, 1960, it shall be presumed that the paint or other similar surface-coating material in any dwelling unit where a child of applicable age resides or in the common areas is lead-based paint. The presumption established by this section may be rebutted by the owner of the dwelling or dwelling unit by submitting to the department a sworn written statement by the owner supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the owner, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of part 745 of title 40 of the code of federal regulations or any successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

b. The owner of a dwelling or a dwelling unit may apply to the department to have such dwelling or dwelling unit exempted from the presumption contained in subdivision a of this section when either (i) an inspection for lead-based paint in such dwelling or dwelling unit, performed in accordance with section 745.227 of title 40 of the code of federal regulations, or any successor regulation, has determined that there is no lead-based paint present in such dwelling or dwelling unit, or (ii) substantial alterations have been made to such dwelling or dwelling unit and such alterations have resulted in the removal or permanent covering of all lead-based paint in that dwelling or dwelling unit. The department shall by rule determine the requirements needed to qualify for such an exemption. Sections 27-2056.4, 27-2056.8 and 27-2056.9 of this article shall not apply to any dwelling or dwelling unit that has been granted an exemption by the department.

§27-2056.6 Violation in a Dwelling Unit. The existence of lead-based paint in any dwelling unit in a multiple dwelling where a child of applicable age resides shall constitute a class C immediately hazardous violation if such paint is peeling or is on a deteriorated subsurface.

§27-2056.7 Audit and inspection by department following commissioner's order to abate. a. When the department of health and mental hygiene issues a commissioner's order to abate pursuant to section 173.13 of the New York city health code or a successor rule that addresses lead-based paint hazards in a specific dwelling unit in a multiple dwelling, the department, within fifteen days of such order, shall notify the owner of the multiple dwelling where the dwelling unit is located that the owner shall, within forty-five days of the department's notice, provide to the department all records required to be maintained under this article. Upon the department's receipt of those records and a determination that there may exist uncorrected lead-based paint hazards in dwelling units where a child of applicable age resides, the department within ten days shall attempt to inspect such units to determine whether there are any violations of section 27-2056.6 of this article.

b. If the owner does not provide to the department the records as mandated by subdivision a of this section, the department shall within forty-five days of such failure attempt to inspect dwelling units where a child of applicable age resides to determine whether there are any violations of section 27-2056.6 of this article in such units.

c. The department is not required to undertake the procedures specified in this section in a particular multiple dwelling if it has done so in such building during the prior twelve month period.

d. Any owner who fails to comply with the provisions of this section in accordance with the rules of the department shall be liable for a class C immediately hazardous violation, and a civil penalty in an amount not to exceed one thousand dollars.

§27-2056.8 Violation in a Dwelling Unit Upon Turnover a. Upon turnover of any dwelling unit in a multiple dwelling erected prior to January 1, 1960 or a dwelling unit in a private dwelling erected prior to January 1, 1960 where each dwelling unit is to be occupied by persons other than the owner or the owner's family, the owner shall within such dwelling unit have the responsibility to:

(1) remediate all lead-based paint hazards and any underlying defects, when such underlying defects exist;

(2) make all bare floors, window sills, and window wells in the dwelling unit smooth and cleanable;

(3) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and

(4) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows.

b. All work performed pursuant to this section shall be performed pursuant to the safe work practices promulgated pursuant to section 27-2056.11(a)(3) of this article.

c. Any owner who fails to comply with the provisions of subdivision a of this section, or the rules of the department of health and mental hygiene or the department promulgated pursuant to section 27-2056.11(a)(3) shall be liable for a class C immediately hazardous violation.

§27-2056.9 Department Inspections. a. When entering a dwelling unit in a multiple dwelling constructed prior to January 1, 1960 for the purpose of investigating the existence of any violation of this code, the department shall make diligent efforts to ascertain whether a child of applicable age resides therein and shall request from the occupant an acknowledgement as to whether such a child resides in the dwelling unit. Whenever a child of applicable age resides in a dwelling unit, the department shall immediately perform a room-by-room inspection of the dwelling unit and record for each room in a report of such inspection whether the paint or other similar surface-coating material in each room is peeling or intact. For each room where peeling paint is found, the department shall also inspect for evidence of an underlying defect and shall indicate on the inspection report the peeling paint's location within the room, the condition of the subsurface below it, and the location of any underlying defect. When performing such inspection, the department need only inspect those portions of the dwelling unit where furniture or other furnishings do not obstruct the view of a surface, except when there is visible evidence that causes the department to believe that the obstructed surface has peeling paint. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

b. In any dwelling unit in a multiple dwelling erected prior to January 1, 1960 where a child of applicable age resides, the department shall conduct an inspection pursuant to subdivision a of this section no later than ten days after the department's receipt of a complaint describing peeling paint, or a deteriorated subsurface or underlying defect in the dwelling unit. The department shall make diligent efforts to ascertain whether a child of applicable

age resides therein. Where the department attempts to perform an inspection of a dwelling unit within the time period required by this subdivision but is unable to gain access, the department shall be required to make a reasonable attempt to gain access to such dwelling unit within five days of such attempt. If the department is unable to gain access to that dwelling unit during this additional time period, the department shall provide written notice to the occupant of such dwelling unit that no further attempts at access shall be made unless a new complaint is submitted.

c. Each inspector who performs an inspection pursuant to subdivision b of this section shall use an x-ray fluorescence analyzer during the course of that inspection to determine whether lead-based paint is present in such dwelling unit except that, for reasons beyond the control of the department, such x-ray fluorescence analysis is unable to be performed during such inspection, the department shall rely on the presumption set forth in subdivision a of section 27-2056.5 of this article. Where peeling paint is found during an inspection of a dwelling unit performed pursuant to subdivision a of this section, the department shall within ten days thereafter perform another inspection of such dwelling unit using an x-ray fluorescence analyzer to determine whether lead-based paint is present in such dwelling unit. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

d. The pamphlet developed by the department of health and mental hygiene pursuant to section 17-179 of this code shall be left at the premises of the dwelling unit at the time of an inspection made by the department pursuant to this section.

e. The department shall develop a pamphlet listing the work practices to be established pursuant to section 27-2056.11 of this article. Such pamphlet shall be delivered by the department in conjunction with all notices of violation issued pursuant to paragraph one of subdivision l of section 27-2115 of this code. Failure to include such pamphlet with such notices of violation shall not render null and void the service of such notices of violation. Such pamphlet shall also be made available to any member of the public upon request.

f. Notwithstanding any other provision of law, failure by the department or the department of health and mental hygiene to comply with any time period provided in this article or section 27-2115 of this chapter relating to responsibilities of the department and the department of health and mental hygiene, shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article.

§27-2056.10 Department Implementation and Enforcement. a. The department shall provide appropriate training for lead-based paint inspection and supervisory personnel. Department personnel who conduct a visual inspection pursuant to this article shall receive training which at a minimum, shall be the training approved by the United States department of housing and urban development for performance of visual inspections. Department personnel who perform lead-based paint inspections using XRF machines shall receive training required by the United States environmental protection agency pursuant to section 745.226(b) of title 40 of the code of federal regulations or successor regulations. Training of all inspection and supervisory personnel shall also include background information pertaining to applicable state and local lead-based paint laws and guidance on identifying violations in a multiple dwelling, and require that the individual has successfully demonstrated knowledge of the requirements of this article. The department shall provide for the continuing education of inspection and supervisory personnel.

b. The department, with the approval of the department of health and mental hygiene, shall promulgate a comprehensive written procedure to guide department personnel in implementing and enforcing this article. Where feasible, such procedures shall establish a uniform method for the department of health and mental hygiene and the department, following the method implemented by the department of health and mental hygiene, to describe violations and identify their location in a dwelling or dwelling unit. Such procedures shall include a methodology and a form to be used by department personnel when conducting an inspection to carry out and record an inspection pursuant to section 27-2056.9 of this article.

c. The department shall promulgate rules for the implementation and enforcement of this article and to effect compliance with all applicable provisions of this article, rules promulgated thereunder, and all applicable city, state or federal laws, rules or regulations. Such rules shall be subject to the approval of the department of health and mental hygiene prior to their promulgation and shall include, but not be limited to, establishing:

(1) uniform specifications and procedures to govern testing, including a standardized format for reporting such testing results, whenever paint or a similar surface-coating material is tested for its lead content, whether by or on behalf of an owner or an agency of the city of New York;

(2) procedures by which an owner shall comply with section 27-2056.4 of this article, including the form and content of the annual notice;

(3) procedures by which an owner shall submit rebuttal documentation to the department pursuant to 27-2056.5 of this article;

(4) procedures by which an owner may apply to the department to postpone the date by which a violation shall be corrected pursuant to subdivision l of section 27-2115 of this code, including, but not limited to, the stabilization of the paint which is the subject of the violation where an owner requests a second postponement of time to correct a violation in accordance with subdivision l of section 27-2115 of this code; and

(5) procedures to implement and to enforce compliance with paragraph two of subdivision l of section 27-2115 of this code, which shall include, but not be limited to, the requirement that an owner certify to:

(i) the correction of a violation of this article of the code, and

(ii) compliance with the rules promulgated by the department pursuant to section 27-2056.11 of this code; and

(6) procedures to be established by the department of health and mental hygiene to order or provide for the expeditious cleanup and removal of lead-contaminated dust when the department of health and mental hygiene determines that there is lead-contaminated dust in a dwelling unit where a child of applicable age resides, such child has an elevated blood level, and the department of health and mental hygiene determines that the source of that lead-contaminated dust is not a condition of the dwelling in which such dwelling unit is located.

§27-2056.11 Work Practices.

a. The department shall promulgate rules, with the approval of the department of health and mental hygiene, establishing work practices to which an owner shall be subject in each of the following circumstances:

(1) where an owner is performing work in order to comply with a notice of violation or order to correct issued by the department pursuant to this article, which shall be no less stringent than the safety standards required by the commissioner of health and mental hygiene whenever such commissioner shall order the abatement of lead-based paint hazards pursuant to section 173.13 of the health code or a successor rule. Such rules shall provide for temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall provide that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of part 745 of title 40 of the code of federal regulations, or any successor regulations.

(2) where an owner, other than in response to an order to correct or notice of violation issued by the department or the department of health and mental hygiene, is performing work that will disturb lead-based paint or paint of unknown lead content in a dwelling unit where a child of applicable age resides or in the common area of the multiple dwelling in which such dwelling unit is located, where such multiple dwelling was erected prior to January first, nineteen hundred sixty, or where the owner has actual knowledge of the presence of lead-based paint and such multiple dwelling was erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight.

(i) Except as provided in subparagraph (ii) of this paragraph, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely.

(ii) Where such work will disturb more than one hundred square feet of lead-based paint or paint of unknown lead content in a room in a multiple dwelling, or will involve the removal of two or more windows with lead-based paint or paint of unknown lead content, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto, or a successor rule, and shall include a requirement that lead-

contaminated dust clearance testing be performed at the completion of such work. Such rules shall also require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall require, in addition, that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of part 745 of title 40 of the code of federal regulations for the abatement of lead hazards, or any successor regulations. Such rules shall also provide that not less than ten days prior to the commencement of such work the owner of the premises, or the firm, shall file with the department of health and mental hygiene a notice of commencement so that the department of health and mental hygiene may, at its discretion, perform sample audits of such notices to determine that the firms performing the work are properly certified. Such notice shall be signed by the owner or by a representative of the firm , and shall be in a form satisfactory to or prescribed by the department of health and mental hygiene, and shall set forth at a minimum the following information:

(a) The address of the multiple dwelling and the specific location of the work within the multiple dwelling.

(b) The name, address and telephone number of the owner of the multiple dwelling in which the work is to be performed.

(c) The name, address and telephone number of the firm which will be responsible for performing the work.

(d) The date and time of commencement of the work, working or shift hours, and the expected date of completion; and

(e) Identification of the surfaces and structures, and surface area, subject to the work.

The rules shall also provide that any changes in the information contained in the notice shall be filed with the department of health and mental hygiene prior to commencement of work, or if work has already commenced, within twenty-four hours of any change. The rules shall provide that a copy of the notice of commencement shall be posted at the work site.

(iii) The provisions of this paragraph shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.

(3) where an owner is performing work on turnover pursuant to 27-2056.8 of this article. Such rules shall include, but not be limited to, requiring lead-contaminated dust clearance tests at the completion of such work.

b. No person shall perform a lead-contaminated dust clearance test pursuant to this section unless such person is a third-party, who is independent of the owner and any individual or firm that performs the work, and has successfully completed a course approved or administered by the department of health and mental hygiene or by the United States environmental protection agency or the United States department of housing and urban development and obtained a certificate or other document issued by or acceptable to the department of health and mental hygiene.

c. The department, with the approval of the department of health and mental hygiene, shall promulgate rules requiring that all lead-contaminated dust clearance tests submitted to a laboratory for analysis include a sworn certification that such test was performed in compliance with all applicable rules and regulations and shall include any additional information that the department shall determine is necessary for the administration and enforcement of this section.

d. Where an owner is performing work pursuant to paragraph (1) of subdivision a of this section, all lead-contaminated dust clearance test results shall be filed with the department, and a copy shall be provided by the owner to the occupant of the dwelling unit. Where an owner is performing work pursuant to paragraphs (2) and (3) of subdivision a of this section, a copy of all lead-contaminated dust clearance test results shall be provided to the occupant of the dwelling unit. Copies of lead-contaminated dust clearance test results provided to the occupant of the dwelling unit pursuant to this subparagraph shall be in a form satisfactory to or prescribed by the department of health and mental hygiene that provides a sufficiently clear explanation of the meaning of such results.

§27-2056.12 Reporting. a. Within four months after the close of the first fiscal year after which this article takes effect and for every fiscal year thereafter, the commissioner shall provide to the council a written report on the department's implementation of this article during the preceding year. Such report shall include, at a minimum, an analysis of the department's program, a detailed statement of revenue and expenditures and statistical section designed to provide a detailed explanation of the department's enforcement including, but not limited to, the following:

(1) the number of complaints for peeling paint in pre-1960 dwelling units where a child of applicable age resides, disaggregated by city or non-city ownership of the building which is the subject of the complaint;

(2) the number of inspections by the department pursuant to this article, disaggregated by the city or non-city ownership of the building where the inspection occurred;

(3) the number of violations issued by the department pursuant to this article;

(4) the number of violations issued pursuant to this article that were certified as corrected by the owner, the number of such certifications that did not result in the removal of such violations, and the number of civil actions brought by the department against such owners; and

(5) the number of jobs performed in which violations issued pursuant to this article were corrected by the department, the total amount spent by the department to correct the conditions that resulted in the violations, and the average amount spent per dwelling unit to correct such conditions; and

(6) a statistical profile with geographic indexing, such as by community district, council district, and/or zip code, of multiple dwellings in which violations are placed, indicating the ages of the multiple dwellings and other factors relevant to the prevalence of lead-based paint hazards, which may include the prior lead poisoning of a child in the multiple dwelling, outstanding violations, and emergency repair charges.

b. The department of health and mental hygiene shall prepare a report on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels. This report shall be utilized by the department in its implementation of this article. Such report shall be submitted to the council within nine months after the close of each calendar year.

c. The department shall maintain a central register of all department orders to correct a violation under this article. Such register shall indicate, if applicable, the date of the complaint, address of the premises, and the date of each inspection and reinspection.

§27-2056.13 Transmittal of Violations to the Department of Health and Mental Hygiene. The department shall send a notice which shall be addressed to the dwelling unit in the multiple dwelling, when a dwelling unit is identified, for which a violation of this article was issued. Such notice shall include a telephone number for the department of health and mental hygiene. The department shall also refer to the department of health and mental hygiene the address of the unit in the multiple dwelling for which such violation was issued, the name of the complainant, if any, and the complainant's telephone number, if available. The department of health and mental hygiene, pursuant to section 17-179 of this code, shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

§27-2056.14 Inspections by Department of Health and Mental Hygiene and Removal of Health Code Violations by Department of Housing Preservation and Development. Whenever a report has been made to the department of health and mental hygiene of a person under eighteen years of age with an elevated blood lead level of fifteen micrograms per deciliter or higher residing in any dwelling unit, the department of health and mental hygiene shall conduct such investigation as may be necessary to identify potential sources of the elevated blood lead level, including but not limited to, an inspection of the dwelling unit where such person resides. If the department of health and mental hygiene issues an order to correct any violation, the department of health and mental hygiene shall notify the department of each dwelling unit in a dwelling for which the department of health and mental hygiene has issued an order to correct a violation. Where the owner of the dwelling or relevant dwelling unit within such dwelling fails to comply with an order of the department of health and mental hygiene to correct a violation placed by the department of health and mental hygiene, the department of health and mental hygiene shall certify such conditions to the department of housing preservation and development. The certification procedure shall be completed within sixteen days of the report of the elevated blood lead level. The conditions so certified shall be corrected within eighteen days of certification to the department.

§27-2056.15 Waiver of Benefit Void. a. No owner may seek to have an occupant of a dwelling unit waive the benefit or protection of any provision of this article. Any agreement by the occupant of a dwelling unit purporting to waive the benefit or protection of any provision of this article is void. Any owner who violates this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any owner who violates this section shall be liable for a civil penalty of not more than five hundred dollars per violation.

b. Notwithstanding any other provision of this article, nothing herein shall be construed to alter existing or future agreements which allocate responsibility for compliance with the provisions of this article between a tenant shareholder and a cooperative corporation or between the owner of a condominium unit and the board of managers of such condominium.

c. The provisions of this article, other than section 27-2056.14, shall not apply to a dwelling unit in a multiple dwelling where (i) title to such multiple dwelling is held by a cooperative housing corporation or such dwelling unit is owned as a condominium unit, and (ii) such dwelling unit is occupied by the shareholder of record on the proprietary lease for such dwelling unit or the owner of record of such condominium unit, as is applicable, or the shareholder's or record owner's family.

§27-2056.16 Exemption for Emergency Conditions. For emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety or to protect property from further major damage, such as when a property has been damaged by a natural disaster, fire, structural collapse, cascading water, lack of utilities or other emergency conditions, occupants shall be protected from exposure to lead in dust and debris generated by such emergency actions to the extent practicable and the requirements of this article shall not apply. This exemption applies only to repairs immediately necessary to respond to the emergency. The requirements of this article shall apply to any work undertaken subsequent to or above and beyond such emergency actions.

§27-2056.17 Record Keeping Requirements. The owner of any multiple dwelling or dwelling that performs any work pursuant to this article shall retain all records relating to such work for a period of no less than ten years from the completion date of such work. The owner shall make any such records required to be retained by this section available to the department upon the department's request, and shall transfer such records to the owner's successor in title.

§27-2056.18 Application of this article based on age of child. For the purposes of this article, the term "applicable age" shall mean "under seven years of age" for at least one calendar year from the effective date of this section. Upon the expiration of such one year period, in accordance with the procedures by which the health code is amended, the board of health may determine whether or not the provisions of this article should apply to children of age six, and based on this determination, may redefine "applicable age" for the purposes of some or all of the provisions of this article to mean "under six years of age," but no lower.

§6. Section 27-2115 of the administrative code of the city of New York is amended by adding a new subdivision l to read as follows:

(l)(1) Notwithstanding any other provision of law, when the department serves a notice of violation to correct and certify a condition that constitutes a violation of article fourteen of subchapter two of this chapter, the notice of violation shall specify the date by which the violation shall be corrected, which shall be twenty-one days after service of the notice of violation, and the procedure by which the owner, for good cause shown pursuant to this subdivision, may request a postponement. The notice of violation shall further specify that the violation shall be corrected in accordance with the work practices established in accordance with section 27-2056.11 of this code. The notice of violation shall be served by personal delivery to a person in charge of the premises or to the person last registered with the department as the owner or agent, or by registered or certified mail, return receipt requested, or by certified mail with proof of delivery, to the person in charge of the premises or to the person last registered with the department as the owner or agent; provided that where a managing agent has registered with the department, such notice of violation shall be served on the managing agent. Service of the notice of violation shall be deemed completed three days from the date of mailing. Notification, in a form to be determined by the department, of the issuance of such violation shall be sent simultaneously by regular mail to the occupant at the dwelling unit that is the subject of such notice of violation. The department may postpone the date by which a violation shall be corrected upon a showing, made within the time set for correction in the notice, that prompt action to correct the violation has been taken but that full correction cannot be completed within the time provided because of serious technical difficulties, inability to obtain necessary materials, funds or labor, inability to gain access to the dwelling unit wherein the violation exists, or such other portion of the building as may be necessary to make the required repair. Such postponement shall not exceed fourteen days from the date of correction set forth in the notice of violation. The department may require such other conditions as are deemed necessary to insure correction of the violations within the time set for the postponement. The department may grant one additional postponement of no more than fourteen days for the reasons authorized by this section so long as the paint or other condition which is the subject of the violation has been stabilized. The department is also authorized to promulgate rules establishing criteria for a postponement of the time to correct for a longer period of time where such postponement is requested because of one or more substantial capital improvements will be made that will, when completed, significantly reduce the presence of lead-based paint in such multiple dwelling or dwelling unit including, but not limited to, a requirement that the paint which is the subject of the violation is stabilized. The department shall provide to the owner and the occupant a written statement signed and dated by the person making

such decision setting forth the reasons for each postponement of the date by which a violation shall be corrected or the reason for the denial of such application for a postponement. Said written statement shall be part of the records of the department.

(2) Notwithstanding any other provision of law, the notice of violation shall direct that the correction of each violation cited therein shall be certified to the department. Such certification shall be made in writing, under oath by the registered owner, a registered officer or director of a corporate owner or by the registered managing agent. Such certification shall include a statement that the violation was corrected in compliance with paragraph one of subdivision a of section 27-2056.11 of this code and shall include a copy of the lead-contaminated dust clearance test results. All certifications shall be delivered to the department and acknowledgment of receipt therefor obtained or shall be mailed to the department by certified or registered mail, return receipt requested, no later than five days after the date set for correction, and shall include the date when each violation was corrected. Such certification of correction shall be supported by a sworn statement by the person who performed the work if performed by an employee or agent of the owner. A copy of such certification shall be mailed to the complainant by the department not more than twelve full calendar days from the date of receipt of such certification by the department. Failure to file such certification shall establish a prima facie case that such violation has not been corrected.

(3) Whenever the department shall issue a notice of violation to correct a condition that constitutes a violation of section 27-2056.6 of article fourteen of subchapter two of this chapter, the department shall within fourteen days after the date set for the correction of such violation conduct a final inspection to verify that the violation has been corrected. Where, upon conducting an inspection, the department determines that a violation has not been corrected, the department shall correct such violation within forty-five additional days of such inspection or in such shorter time as is practicable.

(4) Notwithstanding any other provision of law, the department shall not remove a violation from its records nor shall it be deemed that such violation has been corrected unless the records of the department contain written verification that the department has conducted a final inspection of the premises and that such inspection verifies that the violation has been corrected, and copies of lead-contaminated dust clearance test results whenever such tests are required by applicable law, rule or regulation. A copy of the report of the final inspection of a dwelling unit and the status of the violation shall be mailed or delivered to the occupant and the owner.

(5) Notwithstanding any other provision of law, a person making a false certification of correction of a violation issued pursuant to article 14 of subchapter 2 of this chapter, in addition to any other civil penalty, shall be subject to a civil penalty of not less than one thousand dollars nor more than three thousand dollars for each false certification made, recoverable by the department in a civil action brought in a court of competent jurisdiction. If the person making such false certification is an employee of the owner then such owner shall be responsible for such civil penalty. In addition, any such person making a false certification of correction shall be guilty of a misdemeanor punishable by a fine of up to one thousand dollars or imprisonment for up to one year or both.

(6) Notwithstanding any other provision of law, a person who violates article fourteen of subchapter two of this chapter by failing to correct such violation in accordance with paragraph one of subdivision a of section 27-2056.11 of this code shall be subject to a civil penalty of two hundred fifty dollars per day for each violation to a maximum of ten thousand dollars from the initial date set for correction in the notice of violation until the date the violation is corrected and certified to the department, and in addition to any civil penalty shall, whenever appropriate, be punished under the provisions of article three of subchapter five of this code. There shall be a presumption that the condition constituting a violation continues after the service of the notice of violation. The owner shall be responsible for the correction of all violations noticed pursuant to article fourteen of subchapter two of this chapter, but in an action for civil penalties pursuant to this subdivision may in defense or mitigation of such owner's liability for civil penalties show:

(i) That the condition which constitutes the violation did not exist at the time the violation was placed; or

(ii) That he or she began to correct the condition which constitutes the violation promptly upon discovering it but that full correction could not be completed expeditiously because of serious technical difficulties, inability to obtain necessary materials, funds or labor, or inability to gain access to the dwelling unit wherein the violation exists, or such other portion of the building as might be necessary to make the repair, provided that a postponement was granted pursuant to this subdivision; or

(iii) That he or she was unable to obtain a permit or license necessary to correct the violation, provided that diligent and prompt application was made therefor; or

(iv) That the violation giving rise to the action was caused by the act of negligence, neglect or abuse of another not in the employ or subject to the direction of the owner, except that the owner shall be precluded from showing in

defense or mitigation of such owner's liability for civil penalties evidence of any acts occurring, undertaken, or performed by any predecessor in title prior to the owner taking control of the premises. Where the aforesaid allegations are made by way of mitigation of penalties, the owner shall show, by competent proof, pertinent financial data and efforts made to obtain necessary materials, funds or labor or to gain access, or to obtain a permit or license and such other evidence as the court may require.

If the court finds that sufficient mitigating circumstances exist, it may remit all or part of any penalties arising from the violations, but may condition such remission upon a correction of the violation within a time period fixed by the court.

(7) Notwithstanding any other provision of law, failure by the department to comply with any time period provided in this section relating to responsibilities of the department shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article

§7. Title 17 of the administrative code of the city of New York is amended by adding new sections 17-179, 17-180, 17-181, 17-185, and 17-186, to read as follows:

§17-179 Department Screening, Diagnosis, and Treatment. a. The department shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

b. The department shall develop a pamphlet explaining the hazards associated with lead-based paint and describing the procedures to be used in order for a violation of sections 27-2056.6 and 27-2056.7 of this code to be corrected. The pamphlet shall include appropriate telephone numbers to obtain lead poisoning screening, diagnosis and treatment information and to report unsafe lead-based paint work practices. Such pamphlet shall be made available in accordance with section 27-2056.9 of this code. Such pamphlet shall also be made available to any member of the public upon request.

§17-180 Training of Department Personnel. The department, in conjunction with the department of housing preservation and development, shall provide training for lead-based paint inspection and supervisory personnel. No department personnel shall conduct an inspection for lead-based paint pursuant to the health code unless that individual has received such training. At a minimum, such training shall (1) be equivalent to the training required under regulations issued by the United States environmental protection agency for the certification of lead-based paint inspectors and supervisors, (2) include background information pertaining to applicable state and local lead-based paint laws and guidance on identifying violations in a multiple dwelling, and (3) require that the individual has successfully demonstrated knowledge of the responsibilities of a certified inspector or certified supervisor, as the case may be, and the requirements of sections 173.13 and 173.14 of the health code or successor rules. The department shall provide for the continuing education of inspection and supervisory personnel.

§17-181 Lead-based paint; dry scraping and dry sanding prohibited. The dry scraping or dry sanding of lead-based paint or paint of unknown lead content in any dwelling, day care center or school is hereby declared to constitute a public nuisance and a condition dangerous to life and health. For the purpose of this section, dry scraping and dry sanding shall mean the removal of paint or similar surface-coating material by scraping or sanding without using water misting to reduce dust levels or other method approved by the department. The department shall promulgate such additional rules as necessary for the enforcement of this section.

§17-185 Inspection by the Department of Unsafe Work Practices. The department shall promulgate rules requiring the department to respond to complaints regarding unsafe lead-based paint work practices.

§17-186 Lead poisoning prevention in children. a. The department shall develop a brochure which, at a minimum, advises all appropriate medical providers of their obligations to screen and test children for lead poisoning according to all relevant federal, state and local laws, rules and regulations. Such pamphlet shall be distributed to all appropriate medical providers on an annual basis, starting on September 15, 2004.

b. The department shall develop a pamphlet regarding lead poisoning prevention in children. Such pamphlet shall, at a minimum, be printed in English and Spanish and shall include, at a minimum: (i) the manner in which children are most likely poisoned by lead; (ii) the effects of lead poisoning on a child's health; (iii) the intervals at which a child is required by New York state law to be tested for blood lead levels; (iv) the appropriate telephone numbers to obtain lead poisoning screening, diagnosis and treatment information; (v) the steps a parent or

guardian may take to protect his or her child from lead poisoning; and (vi) the requirement of landlords to inspect and repair lead-based paint hazards.

c. At a minimum, the department shall distribute the pamphlet produced pursuant to paragraph b of this section with each birth certificate furnished to the parent or guardian of a child pursuant to section 17-168 of this title. Such pamphlet shall also be made available to any member of the public upon request.

§8. Subdivision 1 of subsection a of section § 11-243 of the administrative code of the city of New York is amended to read as follows:

1. "Alteration" and "improvement": a physical change in an existing dwelling other than painting, ordinary repairs, normal replacement of maintenance items, [except that painting or repairs designated to eliminate the lead-based paint poisoning hazard shall be eligible for tax exemption and tax abatement under this section and] provided, however, that ordinary repairs and normal replacement of maintenance items, as defined by [regulations] *rules* adopted by the department of housing preservation and development pursuant to subdivision m of this section, shall be eligible for tax exemption and tax abatement under this section provided that repairs and maintenance items:

(1) were started and completed within a twelve-month period,

(2) were made to any common area of the dwelling premises concurrently with a major capital improvement thereto, as defined by [regulations] *rules* adopted by the department of housing preservation and development pursuant to subdivision m of this section, and

(3) require the issuance of a permit for at least one item thereof by any city agency, and

(4) the amount of money expended thereon shall not exceed two times the amount expended on the major capital improvement performed concurrently therewith.

"Alteration" and "improvement" shall also mean "an abatement" of lead-based paint hazards, as defined in part 745 of title forty of the code of federal regulations or any successor regulations, and shall include an "inspection" and "risk assessment" for lead-based paint hazards, as defined in such part, in a dwelling unit occupied by a child of applicable age, as established in accordance with section 27-2056.18 of this code, regardless of whether a child is or has been lead poisoned but shall not include any work performed to comply with a notice of violation issued for a violation of article fourteen of subchapter two of chapter .

§9. Title 17 of the administrative code of the city of New York is amended by adding a new chapter nine to read as follows:

Chapter 9
Lead-Based Paint in Day Care Facilities
Subchapter 1
Definitions

§17-900 Definitions.

Subchapter 2
Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 Presumption.
§17-911 Remediation.
§17-912 Department Rules.
§17-913 Annual Inspection.

Subchapter 1
Definitions

§17-900 Definitions. For the purpose of this chapter the following terms shall have the following meanings:

1. " Chewable surface" shall mean a protruding interior window sill in a day care facility that is readily accessible to a child of applicable age. "Chewable surface" shall also mean any other type of interior edge or protrusion in a day care facility, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where the operator of such day care facility has observed that a child under six years of age has mouthed or chewed such edge or protrusion.

2. "Day care facility" shall mean any facility used to provide day care service.

3. "Day care service" shall mean any service which, during all or part of the day, regularly gives care to seven or more children under six years of age, not all of common parentage, which operates more than five hours per week for more than one month a year. Day care service shall not mean a kindergarten or higher grade in a facility operated by the board of education.

4. "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including but not limited to, rotted or decayed wood, or wood or

plaster that has been subject to moisture or disturbance.

5. "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion, and abrade, scrape or bind when in motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

6. "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

7. "Lead-based paint" shall mean paint or other similar surface-coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997) and the PCS released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5% of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

8. "Lead-based paint hazard" shall mean any condition that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

9. "Lead-contaminated dust" shall mean dust containing lead at 40 or more micrograms per square foot on a floor, 250 or more micrograms per square foot on window sills, and 400 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the New York City board of health.

10. "Operator of such day care facility" shall mean any person who provides day care service and the owner of the premises where such day care facility is located. "Person" shall mean an individual, corporation, partnership, association or other for-profit or not-for-profit entity.

11. "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking, or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

12. "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead based paint, or other method approved by the commissioner of health and mental hygiene.

Subchapter 2

Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 Presumption. a. All paint or similar surface-coating material on the interior of any day care facility in a structure erected prior to January 1, 1978, shall be presumed to be lead-based paint.

b. The presumption established by this section may be rebutted by the operator or owner of the day care facility by submitting to the department a sworn written statement by the operator or owner of the day care facility supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the operator or owner of the day care facility, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of part 745 of title 40 of the code of federal regulations or successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

§17-911 Remediation. a. There shall be no peeling lead-based paint in any portion of any day care facility.

b. Lead based paint or paint of unknown lead content that is peeling, or which is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces shall be immediately remediated in a manner authorized by the department.

c. Any equipment that is painted shall be painted with lead-free paint.

d. Whenever a condition prohibited by this section is found to exist, the department shall immediately serve an order on the operator or owner of such day care facility to remediate the condition. In the event such order is not complied with within forty-five days of service thereof, the department shall immediately request an agency of the city of New York to execute such order pursuant to the provisions of section 17-147 of this code. The agency shall execute the order within forty-five days of the department's request. The city of New York shall be entitled to enforce its rights for reimbursement of expenses incurred thereby, including as credits toward lease payments.

e. When lead-based paint hazards are remediated pursuant to this section such work shall be performed in compliance with work practices established by the department pursuant to section 17-912 of this subchapter.

§17-912 Department rules. The department shall promulgate such rules as may be necessary for the implementation of this chapter. Such rules shall incorporate work practices that are no less protective of public health than those set forth in section 173.14 (d) and (e) and those parts of subdivision b of the health code applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.

§17-913 Annual Survey. The operator of a day care facility shall conduct a survey of such facility annually, and more often if necessary, to determine the physical condition of surface-coating material throughout each such facility and shall provide a copy of the survey results to the department.

§10. All actions taken by the departments of housing preservation and development and health and mental hygiene pursuant to local law 38 of 1999 and local law 1 of 1982 shall be deemed valid to the extent that all violations written, and fines or penalties assessed, as well as any costs for repairs of such violations shall remain valid and enforceable, provided, however, that any such violations which remain uncorrected on the effective date of this local law shall be repaired using the work practices established pursuant to section 27-2056.11(a)(1) as added by section 5 of this local law, and the rules promulgated thereunder, and certified to the department of housing preservation and development in accordance with section 27-2056.10(c)(5) and subdivision (l) of section 27-2115 of the administrative code of the city of New York, as added by section five of this local law, and the rules promulgated thereunder pursuant to this local law.

§11. If any sentence, paragraph, section or part of this local law shall be adjudged invalid by a court of competent jurisdiction such judgment shall not impair or invalidate the remainder thereof but shall be confined to that part.

§12. Paragraph 4 of subdivision e of section 27-2056.4 of the administrative code of the city of New York, as added by section 5 of this local law, shall take effect immediately, and all other provisions of this local law shall take effect one hundred eighty days after its enactment, except that the commissioners of health and mental hygiene and housing preservation and development shall promulgate all rules and take all other actions necessary to implement this local law, other than paragraph 4 of subdivision e of section 27-2056.4, on or before the date upon which it shall take effect.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of the City of New York, passed by the Council on December 15, 2003, disapproved by the Mayor on December 17, 2003 and repassed by the Council Members on February 4, 2004 and said law is adopted notwithstanding the objection of the Mayor.

VICTOR L. ROBLES, City Clerk, Clerk of the Council

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 1 of 2004, Council Int. No. 101-A) contains the correct text and:

Received the following vote at the meeting of the New York City Council on December 15, 2003: 44 for, 5 against, 1 not voting.

Was disapproved by the Mayor on December 17, 2003.

Was returned to the City Clerk on December 19, 2003.

Was reconsidered by the Council on February 4, 2004 and received the following vote of the Council members at a meeting of the Council on February 4, 2004: 44 for, 5 against, 1 not voting.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel

New York Real Property Law, Article 9-B.

§339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to

the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 577 5th Street, Brooklyn, New York, County of Kings, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: THE 577 5TH STREET CONDOMINIUM

DECLARANT: PROSPECT PARK INVESTMENTS, LLC
1311 Milwaukee Street
Delafield, WI 53018

DATE OF DECLARATION:

The land affected by the within instrument lies in Block 1083 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

F/k/a: Lot(s) 62
N/k/a: Lot(s)

Record and Return:

LAW OFFICE OF CLAUDIA V. MURDOCH, P.C.
Attorney for Declarant
117 Seventh Avenue
Brooklyn, New York 11215

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP of Premises to be known as THE 577 5TH STREET CONDOMINIUM, located at 577 5th Street, Brooklyn, New York, Borough of Brooklyn, County of Kings, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York.

PROSPECT PARK INVESTMENTS, LLC, located at 1311 Milwaukee Street, Delafield, WI 53018, hereinafter referred to collectively as "the Declarant," does hereby declare:

1. SUBMISSION OF PROPERTY: Declarant hereby submits the land hereinafter described, together with the Buildings and improvements thereon erected ("the Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. AREA AND LOCATION OF LAND: The land ("Land") consists of all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Declarant in fee simple absolute.

3. NAME OF CONDOMINIUM: The Condominium shall be known as THE 577 5TH STREET CONDOMINIUM.

4. DESCRIPTION OF THE BUILDING: The condominium consists of a single building composed of four stories, a cellar, and a basement, and containing, in aggregate, two (2) residential units. The legal occupancy will match the proposed occupancy hereunder.

5. THE UNITS: SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit and any Limited Common Elements appurtenant thereto is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

The square footage of each unit is not based upon measurements from interior surfaces of interior walls. The square footage of each unit consists of the area measured horizontally from the outside face of the glass window and/or exterior walls to the centerline of the

partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, elevators, and other mechanical equipment spaces that are not part of the unit Columns, mechanical pipes, shafts, chases, chaseways, and public corridors are not deducted from measurement of unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Ben Herzog, R.A., and intended to be filed in the Kings County Office of the register of the City of New York simultaneously with the recording of this Declaration, the dimensions indicated are approximate and are incorporated by reference as if fully set forth herein.

7. COMMON ELEMENTS: The Common Elements of the Condominium consist of the entire Property, including parts of the Buildings and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, to the extent applicable, the following:

a) General Common Elements:

(i) The land on which the Buildings are physically erected, including any open areas appurtenant to the building(s);

(ii) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and installations beyond the exterior face of the Buildings; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the exposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roofs (excluding terraces), fire escapes (if any), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing the Residential Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls and the entrances to and exits from the Buildings;

(iii) All installations outside the Units for services such as gas, power, light, telephone and water;

(iv) All sewer pipes and drainage pipes outside units, including all drains and dry well on the land and those located outside the building footprint;

(v) The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans. To the extent the "as-built" condition of the building differs from such Floor Plans, both said Floor Plans and this Declaration shall be deemed amended to conform to said as-built condition;

(vi) All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.

(vii) The foregoing are included only to the extent they are present in this building. If any of the foregoing items are hereinafter designated as limited common elements, such designation shall take priority over the listing set forth herein.

b) Limited Common Elements:

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. Each Unit Owner, his guests, invitees, lessees and residents of his Unit shall have the exclusive right to use and possession of the limited common elements of the building indicated in the attached Exhibit B, subject to the following:

Each Unit Owner shall be solely and only responsible for repair and maintenance of the Limited Common Element appurtenant to his/her Unit including, but not limited to, painting, cleaning, patching, and surface repair. In the event a Unit Owner fails to properly maintain his/her Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium.

8. DETERMINATION OF PERCENTAGES OF COMMON INTEREST: The determination of percentages of Common Interest allocated to each unit shall be in equal percentages, one for unit as of the date of filing the declaration, or in equal percentages

within separate classifications of units as of the date of filing the declaration., as per Section 339(i)(1)(iii) of the New York State Real Property Law.

9. USE OF UNITS: Any Residential Unit may be used for private residential use, or for any home occupation use permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Notwithstanding the foregoing, the Declarant may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices, in connection with the sale or rental of the Units.

10. ENCROACHMENTS: If any portion of the Common Elements encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Buildings, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Buildings or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachments and for the maintenance of the same so long as the Buildings shall stand.

11. EASEMENTS:

a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right to access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

b) The Declarant and its designees, their successors, assigns, invitees, licensee, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other

utility lines, pipes, conduits, flues, ducts, wires and cables, and (iv) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

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

d) The user of any easement granted by Sub-paragraphs "b" and "c" of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

12. PERSON TO RECEIVE SERVICE: For the period during which Declarant is in control of the Board of Managers, Prospect Park Investments, LLC, 1311 Milwaukee Street, Delafield, WI 53018, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Declarant relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the office of the Condominium located at 577 5th Street, Brooklyn, New York. In addition to the foregoing,

the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS: All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws, and the Rules and Regulations (if any), as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering unto occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

14. AMENDMENT TO DECLARATION: This Declaration may be amended, modified, added to or deleted from by vote of Unit Owners representing at least 66-2/3% of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by vote of Unit Owners representing at least 66-2/3% of the Common Interest of all Unit Owners; provided however,

a) No amendment, modification, addition, or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;

b) No amendment which shall change the percentage of Common Interest allocated to any Unit or Units may be made without the written consent of such Owner;

c) No amendment, modification, addition, or deletion of or to this Declaration will be effective in any respect against the Declarant, its designee, or any Unsold Unit until the Declarant or such designee shall consent thereto in writing;

d) No amendment, modification, addition, or deletion of or to this Declaration which would in any way alter, restrict or change the use to which a Commercial Unit may be put shall be effective against any such Commercial Unit without the written consent of the Owner of such Commercial Unit.

The Declarant hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements of a vote and without the

approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances that are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p, will be filed with such amendment.

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

15. CHANGES IN UNSOLD UNITS: For any Unit owned by the Declarant or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Declarant or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change in and size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Declarant or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Declarant or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of the Declarant or its designee(s). In the event of any such change in an Unsold Units, Declarant shall amend the Declaration and Floor Plans to reflect same.

In the event the Declarant or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Declarant or its designee, to reflect any such alteration, addition, improvements, changes or reapportionments and shall record such amendment in the Office of the Register of Kings County.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

16. INVALIDITY:

a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included;

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

17. THIS PARAGRAPH HAS BEEN INTENTIONALLY OMITTED.

18. TERMINATION OF CONDOMINIUM: The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in Common Interest of the Units. The Declarant or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Declarant may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided however, that no payment shall be made to a Unit Owner until all lienors have first been paid off out of his share of such proceeds.

19. COMMON EXPENSE: Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. Common expenses shall be charged to unit owners according to their respective common interests, except that such expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common profits and expenses for one (1) or more non-residential units. Additionally, common expenses may be specially allocated and apportioned to residential or non-residential units, or a combination thereof, based on special or exclusive use or availability, or exclusive control, of particular units or common areas by particular unit owners.

20. DEFINITION OF "DECLARANT-DESIGNEE": The term "Declarant- Designee" as used in this Declaration shall mean any person or entity designated by the Declarant to acquire title to a Unit, other than a good faith Purchaser for value purchasing pursuant to a validly executed Purchase Agreement. A "Declarant-Designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Declarant-Designee."

21. WAIVER: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. GENDER: The use of the masculine gender in this Declaration shall be deemed to refer to other genders and the singular to the plural, and vice versa, whenever the context so requires.

24. MORTGAGEES RIGHTS:

a) Notwithstanding anything to the contrary set forth in any other portion of this Declaration, amendments of a material adverse nature to the interest of the mortgagees must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes of the Condominium allocated to all units which are subject to mortgages;

b) Any action to terminate the legal status of the project after substantial destruction or condemnation, or for any other reason, must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes allocated to units which are encumbered by mortgages at the time of such termination. In the event notice of either of the foregoing is delivered to any mortgagee; and in the further event such mortgagee fails to submit a written response to such written notice within sixty (60) days after it receives such notice (and further provided that such notice was delivered by registered or certified mail with a return receipt requested); then in such case such mortgagee will be deemed to have consented to the notice to action.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by its duly authorized representatives this
day of , 20 .

PROSPECT PARK INVESTMENTS, LLC
BY:

STATE OF NEW YORK)
COUNTY OF) SS.:

On the day of , 20 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(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

BY-LAWS

of

THE 577 5TH STREET CONDOMINIUM

ARTICLE I

Purpose of Business

Section 1. Unit Ownership: The property located in the Borough of Brooklyn, County of Kings, City and State of New York at 577 5th Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as THE 577 5TH STREET CONDOMINIUM.

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Buildings, and all other improvements thereon (including the Units, the Common Elements and the Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. Application: All present and future owners, mortgagees, lessees, and occupants of Units, and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration, and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Meetings of Unit Owners

Section 1. Annual Meeting: The Annual Meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Brooklyn, City of New York, at such time and place each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or the Secretary of the Board of Managers. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his or her address as it appears in the records of the Condominium, unless he or she shall have filed with the Secretary of the Condominium a written request that notices intended for the him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing to do so by Unit Owners owning at least twenty-five per cent (25%) of the votes of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the holders of all the Units of the Condominium be present thereat in person or by proxy, except that there shall be a meeting commenced within sixty days after the closing of the First Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable; any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a

quorum is present as provided in the next succeeding section, and waiver of notice of the time, place, and objects of such meeting shall be duly executed in writing either before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of Unit Owners, except where otherwise provided by law, both Unit Owners must be represented, either in person or by proxy, to constitute a quorum.

Section 5. Voting: At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium. Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to his/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

Section 6. Title to Units: Title to Units may be taken in the name of an individual or in the name of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, un-incorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section.

Section 7. Number of Votes: Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to the vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Condominium Unit shall be entitled to elect one manager to the Board of Managers. If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A

fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. Majority of Unit Owners: As used in these By-Laws the term "majority of Unit Owners" shall be interpreted so as to require the unanimous consent of Unit Owners.

Section 9. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

ARTICLE III

OFFICERS

Section 1. Designation: The principal officers of the Condominium shall be the President, the Vice-President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. S/he shall preside at all meetings of the Unit Owners and of the Board of Managers. S/he shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from

among the Unit Owners from time to time as s/he may in her/his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon her/him by the Board of Managers or by the President.

Section 6. Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers. S/he 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 secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. S/he shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers, and s/he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Compensation of Officers: Officers who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for an Officer who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended.

Section 9. Liability of Officers: No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful misconduct of an officer. It is intended that each officer shall have no personal liability with respect to any contract made by him/her on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also

intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

ARTICLE IV

Managers

Section 1. Number: The number of Managers of the Corporation shall be three (3), unless otherwise agreed by the unit owners.

Section 2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners. The Board shall further have the right to employ a manager or managing agent or both, and may delegate any or all of the powers conferred by this section to such managing agent. Persons employed in the operation of the property may be designated or removed by a majority vote of the Board of Managers, or without vote by the managing agent or manager, if such a person is employed by the Board.

Section 3. Nomination and Election: The Managers shall be elected for a term of one year at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law. Each Condominium Unit Owner shall be entitled to elect one manager to the Board of Managers, regardless of the number of units owned by that Unit Owner. In the event that there are less than three different Unit Owners, the third Manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself. Where a unit is owned by more than one person or entity, such persons and/or entities shall collectively appoint one member. The members' terms of office shall be until their respective successors are elected and qualify.

Section 4. Quorum: A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies: A vacancy in the Board of Managers may only be filled by designation of a new member by the Unit Owner or Owners who appointed the manager to the now-vacant position, except that in the event that there are less than three different Unit Owners, the third Manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself.

Section 6. Meetings: The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice, and also whenever called together by any Manager of the Condominium, or upon the written request of any three Managers then holding office, upon notice given to each Manager, by delivering personally, mailing or telegraphing the same to her/him at least two days prior to such meeting at the last address furnished by him to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine. Any meeting of the Board at which all the Managers shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal: Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective. Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate vote is at least 51% of the votes of the Condominium at a Unit Owners' meeting duly called for that purpose; provided, however, that the Manager(s) elected by the Holders of "Unsold Units" can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Holders of Unsold Units.

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Managers shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every

such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) sixty (60) days after the date by which both of the units have been conveyed to unit purchasers; or (ii) three (3) years after the first conveyance of a unit to a unit purchaser, the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

a) Increase the number or change the type of employees from that described in the FOOTNOTES TO SCHEDULE B of the Offering Plan;

b) Provide for new or additional services from those indicated in the FOOTNOTES TO SCHEDULE B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;

c) Establish any reserve other than the Reserve and/or Working Capital Funds set forth in the Offering Plan.

Until the earlier of five 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 25% of the common interest of the Condominium, the Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer. Additionally, so long as the Sponsor retains ownership of at least one 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.

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 10. Compensation: Members of the Board of Managers who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a unit owner for

attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended.

Section 11. Liability of the Board of Managers: The Members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, and, except as prohibited by law, the Unit Owner's interest in the Unit. Every agreement made by the Board of Managers, or the Managing Agent, or the Manager, on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements, and, except as prohibited by law, the Unit Owner's interest in the Unit.

ARTICLE V

NOTICES

Section 1. Definitions: Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice, but such notice may be given

in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such Managers or Unit Owner or mortgagee in such address as appears on the books of the Condominium.

Sections 2. Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-Laws and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease of any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners.

Until such time as units are separately assessed for New York City real estate tax purposes, real estate taxes shall be deemed part of the common expenses of the building, and individual unit owners will be assessed their proportionate share thereof. After assessment,

unit owners will be reimbursed for any overpayment of taxes or assessed for any underpayment.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance: The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein within fifteen (15) days after receipt thereof.

Section 3. Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him.

Section 4. Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner that remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner that remains unpaid for more than thirty (30) days from the due date thereof.

Section 5. Default in Payment of Common Charges or Assessments: In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owners shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners. During the time that 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 on units in which the Sponsor is more than 30 days in arrears of common charges.

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his/her Unit, and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If, after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws, (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium);,or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

a) All maintenance, replacement, or repair to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be the responsibility of the unit owner, and the expense thereof shall be the sole responsibility of the Unit Owner, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) Each unit owner shall be solely and only responsible for repair or maintenance of any limited common element appurtenant to his/her unit, including but not limited to painting, cleaning, patching, and surface repair, and, in the case of balconies, if any, structural maintenance.

d) In the event a unit owner fails properly to maintain his/her unit or limited common element(s), the Board of Managers may take such steps as in its exclusive judgment are necessary to maintain such area(s), and the cost thereof shall be assessed against the owner of the condominium unit in question, or the owner of the unit to which such limited common elements are appurtenant.

e) To the extent that damage to a limited common element or unit is caused by a building condition or by other condition for which the condominium carries insurance, the cost of repair of such damage shall be borne by the condominium.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

a) The Units shall be used for private residences only, except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Notwithstanding the foregoing, the Sponsor or Sponsor-Designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

d) No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies

having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e) No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit including the Limited Common Elements appurtenant thereto), may be separately rented.

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-

pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 11 that require the consent of the Board of Managers in connection with a structural addition, alteration, or improvement shall not apply to Units owned by the Sponsor or its designee. All other provisions of this Section 11 shall apply to all Units.

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

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 13, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 14. Rules of Conduct: Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. A copy of such rules

and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A.

Section 15. Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the Property and in the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 16. Smoking Policy: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements.

ARTICLE VII

Mortgages

Section 1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

Section 5. Any mortgagee shall be entitled to timely written notice of:

a. Any condemnation of casualty loss that affects either a material portion of the project or the unit securing its mortgage.
b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
d. Any proposed action that requires the consent of a specified percentage of mortgagees.

Section 6. Notwithstanding anything to the contrary set forth in any portion of these By-Laws, any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such unit's unpaid regularly scheduled budgeted dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues.

Section 7. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment, modification, addition, or deletion that shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

Section 8. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by certified or registered mail, return receipt requested, said mortgagee will be conclusively presumed to have consented to the action set forth in said notice.

ARTICLE VIII

Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $50,000.00 or less, and to the Insurance Trustee if such award amounts to more than $50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less that eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off.

ARTICLE IX

Conflicts

Section 1. Conflicts: These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE X

Amendments to the By-Laws

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended only by unanimous vote of the Unit Owners.

For as long as there are one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

ARTICLE XI

Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and/or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine gender and the use of singular shall be deemed to include the plural, whenever the context requires.

Section 4. Waiver: No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, respective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of two (2) or more Unit first mortgagees, if applicable). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of two (2) or more Unit first mortgagees, if applicable). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

Section 6. 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 for the previous years operation. 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 or public accountant.

2) Prior notice of the annual Unit Owners meeting at least 30 days prior to such 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.

ARTICLE XII

Sponsor Control

Section 1: Transfer of control of the Condominium Board of Managers shall pass to unit owners, other than the Sponsor, at the earlier of the following:

- Sixty (60) days after the date by which both of the units have been conveyed to unit purchasers;

or

- Three (3) years after the first conveyance of a unit to a unit purchaser.

Notwithstanding the foregoing, Sponsor may vote for unit owners of its choice.

Section 2: Until the earlier of five 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 that 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations, remedy any notice of a violation, or remedy any work order from an insurer, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or required to avoid the suspension of any necessary service to the Building.

Section 3: 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.

Section 4: At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

Section 5: So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

1. Shall not eliminate or reduce the number of employees, insurance coverages, 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 order of an insurance carrier, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of occupants of the Building or required to avoid the suspension of any necessary service to the Building.

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

RE: 577 5th Street
Brooklyn, New York

We, PROSPECT PARK INVESTMENTS, LLC, and DAVID MAY, being the Sponsor and principal of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

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 Attorney General in Part 20, and such other laws and regulations as may be applicable;

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us that amend or supplement the Offering Plan will:

1. Set forth the detailed terms of the transaction and be complete, current, and accurate;

2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;

3. Not omit any material fact;

4. Not contain any untrue statement of a material fact;

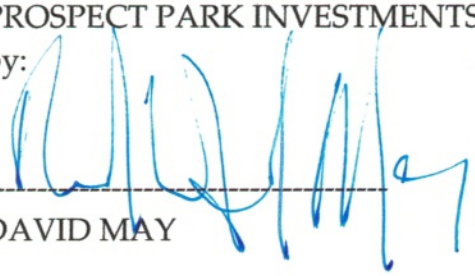
5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;

6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

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

This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the Civil and Criminal penalties of the General Business Law and the Penal Law.

PROSPECT PARK INVESTMENTS, LLC
by:

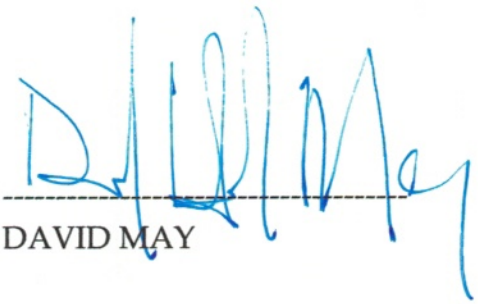


DAVID MAY

Sworn to before me this
25 day of February, 2020.

Nicole Gaines
Notary Public

Nicole Gaines
NOTARY PUBLIC
Haywood County, NC
My Commission Expires December 4, 2024



DAVID MAY

Sworn to before me this
25 day of February, 2020.

Nicole Gaines
Notary Public

Nicole Gaines
NOTARY PUBLIC
Haywood County, NC
My Commission Expires December 4, 2024

BEN HERZOG ARCHITECT, PC
247 Prospect Ave, 2nd Floor
Brooklyn, NY 11215
PHONE (347) 410-5860
FAX (347) 338-2516
EMAIL ben@herzogarch.com
WEB www.herzogarch.com

CERTIFICATION BY SPONSOR'S ARCHITECT PURSUANT TO PART 20.4 OF THE REGULATION ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

Date: November 4 2020

Department of Law of the State of New York
28 Liberty Street, 21st Floor
New York, New York, 10005
Attention: Real Estate Financing Bureau

Re: The 577 5th Street Condominium
577 5th Street
Block: 1083 Lot: 62
Brooklyn, New York

The sponsor of the offering plan to convert the captioned property to condominium ownership retained my office to prepare a report describing the construction and/or renovation of the property (the "Report"). I visually inspected existing portions of the renovated property on October 22, 2019, and I examined the building plans and specifications that were prepared by Ben Herzog Architect, PC dated January 4, 2016 and the Report prepared by Ben Herzog Architect, PC dated November 4, 2020, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the state in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the 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.

BEN HERZOG ARCHITECT, PC
247 Prospect Ave, 2nd Floor
Brooklyn, NY 11215
PHONE (347) 410-5860
FAX (347) 338-2516
EMAIL ben@herzogarch.com
WEB www.herzogarch.com

I certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I/we examined;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I examined;

(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:

(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 and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property."

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on November 4, 2020.



BROOKLYN PROPERTIES
LICENSED REAL ESTATE BROKERAGE FIRM
LOCATIONS 113 7th Avenue | 213 7th Avenue | 85 Fort Greene Place
718.788.3888 | info@brooklynproperties.com

March 13, 2020

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

RE: 577 5th Street, Brooklyn, New York

The Sponsor of the condominium Offering Plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1, containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed real estate broker for twenty years, the management of approximately eleven total buildings over ten years, and the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules do:

1. Set forth in detail the projected income and expenses for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, or suppression;

6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
   a) knew the truth;
   b) with reasonable effort, could have known the truth;
   c) made no reasonable effort to ascertain the truth; or;
   d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses of the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Hal Lehrman
Licensed Real Estate Broker

SWORN TO BEFORE ME THIS
13th DAY OF March, 2020.

NOTARY PUBLIC

CLAUDIA V. MURDOCH
Notary Public, State of New York
No. 02MU6286339
Qualified in Kings County
My Commission Expires July 22, 2021