CONDOMINIUM OFFERING PLAN
THE 377 DEGRAW STREET CONDOMINIUM
CD19-0348
LOCATION:
377 Degraw Street, Brooklyn, N.Y. 11231
KINGS COUNTY

NUMBER OF UNITS	AMOUNT OF OFFERING
3 Residential Units	$ 6,348,000
Total	$ 6,348,000

Sponsor-Selling Agent

DEGRAW ST CAPITAL 377, LLC
1325 PATERSON PLANK ROAD
SECAUCUS, NJ 07094

DATE OF ACCEPTANCE FOR FILING , 2020
THIS OFFERING PLAN MAY NOT BE USED AFTER , 2021
UNLESS EXTENDED BY AMENDMENT

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

SEE PAGE (I) FOR SPECIAL RISKS TO PURCHASERS

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

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SPECIAL RISKS

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

1. Sponsor is reserving the unconditional right to rent rather than sell unsold units after plan consummation. Because Sponsor is not limiting the conditions under which it will rent rather than sell units, there is no commitment to sell more units than the fifteen percent of the residential units (one unit) necessary to declare the plan effective and the Owner-Occupants may never gain effective control and management of the condominium. Owner-occupants and non resident owners may have inherent conflicts on how the condominium should be managed because of their different reasons for occupancy. Refer to Introduction. Page 2.

The sponsor has both acquisition and construction financing. There is a combined mortgage and building loan on the property in the amount of $ 3,828,315 Patch of Land Lending LLC with offices at 15000 Ventura Blvd., Sherman Oaks, CA 91403 dated September 16, 2016. Both mortgages are due on sale or transfer of all or part of the property. The terms of the loans do not contain any clauses; (i) which provide for any minimum number or percentage of units which must be under contract before the plan can be declared effective; or (ii) limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions

A purchaser of a previously occupied unit will purchase the unit "as is". Refer to Interim Leases beginning at page 28.

2. No bond or other security has been posted to secure the Sponsor's obligations under this plan. Rights and Obligations of Sponsor at page 49.

3. The condominium board does not have the right to approve or disapprove purchasers. There is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents. See Basic Aspects of Condominium Ownership at page 6.

4. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include the requirement 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 the 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. See Mortgage Contingency at page 36 and Effective Date of Plan at page 37.

5. There is no outside managing agent or superintendent provided for in the projected budget. During the sponsor's control period, the sponsor controlled board will manage the condominium through the principal of the sponsor Rey Grabato, at no fee. Mr. Grabato has not had any previous management experience.

After the control period ends, the unit owner controlled board will manage the condominium unless an outside managing agent is hired. If the condominium decides to engage a management company and/or a superintendent this will entail an additional expense not included in the budget as it now appears. The common charges will therefore increase. It is estimated that retaining a management company or a superintendent will increase the budget by 20%. Refer to footnotes Schedule B Projected Budget at page 21.

The budget does not provide for a part time handyman for general cleaning and maintenance of the common areas. Unit owners will therefore have to perform any maintenance The direct management of the condominium will be under the control of the board of managers as per the declaration and by-laws. These functions would include maintaining the books and records of the condominium as well as entering into repair contracts where necessary. Refer to budget footnotes at page 21.

Until such time as the operation of the condominium is turned over to the unit owners, the general partner of the sponsor, Rey Grabato will act as the managing agent of the condominium. The management agent will (i) work in the best interests of the condominium and its unit owners; and (ii) not engage in sweetheart deals. Refer to page 84.

In the event the board wishes to hire a part-time handyman or superintendent at some future date, the annual cost will be approximately $6,000. The cost of a management agent would be an additional $4,000 per year.

6. The Sponsor is renovating an existing three unit building in order to create this condominium. A new Certificate of Occupancy is required. The New York City Department of Buildings will issue only a Permanent Certificate of Occupancy when the construction is completed. Please refer to the Architect's Report in Part II Section D of this plan.

NO CLOSINGS WILL TAKE PLACE AND NO INTERIM PURCHASER WILL OCCUPY ANY UNIT UNTIL THE PERMANENT CERTIFICATE OF OCCUPANCY IS OBTAINED.

7. Sellers in general are obligated to pay the transfer taxes; however, the sponsor has transferred its obligation to the purchaser to pay the transfer taxes.

The purchaser shall be responsible for the payment of the New York City Real Property Transfer Tax and the New York State Documentary Stamp Tax. These taxes when combined are equal to 1.825% of the purchase price. These taxes are customarily paid by the Sponsor. This tax will be considered additional consideration on which the transfer taxes are computed. Refer to Unit Costs and Adjustments at page 44.

Commencing July 1, 2019 the State of New York has imposed an additional transfer tax on sales in excess of $3,000,000 and a supplemental tax on transfer above $2,000,000. Please refer to pages 46 and 47 for a discussion of these additional taxes.

8. The contract of sale requires that any upgrades or custom work ordered are paid for at the time of such order. All funds received by the sponsor for upgrades or custom work must initially be placed in the escrow account. However, purchasers should note as a special risk 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 custom work. If the plan is abandoned by the sponsor, then the sponsor will return all money for upgrades and custom work regardless of whether the money has been expended.

In the event the purchaser exercises a right of rescission the unexpended upgrade or custom work funds will be returned. The reimbursement shall be made within thirty days of the notice of abandonment or rescission.

Refer to Purchase Agreement in Part II Section A

9. The down payment received at the time a contract of purchase is executed will be placed in an attorney IOLA account. The escrow account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposits in excess of $250,000 will not be insured unless the escrow agent has established multiple accounts on behalf of purchasers at various institutions. Interest on an IOLA account is paid to New York State. Refer to Procedure to Purchase page 29.

It should be noted that if purchasers have accounts at the same bank as sponsor's account that holds escrowed funds, purchaser's funds at the escrow bank factor into the $250,000 insurance limit.

10. The Cellar level is divided into three rooms. The front of the cellar is a common area utility room of 238 square feet. The electric and gas meters are located in this room. The room is accessed by a hatch located at the front of the building or by a doorway from the Unit 1 storage room.

The other two rooms are ancillary space for the exclusive use of Unit 1. There is a 534 square foot storage room at the bottom of the Unit 1 access stairs. The second room at the rear of the cellar is accessed from the Unit 1 storage room. It is the unit 1 HVAC room and measures 294 square feet. The cellar has a low ceiling approximately 5 feet in height.

Cellar storage and utility rooms may not be used for any type of occupancy- including but not limited to dining, sleeping, living room, office etc. To do so may result in a violation against the building being issued by the Building Department. Cellar space has less light and air than ordinary living space and it is susceptible to dampness. Unit A has ancillary space which occupies the Cellar. Please refer to Schedule A at page 15.

11. Unit owners must notify the Board of managers in writing when a child or children age of ten (10) years or younger lives or resides (even temporarily) in the unit. Each residential unit owner must install at the resident's own expense, the required window guards in all windows of the unit and shall not remove them until permitted by law in any event, without the full knowledge of the Board of Managers. The installation is required by law. Please refer to the New York City Department of Health website for information regarding the installation of window guards. Please refer to page 6.

12. The square footages shown on the "Schedule A" are derived from the architectural report in Part II of this Offering Plan. The architect measured the dimensions from the outside face of the masonry at the exterior walls to the non unit side of the walls and partitions dividing the units from stairs, corridors and mechanical spaces. These dimensions include unusable space such as partitions and walls. Purchasers should verify each room and closet dimension for their interior use prior to closing. The dimensions are approximate within reasonable tolerances. The actual useable square footage is significantly less than the square footage figures in Schedule A. See Footnotes to Schedule A.

13. In the event proceeds of insurance for the condominium maintained by the condominium are insufficient to repair damaged units, the unit owners will bear the responsibility for the cost of repairs.

The purchase agreement provides that risk of loss prior to closing and transfer of title remains in the Sponsor. Following closing the purchaser, now unit owner, assumes risk of loss. See Purchase Agreement in Part II

A person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. It is advisable that such occupant obtain insurance on their personal property. Personal property of unit occupants is not insured under the condominium insurance policy. See page 28.

14. Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required; (i) to comply with applicable laws and regulations; or (ii) to remedy any notice of violation; or (iii) to remedy a work order by an insurer; or (iv) 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

Sponsors control period ends and sponsor may exercise veto power over expenses other than those described above for a period ending not more than two (2) years after the closing of the first unit or whenever there is only one unsold unit remaining, whichever is sooner. Please refer to page 53.

15. After the plan has been declared effective, the closing of title shall take place upon thirty days written notice. If the Purchaser fails to close within seven days of the time set for closing, interest of 16% per annum on the unpaid balance of the purchase price shall accrue from the date originally fixed for closing. In any event, the interest rate shall not exceed the legal maximum which is 16%. Refer to Effective Date of Plan page 37.

16. Time is of the essence in the purchase agreement with regard to purchaser's obligations to pay the balance of the purchase price and to perform Purchaser's other obligations under the purchase agreement. Time of the essence means that the deadlines set forth in the purchase agreement are extremely important and that failure by the purchaser to meet those deadlines are considered material breaches of the purchase agreement which could result in the purchaser losing his down payment and/or being penalized in some fashion. See Purchase Agreement in Section A of Part II of this offering plan.

The sponsor must make written demand for payment after default at least 30 days before forfeiture of the deposit may be declared.

17. There will be one laundry closet provided within each residential unit with hookups for domestic type washers and dryers. The Sponsor will provide a washer and a dryer. Refer to Engineer's Report on Part II Section D at page 12 of the plan.

The sponsor will provide a stainless steel sink, a range by Wolf; a Wall Hood by Wolf; a refrigerator by Subzero; a dishwasher by Bosch; and a Microwave by Sharp. Please see Description of Property and Improvements at page 11 for further details.

Any other appliances such as wine coolers or warming trays are the responsibility of the purchasers.

18. The expected life span of the roof is fifteen (15) years. There is a two year contractor's guarantee and a twelve year manufacturer's guarantee. The commencement date is upon completion of the roof installation. Please refer to Description of Property and Improvements at page 13.

19. The Sponsor anticipates that the first closing of a unit will occur by June 1, 2020. 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, 2021, 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 the amended, later date.

However, if the first closing occurs before June 1, 2021, 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 RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event however, sponsor cannot convey title to the Unit on or before twelve months from the date of the purchase agreement, affected purchasers will be afforded the right of rescission.

20. The purchase agreement is contingent on the purchaser obtaining financing. The time period for obtaining a mortgage commitment and the time period for completing the project may be lengthy and the commitment may expire or be revoked.

The purchaser agrees to make an application to a lending institution within ten days after receipt of a fully executed copy of the purchase agreement and shall have a period of forty five days from the receipt of a fully executed purchase agreement to obtain a mortgage commitment. The sponsor may extend the time period for up to an extra sixty days.

Under New York Law, when a mortgage contingency is not fulfilled through no fault of purchaser, performance is excused. Sponsor may not condition purchaser's obligation upon obtaining a commitment. If purchaser acts in good faith and lender revokes the commitment after the contingency period expires, performance by the purchaser is excused. See page 36.

The sponsor does not have preferred lenders to recommend.

21. The Housing Merchant Implied Warranty applies to this development. However, the Sponsor has limited the scope of the warranty. The warranty covers no more than 75% of the purchase price and does not cover consequential, incidental, special and indirect damages except as required by law. The limited warranty is subject to all applicable laws. Please refer to the Rights and Obligations Section at page 50, the Addendum to the Purchase Agreement in Part II Section A and the Housing Merchant Warranty Law GBL-36-B in Part II Section G.

The Sponsor's obligation, regardless of any limitations in the warranty or in this offering plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and the sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

22. The Schedule B proposed budget which appears at page 20 includes a Contingency Fund which is intended to provide for any unanticipated expenses or unanticipated increases in the projected expenses and a yearly Capital Reserve fund for future capital repairs.

Both funds are funded from the common charges paid by the purchasers.

The Capital Reserve fund has been pegged at 10% of the budget which means 10% of the monies collected will be placed into the Capital Reserve Fund. The Sponsor believes that this fund will be sufficient for needed capital repairs that may arise during the first five years of condominium operations. This is not a guarantee that such funds will be sufficient but rather a good faith estimate of what will be required. If any unforeseen capital repairs are deemed necessary, a special assessment against the owners may be required.

There are no other reserves provided for in the budget. See page 82.

23. In addition to the other closing costs, the Purchaser shall pay the sum of $ 1,150.00 to the Seller's attorney for the preparation of the condominium transfer papers. Please refer to Closing Costs and Adjustments at page 46.

24. In the event that Purchaser or Purchasers lender requires that the closing take place outside of Sponsor's attorney's office, Purchaser agrees to pay Sponsor's attorney a travel fee at closing of $250.00 for closings within New York City (other than Brooklyn) and $500.00 for closings outside of New York City. Please refer to Closing Costs and Adjustments at page 46.

25 Smoking Policy. The condominium has adopted the following smoking policy in compliance with New York City Local Law 147. Smoking is prohibited in all of the common areas of the condominium. The common areas include but are not limited to the cellar area where the utility room is located, the stairways leading to and from the units, the roof area above the third floor and the outdoor front of the building to the property line. The unit owners may smoke in their units or the limited common elements appurtenant to a particular unit such as rear yard or the roof area limited common element of unit C as long as it does not create a nuisance to the other units. A nuisance shall be defined as infiltration of smoke or smoke odors into the units.

This policy includes electronic cigarettes and other vapor products in addition to the more conventional smoking apparatus. Please refer to Rights and Obligations of Unit Owners and Board at page 59.

26. The Tax Cuts and Jobs Act of 2017 which became effective at the beginning of 2018 affects the deductibility of real estate taxes and mortgage interest.

The 2017 Act imposes limitations on the deductibility of state and local income, sales and real estate taxes. An itemized deduction of up to $10,000 may be taken for the combination of state and local income, sales and real estate taxes. If an individual already has a deduction for state and local income taxes and sales tax in the tax year, there will be a smaller deduction or no deduction for state and local real estate taxes.

The 2017 Act also imposes a limitation on the mortgage interest deduction. This deduction applies to a person's principal residence and second residence. Only the interest on the first $750,000 of an acquisition mortgage is deductible. The deductibility of interest on a home equity loan has been suspended. Please refer to Opinion of Counsel at page 76.

27. The Assistant Director of the Financial Crimes Enforcement Network issued the July 22, 2016 Geographic Target Order as revised November 17, 2018 which might impact purchasers. Under the order certain title insurance companies are now required to collect and report information regarding purchasers of transactions where (1) the purchaser is a legal entity as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten island; (3) the total purchase price is in the amount of $300,000 or more; (4) such purchase is made without a bank loan or other form of external financing; (5) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a fund transfer, or virtual currency. This procedure is in effect for closings which occur on or after November 17, 2018 (the revised CTO's effective date). Please refer to Miscellaneous Provisions Concerning Purchases at page 36, section (11).

28. The Sponsor has retained Metropolitan Realty Exemptions, Inc. 381 South 5 Street, Brooklyn, N.Y. 11211 to apply for the J-51 property tax exemption and abatement for the building. An opinion letter from Metropolitan Realty Exemptions can be found beginning at page 68 of this offering plan.

In summary the real estate tax benefits would be as follows:

a. A J-51 tax exemption effectively freezes a residential building's assessed valuation for tax purposes, exempting the owner to pay property tax on the increase in value, resulting from the conversion, alteration or improvement of a building or structure. The exemption will last a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years.

b. A J-51 tax abatement benefits serve to reduce the property's tax liability otherwise payable. For residential buildings, the abatement is calculated and determined based upon the lesser of (i) the certified reasonable costs or (ii) a maximum allowance of $15,000 per one-bedroom apartment with a per apartment increase of $2,400 for each additional bedroom. This abatement is realized over a period of 20 years with a maximum amount of property tax deduction in any one year of 8 1/3%.

The exemption and abatement as they impact out building is outlined in Schedule A on page 15 and discussed in detail on page 17 and the opinion letter beginning at page 72.

The sponsor will use its best efforts to obtain the J-51 benefits. It is projected that the benefits will commence the first fiscal tax year following the issuance of the Permanent Certificate of Occupancy. ALTHOUGH THE SPONSOR WILL APPLY FOR THE BENEFITS, THERE IS NO GUARANTEE THAT THE BENEFITS WILL EVER BE RECEIVED.

29. A decrease in area of less than 5% or less could be material and trigger a right of rescission. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. Please refer to Changes in Prices and Units at page 27.

30. The property renovation is considered a "gut rehabilitation" project. Sponsor is in compliance with Local Law 1 of 2004.

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 of lead paint. Please refer to copy of Local Law 1 of 2004 included in Part II Section D of this plan following the architect's floor plans.

31. No provisions were made to help mitigate impact noise, including footsteps, at floors between dwelling units.

THE 377 DEGRAW STREET CONDOMINIUM
OFFERING PLAN

INTRODUCTION

A. The purpose of the offering plan is to set forth all the material terms of the offer. The plan may be amended from time to time when an amendment is filed with the New York State Department of Law and served on purchasers who have executed and delivered purchase agreements to the sponsor or selling agent and whose purchase agreements are in effect, unit owners and any person entitled to service pursuant to 13 N.Y.C.R.R. section 20.1(d). Amended literature will be served on those entitled thereto under Article 23-A of the General Business Law

The condominium is subject to and complies with the New York Condominium Act, Article 9-B of the New York State Real Property Law.

B. DEGRAW ST CAPITAL 377, LLC with offices at 1325 Paterson Plank Road, Secaucus, NJ 07094, the record owner of the realty, is the sponsor (hereinafter "Sponsor") under this offering plan (hereinafter "Offering Plan"), and hereby offers to sell three (3) residential condominium units to the public, which are presently being renovated in an existing building located on approximately 2,000 square feet on Degraw Street, Brooklyn, New York. The existing building is a three unit residential building which is in the process of being renovated with a rear horizontal extension and converted into a three unit condominium building. The Sponsor acquired the property comprising the condominium development on September 16, 2016.

The existing vacant three unit residential building was built in 1899. The owner Rose Shurott who owned the property since 1982 sold the property to the sponsor. The building was vacant at the time of purchase. According to the seller, the property during their ownership was occupied by family members and/or leased to individuals under leases which had expired. The premises was delivered vacant to the sponsor and is represented as having been vacant for a number of years. The Sponsor is not aware of the removal of any tenant's prior to purchase.

The renovation will be a "Gut rehabilitation" which will expand the square footage of the building by extending the rear of the building by approximately ten feet will maintain the four unit configuration. A new certificate of occupancy will be issued for the change. It is projected that the renovations will be completed by September 1, 2020.

Unit A will occupy the cellar, basement and first floor. This unit will have exclusive rights to the back yard and rear deck. This yard and deck shall be considered a limited common element of Unit A.

Unit B will occupy the entire second floor.

Unit C will occupy the entire third floor. This unit will have exclusive rights to a roof deck. This roof deck shall be considered a limited common element of unit C.

The Cellar is an open crawl space used for storage and utilities. No storage space may be used as living room or for sleeping purposes or for any type of occupancy- including but not limited to dining, sleeping, living room, office etc. To do so may result in a violation against the building being issued by the Building Department. Cellar Space has less light and air than ordinary living space and it is susceptible to dampness.

There is no on-site parking. Parking is available along Degraw Street as well as adjacent streets.

Please refer to Schedule A at page 15 for details on individual units.

The electric and gas meters will be located in a utility room in the cellar with access through a cellar hatch at the front of the building.

If Sponsor makes a bulk sale of two or more units, the transferee successor sponsor is bound by sponsor's representations regarding its commitment to sell units. Refer to Schedule A for prices.

The Sponsor will make a good faith effort to sell the units. Nevertheless, Sponsor retains the unconditional right to rent rather than sell unsold Units after plan consummation. There is no limit on number of owners who may purchase for investment. There is no commitment to sell more than the 15 percent (one unit) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium.

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 the 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.

The sponsor has both acquisition and construction financing. There is a combined mortgage and building loan on the property in the amount of $ 3,828,315 Patch of Land Lending LLC with offices at 15000 Ventura Blvd., Sherman Oaks, CA 91403 dated September 16, 2016. Both mortgages are due on sale or transfer of all or part of the property. The terms of the loans do not contain any clauses; (i) which provide for any minimum number or percentage of units which must be under contract before the plan can be declared effective; or (ii) limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions. The loan agreement does not contain a release clause.

The By-laws include a provision that, after an initial voting control period a majority of the board of managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the sponsor and its principals. Since there is no limit on the number of owners who purchase for investment, Owner-occupants and non-resident owners, including sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e., purchaser as a home as opposed to as an investment.

The common elements consist of all areas and components of the development excluding the individual Units and their limited common elements. The common elements include hallways leading to the Units, paved sidewalks, the front yards of the building, and the exterior structure of the building excluding the limited common elements on the roof.

The limited common elements appurtenant to a particular unit will be the rear yard and roof terraces specifically assigned to a unit. Please refer to Schedule A at page 15 for details.

Each unit has its own in-unit laundry closet which will house washer/dryer hookups. The sponsor will supply both a washer and dryer. Each unit will have a separate gas fed hot water heater and a split H.V.A.C. unit for heating and air conditioning in the ceilings within the unit. The condensers will be located on the roof.

The sponsor will provide the following appliances: a stainless steel sink, a range by Wolf; a Wall Hood by Wolf; a refrigerator by Subzero; a dishwasher by Bosch; and a microwave by Sharp.

The condominium will have a sanitary and storm sewer connected to the City system in Degraw Street.

Sponsor believes that the first condominium Units will be ready for occupancy on or about September 1, 2020.

NO CLOSINGS WILL TAKE PLACE AND NO INTERIM PURCHASER WILL OCCUPY ANY UNIT UNTIL THE PERMANENT CERTIFICATE OF OCCUPANCY IS OBTAINED.

The prices were set by the sponsor alone and are not subject to review or approval by the Department of Law or any other government agency. Refer to Schedule A for prices.

The development is a renovation of an existing three unit building. The building will be converted into three units with the building footprint extended an additional ten feet at the rear. Unit A occupying the cellar, basement and first floor; Unit B occupying the second floor and Unit C occupying the third floor. All units offered in this plan are vacant. The development is a cellar, basement and three story building composed of three residential units. The original building was erected in 1899. The Sponsor is renovating the building as a "gut rehabilitation".

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units offered in the plan. No deposits or advances of funds have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of Units, prior to submission of the plan to the Department of Law.

The plan delivered to prospective purchasers contains all of the material terms of the transaction. Copies of the plan, all documents referred to in the plan and all exhibits submitted to the Department of Law in connection with the filing of the plan will be available for inspection without charge and for copying at a reasonable charge ($.25 per page) to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or sponsor. Copies of the plan and exhibits will also be available for inspection without charge and copying at a reasonable fee ($.25 per page) at the Real Estate Finance Bureau, Department of Law 28 Liberty Street, New York, New York 10005.

c. **Basic Aspects of Condominium Ownership**

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-laws will be recorded prior to conveyance of title to the first Unit by the Sponsor. The Declaration and By-laws will be substantially similar to those set forth in this Offering Plan, and will not be changed so as to have a material adverse effect on the purchaser.

There are three types of interest in this condominium. The first is the unit itself which the purchaser owns exclusively. The second is the common elements which are owned by the purchaser and the other unit owners together. The common elements include such things as the building structure. The third type of interest is the limited common elements. A purchaser if he is entitled to use a limited common element will have exclusive use of that limited common element which is used in conjunction with his ownership of the unit. In this offering plan the limited common elements are a rear yard, a rear deck and a roof deck each of which are for the exclusive use of a particular owner. More detailed definitions begin at page 8.

Each purchaser owns his or her Unit outright and is entitled to exclusive possession of that Unit together with an interest in and right to use the common elements, and the exclusive right to use their limited common element, if applicable.

In addition, each Unit owner will be responsible for the maintenance of his Unit, and may decorate the interior as he desires. Each Unit will be taxed as a separate tax lot for real estate tax purposes and may be separately mortgaged. Under present Federal and New York State income tax laws, real estate taxes and the interest paid on the mortgage on the Unit may be deducted from income. There are limits to the amount of deductions allowable under present Federal Law. For instance the interest paid on mortgages is limited to the first $750,000 of an acquisition loan. For a further discussion of the deductions and limitations please refer to the Opinion of Counsel beginning at page 75.

In addition thereto, a Unit Owner will own, in common with the owners of all other Units, an undivided interest in all parts of the Property other than the Units (the "common elements") and the exclusive right to use limited common elements, as applicable. As a Unit Owner, he or she will have the right to vote annually for the election of members of the Board of Managers, which will supervise the Property and manage the affairs of the Condominium under the authority of the Declaration, By-laws and applicable statutes.

The Board of Managers will assess against every Unit Owner, in proportion to their interest in the common elements, charges for the maintenance of the common elements and for the operating costs of the Property (herein referred to as "common charges") which Unit Owners must pay pursuant the New York Condominium Act, Real Property Law Section 339(i) and (m).

Electricity for each Unit will be separately metered by Consolidated Edison, and each Unit Owners will pay the utility directly for the electricity which he uses for air conditioning, lighting and appliances. Gas for cooking and heating will be provided for each Unit by National

Grid and also be separately metered and paid for separately by each Unit owner. The individual Unit owners will each have the obligation to pay for all other utilities, and the upkeep of the interior of the Units, as well as insurance on the interior of their Units and contents and their own casualty and liability insurance as distinguished from the obligation of the Board of Managers.

The common charges will include insurance for the buildings, general repairs as well as City water and sewer charges and miscellaneous common expenses.

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.

Under the New York State Condominium Act, a condominium unit may be owned by an individual, a corporation, a partnership, or a fiduciary. There is no restriction as to who may purchase except that an individual purchaser must be over the age of eighteen. There are no restrictions on the use, resale, leasing or mortgaging of a Unit. The Board of Managers shall have a right of first refusal with respect to any sales or transfers.

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

A unit owner is responsible for the maintenance of the interior of his unit. Common water and sewer pipelines which run throughout the building are the responsibility of the Condominium as is the common electrical system. The unit interior walls as well as the walls abutting common areas or adjacent units are the responsibility of the individual owner. All electrical lines within the unit from the wire coming into the unit are the responsibility of the unit owner as is general interior unit maintenance such as painting and repairs. The Board of Managers shall maintain insurance on the building as a whole. The unit owner is responsible for maintaining casualty and liability insurance for the interior of his individual unit.

The condominium through the board is responsible for the maintenance and repair of the common areas of the condominium which includes the exterior of the building and the common stairways.

Unit owners must notify the Board of Managers in writing when a child or children age ten (10) years or younger lives or resides (even temporarily) in the unit. Each residential unit owner must install at the residents own expense, the required window guards in all windows of the unit and shall not remove them until permitted by law in any event, without the full knowledge of the Board of Managers. The installation is required by law. Please refer to the New York City Department of Health website for information regarding the installation of window guard.

All equipment and fixtures described in the plan and the narrative of the architect in Part II are included in the offering price.

The condominium board of directors and the members of the condominium have a right of access to the meter and mechanical rooms on the cellar level for meter readings, maintenance, repair and replacement of all machinery and meters in those rooms.

There are no common amenities provided to purchasers under this offering plan.

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.

The sponsor is in compliance with Local Law 1 of 2004. A copy of the Law is included in Part II Section D of this plan following the architect's floor plans.

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

DEFINITIONS

For convenience of presentation, general definitions of certain terms which are used in the Plan are set forth below. Such definitions are subject in some cases to the more specific meanings as set forth in the Declaration and By-laws.

BY-LAWS: The document governing the operation of the Condominium, pursuant to which the Board of Managers is elected and governs, including provisions for calling meetings of unit owners, election of officers, assessments and restrictions.

COMMON CHARGES: Assessments payable to the condominium by the Unit owner for the purpose of meeting common expenses on a monthly basis. These are the costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the common elements.

COMMON ELEMENTS: The common elements of the condominium will consist of all of the Condominium, except for the Units, including without limitation, outside walls of the units, the land, building and improvements (other than the units) comprising the condominium, including the land under the building and under the improvements, all utility or other poles and material located outside of the units, grass areas and sidewalks.

COMMON INTEREST: The proportionate interest of each Unit owner in the common elements, expressed as a percentage determined in accordance with the declaration. The total percentage of Common Interests of all Unit owners equals 100%. The common interests are the basis of determining the liability for a share of common expenses and share of any distributions upon termination of the condominium.

DECLARATION: The instrument, as amended from time to time, by which the property is submitted to the provisions of the New York Condominium Act. The declaration is set forth in Part II of this plan.

EQUAL TO OR BETTER: Equal to or Better Quality shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

FLOOR PLANS: Floor plans of the building will be filed with the Kings County Registrar's Office simultaneously with the recording of the declaration.

LIMITED COMMON ELEMENT: These are defined as those portions of the common elements which are for the exclusive use of one or more Units but less than all of the Units, including balconies, roof terraces and rear yard, if applicable.

PROPERTY: The land, the buildings and the appurtenances thereto of the condominium.

PURCHASE AGREEMENT: The contract to purchase a Unit pursuant to the plan, the general form of which is set forth in Part II of this plan.

PURCHASER: A purchaser of a Unit under a Purchase Agreement.

UNIT, UNITS: Any space designated and defined as a Unit in the declaration, consisting generally, of either a specific Unit or Unit located in the building. All of such Units are collectively referred to as the "Units". A unit is defined as follows: each unit shall consist of the area enclosed horizontally by the unexposed sides of the drywalls of the exterior walls of the building and by the unexposed sides of the dry wall or the exposed face of the concrete of those walls and partitions which separate the unit from the corridors, stairs, mechanical equipment spaces, and other units, and enclosed vertically by the underside of the unit's finished flooring and the exposed painted face of the concrete ceiling or the unexposed side of the unit's drywall ceiling where applicable. The doors and windows which open from the unit shall be deemed part of the unit. No unit owner shall be deemed to own the supporting columns, pipes, wires, conduits, or other public lines running through the unit, which are utilized for or service more than one unit.

UNIT OWNER: The record owner of a condominium Unit.

UNSOLD UNITS: Any Units owned by sponsor or its designee, unless used for personal residence by sponsor.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The property, upon which the Condominium is being renovated, is situated in the County of Kings, City of New York, lying at 377 Degraw Street near Smith Street. The building lies within residential zone district R6-B according to the New York City Zoning Resolution. The New York City Zoning Resolution permits residential multistory building use as of right. The building under renovation is an existing three family building which will be converted into a three unit condominium building. The property can be renovated under this zoning as of right, no special approvals are required. The area surrounding the development site is composed of predominately residential one and two family houses and small condominiums.

The 377 Degraw Street Condominium, Inc. will consist of a total of three residential condominium units on approximately 2,000 square feet of land. A new Certificate of Occupancy is required for the type of renovation underway. The Final Certificate of Occupancy is projected to be issued on or about September 1, 2020. No Temporary Certificate of Occupancy will be issued.

NO CLOSINGS WILL TAKE PLACE AND NO INTERIM PURCHASER WILL OCCUPY ANY UNIT UNTIL THE PERMANENT CERTIFICATE OF OCCUPANCY IS OBTAINED.

There is no parking on-site. All residents will park on Degraw Street or adjacent streets were permitted. There is a small planting area in front of the building and one curbside tree. These are considered common elements of the condominium and are the responsibility of the condominium. There will be a cedar wood fence along the perimeter of the back yard separating the property from the adjacent properties

The Unit C has a roof deck. The Unit A which has the exclusive use of the rear yard and first floor deck. The building plans located in Part II of this offering plan in addition to showing the layouts of the units show the roof deck and rear yard appurtenant to a particular unit. The rear yard area, first floor deck and roof deck are considered limited common elements of the unit to which they are attached.

The condominium units will be accessible by internal staircases. There are no elevators in the building.

The separate hot water heaters for each unit will be located in the individual units. All units will have individual hot water heaters manufactured by Navien Tankless Hot Water Heater, with a model number of NPE-240ANG The hot water heater warranty is one year labor; five years for parts and fifteen years for the heat exchanger.

The units will be heated and air conditioned by separate ceiling mounted AC units (one unit in the dining room/kitchen area, one in the living room and other units in the bedrooms). The individual condensers will be located in the rear yard or on the roof above the third floor.

The systems will be manufactured by Mitsubishi. The air handlers will be model numbers SEZ-KD18NA4 or SEZ-KD15NA4. The condensers will be Mitsubishi Hyper Heat MXZ-C series, Multi-zone model MXZ-4C36NAHZ. The basement and first units will be located in the back yard. The second and third floor units will be located on the roof. Please refer to Page 15 of the Architect's Description in Part II Section D for further details.

Each Unit has a laundry room which is fully vented and prepared for a stackable washer/dryer. The sponsor will provide a clothes washer by Samsung model # SWF42H5000AW SS front loading and a clothes dryer by Samsung model # SDV42H5000GW SS gas front loading.

Each unit kitchen will contain a stainless steel sink by Artisan Manufacturing model number CPUZ2919; a 30" Range by Wolf model # GR304; a Wall Hood by Wolf Model # Vu30S; a 30" refrigerator by SubZero model number IT-30CIID-LH/RH; a dishwasher by Bosch model # SHVM78W53N; and a Microwave by Sharp model # SMD3070AS-SS-EN. For a full detailed list of each unit's specifications please refer to the Architect's Description in Part II Section D beginning at page 21.

The purchaser will be responsible for all other appliances.

For a complete description of appliances and room finishes please see architectural narrative in part II of this Offering Plan.

The Sponsor will provide combination smoke and carbon monoxide detectors for each Unit; BRK Brands Inc. model number SC9120B. They are hardwired with battery backup. Window guards must be installed in all Units purchased by purchasers who have children ten years or under. Each residential unit owner must install at the resident's own expense, the required window guards in all windows of the unit and shall not remove them until permitted by law and in no event without the full knowledge of the Board of Managers. The installation is required by law, Please refer to the New York City Department of Health website for information regarding the installation of window guards.

No optional extra features are offered. However, purchasers may initiate negotiations for options or extras based upon their own ideas as to what sponsor may be able to provide.

There was no evidence of lead-based paint in the building prior to renovation. The property is subject to and is in compliance with Local Law 1 of 2004.

Buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2014, 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.

The Units and the Building containing them, and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction. The Sponsor, in connection with this plan, has complied and will comply with all applicable rules, laws, regulations and other governmental requirements pertaining thereto, including the Building Code of the City of New York and the Zoning Law, and any other law or regulation that may be determined to apply. The construction will be in accordance with the description and specifications described in Part II of the Plan.

Each Unit and the common elements will be constructed in the manner set forth in the Building plans filed with the City of New York and any amendments thereto, which amendments will in all instances be filed with the City of New York. Such plans will no be changed so as to materially adversely affect the unit owner, but in any event may be changed at the request of the purchasers. The construction will be in accordance with the description and specifications described Part II Section D of the Plan.

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits, cables, and public utility lines located in the common elements or located in other Units and servicing his Unit. Further, each Unit Owner, will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or common element now existing or which may come into existence hereafter as a result of repair or alteration of the Units by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the common elements so that any such encroachment may remain undisturbed so long as a unit stands. Each Unit will be subjected to such encroachments and easements in favor of all other Units.

The Board of Managers, its agents and employees shall have a right of access to the Units, limited common elements and to the common elements (irrespective of the restricted nature of such common elements) to inspect, maintain or repair the common elements or to make repairs to the Unit to prevent damage to the common elements or any other Unit. Other easements which will affect the Condominium may be found in the Declaration and By-Laws. The Condominium will be responsible for the maintenance of the roof terrace as well as the meter and mechanical room in the cellar. The unit owner will be given forty-eight hours advance notice before the unit is accessed, except in emergencies.

The use and enjoyment of all limited common element by the Unit owner shall be subject to the terms and conditions found in the Declaration on page 8 at Section seventeen and By-Laws at Section twelve on page 16 in Part II of this Plan.

These sections require the unit owner to maintain and keep in good repair the limited common element, that no alteration shall be made without the consent of the Board of managers and that no immoral, improper, offensive or unlawful use shall be made of the property.

The on site sanitary and storm sewer system will be connected to the New York City sanitary and storm sewer combined pipe which run beneath Degraw Street.

The expected life span of the roof is fifteen (15) years. There is a two year contractor's guarantee and a twelve year manufacturer's guarantee. The commencement date is upon completion of the roof installation. The roof deck dedicated to unit C will have a surface of noncombustible concrete pavers on pedestals.

There are no common amenities offered by the Sponsor.

III. LOCATION AND AREA INFORMATION

The property is located in Brooklyn on Degraw Street near Bond Street in the Boerum Hill Section. The property is in a R6-B zone which permits the construction of residential multiple dwellings as of right. The building does not have landmark designated and no special approval is required for the renovation work other than the alteration permit which has been issued.

There are no other projects by the Sponsor in the immediate vicinity and the Sponsor is not aware of any development projects that have been publicly announced that will be adjacent to or directly across the street from the property. Any change in this information that occurs while sales are continuing will be disclosed in an amendment within thirty days after the information becomes known to the sponsor.

There are small shops near the site and additional local shopping within a three block radius. There are several established condominium developments nearby.

The Condominium site is in a developed urban area with public transportation, schools, religious facilities, police and fire departments all located in close proximity to the Site. The Condominium faces a public street which is and will be maintained by the City of New York and the Development has the benefit of gas, water and electrical service.

The Site is located twelve blocks away from Prospect Park.

The local bus # 57 runs two blocks from the site along Smith Street. The 65 bus runs five blocks away along Bergen Street. The F and G are 2 blocks away on Carroll Street and Smith Street.

The New York Presbyterian Brooklyn Methodist Hospital located at 506 6th Street is ½ mile from the site. The 78th Police Precinct located at 656 6th Avenue is 1 mile away. FDNY Engine 239 at 395 4th Avenue is eight blocks away.

Public School 146 located at 610 Henry Street is four blocks away. The Brooklyn High School of the Arts at 345 Dean Street is one mile away.

Following Super-storm Sandy, FEMA revised and issued preliminary flood maps for the New York area. The site is located outside the FEMA flood hazard zone in an unshaded Zone X. This location indicates that the site is in an area determined to be low risk outside the 0.2% annual chance flood plain. The property will not transition to a higher-risk zone.

There is no flood insurance provided for the development.

SCHEDULE A
OFFERING PRICE AND RELATED INFORMATION
THE 377 DEGRAW STREET CONDOMINIUM
PROJECTED FIRST FULL YEAR OF OPERATION
COMMENCING SEPTEMBER 1, 2020 THROUGH AUGUST 31, 2021

	Number of bedrooms and baths (1)	Square footage of unit (1)	Non Habitable square footage of unit *	Offering price (3)	Percentage of common interest (2)	Monthly common charges (4)	Projected Monthly real estate taxes no J-51 Benefits (5)	Projected Monthly real estate taxes with J-51 Benefits (5)	Projected Annual real estate taxes No J-51 Benefits	Projected Annual real estate tax with J-51 Benefits	Projected monthly charges no J-51 Benefits (6)	Projected monthly charges with J-51 Benefits (6)	Projected annual charges with J-51 Benefits (6)
Unit 1	3 bedroom, 2 ½ baths	1,915.90 sq. ft. basement and first floor	Yard 766 sq. ft. Cellar 534 sq. ft. Rear Deck 160 sq. ft.	$ 3,100,000	48.00 %	$ 765.10	$ 612.96	$ 60.76	$ 7,355.52	$ 729.12	$ 1,378.06	$ 825.86	$9,910.32
Unit 2	2 bedroom, 2 bath,	906 sq. ft second floor.		$ 1,599,000	24.00 %	$ 382.50	$ 306.48	$ 30.38	$ 3,677.76	$ 364.56	$ 688.98	$ 412.88	$4,954.56
Unit 3	2 bedroom, 2 bath	904.90 sq. ft. third floor	Roof deck 949.90 sq. ft.	$1,649,000	28.00 %	$ 446.30	$ 357.56	$ 35.44	$ 4,290.72	$ 425.28	$ 803.86	$ 481.74	$ 5,780.88
TOTAL		3,726.80 sq. ft.	2,409.90 sq. ft.	$ 6,348,000	100.00%	$1,593.90	$ 1,277.00	$ 126.58	$ 15,324.00	$ 1,518.96	$ 2,870.90	$ 1,720.48	$20,645.76

* The square footage of the units does not include the square footage of the roof deck or cellar. These spaces are considered uninhabitable areas which may not be used as a bedroom or living room and to do so may result in a building code violation being issued for the building.

FOOTNOTES TO SCHEDULE A

1. 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, chase ways, 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. The Square footage in Schedule A is not based upon measurements from interior surfaces or interior walls, and the areas comprising 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. For a complete description of the unit layouts consult the description and floor plans in part two of this Offering Plan. The usable floor area of the units is significantly less than the above calculated square footage. Doors and windows which open from a Unit and interior walls of a Unit shall be deemed to be part of the Unit. The measurements in Schedule A are the same as the measurements in the declaration.

2. The percentage of common interest are calculated on floor space, subject to the location of such space and additional factors of relative value to other space in the condominium for each condominium Unit pursuant to New York State Real Property Law Section 339-i(1)(iv).

3. The total cash purchase prices are negotiable and therefore subject to change. See "Changes in Prices or Units" at page 24 for an explanation of any price changes. See "Closing Costs and Adjustments" beginning on page 41, for a list of closing costs. For the units priced at $1,599,000 and $ 3,100,000, these would total approximately $55,213; and $127,898 respectively; plus additional closing costs if purchaser obtains a mortgage, including escrow and attorneys fees, plus working capital of two months maintenance per unit and adjustments.

Sellers in general are obligated to pay the transfer taxes; however the sponsor has transferred its obligation to the purchaser to pay the transfer taxes. Please refer to Unit Closing Costs and Adjustments for a detailed discussion of the amount and type of costs and adjustments purchasers are required to pay.

4. The sponsor at this time is not offering or procuring mortgage financing. If the purchaser obtains financing, debt service on such financing will be an additional monthly expense. As set forth on page 36 of this offering plan under the Mortgage Contingency Section, the purchase is contingent upon financing.

Purchasers should note that monthly carrying charges do not include certain housing costs for which the unit owner is generally responsible such as repairs to the interior or the unit, and separately metered gas and electricity for cooking, lighting and air conditioning and heating. Projections for individual gas and electricity usage set forth and explained in Schedule B-1.

5. After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit owner will not be responsible for the payment of, nor will the Unit owner be subject to, any lien arising from the non-payment of taxes on other Units. Under the current tax law, real estate taxes paid on a personal residence are tax deductible as an itemized deduction on personal tax returns.

The amount deductible for taxes may vary depending upon the circumstances of the individual purchaser.

The Sponsor has retained the services of Metropolitan Realty Exemptions, Inc. 381 South 5 Street Brooklyn, NY 11211 to file the necessary forms and paperwork to secure the J-51 tax exemption and tax abatement.

The tax exemption freezes the residential buildings assessed valuation for real estate tax purposes, exempting the owner from paying property taxes on the increase in value resulting from the conversion, alteration or improvement of a building. The exemption will last for a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years.

The tax abatement serves to reduce the current property tax liability. For renovation of a residential building, the abatement is calculated and determined based on 90% of the lesser of (i) the Certified Reasonable Cost (CRC) of the eligible alteration or improvement as established by the NYC Dept of Housing Preservation and development; or (ii) a maximum allowance of $15,000 per one-bedroom apartment with a per apartment increase of $2,400 for each additional bedroom.

The abatement is realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3%.

At the present time the development site is under renovation. The City of New York has issued an assessed value for the site for the fiscal year commencing July 1, 2019 of $ 28,663 as a three unit residential building with an annual real estate tax of $ 5,690.60. Since the property as a result of the renovation work will receive a new certificate of occupancy as a renovated three unit residential building, the property will be reassessed due to the renovation work which should be complete by June 1, 2020.

According to the estimates provided by Metropolitan Realty Exemptions, Inc., property taxes with the J-51 exemption and abatement will be as follows:

The total assessed valuation of the property following completion of construction is estimated to be approximately $ 72,383. Using the foregoing assessed valuation, assuming a Class 2 tax rate of 21.167%, the total real estate tax liability without the J-51 benefits would be $15,321.

The assessed valuation with the J-51 exemption would be $ 28,663 since the increase due to the renovation work would be exempt for a period of fourteen years. The real estate taxes with only the exemption in place would be $ 6,067 (the amount currently paid). The CRC benefits would reduce the current taxes due to the renovation work. The tax liability with the combination of the exemption and the abatement would be $ 1,519 per annum for the entire building.

The realization of these benefits will depend upon the property fulfilling the eligibility requirements set out in the Opinion Letter and may be limited by the CRC allowable. The Sponsor cannot guarantee the amount or extent of the benefits.

The projections in Schedule A are based upon the assumptions in the opinion letter and contain estimates with the tax benefits as well as the estimates unabated taxes and completion.

The projected tax deduction (where applicable) may vary in future years due to changes in the interest rate on the Unit owners mortgage (if any) or from changes in the allocation of constant debt service payments to inter3est and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in assess value, the tax rate or the method of assessing real property.

The above projections were supplied by Metropolitan Realty Exemptions, Inc. 381 South 5 Street, Brooklyn, N.Y. 11211. A fuller discussion of these projections can be found beginning at page 72 of this offering plan.

The sponsor will use its best efforts to obtain the J-51 benefits. It is projected that these benefits will begin the first fiscal tax year after the permanent certificate of occupancy is obtained. Although the sponsor will apply for the benefits, there is no guarantee that the benefits will ever be received.

The compilation of the common charges has been supplied by Paul A. Leff, CPA 1573 Richmond Road, Staten Island, N.Y. 10304. The Schedules B and B-1 were reviewed and certified by X On Advisors, LLC 274 Route 202 North Lincoln Park, New Jersey 07035.

6. The projected monthly charges are a combination of the monthly common charges provided for in the Schedule B budget plus the projected monthly real estate taxes payable on a particular unit. The monthly common charges are paid to the condominium association which is charged with maintaining the building. The real estate taxes are assessed directly against a particular unit by a bill sent directly to the address of the unit owner quarter annually and the unit owner pays such real estate taxes directly to the New York City Department of Finance.

Deductibility of taxes

The Tax Cuts and Jobs Act of 2017 which became effective at the beginning of 2018 affects the deductibility of real estate taxes and mortgage interest.

The 2017 Act imposes limitations on the deductibility of state and local income, sales and real estate taxes. An itemized deduction of up to $10,000 may be taken for the combination of state and local income, sales and real estate taxes. If an individual already has a deduction for state and local income taxes and sales tax in the tax year, there will be a smaller deduction or no deduction for state and local real estate taxes.

The 2017 Act also imposes a limitation on the mortgage interest deduction. This deduction applies to a person's principal residence and second residence. Only the interest on the first $750,000 of an acquisition mortgage is deductible. The deductibility of interest on a home equity loan has been suspended.

A purchaser should consult with their tax adviser to determine the impact of this new law on the deductibility of the property taxes and mortgage interest payment associated with the purchase of a condominium unit.

SCHEDULE B
PROJECTED BUDGET FOR THE
FIRST YEAR OF OPERATION OF THE
THE 377 DEGRAW STREET CONDOMINIUM
FOR THE FISCAL YEAR BEGINNING
SEPTEMBER 1, 2020 THROUGH AUGUST 31, 2021

Income

Common Charges	$ 19,125.	

Expenses

Labor	-0-	(1)
Heating (natural gas)	-0-	(2)
Utilities (electricity)	420	(3)
Water charges and sewer rent	2,248	(4)
Building repairs and maintenance	1,500	(5)
Insurance	9,257	(6)
Legal Fees and Audit Fees	2,700	(7)
Management	-0-	(8)
Contingency Fund	1,000	(9)
Capital Reserve Fund	2,000	(10)
TOTAL	$ 19,125	

If the actual date of commencement of condominium operation is to be delayed more than six months from the budget year projected in the offering plan, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projection by twenty-five percent (25%) or more, the sponsor must offer all purchasers the right to rescind and a reasonable time that is not less than fifteen (15) days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or down payment to purchasers who rescind within a reasonable period of time. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the offering plan.

The Sponsor anticipates that the first closing of a unit will occur by September 1, 2020. 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 August 31, 2021, twelve months after the projected date for the first closing. If the plan is amended to provide for a later 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 September 1, 2021, 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, 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

This estimate of operating expenses and income has been certified by the Sponsor's expert X On Advisors, LLC 274 Route 202 North, Lincoln Park, New Jersey 07035.

The estimates and calculation made by X On Advisors, LLC are based upon operation of comparable developments in the New York City Area. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time. These amounts may vary due to changes in operating expenses

1. LABOR. The condominium will not have any permanent employees. Rather than a doorman, there will be a video buzzer type system for the front door with an automatic lock. The condominium board and/or unit owners will be responsible for functions customarily performed by a janitorial service. Such services would include shoveling the sidewalk in the winter, placing refuse for collection by the Sanitation department, cleaning stairways and hallways, replacing light bulbs and any other maintenance work required. It is estimated that the resultant cost if the board decides to hire a janitor will be approximately $3,000 per annum or an increase in the budget by 20%

2. HEATING. Each unit will have its own heating and hot water boilers. There is no separate heating system for the building as a whole. Please refer to Schedule B-1 for individual heating costs provided by Bremners Mechanical Piping & Heating Inc. 331 Shepherd Avenue, Brooklyn, N.Y. 11208.

3. UTILITIES. Each unit will be separately metered for gas usage of the range and dryer. Each unit will be separately metered for electrical usage for lighting, appliances and unit air conditioners. The estimates supplied by the utilities are provided in Schedule B-1. The common areas include the cellar utility room, the outdoor lighting and the stairway lighting. The electrical consumption is estimated to be 960 KWH/Year at an annual cost of $ 420. Estimate dated May 10, 2019 by NYCO Electric Corp. 236 39th Street, Brooklyn, N.Y. This estimate is based upon $.40 per KWH which includes taxes at 8.875% and a 10% inflation factor.

4. WATER CHARGES AND SEWER RENTS. The water and sewer charges will be assessed for the entire building. Estimate of total water and sewer charges for the development dated May 10, 2019 supplied by Bremners Mechanical Piping & Heating Inc. 331 Shepherd Avenue, Brooklyn, N.Y. 11208. Estimate based upon per person usage of 40 gallons a day. Each two bedroom apartment has an estimated three people and the three bedroom four people. This would produce ten people each using 40 gallons a day or 146,000 gallons per year for the entire building. The total of 146,000 gallons per year is divided by 748 to arrive at HCF. The resulting 196 HCF is charged a combined water and sewer rate of $10.47 per hundred cubic feet. The annual charge for water and sewer combined is estimated to be $2,248. There is no sales tax on water service.

5. REPAIRS, MAINTENANCE AND SUPPLIES. Since the condominium is "gut rehabilitation" the Sponsor does not anticipate that normal repairs and maintenance will be excessive. A conservative estimate of $1,500 per annum has been made.

The first year repairs and maintenance will cover minor interior repairing of cracks, glass, hardware or painting of the entryway and common hallways as well as exterior repairs such as minor painting and brick pointing as well as minor concrete cracks.

6. INSURANCE. Estimate dated April 22, 2019 supplied by Castle Rock Capacity Agency LLC 90 Broad Street, New York, N.Y. 10004. This insurance coverage meets the requirements of any mortgage lender procured by Sponsor.

a. Based on Replacement Cost of Property Values of $ 2,000,000.
b. General Liability Limits of $1,000,000 CSL per occurrence and $2,000,000 Aggregate
c. Personal Injury Liability $1,000,000. per each occurrence
d. Water damage legal liability $250,000.
e. Director's & Officers $1,000,000 per occurrence
f. Umbrella Liability Limit $5,000,000

A $ 5,000 deductible applies to the building. Coverage applies to entire structure excluding personal property of unit owners, and liability coverage applies to all common areas. Replacement cost is based upon $ 400.00 per internal square feet.
Projected annual premium $ 9,257.

This insurance which includes public liability insurance as indicated will be obtained and will be in place prior to the first closing. This insurance is adequate to replace the building in the event of total loss and to avoid being a co-insurer in the event of partial loss.

The fire, casualty and general liability insurance must be on terms that provide (a) that each unit owner is an additional party insured; (b) that there will be no cancellation without notice to the Board of Managers; (c) a waiver of subrogation; (d) a waiver of invalidity because of the acts of the insured and unit owners; and (e) a waiver of pro-rata reduction if unit owners obtain additional coverage.

It is desirable for the individual owners to obtain additional insurance at their own cost to cover such risks as fire and casualty losses to the contents of their unit, and liability coverage for occurrences within their unit.

7. LEGAL FEES AND AUDIT FEES. The attorney for the Sponsor Gabor & Marotta LLC 1878 Victory Blvd., Staten Island, N.Y. 10314 has agreed to handle routine matters for the Condominium for the first year of operation for a flat fee of $750. The services covered by this fee are routine matters such as review of contracts, interpretation of the Declaration and By-laws and ordinary correspondence with the Managers, Unit Owners and any City Agency.

Annual review of the Condominium expenses certified financial statements and preparation of tax returns, based upon the written estimate dated April 22, 2019 by Wipfli CPAs and Consultants, 2 West Baltimore Avenue, Media PA 19063 would be $1,950.00

8. MANAGEMENT. The budget does not provide for an outside management company due to the size of the condominium. The employment of a management company will increase the budget and the common charges paid there-under by approximately 20%.

During the sponsor's control period, the sponsor controlled board will manage the condominium through the principal of the sponsor Rey Grabato. The principal of the sponsor will manage the condominium without compensation until the condominium is turned over to the unit owners. This event will occur when the owner-occupants take control of the board of managers.

Once the Sponsor relinquishes control of the board, the owners through the board of managers will be responsible for operating the condominium. Their responsibilities will include hiring workmen to make repairs, billing and collecting common charges, and paying all necessary expenses of the condominium as well as all other responsibilities which a managing agent would have.

9. CONTINGENCY FUND A contingency reserve fund is a separate fund which is intended to provide for unanticipated expenses or unanticipated increases in the projected expenses. This fund is separate and apart from the normal projected budget expenses and the capital reserve fund which is specifically earmarked for the inevitable capital repairs or replacements which will be required in the future.

10. CAPITAL RESERVE FUND The Sponsor has determined that a separate fund for future capital repairs and improvements should be established. It will be funded yearly at approximately 10% of the budget for that year. These funds shall be maintained in an account separate and apart from the yearly expenses. It shall be used exclusively for capital repairs in the future as needed. These funds shall not be used for normal yearly repairs and maintenance nor for contingency items listed under number 10 above. The By-laws provide for such reserve fund in Article VII section 1.

This capital reserve fund should be sufficient to pay for major capital repairs or replacements likely to be needed within the first five years of condominium operation. It should be noted that this is a good faith estimate not a guarantee of the conditions which might be present in five years. If the conditions change and the capital repairs are more extensive, this fund might not be sufficient to cover such repairs.

SCHEDULE B-1

Estimated Individual Utility Expenses
For First Year of Operation
Commencing September 1, 2020 through August 30,2021

Expenses per unit

Gas usage for heating, domestic water hot and cooking

Floor	Unit #	Square footage	therms	Gas (Heating & cooking) Monthly	Annually
Basement/ 1st fl	A	2,929	1,150	$ 108	$ 1,296
2nd fl	B	1,000	350	$ 40	$ 480
3rd fl	C	1,000	350	$ 40	$ 480

Estimate May 10, 2019 provided by Bremners Mechanical Piping & Heating Inc. 331 Shepherd Avenue, Brooklyn, N.Y. 11208.

Calculations were based upon 70 degrees F in the apartments when the outside temperature is 0 degrees F with 15 mph wind. Estimate of $1.16 per therm including tax and a 10% inflation factor. This estimate is based upon numbers from comparable/similar buildings.

Electrical Consumption for lighting, power and air conditioning

Floor	Unit #	Square footage	Kw/hr	Monthly	Annually
Basement/ 1st fl	A	2,929	3,630	$ 121.00	$ 1,452
2nd fl	B	1,000	2,800	$ 93.33	$ 1,120
3rd fl	C	1,000	2,800	$ 93.33	$ 1,120

Estimate dated May 10, 2019 provided by NYCO Electric Corp. 236 39th Street, Brooklyn, N.Y. 11209. Cost is $.40 per KWH including sales tax at 8.875% and a 10% inflation factor. This estimate is based upon numbers from comparable/similar buildings.

Conerstone Res. & Comm.Realty
81 Lester St. Wallington, NJ 07057
Phone: (201) 815-1000 Fax: (973) 778-9898

Date: 09/12/2019

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

Degraw St Capital 377, LLC.
1325 Paterson Plank Rd – 2nd Floor
Secaucus, NJ 07094

Re: 377 Degraw Street Condominium

You have requested an opinion from us with regards to your allocation of common interests to units in your proposed condominium development called the **377 Degraw Street Condominium** located at **377 Degraw Street Brooklyn, N.Y.11231** with section 339-i(1)(iv). of the New York Real Property Law.

You have informed us that the Common Interest of each unit is allocated based on floor space, subject to the location of such space and the additional factors of relative value to other spaces in the condominium , the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

We have reviewed the proposed Schedule A to the offering plan which sets out the square footage of units and the percentage common interest. The floor space and overall dimensions were calculated and provided by Ben Herzog Architect, PC 247 Prospect Street, 2nd Floor Brooklyn, NY 11215 in the Architect's Report located in the proposed offering plan.

In our opinion, the percentage common interest as set forth in the offering plan is in compliance with Real Property Law Section 339-i(1)(iv).

The undersigned has been [a licensed real estate broker for over ten years] specializing in new and converted condominiums in Staten Island and Brooklyn.

I have no financial or other beneficial interest in the Sponsor, or in the profitability of the project. I am neither the selling agent nor the prospective managing agent for the property.

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.

You have advised me of your intention to incorporate this letter into the Plan and I hereby consent to such incorporation.

Respectfully,

Albert Zaccone
New York Licensed Real Estate Broker
Lic. #:49ZA1162493

VI. CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A must be changed by a duly filed amendment to the plan when the change in price is an across the board increase or decrease affecting one or more lines of units or unit models, or is to be advertised, or is a price increase for an individual purchaser.

Prices and specified terms of sale are negotiable and the sponsor may enter into an agreement with an individual purchaser to sell one or more units at prices lower than those set forth in Schedule A without filing an amendment.

The Sponsor also reserves the right to substitute for any of the materials specified in Part II Description of property, materials of Equal of Better Quality in the construction or design of the Condominium due to the unavailability of materials or as may be authorized, approved or required by the lending institution or municipal authorities having jurisdiction there over. Equal or Better Quality means comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

No changes will be made in the size or number of Units, and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements except by amendment to the plan and, when applicable, to the declaration. A decrease in a unit's area of 5% or less will not affect a purchaser's obligation unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.

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Unless an affected purchaser consents, no material change will be made in Unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to sponsor for that Unit and the purchaser is not in default.

Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the common elements.

VII. INTERIM LEASES

The sponsor may, at Sponsor's option extend an interim lease to any purchaser who has executed a contract of sale for a unit in 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. Interim leases or short term leases shall not be offered to any party who has not executed a Purchase Agreement for a unit.

The interim lease shall not create a landlord-tenant relationship but shall be deemed a use and occupancy agreement and subject to the terms of the Purchase Agreement. No rental protection laws are applicable to the interim lease. 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. A person who takes possession prior to closing assumes the risk of losses not covered by insurance.

Please refer to sample interim lease in part II Section H of this offering Plan. A person who takes possession prior to closing assumes the risk of loss not covered by insurance for the condominium.

It is recommended that an interim lessee confer with an insurance adviser regarding insurance for the unit.

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 from a court or agency of competent jurisdiction against the interim lessee; unless the interim lessee has vacated the unit. An 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.

Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

V11I. PROCEDURE TO PURCHASE

A. Any person may accept Sponsor's offer to sell the Units by entering into a Purchase Agreement with the Sponsor. The agreement provides that the purchaser will purchase from the Sponsor a designated Unit in the Condominium described in the Declaration creating such Condominium.

Purchasers will be afforded, at the Sponsor's sole option, either (i) no fewer than three (3) business days to review the Plan and all filed amendments prior to executing a purchase agreement, or (ii) a period of no fewer than seven days subsequent to the execution of the Purchase agreement to rescind the purchase agreement.

Upon signing the Purchase Agreement the purchaser shall make a down payment of 10% of the total price of his Unit plus the cost of special work ordered by the Purchaser. At the closing, upon full payment of the purchase price in cash or by mortgage, the purchaser will receive a bargain and sale deed with covenants against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title of fee ownership in the Unit and such percentage of common interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in the Plan. The purchase agreement may be modified with the consent of the purchaser and the Sponsor in a manner not inconsistent with law subject to the terms of the Plan.

Prospective purchasers must sign three duplicate original purchase agreements and forward them along with the down payment to Sponsor's attorney. Within fifteen days after a purchaser delivers the executed purchase agreements together with the required deposit, the sponsor must either accept the purchase agreements and return two fully executed counterparts to the purchaser or reject the purchase agreements and refund the full deposit previously tendered. If the sponsor takes no action within the above time period, the purchase agreement shall be deemed rejected.

B. THE ESCROW FUNDS

1. The Escrow Agent:

The law firm of Gabor & Marotta LLC with an address of 1878 Victory Boulevard, Staten Island, New York, telephone number (718) 390-0555, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Daniel Marotta, Esq. The designated signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

2. The Escrow Account:

The Escrow Agent has established the escrow account at Empire State Bank located at 1361 North Railroad Avenue, Staten Island, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The Escrow Account is entitled "Gabor & Marotta LLC Attorney Escrow Account" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

If purchaser's have accounts at the same bank as sponsor's account that holds the escrowed funds, purchaser funds at the escrow bank factor into the $250,000 insurance limit.

All Deposits received by Purchaser shall be in the form of checks and shall be made payable to or endorsed by the Purchaser to the order of Gabor & Marotta LLC, as Escrow Agent.

Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement. In the event the plan is abandoned, all money including money for upgrades/extras will be returned. In the event the purchaser exercises a right of rescission, only the unused portion of the deposit made for upgrades/extras will be refunded. All refunds will be made within thirty days of the notice of abandonment or rescission, as the case may be.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

3. The Escrow Agreement:

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

4. Notification to Purchaser:

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 Escrow Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Escrow Agreement.

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 the tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, 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.

5. Release of Funds

All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL 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 the terms and conditions set forth in the Escrow Agreement upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or
(c) by a final, non-appealable order or judgment of a court.

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

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

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

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

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

6. Indemnification

As per the provisions of the escrow agreement, the Sponsor agrees to defend, indemnify and hold the escrow agent harmless from and against all costs, claims, expenses and damages incurred in connection with and arising out of the escrow agreement and the performance or non performance of the escrow agent's duties under the escrow agreement, except with respect to actions or omissions taken or suffered by the escrow agent in bad faith or in willful disregard of the escrow agreement or involving gross negligence of the escrow agent. The indemnification includes, without limitation, disbursements and attorney's fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by the escrow agent to itself.

7. Miscellaneous Escrow Provisions

a. The escrow agent shall be discharged from its obligations by the sponsor upon payment of the deposit and interest in accordance with the applicable regulations.
b. Once his agency is discharged, the escrow agent shall be free to represent the sponsor in any lawsuits.
c. The sponsor will not compensate the depository bank for acting as a depository.
d. The sponsor will not compensate the escrow agent for acting as such.

8. Waiver Void

Any provisions 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 sections 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 thereof.

C. GENERAL TRUST FUND PROVISIONS

(a) The escrow agent shall maintain all records concerning the escrow account for seven years after the release of the funds. Upon the dissolution of any law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm and shall notify the Department of law of such transfer.

(b) Nothing contained herein shall diminish or impair the sponsor's statutory obligation to each purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the plan does not relieve sponsor of its obligations pursuant to GBL 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the sponsor or the escrow agent upon any bankruptcy, incapacity or death.

(c)Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the plan will be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security.

(d) In the event a purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras to the extent that such funds have been expended. If the offering plan is abandoned, all funds for upgrades or extras will be fully refunded.

D. MISCELLANEOUS PROVISIONS CONCERNING PURCHASES

(1) The purchase agreement and the offering plan complies with Section 71-a(3) of the Lien Law and any other applicable provisions of law.

(2) In the event that the purchaser defaults under the terms of the offering plan and purchase agreement, sponsor in addition to its other remedies may retain actual cost incurred for special work ordered by the purchaser.

(3) The Sponsor anticipates the first closing of a unit will occur by September 1, 2020. 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 August 31, 2021, 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 the amended, later date.

However, if the first closing occurs before September 1, 2021, 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, the 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 Sponsor is not limiting the condition under which it will rent rather than sell unsold units after consummation of the offering plan. There is no commitment to sell more units that the 15% necessary to declare the plan effective. There are no construction loan provisions which would affect the sponsor obligation to sell or rent the Units.

(4) 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 shall be served no less than thirty (30) days before the date set for the closing of the units. Sponsor may permit purchasers to waive this thirty (30) day provision by including such waiver in this plan or in an amendment thereto. If the Purchaser fails to close within seven days of the time set for closing; interest of 16% per annum on the unpaid balance of the purchase price shall accrue from the date originally fixed for closing. In any event, the interest rate shall not exceed the legal maximum which is 16%.

(5) The Sponsor is obligated to make written demand for payment after default by purchaser and afford the purchaser a thirty day period to cure said default prior to the purchaser forfeiting any money paid under the purchase agreement.

As set forth in the Purchase Agreement under Section 13 Default of Purchaser, TIME IS OF THE ESSENCE. As explained under that section, the dates set forth for the Purchaser to perform certain obligations under the Purchase Agreement are fixed and there are potential penalties if those dates are missed. Please review that section for details.

The phrase "time of the essence" means that the deadlines set forth in the purchase agreement are extremely important and that failure by the purchaser to meet those deadlines are considered material breaches of the purchase agreement which could result in the purchaser losing his down payment and/or being penalized in some fashion.

(6) The purchasers will be afforded, at the Sponsor's sole option, either (i) no fewer than three (3) business days to review the Plan and all filed amendments prior to executing a purchase agreement, or (ii) a period of no fewer than seven days subsequent to the execution of the Purchase agreement to rescind the purchase agreement.

(7) The risk of loss or damage to the unit by fire or any other cause until the delivery of the deed is assumed by the SPONSOR, provided that the PURCHASER has not taken possession of the premises, but without any obligation or liability by Sponsor to repair or restore the Unit if there has been extensive damage which renders the unit uninhabitable. If Sponsor elects to repair or restore the Unit, the purchase agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or received a credit against, or abatement in, the purchase price and sponsor shall be entitled to a reasonable period of time within which to complete the repairs or restoration. In the event the unit has been extensively damaged which renders it uninhabitable, the Purchaser has the option to cancel the contract. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the respective Boards and other Unit Owners if the declaration has heretofore been recorded, belong entirely to the Sponsor and, if such proceeds are paid to purchaser, purchaser shall promptly upon receipt thereof turn them over to sponsor.

In the event sponsor notifies purchaser that it does not elect to repair or restore the Unit, or, if the declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the purchase agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to purchaser all sums deposited by purchaser within seven (7) business days, together with interest thereon, if any, and neither party shall have any further rights, obligations or liability to or against the other under the purchase agreement or the offering plan, except that if purchaser is then in default under the purchase agreement (beyond any applicable grace period), sponsor shall retain all such sums deposited by purchaser, together with any interest earned thereon, as and for liquidated damages.

The Sponsor will notify the purchaser within thirty days of discovering the damage whether or not the damage from casualty will be repaired.

A person who takes possession prior to closing assumes the risk of loss not covered by insurance. It is desirable for a person in possession to obtain insurance for personal property. The condominium insurance policy does not cover personal property of occupants.

(8) The purchasers shall sign a power of attorney to the Board of Managers of the Condominium. This power shall be executed at the closing of title to the unit purchased by the purchaser and recorded simultaneously with the Deed to said unit. The Sponsor will not close and transfer title to the unit unless the Power of Attorney is executed by the Purchaser.

The power of attorney located in Part II Section B of this Plan authorizes the Board of Managers to act on behalf of the purchaser to acquire and sell or lease a unit which is abandoned or the subject of a foreclosure sale.

(9) Any conflict between the plan and the purchase agreement will be resolved according to the terms of the plan.

(10) The purchase agreement and plan may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating sponsor's obligations under Article 23-A of the GBL.

(11) The Assistant Director of the Financial Crimes Enforcement Network issued the July 22, 2016 Geographic Target Order as revised November 17, 2018 which might impact purchasers. Under the order certain title insurance companies are now required to collect and report information regarding purchasers of transactions where (1) the purchaser is a legal entity as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten Island: (3) the total purchase price is in excess of $300,000 or more; (4) such purchase is made without a bank loan or other similar form of external financing; (5) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, a fund transfer or virtual currency. This procedure is in effect for closings which occur on or after November 17, 2018 (the revised GTO's effective date).

ABILITY TO ASSIGN PURCHASE AGREEMENT

The Sponsor will not permit the assignment or transfer of purchase agreements. Any assignment or transfer of the purchase agreement without the prior written approval of the Sponsor will cause the termination of the purchase agreement and the return of the down payment if the purchaser is not otherwise in breach of contract. Assignments are only permitted with the sponsor's approval. The proposed assignor will contact sponsor's representative and fill out a questionnaire with detailed information concerning the proposed assignees financial responsibility. The proposed assignee must agree to accept the terms of the purchase agreement as executed by assignor.

Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

MORTGAGE CONTINGENCY

Purchaser's obligation to purchase is subject to and contingent upon purchaser obtaining a conventional first mortgage in an amount up to 80% of the purchase price to run for a period of 30 years, to bear interest at the prevailing rate at the time of closing or as otherwise provided in the loan commitment and to be payable in monthly installments which may include amortization of principal, interest, taxes, water rates, private mortgage insurance fee, fire and other hazard insurance premiums, and such other provisions as may be required by the lending institution. Please refer to Section 6 at page 5 of the Purchase Agreement located in Part II Section A of this offering plan.

Purchase agrees to make a diligent, truthful and proper application to a lending institution within ten (10) days after receipt of a fully executed copy of the purchase agreement and shall have forty-five (45) days from the receipt of a fully executed purchase agreement ("Mortgage Contingency Date") to obtain a mortgage commitment. The Sponsor may extend the time period for up to an extra sixty days.

Once a bank commitment is issued, purchaser will be required to use due diligence in obtaining any and all extensions necessary to maintain such commitment in force, notwithstanding that such extension may be at a higher interest rate or may require payment of additional fees, or include other charges. Failure to maintain such commitment will constitute a default under the purchase agreement. It is not considered a commitment until the lender approves the appraisal.

In the event that the financing commitment lapses or expires prior to closing and the purchaser has made a good faith effort to extend the commitment, the sponsor will grant the purchaser a right of rescission and a reasonable period of time to exercise the right.

The purchaser shall notify the Sponsor in writing within five business days of receipt by purchaser of approval or disapproval of the mortgage application. In the event that the mortgage application is not approved, the Seller will refund the down payment and unexpended sums for special work ordered by the purchaser within ten days of receiving notice of such non approval.

In the event the purchaser submits a second mortgage application after the non approval, the purchaser agrees to pay all fees and charges imposed by the second lending institution for the mortgage application.

EFFECTIVE DATE OF PLAN

Sponsors' offer to sell is contingent upon the plan being declared effective and compliance with the relevant conditions and time periods hereinafter set forth.

The closing of the first unit by the sponsor may not occur before the plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The plan must be declared effective by personal service of notice to each purchaser or by commencement of service by mail in the manner required by 13 NYCRR section 20.1(d) stating that the plan is declared effective on a particular date, the percentage used to declare the plan effective, and a list of the units counted to meet the minimum percentage under the terms of the plan to declare it effective.

A closing may occur without the sponsor's submitting an amendment to the Department of Law to declare the plan effective; however, the sponsor must comply with the requirements of 13 NYCRR 20.5(e) when submitting a post-closing amendment pursuant to 13 NYCRR 20.5(f).

The plan may not be declared effective unless bona fide purchasers, including investors, have signed purchase agreements for at least fifteen percent (15%) of the units (1 unit).

The Plan will not be declared effective based upon purchase agreements:

(a) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or

(b) if the purchaser was not afforded (i) not fewer 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 promptly or (ii) not fewer than three (3) business days to review the offering plan and all filed amendments prior to executing a purchase agreement. See Section 20.3(o) (15) of the regulation); or

(c) with any purchaser who is the sponsor, the selling agent, or the managing agent or is a principal of the sponsor, the selling agent or the managing agent or is related to the sponsor, the selling agent or the managing agent or to any principal of the sponsor or the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser other than the sponsor or a principal of the sponsor may be included if the sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide.

The plan must be declared effective when purchase agreements have been accepted by sponsor for eighty percent (80%) or more of the units (3 units) offered under the plan.

Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, sponsor will re-declare the plan effective if all purchase agreements are either rescinded or terminated prior to the date of the first unit closing, regardless of whether the condominium declaration has been recorded.

The plan may be abandoned by the sponsor, at its option, before it is declared effective. If the offering plan is to be abandoned after filing and the sponsor has accepted purchase agreements, the sponsor shall promptly submit an amendment to the Office of the Attorney General together with form RS-3 as promulgated by the Office of the Attorney General. If payments under purchase agreements have been received, the amount of such funds and the manner and time when such 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. If there are no outstanding purchase agreements the sponsor need not submit an amendment but shall submit a form RS-3 to the Office of the Attorney General which shall be served simultaneously by the sponsor on all commercial or professional tenants, if any.

Sponsor also agrees to submit to the Department of Law, if requested, copies of all purchase agreements (and any amendments or modifications) within five (5) business days after the request is made.

The sponsor may not abandon the Plan after the effectiveness amendment is filed for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering, or (ii) substantial

damage or destruction of the buildings by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Sponsor must provide that any stated dollar amount relied upon as basis for abandonment after effectiveness must exclude any attorney's fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the sponsor or are a matter of public record.

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.

IX. TERMS OF SALE

The form of deed to be delivered to a Unit owner at closing of title to his unit shall be a Bargain and Sale Deed with covenants against grantor's acts in proper form for recording. A form of unit deed is contained in Part II of the Plan.

Closing of title is the actual transfer of ownership of the condominium unit by Sponsor to the purchaser following the contract of sale. Purchaser will receive not less than thirty (30) days written notice by Sponsor prior to the closing date.

Title to each Unit and its appurtenant interest in the common elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in this plan and the proposed unit deed.

The risk of loss or damage to the unit by fire or any other cause until delivery of the deed is assumed by the Sponsor, provided that the Purchaser has not taken possession of the premises, but without any obligation or liability by Sponsor to repair or restore the Unit if there has been extensive damage which renders the unit uninhabitable. If Sponsor elects to repair or restore the Unit, the purchase agreement shall continue in full force and effect. Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price. Sponsor shall be entitled to a reasonable period of time within which to complete the repairs or restoration.

In the event the unit has been extensively damaged which renders it uninhabitable, the Purchaser has the option to cancel the contract. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners if the declaration has heretofore been recorded, belong entirely to the Sponsor and, if such proceeds are paid to purchaser, purchaser shall promptly upon receipt thereof turn them over to sponsor.

In the event sponsor notifies purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the purchase agreement shall be deemed cancelled and of no further force and effect and the Sponsor shall return to purchaser all sums deposited by purchaser, together with interest thereon, if any, and neither party shall have any further rights, obligations or liability to or against the other under the purchase agreement or the offering plan, except that if purchaser is then in default under the purchase agreement (beyond any applicable grace period) sponsor shall retain all such sums deposited by purchaser, together with any interest earned thereon, as and for liquidated damages.

The Sponsor will notify the purchaser within thirty days of discovering the damage whether or not the damage from casualty will be repaired.

A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement. The closing of title to the first Units are expected to commence on or about June 1, 2020. Closings will only take place after or simultaneously with the happening of the following events:

1. The sponsor and its principals are obligated to procure a final certificate of occupancy prior to the first closing.

2. The Sponsor will obtain a release of the acquisition and construction loans for the Unit being conveyed and its interest in the common elements. Sponsor has both acquisition and construction financing. There is a combined mortgage and building loan on the property in the amount of $ 3,828,315 held by Patch of Land Lending LLC with offices at 15000 Ventura Blvd., Sherman Oaks, CA 91403 dated September 16, 2016. Both mortgages are due on sale or transfer of all or part of the property. The terms of the loans do not contain any clauses; (i) which provide for any minimum number or percentage of units which must be under contract before the plan can be declared effective; or (ii) limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions.

3. Recordation and filing of the Declaration, By-laws, floor plans for the Condominium and such other documents as required by law, in accordance with the New York Condominium Act or applicable state and local law in the office of the Kings County Register.

4. As required by Real Property Law Section 339-r, the discharge or partial release duly recorded of all liens affecting the unit to be closed except any mortgage requested by the purchaser at the time of closing representing a mortgage taken by the purchaser.

5. The purchaser being served with a written notice of the closing date at least thirty days in advance and opportunity to inspect the unit and other property subject to the declaration.

6. Amendment of the plan by sponsor to disclose that it has been declared effective and to confirm that any units to be closed have been constructed in accordance with any applicable plans and specifications and sponsor has complied with the requirements of the applicable regulations.

7. The purchaser shall execute an instrument in the form provided in Part II of this offering plan designating the Board of Managers as his attorneys in fact, coupled with an interest for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any homes acquired by the Board of Managers in accordance with any of the provisions of the By-laws and for purposes consistent with the implementation of the offering plan.

8. Purchaser or the Board of Managers shall receive subcontractors' warranty certificates for heating, plumbing, roofing and appliances relating to the purchaser's Unit or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties are assignable.

9. If so requested by the purchasers, a title insurance company licensed to do business in New York State shall agree to insure that such purchaser has good and marketable fee title in the Unit, free and clear of all liens and encumbrances except those set forth in the offering plan, and subject to the provisions of the Declaration and By-laws and any mortgage executed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. The title company will affirmatively insure that none of the easements, covenants and agreements affecting title to the unit will affect the use of the premises as a condominium.

The Unit Owner, at his option, may purchase title insurance covering his interest in the Unit. Purchasers are free to use a title company of their own choosing without incurring a penalty. Title to the Unit will be subject to the following permitted encumbrances:

(1) State of facts of the property as shown on a survey and any additional state of facts which a subsequent survey would show provided such additional state of facts would not render title unmarketable.

(2) Sewer, water, drainage, electric, plumbing, heating, gas telephone, cable television and other utility easements or consents, if any, granted or which may be granted hereafter.

(3) All of the terms, covenants and conditions of the Declaration, the By-laws, and the Building Plans as filed or recorded and the Offering Plan and amendments thereto.

(4) All easements set forth in the By-laws and the Declaration as they are subsequently recorded and in the Offering Plan and Purchase Agreement including:

(a) Easements in favor of the Owners of other Units to use the pipes, wires, conduits, cable television and public utility lines located in the Common Elements or in the Units itself servicing such other Units and easements of necessity in favor of the other Units and/or the common elements;

(b) Easements in favor of the Board of Managers, its agents, contractors and employees to have a right of access to the Unit and to the Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit;

(c) Easements in favor of those Units having restricted use to portions of the Common Elements;

(d) Easements for the continuance of encroachments on the Unit or on the Common Elements by other Units or portions of the Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common

Elements made by the Board of Managers, so that any such encroachments may remain so long as the Building within which the Unit is located shall stand.

(e) Easements in favor of the Sponsor for sale and construction purposes. These easements refer to the Sponsor's right to maintain an office and signage on the premises during the sale and construction period as well as construction easements for the purposes of continuing and completing the renovation work and obtaining the new Certificate of Occupancy.

(5) Covenants, restrictions, easements, charges and liens applicable to the Condominium and the Common Properties upon the filing in the Kings County Registrar, prior to the transfer of title to the first Unit, of the Declaration of Covenants, Restrictions, Easements, Charges and Liens governing the Properties together with the By-laws annexed to and made part of said instrument.

Please Refer to Part II of this offering plan: Section A Purchase Agreement at pages 8 and 9; Section E Declaration on page 4 section Sixth; Section F By-Laws

The Sponsor has been advised by its counsel that in Counsel's opinion, none of the exceptions to title hereinabove set forth are contrary to the terms of the Purchase Agreement, nor do they interfere with the quiet use and enjoyment of the purchaser's Unit as represented in this Offering Plan.

10. All personal property located within the unit on the date the purchase agreement is signed or located within the common elements on the date the Declaration is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically excepted in this offering plan.

11. The amount of real estate tax escrow will be disclosed in the first post closing amendment.

X. UNIT CLOSING COSTS AND ADJUSTMENTS

At the time of title closing, the Purchaser will pay the following costs and expenses which rates are as of the date of this plan and subject to change without notice. The costs for a typical unit sale of $ 1,599,000 and $3,100,000, would be as follows:

(a) Title insurance	$ 6,701	12,194	(1)
(b) Recording Deed	400	400	(2)
(c) Recording Power of atty	200	200	(2)
* (d) State and City transfer taxes	29,715	57,608	(3)
(e) Recording Mortgage	400	400	(2)
(f) Mortgage Title Insurance	1,385	2,484	(1)
(g) bank atty and misc bank charges	1,000	1,000	(4)
(h) mortgage tax	27,823	53,940	(5)
(i) mansion tax	16,282	31,566	(6)
(j) additional base tax		7,750	
(k) supplemental tax	-0-	15,500	
(l) capital contribution	765	1,530	(6)
(m) preparation of condo papers	1,150	1,150	(6)
Total	$ 85,821	185,722	

* The purchaser will be paying the transfer taxes which are normally a seller's expense. Where the Purchaser pays transfer taxes which are ordinarily a Seller's expense, the taxing authorities consider such tax paid as additional consideration. The actual transfer tax due is based upon the "grossed-up" selling price which includes the transfer tax as additional consideration. The chart includes such "grossed-up" amount.

The above mortgage costs are based upon an 80% thirty year mortgage ($1,279,200 and $2,480,000. respectively) and do not include such things as points or mortgage broker fees if applicable.

(1) The title and mortgage insurance are based upon statutory charts which control the amount of these expenses. The charge is based upon the size of the purchase price and the size of the mortgage.

The chart used to determine the rates is as follows:

On policies up to $35,000. the title insurance is $402. and the mortgage insurance is 343. Above $35,000 for each $1,000 or part thereof add as follows:

Up to	owner	mortgage
35,001-50,000	$ 6.67	$ 5.55
50,001-100,000	5.43	4.54
100,000-500,000	4.36	3.64
500,000-1,000,000	3.98	3.31
1,000,000-5,000,000	3.66	3.05

When owners and mortgage policies are being issued pursuant to the same closing, the mortgage policy shall be issued at a reduced rate known as the simultaneous mortgage rate. A simultaneous mortgage policy is charged at 30% of the applicable mortgage rate up to the amount of the owner's policy.

The Purchasers are free to use the title insurance company of their choice at no additional fee to the sponsor.

(2) New York City requires the payment of general filing fees in order to record the deed, mortgage and power of attorney. These fees are in addition to the New York City and New York State Transfer Taxes and the Mortgage Tax. The schedule at the top of the preceding page lists the approximate amount of these recording fees. The recording fees are standard charges imposed by the Kings County Clerk's office to record the various papers which must be on file in the Clerk's office.

(3) The purchaser will be required to pay the transfer taxes which are ordinarily a seller expense. The fee imposed upon a purchase of more than $500,000 is 1.425% to New York City and .4% to New York State.

This tax is a flat tax based upon the sales price. The following is an example:

Sales price	City Tax	State Tax	total
$1,599,000	at 1.425%= $ 22,786	at .4%= $ 6,396	$ 29,182.
2,000,000	at 1.425%= $ 28,500	at .4%= $ 8,000	$ 36,500.
2,500,000	at 1.425%= $ 35,625	at .4%= $10,000	$ 45,625.
3,100,000	at 1.425%= $ 44,175	at .4%= $12,400	$ 56,575

(4) In the event a purchaser does obtain a mortgage in order to purchase a unit, there will be various bank charges. The bank charges will vary depending upon the type of loan and the requirements of the particular lending institution involved. They include bank attorney fees and such things as inspection and processing fees.

(5) The mortgage tax which is payable by the purchaser is 2.175% above $500,000 of the mortgage and is imposed by statute. The figure provided is based upon a $1,279,200 or $2,480,000 mortgage and will change if the mortgage amount is changed. As an example:

Mortgage	percentage tax	tax
$1,279,200	2.175%	$ 27,823
$1,500,000	2.175%	$ 32,625
$2,000,000	2.175%	$ 43,500
$2,480,000	2.175%	$ 53,940

Furthermore, purchasers obtaining mortgage loans may be required to escrow with the mortgagee sufficient monies to pay the real estate taxes, insurance, sewer, water, or other items next coming due (the amount of such escrow cannot now be determined and will depend on the number of months remaining between the closing of title and the date these amounts are next due

to be paid and the estimated amounts then payable, as well as the discretion of the mortgagee).

To the extent the above escrow is not required by a purchaser's mortgagee, or if purchaser does not have a mortgage, if units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor must place in escrow in the name of the Board of Managers an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing or until the units are separately assessed, whichever is shorter. The Board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the sponsor is entitled to a pro rata reimbursement from unit owners.

(6) Purchasers shall also be required to pay two months common charges as working capital. This amount shall be used to reimburse the sponsor for any prepaid expenses of the Condominium, if any. The working capital shall be turned over to the Board of Managers at each closing of unit owners. This working capital will not be used to reduce common charges. It is anticipated that there will be a surplus working capital after the sponsor's reimbursement of prepaid expenses. It is impossible at this time to estimate the amount of such surplus.

For individuals seeking mortgages in excess of 80% of the sales price, private insurance may be necessary at additional costs, which may include 1/2% of the mortgage at closing plus 1/4% each year until the mortgage principal reaches the level of 80% of the purchase price.

In the event Purchaser obtains a mortgage secured by the Unit, Purchaser shall pay to the Sponsor a sum equal to the partial mortgage tax credit to which the Purchaser is entitled pursuant to Section 339-ee(2) of the Condominium Act.

The Purchaser shall pay the sum of $1,150.00 to the Seller's attorney for the preparation of the condominium transfer papers.

The transfer taxes which are ordinarily paid by the Seller are paid by the Purchaser under this Offering Plan and purchase agreement. New York City considers this payment by purchaser additional consideration upon which a transfer tax is due. The figures at the beginning of this section are based upon such "grossed-up" consideration. If such "grossed" consideration exceeds $1,000,000 by virtue of the purchaser's payment of the state and city transfer taxes, the mansion tax will apply.

Effective July 1, 2019, the City of New York has imposed a surcharge on the conveyance of real property in the City of New York. The new changes are in addition to the transfer taxes listed above. They are:

(i) A tax of $1.25 for each $500 or fraction thereof, when the consideration for the entire conveyance of residential real property is $3,000,000 or more ("additional base tax");

(ii) A supplemental tax on the conveyance of residential property, or interest therein, where the consideration is $2,000,000 or more. The tax rate is an incremental rate between .25% and 2.9% based on purchase price.

(iii) The supplemental tax will be assessed according to the following schedule:

Entire Conveyance Amount	Supplemental Tax Rate
At lease $2,000,000 but less than $3,000,000	One-quarter of one percent (.25%)
At least $3,000,000 but less than $5,000,000	One-half of one percent (.5%)
At least $5,000,000 but less than $10,000,000	One and one-quarter percent (1.25%)
At least $10,000,000 but less than $15,000,000	Two and one-quarter percent (2.25%)

In the event that Purchaser or Purchaser's lender requires that the closing take place outside of Sponsor's attorney's office, Purchaser agrees to pay Sponsor's attorney a travel fee at closing of $250.00 for closing within New York City (other than Brooklyn) and $500.00 for closings outside of New York City.

The Purchasers are free to use the title insurance company of their choice at no additional fee charged by Sponsor.

As set forth in the Purchase Agreement in Part II of this plan, real estate taxes, common charges and other items will be apportioned at closing. Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party after discovery, which obligation shall survive the closing. In the event that the units have not been separately assessed at the time of closing, the Sponsor will pay any open real estate taxes and receive reimbursement from the unit owner at the time the individual assessments are made.

At the time of the transfer of the condominium to the unit owners, the sponsor and the condominium shall adjust certain items such as insurance, open water and sewer charges, and any prepaid Schedule B items. The post closing amendment will state the amount of tax escrow that the Sponsor has deposited with the board.

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 may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six month period and may collect at each closing the estimated amount of taxes attributable to such unit for the balance of the six month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

The amount of the real estate tax escrow will be disclosed in the first post-closing amendment to the offering plan.

XI. RIGHTS AND OBLIGATIONS OF SPONSOR

The sponsor shall be obligated to perform the following:

1. The Sponsor will endeavor in good faith to sell all of the units in a reasonably timely manner. However, Sponsor retains the unconditional right to rent rather than sell Units after consummation of the Plan. Because sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the 15% necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium.

2. Sponsor is obligated to defend any suits or proceedings arising out of sponsor's acts or omissions and to indemnify the board of managers and the Unit owners.

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

4. Disclaimers or limitations of liability on the part of the sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation may not be included. The plan may not include any financial limitation on sponsor's liability for failure to perform its obligations under the offering plan.

5. The sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units. The sponsor will fund its obligations by either funds on hand or proceeds from construction loan commitments. No bond or other security has been furnished to secure sponsors obligations.

6. The risk of loss or damage to the unit by fire or any other cause until the delivery of the deed is assumed by the Sponsor, provided that the Purchaser has not taken possession of the premises, but without any obligation or liability by Sponsor to repair or restore the Unit if there has been extensive damage which renders the unit uninhabitable. Please review section (7) on page 34 for an extended discussion.

The Seller will notify the Purchaser within thirty days of discovering the casualty whether or not it will repair any damage resulting from a casualty. If the Sponsor elects to repair the damage, the repairs will be made as promptly a possible and the unit/ common areas will be restored to the same condition as prior to the casualty.

If, after making a good faith effort to extend the term of the mortgage commitment to enable the Sponsor to repair the damage, an extension is not obtained, the Purchaser will be offered a right of rescission as discussed on page 33.

7. Sponsor shall procure fire and casualty insurance pursuant to a replacement value policy or in an amount sufficient to avoid coinsurance. Please refer to the Budget Schedule B at page 20 and footnote 6 on page 22 for details.

8. In the event of the dissolution or liquidation of the sponsor or the transfer of two or more units (a bulk sale), 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 and regulations.

9. The sponsor has both acquisition and construction loans. Both mortgages are due on sale or transfer of all or part of the property. The terms of the loans do not contain any clauses: (i) which provide for any minimum number or percentage of units which must be under contract before the plan can be declared effective; (ii) which set out either a minimum release price set by the lender or a required minimum payment per sale which must be made to the lender in order for the lender to release its lien from the unit being sold; (iii) with limits or requirements imposed by the lender for sponsor to rent rather then sell under specific market conditions. These mortgages will be released from the Unit being conveyed and its interest in the common elements at or prior to closing.

10. No bond or other security other than those required by this Part has been furnished to secure sponsor's obligations including sponsor's obligations to complete construction of the condominium.

11. The sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the plan with the right of sponsor to substitute equipment and materials and make modifications of layout and design, provided however, that sponsor may not:

(i) substitute equipment or materials of lesser quality or design; or

(ii) change the size, location of buildings or units other improvements or common elements if such changes affect the percentage common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected unit owners and contract vendees consent in writing to such change.

(iii) Sponsor reserves the right to make substitutions of equipment or materials as long as such substitutions are for "Equal to or Better Quality".

12. No closings will take place and no interim purchaser will occupy any unit until the Permanent Certificate of Occupancy is obtained.

13. The expected useful life of the roof is approximately fifteen (15) years. There is a 2 year contractor's guarantee and a 12 year manufacturer's guarantee. The commencement date is upon completion of the roof installation.

14. Effective March 1, 1989, a new law went into effect which grants to buyers of most newly constructed units a Housing Merchant Implied Warranty. (General Business Law Article 36-B Sections 777,777-a and 778-b). The Housing Merchant Implied Warranty applies to this offering plan.

The following is a brief summary of that law. The full text of the law appears in Part II Section G of this plan.

1. Housing effected: Newly constructed single-family homes and cooperative and condominium units in buildings of five stories or less.
2. Coverage:
   (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 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 (foundation, floors, walls, roof framing) which make it unsafe or unlivable.
3. Not covered:
   (a) A defect not caused by defective workmanship, materials or design.
   (b) A patent defect which was obvious or would have been obvious upon inspection.
   (c) Defects in items sold with the home, such as stoves, refrigerators, air-conditioners, etc. There are implied warranties from the manufacturers of such goods which are described in other laws.
4. Notice: Buyers must give notice of defects in their home in writing no later than 30 days after the end of the warranty period.

5. Limitation of the Warranty: The Housing Merchant Implied Warranty can be limited. However, the Sponsor's obligation, regardless of any limitations in the warranty or in this offering plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and 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.

The Sponsor has limited the warranty as indicated in the addendum following the purchase agreement in Part II Section A of this Plan.

The limited warranty in summary limits the Sponsor's liability to 75% of the purchase price set forth in the purchase agreement. The warranty also does not cover consequential, incidental, special or indirect damages except as required by law.

The limited warranty specifically identifies the builder's responsibility for defects of a latent or hidden nature and specifically excludes all other warranties of every kind, express and implied on the construction and sale of the home, its workmanship and materials and its fitness for use and habitability.

The Sponsors warranty obligations reflects this new law. For a fuller explanation of such warranty see the purchase agreement and addendum located in part II Section A and the full text of the law in Section G of this plan.

The Housing Merchant Implied Warranty applies to the common elements as well as to the individual units.

15. At or prior to the closing of the Unit, sponsor must assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit owner and assign any warranties with respect to equipment and appliances installed in the common elements to the board of managers.

16. Sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the condominium that sponsor is obligated to complete under the plan and will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

17. Sponsor shall deliver a set of "as-built" plans to the Board of Managers following completion of construction.

18. Sponsor has a right of access to complete construction of the condominium. It is obligated to repair any damages caused as the result of its work if notified during the warranty period in the manner set forth above. Sponsor will not interfere with Unit owners' reasonable use of their unit during any work period. However, there may be a temporary limitation as to the use of the public areas, and common areas. The unit owner will be given forty-eight hours advance notice before the unit is accessed, except in emergencies.

During the completion of construction access to the common areas or other areas under construction may be partially blocked due to completion of utilities, landscaping or concrete surfacing, but any such blockage shall not interfere with a unit owner's ingress and egress to his/her unit.

19. Purchaser shall carefully inspect the Unit within seven days prior to closing of title and execute at such time an inspection statement. If Purchaser finds that Sponsor's improvements have not been completed, the Sponsor and Purchaser will agree to include on the inspection statement a list of incomplete work to be completed in the Unit by the Sponsor following closing of title (punch list items). All punch list items shall be corrected within thirty days of closing unless otherwise noted on the punch list. Sponsor shall have no obligation to complete any work to the Unit which is not specifically designated on the inspection statement

by Purchaser, except for work necessary to cure violations and to obtain a permanent certificate of occupancy covering the Unit or work covered by the Housing Merchant Implied Warranty. In no event shall a purchaser be required to close if there are items of a material nature the need to be completed.

20. A purchaser of a previously occupied unit will purchase the unit "as is".

XII CONTROL BY THE SPONSOR

I. Sponsor Initial Control Period

During the Sponsor's control period the sponsor controlled board will manage the condominium through the principal of the sponsor Rey Grabato, at no fee. During this period, the sponsor will have control of maintenance, facilities and services to be provided and will determine the Common charges to be paid by all unit owners, including the Sponsor. The common charges will be consistent with Schedule B. The Sponsor will call a meeting of unit owners within sixty (60) days of the first closing to discuss the operation of the Condominium. The Sponsor will remain in control of the condominium after such meeting. This control period will extend from the first closing until control is turned over to the owners as outlined below.

II. End of Sponsor Control

The Sponsors control will end at the First Annual meeting of the Unit Owners which will occur within thirty (30) days after the earlier of (i) two (2) years after the closing of the first unit, or (ii) whenever there is only one unsold unit remaining. Within this time period, the Sponsor shall call the first Annual Unit Owners meeting. At such meeting a Board of three Managers unrelated to the Sponsor will be elected by a vote of all unit owners, including the Sponsor. The Sponsor shall be entitled to vote the units standing in its name as of the date of the meeting but agrees to elect no more than a minority of board members regardless of the number of units then owned.

The by-laws include a provision that a majority of the board of managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the sponsor and its principals after the end of the initial sponsor control period. The Board of Managers so elected shall serve for a period of one year until the second annual meeting of the unit owners. Thereafter, annual meetings shall be held on the anniversary date of the first meeting.

The Sponsor agrees that the By-laws will not be amended while Sponsor is in control of the Board of Managers unless there is a prior approval of such amendment by the vote of 80% in number and in Common Interest of the Unit Owners (other than Sponsor) at a meeting of Unit Owners held for such purpose.

Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws and regulations; or (ii) to remedy any notice of violation or; (iii) to remedy a work order by an insurer or; (iv) 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.

Sponsor may exercise veto power over expenses other than those described above for a period ending not more than two (2) years after the closing of the first unit or whenever there is only one unsold unit remaining, whichever is sooner.

During any period that the Sponsor controls the board, the insurance coverage cannot be less than what is required by the Budget on page 19 of this plan.

Any provisions that give the sponsor control of the enforcement of the sponsor's obligations are unlawful. 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 this issue.

XIII BOARD OF MANAGERS

After the first meeting of the Unit Owners, the Board of Managers will be turned over to the Unit Owners. The affairs of the Condominium will then be governed by a Unit owner appointed Board of Managers. Until the first meeting of the Unit Owners, the condominium will be managed by a sponsor controlled board with the principal of the sponsor, Rey Grabato acting as management agent. During the control period, the president and member of the board of managers will be Rey Grabato, principal of the sponsor.

The first annual meeting of owners will take place within thirty (30) days after the earlier of (i) two years after the closing of the first Unit, or (ii) whenever there is only one unsold unit remaining.

The board of managers has a fiduciary duty to act in the best interest of the condominium, even during the control period.

After the first annual meeting of Unit owners, the Board of Managers shall consist of three persons elected by all Unit owners (including the Sponsor who may not elect more than a minority of the board), but the Sponsor's right to elect members of the Board shall be subject to the limitations set forth in the by-laws. The by-laws include a provision that a majority of the board of managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the sponsor and its principals after the end of the initial sponsor control period. The Sponsor will no longer control the condominium operations. The members of the Board must be at least eighteen years of age and comply with the provisions of the By-Laws Article II Section I in Part II of this Plan.

Subject to the limitation on Sponsor's control, at the first meeting of the Unit owners, the term of office of all three members of the Board of Managers shall be fixed at one (1) year. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the unit owners.

A special meeting of the Board of Managers may be called by the President on two (2) days notice of such meeting to each member either personally or by telephone, mail or telegram. Special meetings may be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) managers.

At any regular or special meeting of Unit owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the Unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit owners shall be given an opportunity to be heard at the meeting. Notwithstanding the above, the Sponsor has the right to appoint a board member to fill the vacancy created by the removal or resignation of a member appointed by the Sponsor unless the vacancy occurs during a period when the Sponsor does not have the right to appoint a member.

Officers and members of the Board of Managers serve without compensation.

Powers of the Condominium Board include, but shall not be limited to the following:

1. To determine and levy monthly charges (common charges), and to collect and expend them.
2. To make repairs, restore or alter any units or the common elements after damage or destruction.
3. To enter into and upon the unit for maintenance or repair purposes.
4. To open bank accounts on behalf of the Condominium.
5. To insure and keep insured the common elements and Units;
6. To collect delinquent assessments by suit and/or enforce compliance with basic documents and abate nuisances.
7. To purchase any Unit at a foreclosure sale on behalf of all unit owners.
8. To make and amend reasonable rules and regulations.
9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment and to enter into contracts.
10. To bring and defend actions by and against more than one Unit owner pertinent to the operation of the Condominium.
11. To act as an agent of each unit owner who has given his written authorization to complain or apply to the local or county real estate tax assessment agency board of review by filing a single complaint on behalf of all such unit owners pursuant to the applicable sections of the Real Property Tax Law.

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 such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. The indemnification obligation of the unit owners will be limited to their respective interests in the Units and common elements unless otherwise prohibited by law.

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 owners arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability there under as his interest in the common elements bears to the interests of all Unit owners in the common elements. Every agreement made by the Board of Managers or by 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 agents for the Unit Owners and shall have no personal liability there under (except as Unit owners), and that each Unit owners liability there under shall be limited to such proportion of the total liability there under as his interest in the common elements bears to the interest of all Unit owners in the common elements. The indemnification liability of the unit owners shall be several, not joint and several.

The Unit Owners voting rights are determined by their percentage of common interest. It requires a unanimous vote the Unit owners in number and common interest to amend the By-Laws of the Condominium. Any change in the Declaration of the Condominium after it is filed requires a unanimous vote of the Unit owners in number and common interest.

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 representative cannot lawfully vote on that issue.

XIV. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD

Each Unit Owner is free to sell or lease his Unit provided that he is not in arrears in the payment of Common Charges. A Unit Owner is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by last will and testament or to have it pass by intestacy without any restriction provided, however, that such new Unit Owner shall be bound by Condominium Plan. No Unit can be sold or leased without a simultaneous sale or lease of the undivided interest in the Common Elements. These provisions are subject to change by amendment to the By-laws. Procedures for their implementation may be set forth in the Rules and Regulations.

The Sponsor or any mortgagee acquiring title to a Unit in foreclosure can sell or lease a Unit free of any of the foregoing restrictions.

The board of managers does not have a right of first refusal with respect to the sale or lease of a unit or other option to acquire a unit.

A. Initial Operating Rules of Condominium

In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the Property shall be restricted to and shall be in accordance with the following provisions as per the By-laws.

(a) The Units shall be used by Unit owners (other than the Sponsor) only for one family residential use and in compliance with the occupancy restrictions imposed and as amended from time to time. While the Sponsor or its designee owns any Unit, it shall have the right to use such Unit for general and sales office purposes and as sales models. Except upon the prior written consent of the Board of Managers, occupants of a unit must be members of the family of the Unit owner or lessee (or if the Unit owner is a partnership, a corporation or a trust, members of the family of a partner or of an officer, director, shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be), but not more than one family may occupy a Unit at one time. "Members of the family" as used herein shall be deemed to mean spouse, parents, parent-in-law, brothers, sisters, children and grandchildren.

(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. No unit owner may place furniture or other object on the common elements except limited common elements.

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

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with, 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. The board of managers shall make the threshold determination as to what constitutes immoral, improper or offensive use.

(e) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(f) Smoking Policy. The condominium has adopted the following smoking policy in compliance with New York City Local Law 147. Smoking is prohibited in all of the common areas of the condominium. The common areas include but are not limited to the cellar area where the utility room is located, the stairways leading to and from the units, the roof area above the third floor and the outdoor front of the building to the property line. The unit owners may smoke in their units or the limited common elements appurtenant to a particular unit such as rear yard or the roof area limited common element of unit C as long as it does not create a nuisance to the other units. A nuisance shall be defined as infiltration of smoke or smoke odors into the units.

This policy includes electronic cigarettes and other vapor products in addition to the more conventional smoking apparatus

(g) Rules and regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are furnished to each unit owner not less than five (5) days prior to the time that they become effective.

The Board of Managers has a right of first refusal with respect to the sale or lease of a unit or other option to acquire a unit including through foreclosure as set out in the Declaration and By-Laws.

B. Mortgage of Unit By Unit Owner

The Unit Owner may mortgage his Unit at any time after he acquires title thereto (or simultaneously with acquiring title) in whatever amount and under whatever terms he can obtain. Any Unit Owner may, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit.

C. Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners (and their mortgagees if requested) from time to time and at least once a year. Based upon such budget and any modification thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage interest in the Common Elements. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, fire and liability insurance covering the Common Elements, water, exterminator services, and management, audit and legal expenses, may include, in the discretion of the Board of Managers, reserves, working

capital and other sums necessary to carry on the affairs of the Condominium.

The Common Charges do not include maintenance, repairs or decoration of any or all of the Units or portions thereof, the cost of electricity and gas for the Units which are individually metered, payments required pursuant to the terms of any Unit Owner's mortgages or real estate taxes covering the individual Units. Real estate taxes will be included in the common charges until the units are separately assessed.

The Board of Managers may commence the collection of Common Charges upon the closing of title to the first Unit or thereafter in such amount as will be necessary to carry out the duties of the Board of Managers as set forth in this Offering Plan and such Common Charges shall be paid by the Unit Owners and the Sponsor as Owner of the unsold Units in accordance with their respective Common Interest percentages as set forth herein. Each Unit Owner will be responsible to pay the Common Charges allocable to his Unit monthly in advance, commencing with the closing of title to his Unit. Common Charges assessed during the month in which title closes shall be adjusted as of the closing date if collection of charges has commenced.

Where a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a Common Charge to all Unit Owners. In order to attempt to protect the Unit Owner against the possibility of such Common Charges, the Board of Managers shall determine the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and review the amount of such coverage annually.

The Sponsor shall be liable for monthly Common Charges of all Units, title to which has not been transferred to a bona fide purchaser, commencing with the closing of title to the first Unit.

Under the provisions of Sec. 339-z of the Real Property Law of the State of New York, 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. Such lien, however, shall be subordinate to liens for taxes on the Unit and any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after a filing thereof in the Office of the County Clerk, 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 commenced within such six year period, whichever shall be sooner. 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 a suit for the foreclosure of a mortgage on real property.

The Sponsor will cause the Board of Managers to file a lien as provided 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 while it is in control of the Board of Managers.

The obligation to pay common charges ends at the time of the sale of the unit, except for common charges accruing during the time of ownership.

D. Repairs

All maintenance, repairs and replacement to the common elements of the Condominium including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits, cables and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the common elements but service one or more Units shall be made by the Board of Managers and the cost thereof shall be a common expense. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the common elements.

Except as is otherwise specifically provided, all maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units, and repairs and replacements to the Units including windows and doors (including all glass breakage) and repairs to pipes, wires, cables and conduits located in and servicing the same Unit, other than as set forth above, shall be made by the respective Unit Owners at their expense.

All irrevocably restricted common elements shall be maintained and repaired by the Unit Owner to whom such common element is restricted in use. However, the Board of Managers shall repair and replace any pipes, wires, conduits, cables and public utility lines located underground or overhead any restricted common element, except where such repair or replacement is necessitated because of the negligence or misuse or neglect of this Unit Owner to which the common element is restricted in use, in which event such cost and expense shall be assessed to and paid for by such Unit Owner.

In the event that a Unit Owner fails to perform any maintenance, painting or repair, which maintenance, painting or repair is necessary to protect any of the common elements, any other Unit, or, in the event of the service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to perform such maintenance, painting or repairs (after failure of the Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs, painting and/or maintenance. In the event that the Board of Managers charges a Unit Owner for the painting or maintenance to any common element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered additional common charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board of Managers brings such suit, the Unit Owner shall be liable for the reasonable attorney fees and costs of such suit or proceeding along with interest on all such sums due.

A Unit owner shall grant a right of access to his Unit to the manager and/or managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any

condition originating in his Unit and threatening another Unit or the 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, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit owner and further provided that such right shall be exercised in such manner as will not unreasonably interfere with the use of the Unit for residential purposes. In case of an emergency, such right of entry shall be immediate, whether the Unit owner is present at the time or not. The unit owner will be given forty-eight hours advance notice before the unit is accessed, except in emergencies.

E. Additions, Alterations and Improvements

The Unit Owner may make any non-structural alterations or improvements to the Unit he desires without obtaining the consent of the Board of Managers so long as such alterations or improvements do not affect the building in which the Unit is located or any other Common Element.

All painting, decorating, maintenance, repairs and replacements to any Unit or the common elements or limited common elements performed by the Board of Managers shall be charged directly to Unit Owners except as otherwise determined by the Board of Managers.

No Unit Owner shall make any structural addition, alteration or improvement in or to his unit or his limited common elements, without the prior written consent thereto of the Board of Managers. The Board of Managers have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such owners 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.

The unit owner may not do any construction or build any structures on his limited common element without the prior written permission of the Board of Managers. The Board of Managers will formulate house rules and procedures which shall govern all alterations and decoration of the limited common elements so as to remain in compliance with the Department of Buildings.

Any application to any governmental authority having or asserting jurisdiction, for a permit to make an addition, alteration or improvement in or to any unit or limited common element shall be executed by the Board of Managers only, without however, incurring liability on the part of the Board of Managers or any of them to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to a unit owned by the Sponsor or its designee until a deed to such unit has been delivered to a purchaser thereof.

Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in excess of $ 1,000.00 and the making of such additions, alterations or improvements shall have been approved by 66-2/3% in number and in common interest of the unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common charge.

Any additions, alterations or improvements costing $1,000.00 or less may be made by the Board of Managers without approval of the unit owners. The cost of such work (unless paid from the Working Capital Fund Supplied by the Sponsor in accordance with the Plan of Condominium Ownership) shall constitute part of the common expenses.

The Board of Managers will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by the Sponsor or its designee to any unit, provided, however, that neither the Board of Managers nor the Unit owners other than the Sponsor shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

F. Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, insurance against loss by fire, physical injury and other casualties normally covered under broad form fire and extended coverage insurance as written in New York, covering all Common Elements, all structural portions of the Condominium property and all Units including exterior walls, ceilings and floors, but not including furniture, fixtures, decorations, equipment or the like installed or placed there by Unit Owners or Sponsor. Such insurance shall cover the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as such respective interests may appear, in an amount equal to at least ninety (90) percent of the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgage Clause in favor of each mortgagee of the Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject to the loss payment provisions of Real Property Law Section339-bb. The premium for such insurance shall be a Common Expense to be paid by monthly assessments levied by the Board of Managers and shall constitute a lien enforceable in accordance with the By-Laws.

The Board of Managers shall also obtain and continue in force and effect insurance against liability for bodily injury and property damage arising from accidents occurring within the Common Elements and Limited Common Elements in amounts satisfactory to mortgagees holding first mortgages on the Units and against liability for personal injury sustained by any person and arising out of an occurrence involving certain named offenses committed in the operation of the Condominium. The amounts of such insurance shall be determined by the Board of Managers and the premiums therefore shall be a Common Expense.

As of the date of the first closing under this Plan, the Sponsor shall insure the project under a Condominium package policy providing for coverage in the following amounts: (assuming 3 residential units). Please refer to Schedule B for details of coverage.

It is desirable for the individual owners to obtain additional insurance at their own cost to cover such risks as fire and casualty losses to the contents of their units, and liability coverage for occurrences within their units. The condominium policy does not cover these losses.

All policies or physical damage insurance shall contain clauses in which:

a. The insurer waives its right to subrogate on a negligence action against any Unit Owner. In other words, in the event the insurer pays a claim based on the negligence of a Unit Owner, the insurer will not attempt to recoup the amount paid from the Unit Owner at fault.

b. The insurer provides that if at the time of loss there is other insurance in the name of a Unit Owner covering the same loss and property covered by Board of Managers' policy, the insurance afforded by the Board of Managers' policy shall be primary and not contributing with such Unit Owner's insurance.

c. The insurer undertakes to honor a claim resulting from property damage even if such property damage is the result of negligence by a Unit Owner. This is termed a "waiver of invalidity", clause.

The Board of Managers shall give at least ten days' written notice of the terms of insurance coverage and of any substantial change thereto, or termination thereof, to each Unit Owner, without prejudice to the right of each Unit Owner to insure his own Unit for his own benefit. The premium for such insurance on the building shall be deemed Common Expenses, provided, however, that in charging the same to the Unit Owners, consideration may be given to the higher premium rates on some Units than on others.

Damage to or destruction of the Building shall be promptly repaired and reconstructed by the Board of Managers using the proceeds of insurance on the Building for that purpose. In the event that the insurance proceeds are insufficient to cover the cost of repairs to the Building the balance of the cost of such repairs shall constitute Common Expenses. However, if three-fourths or more of the Building is destroyed or substantially damaged and seventy-five percent of the Unit Owners do not promptly resolve to proceed with repair or restoration, then the property shall be subject to an action for partition and the net proceeds of sale together with the net proceeds of insurance policies shall be divided among all Unit Owners in proportion to their respective Common Interests after liens on each Unit have been satisfied.

Prior to the termination of the legal status of the project after substantial destruction or condemnation occurs or for any other reason, such termination must be agreed to by mortgagees that represent at least 51% of the votes of the unit estates that are subject to mortgages.

In addition to the insurance set forth herein, the purchaser may desire to insure his personal effects and the interior of the Unit itself against loss by fire and other casualties and against liability. The cost of such insurance, if taken by the purchaser, will be payable by the purchaser directly. Unit Owners will not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

G. Restrictions on Occupancy

There is no restriction upon ownership of a Unit. Occupancy of a Unit, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

The By-Laws of the Condominium contains the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium or any part thereof and all valid laws zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit owners, their families, employees, guests and pets shall not use or permit the use of the Units and common elements in any manner that would be illegal, disturbing or a nuisance to other unit owners. No resident shall put any advertisement or posters of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs etc. from the window or from the building or to string clothes lines on or over the common elements or use any of the common elements for storage. No Unit owner shall paint the exterior surfaces of the windows, walls or doors opening out of his unit or cut through an existing exterior wall in order to put wall air conditioning units in an owners unit.

No Unit owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for formal household use.

No animals or reptiles of any kind shall be raised, bred, or kept in any unit or on the common elements, except that dogs, cats or other household pets, not exceeding two per unit, may be kept in the units and in yard areas irrevocably restricted to the owners of the units, subject to the rules and regulations adopted by the Board of Managers, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers. Unit owners shall be required to clean up after their pets at all times.

The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the condominium building or elsewhere throughout the property, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the common elements, and without limitation, to do any and all things necessary and incidental to the sale of Units, without charge or contribution other than in the form of common

charge payments as otherwise provided herein.

Sponsor shall have the rights enumerated in the above paragraph only for so long as Sponsor continues to own a Unit in the Condominium and only with respect to the offer and sale of Units in the Condominium. The Sponsor's right of access as reflected above shall not include access to any Unit or limited common element appurtenant thereto that is not owned by Sponsor and any access or use shall not materially affect the use of premises by Unit Owners and is subject to reasonable notice by the Sponsor.

H. Rights of the Condominium

The rights of the condominium are to be enforced by the board of managers. There is an exception to this exclusivity. When it is sixty (60) days before the expiration of the statute of limitations or the board has not enforced such rights after reasonable notice and opportunity, the unit owners may individually or severally enforce such rights on behalf of the condominium.

I. Rental of Units

The condominium offering plan allows the sponsors and unit owners to rent the Units after consummation of the offering plan. Therefore there might be a number of Unit owners who do not occupy their dwelling Units. The provisions of Real Property Law Section 339-kk applies to this offering plan. A summary of that section is provided below.

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 the paragraph below, all rental payments from the tenant shall be directly payable to the condominium association.

If 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 the 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 the 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 such board receives notice that such owner seeks to dispute such claim.

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.

J. Special Notice to Mortgagees and Guarantors

Mortgagees and guarantors of the mortgage on any unit in the condominium project will receive timely written notice of the following:

1. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing the mortgage;
2. Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage;
3. A lapse, cancellation, or material modification of any insurance policy maintained by the condominium association; and
4. Any proposed action that requires the consent of a specified percentage of mortgagees.

XV. REAL ESTATE TAXES

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

The Sponsor does not anticipate any delay in obtaining separate assessments for the Units and will endeavor to obtain such separate assessments prior to the closing of title to the first Unit. Since the actual tax lot separation and the separate tax lot assessment will be made by the City of New York, the date of such assessment will depend upon the work flow in the City of New York assessment office.

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 may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six month period and may collect at each closing the estimated amount of taxes attributable to such unit for the balance of the six month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

The Sponsor has retained the services of Metropolitan Realty Exemptions, Inc. 381 South 5 Street Brooklyn, NY 11211 to file the necessary forms and paperwork to secure the J-51 tax exemption and tax abatement.

The tax exemption freezes the residential buildings assessed valuation for real estate tax purposes, exempting the owner from paying property taxes on the increase in value resulting from the conversion, alteration or improvement of a building. The exemption will last for a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years.

The tax abatement serves to reduce the current property tax liability. For renovation of a residential building, the abatement is calculated and determined based on 90% of the lesser of (i) the Certified Reasonable Cost (CRC) of the eligible alteration or improvement as established by the NYC Dept of Housing Preservation and development; or (ii) a maximum allowance of $15,000 per one-bedroom apartment with a per apartment increase of $2,400 for each additional bedroom.

The abatement is realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3%.

Sponsor will use its best efforts to obtain the J-51 benefits. It is projected that the benefits will commence the first fiscal tax year following the issuance of the Permanent Certificate of Occupancy. Although the sponsor will apply for the benefits, there is no guarantee that the benefits will ever be received.

At the present time the development site is under renovation. The City of New York has issued an assessed value for the site for the fiscal year commencing July 1, 2019 of $ 28,663 as a three unit residential building with an annual real estate tax of $ 5,690.60. Since the property as a result of the renovation work will receive a new certificate of occupancy as a renovated three unit residential building, the property will be reassessed due to the renovation work which should be complete by June 1, 2020.

According to the estimates provided by Metropolitan Realty Exemptions, Inc., property taxes with the J-51 exemption and abatement will be as follows.

The total assessed valuation of the property following completion of construction is estimated to be approximately $ 72,383. Using the foregoing assessed valuation, assuming a Class 2 tax rate of 21.167%, the total real estate tax liability without the J-51 benefits would be $15,321.

The assessed valuation with the J-51 exemption would be $ 28,663 since the increase due to the renovation work would be exempt for a period of fourteen years. The real estate taxes with only the exemption in place would be $ 6,067 (the amount currently paid). The CRC benefits would reduce the current taxes due to the renovation work. The tax liability with the combination of the exemption and the abatement would be $ 1,519 per annum for the entire building.

The Fair Market Value, Assessed Value percentage and the tax rate may be changed by the City of New York on a yearly basis.

The Sponsor is not aware of any tentative changes in the assessed valuation or the tax rates which will affect the condominium unit. There are no tax certiorari proceedings pending.

The Board of Managers is authorized to act as agent for the unit owners to complain or apply to the local taxing authorities to have the assessed value or real estate taxes changed for individual unit owners. See section 14 at page 5 of the By-Laws located in Section F part II of this Plan.

The Federal Tax Cuts and Jobs Act of 2017 which became effective at the beginning of 2018 affects the deductibility of real estate taxes and mortgage interest.

The 2017 Act imposes limitations on the deductibility of state and local income, sales and real estate taxes. An itemized deduction of up to $10,000 may be taken for the combination of state and local income, sales and real estate taxes. If an individual already has a deduction for

state or local income taxes and sales tax in the tax year, there will be a smaller deduction or no deduction for state and local real estate taxes.

The 2017 Act also imposes a limitation on the mortgage interest deduction. This deduction applies to a person's principal residence and second residence. Only the interest on the first $750,000 of an acquisition mortgage is deductable. The deductibility of interest on a home equity loan has been suspended.

A purchaser should consult with their tax adviser to determine the impact of this new law on the deductibility of the property taxes and mortgage interest payment associated with the purchase of a condominium unit.

XVI TAX STATUS OF CONDOMINIUM

The Internal Revenue Code of 1986 as amended under Section 528 allows condominiums which comply with certain requirements to qualify as a tax exempt organization.

The 377 Degraw Street Condominium as structured in this Offering Plan meets the conditions set forth in Section 528 of the Internal Revenue Code of 1986 for tax exempt organization. The opinion of counsel which follows this section outlines the conditions and terms of the tax exempt status.

As a tax exempt organization, the condominium will not pay income tax on the common charge payments received from Unit Owners. However, any receipts from unit owners or third parties which are not considered common charge payments would in most instances be considered taxable income to the condominium.

In addition, the tax exempt status of the condominium does not extend to the individual Unit Owners. The Unit Owners are responsible for their own income and deductions irrespective of the status of the condominium.

METROPOLITAN
Realty Exemptions

Prepared By:
Miriam Weisz
718-387-3004 Ext. 105
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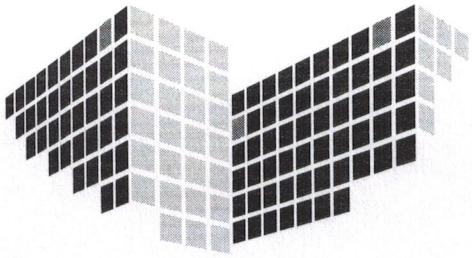
J-51 Tax Opinion Letter



Prepared For:
DEGRAW ST CAPITAL 377, LLC
1325 Paterson Plank Road, 2nd Floor
Secaucus, NJ 07094

Metropolitan Realty Exemptions, Inc.

381 South 5 Street Brooklyn, NY 11211 | Mailing Address: 118 Middleton Street Brooklyn, NY 11206

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METROPOLITAN
Realty Exemptions

March 2, 2020

RE: 377 Degraw Street
Brooklyn, NY 11231
Block & Lot: 415 – 59

Dear Sir:

You have requested us to advise you with our opinion in respect to the applicability of the above property for partial real estate tax exemption under 11-243 of the administrative code of the City of New York (formerly Sec. J-51) and the regulations adopted by the Department of Housing Preservation and Development, as amended, and an estimate of what those benefits would be.

The real estate tax benefits, which are available to eligible properties under Section J-5 1, are as follows:

Tax Exemption
A J-51 property tax exemption effectively freezes a residential building's assessed value for tax purposes, exempting the owner to pay property tax on the increase in value, resulting from the conversion, alteration, or improvement of a building or structure, except insofar as the gross cubic content of the building is increased thereby and for the prorated commercial area of the building. The exemption will last for a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years.

- The land value will not be exempt from any increase in assessed valuation.

Tax Abatement
J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For renovation of a residential building, the abatement is calculated and determined based on 90% of the lesser of: 1) the "Certified Reasonable Cost" (CRC) of the eligible alteration or improvement as established by the NYC Dep't of Housing Preservation and Development (HPD); or 2) a maximum allowance of $15,000 per one-bedroom apartment with a per-apartment increase of $2,400 for each additional bedroom. Resulting abatement benefits are reduced by ineligible portions of the converted structure.

In the event the gross cubic content of the property is increased, J-51 abatement benefits will be adjusted accordingly. J-51 benefits are not available for commercial or professional space.

The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year, limited to 8 1/3% of the total abatement. If, in any tax year, the tax abatement is greater than the tax due, the property's taxes may be reduced to zero, with the remaining abatement available through the twentieth year. After the twenty-year period, any unused tax abatement benefits are lost.

Additionally, please note that the J51 program "Under 11-243 of the administrative code of the City of New York" will sunset on June 30, 2020. In order to guarantee eligibility under the current program, the Letter of Completion/Certificate of Occupancy must be obtained prior to the aforementioned date.

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Realty Exemptions

In the instant application, we were advised that the sponsor intends to renovate/ convert a 3-family residential building, into a 3-unit residential condo building. You have further advised us that the renovation is being performed pursuant to an Alteration Type 1, under NYC DOB Job #321606151 according to the NYC DOB Codes, and it will be signed off with the Department of Buildings upon completion of the renovation.

Based on the foregoing, it is our opinion that the Department of Housing Preservation and Development (HPD) will consider the property eligible for real estate tax abatement and exemption benefits under Section 11-243.

Eligibility Requirements

In general, to qualify for the exemption and abatement, the following requirements must be met:

- The work must be completed within 30 months of the initial permit date and the application must be submitted to HPD within 3 years of the initial permit date (Regulations Section 5-03(d) formerly Section 2.4 (4) of the Rules).
- Combo Legislation - The addition must be less than 100% of the existing sq. ft. I.e. if the existing is 3,000 sq. ft., then the addition may only maximize approximately 2,900 sq. ft.
- 75% of the existing perimeter walls and 50% of the existing non-party walls OR 80% of the existing structural floors must remain in place.
- The building must not consist of mostly studios; 75% of the units must be bedrooms (I.e.: a 4 unit building must have at least 3 bedrooms – having 1, 3 bedroom unit and 3 studios is acceptable. As long as the total amount of bedrooms in the building equals to 75% of the units, then the building complies).

Receipt of the exemption benefit is subject to the limitations are as follows:

All rental units become subject to rent stabilization or rent control for the duration of the benefits. In previously stabilized buildings, the landlord must also waive 50% of the rent increase, which would otherwise be allowed under rent stabilization as a result of the construction.

We also note that once J-51 benefits are granted, certain subsequent events could cause their reduction or withdrawal. Under Section 5-07(c) of the regulations, the commissioner of HPD may reduce or revoke past or future tax exemptions or abatements if he finds that the J-51 application contained a false statement as to a material matter or omit a material fact.

All interested parties should be aware that HPD routinely conducts audits, pursuant to section 5-07(b) of the regulations, all books, and records and documents must be made available to HPD for a period of three years after the certificate is issued failure to comply with audit requirements can result in the reduction of revocation of J-51 benefits.

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Realty Exemptions

J51 Abatement Benefit Value (CRC)

According to the NYC Department of Housing Preservation and Development calculations of the allowed Certified Reasonable Cost (CRC) and based on the number of bedrooms and units which the property is comprised, the maximum J-51 abatement value allowed will be $54,600.00. The aforesaid amount will be applied at the rate of 8 1/3% per annum, until 90% is granted, up to a maximum of twenty years.

In addition, an exemption will be granted for any tax increase due to the proposed renovations, for a period of fourteen years, with 100% exemption for ten years, followed by a 20% phase-out in each of the succeeding four years.

Real Estate Tax Estimate

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction, is estimated to be approximately $72,383. Using the foregoing assessed value, assuming a Class 2 tax rate of 21.167% (i.e., $21.167 per $100 of assessed value, the final 2019/2020 tax rates), the total real estate tax liabilities due, will be as follows.

Tax liability without J-51 benefits	
Assessed Value	$72,383
Tax Liability	$15,321
Tax liability with J-51 benefits	
Assessed Value with J-51 Exemption	$28,663
Tax Liability with J-51 Exemption	$6,067
Tax Liability including CRC Benefits	$1,519

Please be advised that the abovementioned assessed value, with the J51 exemption, includes an estimated land increase. Any increase in assessed value, due to the land, will not be exempt by the J51 exemption portion.

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

Very truly yours,

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* ADMITTED NEW YORK and NEW JERSEY
** ADMITTED NEW YORK, NEW JERSEY and FLORIDA

September 12, 2019

Degraw St. Capital 377, LLC
1325 Paterson Plank Road, 2nd Floor
Secaucus, New Jersey 07094

Gentlemen:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City income tax purposes to persons who purchase units for residential use under the offering plan for **The 377 Degraw Street Condominium** and (ii) the Federal income tax treatment of the Common Charges received by the condominium association.

In connection with rendering this opinion, I have reviewed the offering plan, the Schedules and Exhibits thereto, the Declaration of the Condominium Plan, the By-laws of the condominium, relevant sections of the Internal Revenue Code of 1986 as amended, the regulations promulgated thereunder, the Tax Cuts and Jobs Act of 2017, the New York State Tax Law, the Administrative Code of the City of New York and such other materials that I have deemed relevant to rendering this opinion.

A. Facts

You have advised me that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and my opinion is conditioned upon the accuracy of these facts.

1. Sponsor will submit to the **Kings County Registrar's Office** a declaration establishing the premises located at **377 Degraw Street, Brooklyn, New York** as a condominium, pursuant to the New York State Condominium Act (Article 9-B of the Real Property Law of the State of New York.

2. The Condominium will consist of **three (3) units** allocated for residential use. Each holder will own his own unit plus an interest in the elements common to all units (the "Common Elements". Each unit owner will be entitled to the exclusive ownership and possession of his unit and will receive a separate deed to that unit.

3. The condominium will be operated by a Board of Managers which, pursuant to the Bylaws, will act only as an agent for all unit owners. The Board of Managers will be composed of at least three members, who shall each be elected by the unit owners. The primary function of the Board of Managers will be to supervise the maintenance and operation of the Common Elements, and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

B. Discussion

I. Deductibility of Mortgage Interest and Real Estate Taxes

Under the Condominium Act, each unit owner will own his unit and its appurtenant interest in the Common Elements in fee simple, and each unit will be taxed as a separate tax lot for real estate tax purposes. Each unit owner may mortgage his unit and become individually liable for the payment of the principal and interest on such mortgage indebtedness. Failure to pay his share of the Common Charges will result in the Board of Managers having a lien on the unit for such unpaid Common Charges.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the unit owner during his taxable year will be governed by sections 163 and 164 of the Internal Revenue Service Code as amended by the limitations set forth in the Tax Cuts and Jobs Act of 2017. Section 163 of the Code allows a taxpayer to deduct all interest paid or accrued during the taxable year on bona fide indebtedness. Section 164 of the Code allows a taxpayer to deduct real estate taxes paid or accrued during the taxable year. Since sections 339-g and 339-y of the Condominium Act provide that each unit and its common interest shall be taxed as a separate tax lot for real estate tax purposes, unit owners will be entitled to deduct real estate taxes paid or incurred on their units during the taxable year up to the limits established by the 2017 Act.

The 2017 Act imposes limitations on the deductibility of state and local income, sales and real estate taxes. An itemized deduction of up to $10,000 may be taken for the combination of state and local income, sales and property taxes. If the individual already has a deduction for state and local income and sales tax in the tax year, there will be smaller deduction or no deduction for state and local real estate taxes.

The 2017 Act also imposes a limitation on the mortgage interest deduction. This deduction applies to a person's principal residence and second residence. Only the interest on the first $750,000 of an acquisition mortgage is deductible. The deductibility of interest on a home equity loan has been suspended.

The deduction under section 163 of the Code for interest is subject to certain other provisions of the Code which may limit the amount of the deduction in any one taxable year. For example, under section 461(g) of the Code, prepaid interest is not deductible by a cash basis taxpayer in the year of payment but must be allocated to the taxable year or years to which it is chargeable. However, the payment of "points" is deductible under certain circumstances in the year of payment, provided that the indebtedness was incurred by the taxpayer in connection with the purchase or improvement of his principal residence, and the other requirements of Code section 461 are complied with.

It should be noted that a taxpayer who purchases a unit for investment purposes may find his interest deduction limited by Code section 163(d). Under this section a taxpayer other than a corporation will be subject to a ceiling on his deduction for investment interest. Investment interest is defined as interest paid or accrued on indebtedness incurred to purchase or carry property for investment. To the extent that the taxpayer has investment income (defined as the gross income from interest, dividends, rents, royalties, net short term capital gains and recapture income), he increases his ceiling on the deduction for investment interest. See Code section 163(d).

It should further be noted that Code section 265(2) may impact the interest deduction otherwise allowable to a taxpayer in the event that he incurs debt to finance his purchase of a unit rather than liquidate his portfolio of tax exempt securities. Under these circumstances, Code section 265(2) may disallow the taxpayer's interest deduction since he would be deemed to have incurred the debt to "continue to carry" the tax exempt obligations. However, revenue rulings have made an exception for debt incurred to purchase the taxpayer's principal residence.

In Revenue Ruling 64-31, 1964-1 C.B. 300, the Internal Revenue Service considered the deductibility of mortgage interest and real estate taxes incurred by the owner of a condominium unit. The Service ruled that sections 163 and 164 of the Code, respectively, permitted these deductions by the condominium unit owner provided that he itemized his deductions in filing his Federal income tax return.

It is my opinion that under Code sections 163 and 164, a unit owner will, for Federal income tax purposes, be entitled to a deduction for interest paid or accrued with respect to mortgage indebtedness and for real property taxes paid or accrued with respect to his method of accounting up to the limits established by the Tax Cuts and Jobs Act of 2017. Each purchaser's circumstances are different. A purchaser should consult with his or her tax adviser to determine the extent of deductibility for real estate taxes and mortgage interest.

I am also of the opinion that each unit owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal Income Tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See section 615 of the New York State Tax Law. It should be noted, however, that for New York City income tax purposes, the benefit of such deduction may be reduced if the unit owner has more than the specified amount of tax preference items. *See* Sections 615, 622 and 623 of the New York State Tax Law and sections T46-115.00, T46-112.0 and T46-123.0 of the New York City Code.

The foregoing discussion applies primarily to residential unit owners. Referenced sections of the IRS Code are not applicable to owners of commercial units, if any, or owners of units for investment or resale, if any. However, insofar as the owners of commercial units will be using the unit for business purposes, other sections of the Code may allow such deductions. Purchasers of commercial units are strongly urged to consult their own accountants with regard to the deductibility of the mortgage interest and real estate taxes.

II. Common Charges-Federal Income Taxation of the Corporation

A condominium under New York law is not a corporation but rather an unincorporated association.

The Treasury Regulations in section 301.7701-2-(a)(i) set out six factors to be considered in determining whether an association will be treated as an unincorporated association for Federal income tax purposes. Of these factors, the condominium possess five (an objective to carry on business, divide the gains, centralization of management, continuity of life and free transferability of interest). Since an unincorporated organization will be treated as a corporation if it has more corporate characteristics than non-corporate characteristics, it is my opinion that, the condominium will be treated as an association taxable as a corporation for Federal income tax purposes. In such event, and in the absence of any specific exemption, the condominium would be subject to Federal corporation income tax.

Assuming that the condominium is treated as an association taxable as a corporation, the receipt of substantially all of the Common Charges, may be excluded from the income of the condominium in the event that (i) the condominium is acting as agent of the unit owners as to collection and receipt of such funds; or (ii) the condominium is not acting as agent and receives the Common Charges as non-taxable contributions of capital, or receives the Common Charges as service income which is fully offset by the condominium's service expenses; or (iii) the condominium elects to be taxed under Code section 528 and the condominium has only "exempt function income" within the meaning of that section.

Code Section 528 provides a tax exemption for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residences. See Code sections 528(c)(1)(A), and 528 (c)(2). "Substantially all" of the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. The organization itself would be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. See Treasury Regulations section 1.528-2. If the articles of the condominium reflect that this is the purpose of the association, then the condominium management association would be presumed to be operating for such purpose. Section 1.528.2(a).

In addition to the above organization and operation test, the tests set forth below must be satisfied pursuant to Code Section 528(c)(l) in order for a condominium to qualify as a "homeowner's association".

(i) Sixty percent (60%) or more of the gross income of the organization must be "exempt function income", that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. Code section 528(c)(1)(A) and regulations sections 1.528-5 and 1.528-9. "Exempt function Income" includes

income which is attributable to assessments that arise as a result of the member's ownership interest (either based on value or size of their units) and used for the purpose of enhancing or maintaining the value of the residences. Regulations section 1.528-9. As an example, this regulation indicates that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow is "exempt function income". Section 1.528-9(b). Income attributable to the use of laundry machines and interest earned on sinking funds are not exempt function income. Section 1.528-9(c). Any assessment attributable to special capital improvements, which are treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. Section 1.528-9(a).

(ii) Ninety percent (90%) or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance, and care of the organization's property. Code section 528(c)(l)(C). These expenditures include operating and capital expenditures during the taxable year. Investments in reserve funds for future expenditures are not included in this calculation.

(iii) No part of the net earnings of the organization may inure to the benefit of any individual. Code section 528 (c)(1)(D). The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing, maintaining and taking care of the association property.

(iv) The organization must properly and timely elect to have Code section 528 apply for the taxable year. Code section 528 (c)(1)E).

Based upon my understanding of these regulations and the organization of this association, it is my opinion that the condominium will be eligible to qualify as a homeowners association within the meaning of Code section 528(c)(l) and that, to the extend the condominium has income in excess of its expenses, that income will not be subject to Federal income tax.

III. Compliance with Real Property Law Section 339(i)

I have reviewed the letter from the Sponsor's expert concerning allocation of the common interest to the units in the premises. The determination of Common Interest allocated to each unit is based on floor area subject to such other items of relative value as location of the unit within the building, uniqueness of the unit, availability of Limited Common Elements for shared or exclusive use and overall dimensions of the unit pursuant to Real Property Law (RPL) section 339(i)(1) subparagraph (iv). The method employed is permissible pursuant to the RPL and is in compliance therewith.

C. Conclusion

I express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those tax consequences and aspects

explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other State or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from the ownership or the leasing of a unit to another, in connection with a unit owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result to a foreign unit owner by reason of his foreign status.

This opinion also does not consider the tax consequences which may arise if units are acquired and/or leased by the Board of Managers, or the issue of whether a unit owner may be deemed to be a resident of New York State due to ownership of a unit. I, therefore, advise each person contemplating the purchase of a unit to consult his or her own tax advisor as to all such tax matters, as well as with respect to the tax matters discusses in this opinion.

The opinions expressed herein are based solely upon my current understanding and interpretation of the existing law, regulations, decided cases and rulings of administrative agencies and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact which may be material, or any amendment or change in the By-Laws or the Plan, we should be notified, since any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Finally, the Federal and State Tax Laws and Regulations and the rulings and decisions thereunder may change and thereby affect the views stated above in whole or in part.

I have also reviewed the report of Metropolitan Realty Exemptions, Inc. dated July 25, 2019 and adopt the opinions set forth therein concerning the proposed J51 real estate tax abatement exemption for the condominium.

I hereby authorize the use of the opinion, or a reproduction thereof, in the Offering Plan.

Very truly yours,

Daniel C. Marotta

XVII. WORKING CAPITAL FUND

Purchasers shall be required to pay two months common charges at closing of title as working capital. This amount shall be used to reimburse the Sponsor for prepaid Condominium expenses if any. This payment will not be used to reduce common charges. The working capital shall be turned over to the Board of Manager at each closing. The total fund is estimated to be $3,188 if and when all of the Units have been sold, subject to depletion based upon the Condominium's use of the fund. Sponsor will not contribute.

The working capital fund may not be used to reduce projected common charges in the plan.

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

Any adjustments for prepaid expenses between the sponsor and the Board of Managers may be deducted only from the working capital fund. The Sponsor does not anticipate any prepaid expenses other than insurance on the condominium. Such insurance is estimated to be $9,257 per annum. Purchasers who close during the first year of operation will reimburse the Sponsor for the Purchaser's pro rata share of the first year's insurance premium.

There is no minimum working capital fund which must be maintained regardless of the amount of the adjustment.

No representation is made that the proposed budget will be adequate to cover current or future expenses including repairs or replacements of common elements. If additional funds are required, it may be necessary to increase the common charges payable by the Unit Owners or to collect a special assessment from each unit owner.

XVIII. CONTINGENCY FUND

The Schedule B budget contains a contingency fund. This fund is kept separate and apart from the account for the yearly common charges and the account for the reserve fund.

The purpose of this fund is to provide for any unanticipated expenses or unanticipated increases in the projected expenses.

XIX. RESERVE FUND

The Schedule B budget contains a yearly reserve fund. This charge item shall equal 10% of the budget for the year in which it appears. These reserve funds shall be maintained in a special account separate and apart from the account for yearly expenses. It shall be used exclusively for capital repairs and improvements which might be required in the future. This reserve fund is sufficient to provide needed capital expenditures within five years following the first closing under this 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.

There is no current balance in the reserve fund. It will be funded exclusively by the common charges. The development is new construction and the Sponsor does not contemplate any capital repairs for at least five years from the establishment of the condominium.

Neither the Department of Law nor any other government agency have passed upon the adequacy of the fund.

This reserve fund should be differentiated from a contingency fund. A contingency fund is intended to provide for any unanticipated expenses or unanticipated increases in the projected expenses. There is a provision for a contingency fund in the budget as outlined in XVIII above and footnote 9 on page 22.

The reserve fund as noted above will be funded out of the common charges collected from the owners. Whatever is collected is immediately available to the condominium for the purposes of this fund.

In the event that needed capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects cannot be funded from the balances in the Reserve Fund, the condominium board will either assess a special assessment against the unit owners and/or borrow funds in the name of the condominium from outside lenders.

XIX- MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Sponsor while it is in control of the condominium board will appoint Rey Grabato, the principal of the sponsor as the management agent. This appointment will continue in effect until the condominium board is turned over to the unit owners as set out on page 53.

The managing agent will (i) work in the best interests of the condominium and its unit owners; and (ii) not engage in sweetheart deals.

There will be no management agreement nor will Rey Grabato be compensated for his services during this period. His duties and services will include, if applicable, collection of common charges, general book keeping for the association, and arranging for workmen if repairs or routine maintenance is necessary.

The Board of Managers of the condominium will reimburse Rey Grabato for expenses incurred on behalf of the association. Rey Grabato's services are not assignable and the board of managers has a right to retain another manager at any time with or without cause.

There are no contracts, agreement or leases which are binding on the condominium.

XX - IDENTITY OF PARTIES

The sponsor and selling agent is Degraw St Capital 377, LLC, a domestic New Jersey limited liability company authorized to do business in New York State having its principal office at 1325 Paterson Plank Road, Secaucus, NJ 07094. The Sponsor acquired the property where the condominium is to be located on September 16, 2016.

The sole member, officer and principal of the LLC is Rey Grabato with an office at 1325 Paterson Plank Road, Secaucus, NJ 07094. There are no other individuals or entities that own or control ten percent (10%) or more equity interest in the sponsor.

Mr. Grabato is a real estate developer. He has previously taken part in the 160 Carroll Street Condominium CD19-0065; the 184 Lincoln Place Condominium CD19-0158; the 423 3rd Street Condominium CD19-0232; the 227 Berkeley Place Condominium CD19-0261and the 140 Luquer Street Condominium CD19-0282 all of which are currently under review.

The Degraw St Capital 377, LLC has not had any interest in condominiums within the last five years.

There have been no prior felony convictions of the sponsor and/or any principal of the sponsor. There have been no prior bankruptcies, convictions, injunctions or judgments against the sponsor any principals of the sponsor, and/or entities in which principals of the sponsor were principals, that may be material to the offering plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed offering plan.

There were no properties offered for sale by sponsor, sponsor's principals, or any affiliates of sponsor or sponsor's principals, as cooperatives, condominiums, planned unit development homes, or time shares which were first offered within the past five years.

There are no cooperative, condominium or homeowners associations other than the subject building where the sponsor, general partner or principal of the sponsor, or the holder of unsold shares owns 10 percent or more of the unsold shares or units as an individual, general partner or principal.

There is no party, either individual or entity, that has any influence in the decision making of the sponsor and/or its principal.

The attorney for the sponsor, Gabor & Marotta, LLC 1878 Victory Boulevard, Staten Island, N.Y. 10314 will represent the sponsor at all contracts and closings and will act as escrow agent for purchaser's down payments. The sponsor's attorney simultaneously being the escrow agent will not affect the attorney's ability to carry out his/her obligations as escrow agent.

Daniel C. Marotta, Esq. prepared the offering plan.

The Sponsor will act as its own selling agent. Neither the Sponsor nor the principal of the sponsor has experience as a selling agent. Rey Grabato, the principal of the sponsor, will manage the property while the sponsor is in control of the board of managers. Mr. Grabato has not had any prior experience managing a building.

The firm of Ben Herzog Architect, PC, 247 Prospect Avenue, Brooklyn, NY 11215 prepared and obtained approval of the building plans, the condominium floor plans and Description of Property and Specifications contained in Part II of this Offering Plan. Benjamin Herzog, the principal of the firm, has been licensed in New York State since 2008. His recent condominium projects are: the Oosten a 216 Unit Condominium in Brooklyn; 201-203 East Broadway at 10 unit condominium in Manhattan; and 193 Henry Street a 5 unit condominium in Manhattan.

There is no relationship between the sponsor and its principals and the engineer or architect or any person or firm who will provide services to the condominium subsequent to the commencement of condominium operation.

XIX. REPORT TO OWNERS

It is the obligation of the Board of Managers of the condominium to give all unit owners annually the following:

1. A financial statement of the condominium prepared by a certified public accountant or public accountant by March 31 of each year; such statement shall be certified while the sponsor is in control of the Board of Managers.

2. A minimum of thirty days prior notice of the annual unit owners meeting.

3. A copy of the proposed annual budget of the condominium by at least 30 days prior to the date of adoption thereof by the Board of Managers. While the sponsor is in control of the Board of Managers such budget shall be certified in compliance with section 20.4(d) of the regulations promulgated by the attorney general.

XX. DOCUMENTS ON FILE

The Sponsor shall keep copies of the plan, all documents referred to in the plan and all exhibits submitted to the Department of Law in connection with the filing of the plan, on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor for six years from the date of first closing. The sponsor shall deliver to the board of managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first unit.

XXI. GENERAL

There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect this offering, the property, and sponsor's capacity to perform all its obligations under the plan, the condominium or the operation of the condominium.

The property has not been the subject of any prior cooperative or condominium offerings. There have been no preliminary binding agreements entered into nor has any money been collected from prospective purchasers. The sponsor has not conducted any market test pursuant to cooperative policy Statement No. 1.

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the plan. No deposits or advances have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of units, prior to submission of the plan to the Department of Law.

The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation or other grounds prohibited by law.

If there is a material amendment to the offering plan that adversely affects the purchasers, the Sponsor will grant purchasers a right of rescission and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Any deposit or down payment will be promptly returned to purchasers who rescind.

There are no circumstances which may affect use or enjoyment of the property and appurtenances.

The offering plan sets forth all the material terms of the offer.

XXII. SPONSORS STATEMENT OF BUILDING CONDITIONS

SECTION A

THE 377 DEGRAW STREET CONDOMINIUM
PURCHASE AGREEMENT

AGREEMENT made this _____ day of _____, 2020, between Degraw St Capital 377 LLC (SPONSOR) as sponsor of the offering plan and _____ residing at_____ (the Purchaser).

UNIT NO. _____

Purchase Price payable as follows:

Down payment (herewith)	$
Balance	$
Total Purchase Price	$

1. The Plan. The Purchaser acknowledges having received the Plan at least three (3) full business days prior to the Purchaser's signing this Agreement. The Purchaser hereby adopts, accepts, and approves the Plain (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to be bound by the terms and conditions thereof, as well as all amendments to, the Plan duly filed by the Seller (including without limitation, amendments involving any changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by the Purchaser, and Plan budged). Any such amendments shall not excuse the Purchaser from performing the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against Purchaser Price. Any such amendments may be made by the Seller without the Purchaser's consent or approval; subject to the Purchaser's right to rescind in the event of a material amendment to the Plan or the Condominium Documents which adversely affects in any material respect the Purchaser's obligations hereunder or under the Plan as more specifically set forth in the Plan. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length herein. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. The Purchaser acknowledges having had a full opportunity to examine all documents and investigate all statements made herein and in the Plan.

Purchaser has the right to rescind the Purchase agreement and have the full down payment refunded, such right to be exercised not more than seven (7) days after delivering an executed Purchase Agreement, together with the required down payment to Sponsor's attorneys. A Purchaser desiring to rescind must either personally deliver written notice of rescission to the Sponsor or Sponsor's attorneys within the seven (7) day period, or mail a notice of rescission to the Sponsor or Sponsor's attorneys and have the mailing post-marked within the seven (7) day period.

2. Agreement to Purchase. Purchaser agrees to purchase from Sponsor and Sponsor agrees to sell to Purchaser the Condominium Unit at 377 Degraw Street, in the Borough of Brooklyn, in the City of New York and County of Kings, State of New York, designated as Unit No. ____, together with a ____% undivided interest in the common elements of the Condominium for the Total Purchase Price shown above.

Purchaser has delivered herewith Purchaser's check for the Down payment as shown above, made payable to Gabor & Marotta LLC, Attorney Escrow Account, the receipt of which is hereby acknowledged subject to collection. The above-stated Balance shall be payable by certified check of Purchaser or official bank check drawn on a bank which is a member of the New York City Clearing House (Acceptable Funds) drawn directly to the order of Sponsor, at the Closing of Title as discussed in **Paragraph 3**.

3. Delivery of the Deed. The Closing of Title will occur on the date and at the time and place in the City of New York as Sponsor will designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor will have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor will fix a new date and time for closing and will give Purchaser not less than thirty (30) business days' prior written notice of the new scheduled date and time for closing. The Closing of Title will occur only after or concurrently with compliance with the prerequisites set forth under Terms of Sale in Part I of the Plan. The First Closing, as defined in the Plan, will take place within the time period specified in the section entitled Effective Date and Closing Date in Part I of the Plan. As therein set forth, if the First Closing is adjourned beyond twelve (12) months after the Plan is declared effective, the sole remedy of Purchaser will be to rescind this Agreement and be refunded all Down payments, together with any interest thereon, provided that written notice of Purchaser's intention to rescind must be sent before the date of the First Closing. The risk of loss from fire or other casualty remains with the Sponsor unless and until legal title to the unit has been conveyed to the purchaser.

At Closing Purchaser shall pay Sponsor the Balance due in Acceptable Funds and Sponsor shall deliver to Purchaser the deed to Purchaser's Unit. The deed shall be a bargain and sale deed with covenants against grantor's acts in the form contained in Part II of the Plan. Purchaser shall pay the New York State and New York City transfer taxes on such deed and recording charges. In addition, Purchaser shall sign the power of attorney in favor of the Board of Managers of the Condominium in the form contained in Part II of the Plan.

Purchaser agrees that upon delivery of the deed, Purchaser's present lease, if any, or monthly tenancy of the Unit shall be deemed canceled and terminated as of the date of Closing.

4. Receipt of Documents. Purchaser acknowledges receipt, at least three (3) full business days prior to the execution of this Agreement, of the proposed Declaration, By-Laws, Schedules, Plans and Exhibits contained in the Offering Plan for the 377 Degraw Street Condominium, Brooklyn, New York (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 acknowledges that he has read the Plan and agrees to be bound by the Plan.

5. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan will govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents and investigate all statements made herein and in the Plan.

Purchaser acknowledges that except as stated in this Agreement (and as set forth in the Declaration, By-Laws, and Offering Plan), Purchaser has not relied on any representations or other statements of any kind or nature made by Sponsor, its agents or other persons, including but not limited to any representations relating to the description, size or dimensions of the Unit or rooms, and the estimated common charges or other expenses of the Condominium. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements will be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser will not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 5 will survive the Closing.

6. Marketable Title. Sponsor shall convey to Purchaser good and marketable title as Princeton Abstract, Inc., insuring through **Washington Title Insurance Company** or such other title insurance company as Purchaser may select which is a member of the Board of Title Underwriters and licensed to do business in New York State, shall approve and insure for fee title insurance (subject to the terms of the Plan, the Declaration and By-Laws as filed) and free and clear of all liens and encumbrances except the rights of present tenants, if any, as described below, the lien of any mortgage procured by Purchaser, and the title exceptions set forth as APermitted Encumbrances@ in the Plan as filed in the Section of Part I entitled AClosing and Terms of Sale.@ Any of such title exceptions and or any other title exceptions or objections which have been waived or consented to by Purchaser may for convenience be omitted by Sponsor in the deed to be delivered hereunder, but all of such exceptions shall nevertheless survive delivery of the deed. Fee title insurance may be purchased at Purchaser's option at Purchaser's own cost and expense.

7. Condition of Unit; Appliances and Equipment. At Closing, the Unit will contain only those fixtures and equipment currently installed therein that are owned by Sponsor. They shall be delivered free and clear of all liens and encumbrances, other than those to which the Unit is subject pursuant to this Agreement. The Unit is being sold unfurnished. Furniture, wall coverings, furnishings, decorations and the like in or about any model unit are for display purposes only and are not included in the sale. Any floor plans or sketches shown to Purchaser are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. There will be no modifications or extras unless agreed to in writing by the parties.

The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Unit, and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called AInstallations@), in their respective existing conditions, subject to reasonable use, wear and tear and natural deterioration between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read, or having had ample opportunity to read, the Architects Report - Description of Property and Specifications of **Ben Herzog Architect,** set forth in Part II of the Plan, which sets forth a description of the existing physical condition of the Building. Purchaser understands that the Sponsor has no obligation to make any repairs, improvements or decorations in or to the Building, the Unit or the Installations, except as specifically set forth in the Plan and subject to Sponsor's representations in the Plan.

Purchaser will be given a reasonable opportunity to examine the Unit prior to Closing and is advised to make a careful examination at such time.

8. 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 in the Plan.

The Plan may be abandoned by the Sponsor at any time prior to declaring it effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned, does not become effective, or is not consummated for any reason after being declared effective within the time prescribed by the Plan, the following shall apply: This Purchase Agreement shall be deemed canceled and within thirty (30) days thereafter, Purchaser will receive all monies paid hereunder together with interest, if any, earned thereon. Such monies shall be returned within five (5) days after submission of the abandonment documents required by Title 13 N.Y.C.R.R. Section 20.1(l)(2) or other such documents required by the Attorney General are accepted for filing by the Office of the Attorney General (Notwithstanding the foregoing, Sponsor will retain as liquidated damages as provided in Paragraphs 10 and 12, all Down payments [and any interest thereon] of any Purchaser who is then

in default hereunder beyond any applicable grace period, or if this Agreement has previously been canceled due to default by Purchaser.). Said funds shall be returned by Certified Mail, Return Receipt Requested. Upon such repayment, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all such parties will be relieved and discharged from all liabilities and obligations hereunder and under the Plan.

9. Closing Expenses and Adjustments. At the closing of title, Purchaser shall pay the following: (i) any charges for the cost of title examination, cost of fee and/or mortgage title insurance, New York State Real Property Transfer taxes, mortgage recording taxes, or recording charges for the deed, mortgage documents, and power of attorney in favor of the Board of Managers; (ii) an amount equal to one (1) month's common charges, representing Purchaser's share of initial working capital for the Condominium; and (iii) the closing fees described in Schedule A of the Plan.

Sponsor and Purchaser will apportion, as of midnight on the day preceding the Closing Date, real estate taxes and/or common charges assessed during the month in which title closes or established as a reserve based upon the fast bill received, and rent and other charges, if any, pursuant to a lease for or tenancy of the Unit. Any errors or omissions in computing apportionments at Closing will be corrected; this provision will survive Closing. In the event Purchaser obtains a mortgage secured by the Unit Purchaser shall pay to the Sponsor a sum equal to the partial mortgage tax credit to which the Purchaser is entitled pursuant to Section 339-ee(2) of the Condominium Act.

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

10. DOWNPAYMENT IN ESCROW.

(a) The law firm of Gabor & Marotta LLC, with an address of 1878 Victory Boulevard, Staten Island, New York 10314, telephone number (718) 390-0555, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Daniel C. Marotta, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

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

(c) The Escrow Agent has established the escrow account at Empire State Bank, located at 1361 North Railroad Avenue, Staten Island, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Gabor & Marotta LLC Attorney Escrow Account" ("Escrow Account"). The Escrow Account is not an IOLA Account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

(d) All deposits received by Purchaser shall be in the form of checks, or wire transfers, and shall be made payable to or endorsed by the Purchaser to the order of Gabor & Marotta LLC, as Escrow Agent.

(e) The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

(f) 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 Escrow Agreement and place the Deposit into the Escrow Account. Within (10) business days of placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially

deposited in the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

(g) 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 the 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.

(h) 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.

(i)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 352-3(2-b) and 352-h.

(j) The Escrow Agent shall release the Deposit if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and the Escrow Agent 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 (i) through (iii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the unit is located and shall give written notice to both parties of such deposit.

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

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

(ii) 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.

(k) 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' regulations and GBL sections 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.

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

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

(n) Escrow Agent may rely upon any paper 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 and presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

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

(p) 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.

(q) 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 circumstances.

(r) Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses, and damages incurred in connection with and 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 attorney's fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

11. Sponsor's Rights in the Event of Purchaser's Default. All sums paid on account of this Agreement and the reasonable expense 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.

12. Default. The following shall constitute Events of Default by Purchaser hereunder:

A. Purchaser's failure to pay the Additional Down payment when due or the Balance on the Closing Date designated by Sponsor pursuant to Paragraph 2 hereof;

B. Purchaser's failure to duly sign and deliver at Closing any document referred to in the Plan which Purchaser is required to sign when Sponsor delivers the deed to the Unit;

C. the failure to pay, perform or observe any of Purchaser's other obligations hereunder which failure is not fully cured within 15 days following written notice to Purchaser of such default (30 days for failure to close after service of Notice of Closing).

Upon the occurrence of an Event of Default, Sponsor may cancel this Agreement on written notice to Purchaser, and upon the giving of such notice this Agreement shall be and be deemed canceled, Sponsor shall retain, as liquidated damages, all Down payments and any interest earned thereon and Purchaser, Sponsor and Selling Agent will be released and discharged of and from all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

13. Seller's inability to Deliver Deed - Cancellation of Purchase Agreement. It is understood and agreed that if Sponsor is unable to deliver a deed to the Unit in accordance with this Agreement because of Sponsor's inability to complete the filing of the premises as part of a condominium plan in accordance with the Offering Plan of 377 Degraw Street Condominium, as it may be amended, or if Sponsor abandons the Plan (and Sponsor has the unconditional right to abandon the Plan at any time prior to its effective date), Sponsor shall immediately notify Purchaser in writing and this Agreement will terminate. In that case, Sponsor's sole liability shall be the prompt return to Purchaser (unless Purchaser is then in default or this Agreement has previously been canceled, as provided in Paragraph 6) of the Down Payment together with interest, if any, earned thereon.

In accordance with the Section of the Plan entitled Effective Date, the Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective provided, however, that within five (5) days after the abandonment documents required by Title 13 N.Y.C.R.R. Section 20.1(l)(2) or other such documents required by the Attorney General are accepted for filing by the Office of the Attorney General, all deposit monies will be returned to purchasers with interest, if any, earned thereon. Said funds shall be returned by Certified Mail, Return Receipt Requested. Once the Plan has been declared effective (or 80% sales level has been reached), it may not be abandoned, except for (i) a defect in title (other than a defect which existed on the date of presentation of the Plan and either is known to the Sponsor or is a matter of public record) which cannot be cured without litigation or cannot be cured for less than 1/2 of 1% of the offering price in the aggregate or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than 1/2 of 1% of the offering price or (iii) the taking of any material portion of the Property by condemnation or eminent domain or (iv) work orders of a mortgagee or violations that cannot be cured for less than 1/2of 1% of the offering price.

Abandonment of the Plan will be by either duly filed amendment or notice of abandonment by Form CD-3 or RS-3 or other form then required by the Department of Law submitted promptly after abandonment explaining the reasons for abandonment of the Plan and setting forth the disposition of all purchasers' funds.

14. Recording of Condominium Declaration. The Declaration and By-Laws establishing the Condominium shall be recorded by Sponsor in the Office of the County Clerk, Kings County, prior to the closing of title to the first Unit as set forth in the Plan. Sponsor will 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, shall be substantially in the form of the Declaration and By-Laws set forth in the Plan (subject to Sponsor's

right to amend same as therein set forth). Sponsor shall not record the Declaration until the Plan has been declared effective in the manner provided therein, if Sponsor does not record the Declaration within eighteen (18) months after the date of presentation of the Plan, all monies advanced by Purchaser shall be returned promptly thereafter together with interest, if any, earned thereon.

15. Possession, Risk of Loss.

Purchaser will not be entitled to occupy the Unit until the deed is delivered to Purchaser at Closing. Risk of Loss from fire or other casualty remains with the Sponsor unless and until legal title to the unit has been conveyed to the purchaser.

16. Existence of Liens Not Objection to Title. The existence of unpaid taxes or liens of any kind at the time of Closing which are not permitted encumbrances hereunder shall not constitute an objection to title, provided Sponsor shall either deliver to Purchaser at the Closing instruments in recordable form and sufficient to satisfy such liens and encumbrances of record together with the cost of recording or filing said instruments; or provided that Sponsor has made arrangements with the Title Company in advance of Closing, Sponsor will deposit with said company sufficient monies, acceptable to and required by it to insure obtaining and recording of such satisfactions and the issuance of title insurance to Purchaser either free of any such liens and encumbrances, or with insurance against enforcement of same out of the Unit.

Purchaser, if request is made with a reasonable time prior to the Closing, agrees to provide at the Closing separate checks as requested, aggregating the amount of the balance of the Purchase Price, to facilitate the satisfaction of any such lens or encumbrances.

17. Execution of Required Documents, etc. Purchaser agrees to deliver to Sponsor all documents and perform all acts required by Sponsor to carry out the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

18. Binding Nature of Purchase Agreement, Assignability, Use. Purchaser agrees that this Agreement is binding upon Purchaser, his respective heirs, executors, administrators and permitted assigns. Purchaser hereby represents that the Unit is being purchased for a use permitted by the Declaration and By-Laws.

Purchaser will not record this Agreement and any purported recordation thereof by Purchaser shall constitute an Event of Default. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, and any purported assignment by Purchaser in violation of this Agreement will constitute an Event of Default and will be voidable

at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim against Sponsor. In the event that Sponsor consents to an assignment of this Agreement, there will be a fee for legal review of all assignment documents in the amount of $750.

19. Smoking Policy. The condominium has adopted the following smoking policy in compliance with New York City Local Law 147. Smoking is prohibited in all of the common areas of the condominium. The common areas include but are not limited to the cellar area where the utility room is located, the stairways leading to and from the units, the roof area above the third floor and the outdoor front of the building to the property line. The unit owners may smoke in their units or the limited common elements appurtenant to a particular unit such as rear yard or the roof area limited common element of unit C as long as it does not create a nuisance to the other units. A nuisance shall be defined as infiltration of smoke or smoke odors into the units.

This policy includes electronic cigarettes and other vapor products in addition to the more conventional smoking apparatus.

20. Notice. All notices, elections, consents, demands and communications (collectively called notices or individually called Anotice@) shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, addressed to Sponsor c/o Daniel C. Marotta, Esq., Gabor & Marotta LLC, 1878 Victory Boulevard, Staten Island, New York 10314. Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices will be deemed given when personal delivery is effected or when deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, except that a notice of change of address will be deemed given when actually received.

21. Acceptance of Agreement, If Purchaser was not a bona fide tenant in Occupancy (as defined in the Plan) when the Plan was presented to the tenants in Occupancy, this Agreement shall not be binding on Purchaser or the Sponsor until Purchaser is accepted, by endorsement of this Agreement by the Sponsor, and a fully signed copy of this Agreement is delivered or mailed to Purchaser. If this Agreement is not accepted within twenty (20) days after the date of this Agreement by the delivery or mailing to Purchaser of an endorsed and fully signed copy, this Agreement shall be deemed to be rejected and canceled and Purchaser's deposit shall be refunded within fifteen days.

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

23. Broker. _____, is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay any commission due to said broker.

24. Definitions. The term Purchaser shall be read as Purchasers if more than one person is a purchaser. In that case Purchaser's obligations shall be considered joint and several. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, or vice versa, unless the context otherwise requires.

25. Amendments to Offering Plan. Purchaser understands that the Unit being purchased is covered by a new construction Plan and that the Plan may be amended after it has been declared effective, but no such amendment shall increase the sales price of the Unit being purchased hereunder. In the event any amendment the Plan, materially alters the Plan in a manner which adversely affects Purchaser, Purchaser will be afforded a thirty (30) day period within which to rescind the Agreement following delivery to Purchaser of a copy of the Plan amendment. Should Purchaser then elect to rescind, Purchaser will receive his Down payment monies, together with interest, if any, earned thereon.

26. Captions. The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

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

28. Mortgage Tax Credit. In the event a mortgage recording tax credit becomes available pursuant to Section 330-ee(2) of the Condominium Act, such credit shall inure to the benefit of Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

29. Contingent on Financing.

A. Notwithstanding anything to the contrary in the Offering Plan or this Agreement, the Purchaser may, subject to the terms and conditions of this paragraph 25, elect to

cancel this Agreement in the event Purchaser has not, within forty-five (45) days from the date hereof, received from a lending institution a commitment in writing in the usual form of such lending institution for a conventional first mortgage loan in the principal amount of not more than eighty (80%) percent of the Total Purchase Price at the then prevailing rate of interest.

B. If the Purchaser shall fail to procure the aforementioned commitment on or before the expiration of forty-five (45) days from the date hereof, then and in that event the Purchaser may notify Sponsor to that effect. Such notification shall be accompanied by a statement of the Purchaser stating that Purchaser made application to a lending institution within 10 days of the date hereof and took all other necessary actions as set forth in paragraph 29C below. Such notification shall be sent to Sponsor, c/o Daniel C. Marotta, Esq., Gabor & Marotta, 1878 Victory Boulevard, Staten Island, New York 10314, by certified mail, return receipt requested, not later than five (5) days after such period. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO THE GIVING OF THE FOREGOING WRITTEN NOTICE BY PURCHASER. If the foregoing written notice is not given within such specified time period, this agreement shall remain in full force and effect. Upon receipt of said notice, Sponsor may at its sole option, (I) extend the Purchaser's period to obtain such commitment for a further period of forty-five (45) days or (ii) obtain for Purchaser a mortgage commitment for a loan upon then prevailing terms for similar loans made by New York lending institutions, (including the same interest rate, terms, fees, charges and Apoints@) in which event the mortgage contingency shall be deemed fulfilled. In the event the financing contingency is not met, this Agreement shall be rescinded and all monies heretofore deposited shall be returned to Purchaser unless within forty-five (45) days after receipt of said notice or extension thereof. If Purchaser shall obtain a financing commitment which expires prior to the actual date of the Closing of Title, Purchaser shall make a good faith effort to obtain an extension of the commitment, notwithstanding that Purchaser's lending institution may change the terms of the commitment (including, but not limited to, terms such as the interest rate, term, fees or points charged). If Purchaser notifies Sponsor within five (5) days after he has been notified by his lending institution that the commitment will not be extended, then Purchaser shall have the right to rescind the Agreement (and shall have all monies heretofore deposited returned to him) unless within forty-five (45) days after Sponsor is advised of Purchaser's inability to extend the commitment Sponsor elects to obtain for Purchaser a comparable financing commitment (as to interest rates, terms and points.

C. The Purchaser agrees to promptly make application to the lending institution as hereinabove described. The Purchaser agrees to promptly furnish and execute any instruments reasonably necessary in connection with such application and to provide the lending institution with all information reasonably required by it. Appraisal fees and any and all costs and charges made by the lending institution shall be the responsibility of the Purchaser and paid by the Purchaser.

30. Entire Agreement: Governing Law. This Agreement states the entire understanding between Purchaser and Sponsor, and Sponsor shall not be bound by any oral representations or agreement. This Agreement shall be governed by the laws of the State of New York. This Agreement cannot be changed or any provision waived orally. ANY CHANGE OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY BOTH PARTIES.

31. 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 a 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.

32. Survival of Seller's and Purchaser's Obligations. The acceptance of a deed to the Unit by Purchaser shall be deemed to evidence full performance by Sponsor of all its obligations hereunder and 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.

PURCHASER: Print name and address and sign below:

Print Name _____ Date _____

Address _____

Signature _____

SECOND PURCHASER: Print name and address and sign below:

Print Name _____ Date _____

Address _____

Signature _____

ACCEPTED: SPONSOR

BY: _____ Date _____

_____

PURCHASER(S) ACKNOWLEDGE RECEIPT OF THE HEREIN BELOW LIMITED WARRANTY PURSUANT TO THE PROVISIONS OF THE CONTRACT OF SALE TO WHICH THIS LIMITED WARRANTY IS ANNEXED.

_____ _____

EXHIBIT A

LIMITED WARRANTY

Warranty No._____

NAME OF PURCHASER(S) _____

ADDRESS OF PURCHASER(S) _____

DESIGNATION OF HOME WARRANTED _____

NAME OF BUILDER _____

ADDRESS OF BUILDER _____

BUILDERS LIMIT OF TOTAL LIABILITY:

Seventy-five (75%) percent of the purchase price of the Home set forth in the Purchase Agreement to which this Limited Warranty is annexed as an exhibit.

This limitation is subject to Section 777-(b) of Article 36-B of the General Business Law which is reproduced in Part II of the Offering Plan. Section 777-b(4)(i) provides that "a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to a 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"

NOTE: THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL, INCIDENTIAL SPECIAL AND INDIRECT DAMAGES EXCEPT AS REQUIRED BY LAW. THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES OF EVERY KIND, EXPRESS AND IMPLIED ON THE CONSTRUCTION AND SALE OF THE HOME, ITS WORKMANSHIP AND MATERIALS, AND ITS FITNESS FOR USE AND HABITABILITY. THIS LIMITED WARRANTY IS ACCEPTED BY THE PURCHASERS IN LIEU OF ALL OTHER WARRANTIES. THE BUILDER MAKES NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THIS PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE BUILDER'S RESPONSIBILITES FOR DEFECTS OF A LATENT OR HIDDEN NATURE THAT WOULD NOT HAVE BEEN FOUND OR DISCLOSED ON THE FINAL INSPECTION.

1. TO WHOM GIVEN. This Limited Warranty is extended exclusively to the Purchaser named on page 1 of this Limited Warranty, while the named Purchaser owns the Home. It does not extend to subsequent owners of the Home, tenants or mortgagees in possession of the Home, any Person who may succeed to the rights of the Purchaser or to any other Person.

2. BY WHOM MADE. This Limited Warranty is made exclusively by the Builder whose name and address appear on page 1 of this Limited Warranty.

3. FINAL INSPECTION OF THE HOME. Before the Purchaser moves into the Home or accepts the deed, the Builder will set up an appointment for the Final Inspection with the Purchaser. The purpose of the Final Inspection is to discover any Defects of a visible, apparent or patent nature, or any unfinished work.

Defects in the Home found on the Final Inspection will be itemized on a Final Inspection Form, annexed hereto as Schedule D, that includes a schedule for each item that will be corrected or completed. The Final Inspection Form will be signed by the Purchaser and the Builder before occupancy of the Home or transfer of the deed.

The purpose of this Limited Warranty is to identify the Builder's responsibilities for Defects of a latent or hidden kind that would not have been found or disclosed on the Final Inspection.

When the Purchaser moves into the Home or accepts the deed, the Builder's responsibility is limited to:

(a) completion of items shown on the Final Inspection Form, as provided in the Final Inspection Form, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as contained in this document.

4. DEFINITIONS. As used in this Limited Warranty, the following terms have the following meanings:

(a) "Builder" means the Person identified as the Builder on page 1 of this Limited Warranty.

(b) "Building Code" means the Building Code of the City of New York, Title 27 of the Administrative Code of the City of New York, as the Code exists on the Warranty Date.

(c) "Consumer Product" shall include, but not be limited to, any appliance, piece of equipment, or other item which is a "consumer product" under the Magnusson-Moss Warranty Act, 15 USC section 2301 et seq., and which is installed in the Home by the Builder. Examples of Consumer Products include, when installed by the Builder: air purifiers, kitchen appliances, refrigerators, freezers, ovens, stoves, microwaves, mixers, sinks,

toilets, bathtubs, compactors, garbage disposals, dishwashers, fans, faucets and plumbing fixtures, clothes washers, clothes dryers, water heaters, water softeners, humidifiers, pumps, furnaces, oil tanks, gas tanks, heaters, air conditioners, light fixtures, circuit breakers, floor coverings, windows, doors, door openers, siding, brick, and roofing.

(d) "Defect" means defective workmanship performed by the Builder and defective materials supplied by the Builder, determined solely by reference to the specific standards of the Building Code and the Locally Accepted Building Practices. The term Defect does not include a condition in the Home that would have been apparent or ascertainable upon the Final Inspection. A condition that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise, is not a Defect within the meaning of this Limited Warranty. Unless otherwise indicated, the term "Defect" shall be deemed to include "Major Structural Defects".

(e) "Electrical System" means the following items, if installed in the Home by the Builder: electrical wiring, electrical boxes, switches, outlets and connections up to the public utility connection; cable television systems; intercom systems; burglar, fire and smoke alarm systems. The Electrical System does not include any Consumer Product.

(f) "Final Inspection" means the final inspection of the Home prior to the Purchaser's acceptance of the deed as referred to in Paragraph 12 of the purchase agreement to which this warranty is annexed as a exhibit.

(g) "Heating/Cooling/Ventilation System" means the following items, if installed in the Home by the Builder: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers. The Heating/Cooling/Ventilation System does not include any Consumer Product.

(h) "Home" means the property constructed by the Builder and sold to the Purchaser, as identified in the purchase agreement between the Builder and the Purchaser.

(i) "Locally Accepted Building Practices" means the performance standards annexed to and incorporated in this Limited Warranty as Schedule A.

(j) "Major Structural Defects" means Defects resulting in actual physical damage to the Major Structure of the Home caused by failure of the Major Structure which affects its load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable.

(k) "Major Structure" means the following portions of the Home that are load-bearing: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems. Major Structure does not include nonload-bearing portions of the Home such as: roofing and sheathing; roof shingles and tar paper; drywall, lathes and plaster; exterior siding; brick, stone, stucco and veneer; flooring and subflooring material; floor covering material; wall tile or paper and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of

the Home; Electrical System, Plumbing System, Heating/Cooling/Ventilation System; Consumer Products, appliances, fixtures and items of equipment; paint and stains; doors and windows; trim; cabinets; hardware; insulation.

(l) "Person" means any individual, partnership, corporation, or other legal entity.

(m) "Plumbing System" means the following items, if installed in the Home by the Builder: 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. The Plumbing System does not include any Consumer Product.

(n) "Purchaser" means the Person identified as the Purchaser on page 1 of this Limited Warranty, while such Person owns the Home.

(o) "Purchaser's Family" means "Family Member" as defined in Section 2520.6 (o) of the Rent Stabilization Code for Rent Stabilized Apartments in New York City.

(p) "Residential Occupancy" means occupancy of any portion of the Home for residential purposes by any Person, their designee or invitee.

(q) "Warranty Date" means the date that the Purchaser, or a member of Purchaser's Family, takes title to the Home, or the date on which any Person begins Residential Occupancy of the Home, whichever date is earlier.

5. PRODUCTS AND PARTS COVERED BY LIMITED WARRANTY. Coverage A of this Limited Warranty applies to those parts of the Home that have been constructed by the Builder and to those Consumer Products that have been installed in the Home by the Builder. Coverage A does not apply to any part of the Home that has been constructed, altered or damaged by any Person other than the Builder or to any Consumer Product that has been installed, altered or damaged by any Person other than the Builder.

Coverage B of this Limited Warranty applies to those products or parts of the Plumbing System, Electrical System, and Heating/Cooling/ Ventilation System that have been installed by the Builder. Coverage B does not apply to any products or parts that have been installed, altered or damaged by any Person other than the Builder. Coverage B does not extend to any Consumer Product.

Coverage C of this Limited Warranty applies to those parts of the Major Structure that have been constructed by the Builder. Coverage C does not apply to any part of the Major Structure that has been constructed, altered or damaged by any Person other than the Builder.

Coverages A, B and C are subject to the definitions, limitations, exclusions, and all other terms and conditions of this Limited Warranty.

6. WARRANTY COVERAGE PERIODS. Warranty coverages A, B and C begin on the Warranty Date. The warranty coverages end as follows:

COVERAGE A: one year following the Warranty Date;
COVERAGE B: two years following the Warranty Date;
COVERAGE C: six years following the Warranty Date.

No fact, condition or circumstance delays or extends the Warranty Date or any time or period of warranty coverage.

7. WARRANTY COVERAGES

COVERAGE A: The Builder warrants to the Purchaser that, for one year following the Warranty Date, the Home will be free from Defects due to failure by the Builder to have constructed the Home in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices. The above coverage shall include, but not be limited to, Builder's warranty that the roof and basement of the Home shall be free from leaks.

The Builder further warrants to the Purchaser that, for one year following the Warranty Date, Consumer Products installed in the Home by the Builder will be free from Defects due solely to faulty installation by the Builder. (For Consumer Products, see further details in paragraph 10 of this Limited Warranty, below.)

COVERAGE B: The Builder warrants to the Purchaser that, for two years following the Warranty Date, the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System of the Home will be free from Defects due to failure by the Builder to have installed such systems in the Home in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices.

The Builder reserves the right to substitute to the Purchaser at closing written warranties of the Builder's plumbing, electrical, heating, cooling, or ventilation system subcontractors, by providing written copies of such warranties to the Purchaser. Said warranties will be in substantial conformance with the performance standards annexed hereto as Schedule A. In the event of such substitution, the Purchaser's coverage will be limited to said substituted warranties and the Purchaser will address any requests for warranty service under Coverage B and any warranty claims under Coverage B to the subcontractor, with a copy of any written request or claim to the Builder.

COVERAGE C: The Builder warrants to the Purchaser that, for six years after the Warranty Date, the Major Structure of the Home will be free from Major Structural Defects due to faulty workmanship performed by the Builder or defective materials supplied by the Builder.

The Builder reserves the right to substitute to the Purchaser at closing insurance coverage from a licensed insurance carrier or risk retention group to be selected by the Builder by providing written copies of such insurance policy to the Purchaser substantially in conformance with the terms and conditions contained in the standard insurance policy issued by Home Buyers Warranty Corporation for six year structural coverage. In the event of such substitution, the Purchaser's coverage will be limited to said substituted insurance policy and the Purchaser will address any requests for warranty service under Coverage C and any warranty claims under Coverage C to the insurance carrier or risk retention group, with a copy of any written request or claim to the Builder.

8. SPECIAL PROVISIONS FOR CONDOMINIUMS. If the Home is a condominium unit, see the Condominium Rider annexed hereto as Schedule E for special provisions affecting condominium units.

9. EMERGENCY ACCESS: Purchaser also understands and agrees that if emergency repairs are needed on Purchaser's Home or adjoining Home(s) and the Purchaser cannot be contacted within a reasonable period of time, the Purchaser waives advance notice. Such entry, with or without notice, shall be made with as little inconvenience as possible to the Purchaser.

10. CONSUMER PRODUCTS This Limited Warranty covers Consumer Products only during the first year and only to the extent of Defects caused solely by faulty installation by the Builder. Damage caused or made worse by any manufacturer's or distributor's defect, by installation by any Person other than the Builder, from misuse by the Purchaser or user, or from a malfunction of an electric company, gas company, water supplier or any other utility is not covered.

The Builder conveys and assigns to the Purchaser, to the extent that they are assignable, all warranties provided to the Builder on any Consumer Products and manufactured items that have been installed by the Builder in the Home. The Purchaser accepts this assignment and acknowledges that the Builder's only responsibility relating to such assigned warranties is to lend assistance to the Purchaser in settling claims under the assigned warranties.

11. EXCLUSIONS FROM COVERAGE. The following are excluded from coverages A, B, and C, except as otherwise noted below:

(a) Loss or damage caused by workmanship performed by any person other than the Builder.

(b) Loss or damage caused by defective materials supplied by any person other than the Builder.

(c) Loss or damage caused by defective design, unless the design professional was retained exclusively by the Builder.

(d) Loss or damage that would have been apparent or ascertainable upon the Final Inspection.

(e) Loss or damage that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise.

(f) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the Plumbing System, Electrical System, or Heating/Cooling/Ventilation System serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); deck areas; curbs; sidewalks; off-site improvements or any other improvements not a part of the dwelling structure itself.

(g) Defects in concrete floors of basements or concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Home.

(h) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.

(i) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Builder; or

(ii) failure by the Purchaser or anyone other than the Builder to comply with the warranty requirements of manufacturers or suppliers of Consumer Products, appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Builder of any Defects or damage in the manner set forth in paragraph 14 of this warranty; or

(iv) changes in the grading of the ground by anyone other than the Builder; or

(v) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of any Person other than the Builder to maintain adequate ventilation.

(j) Any condition which does not result in actual physical damage to the Home, including but not limited to uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde, or other pollutants and contaminants, or the presence of hazardous or toxic on-site materials.

(k) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, hurricane, tornado, mudslide, earthquake, volcanic eruption, wind-driven water, or changes in the underground water table.

(l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a Defect and is not due to condensation or improper grading of land other than the grades established by the Builder.

(m) Loss or damage caused by soil movement for which compensation is provided by legislation.

(n) Changes, alterations, or additions made to the Home by anyone after initial occupancy or acceptance of the deed, except those performed by the Builder to meet warranty obligations under this Limited Warranty.

(o) Loss or damage which is covered under any other warranty or insurance policy.

(p) Loss or damage which the Purchaser has not taken timely action to mitigate.

(q) Normal wear and tear and normal deterioration.

(r) Insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests.

(s) Bodily injury, personal injury, death, or loss or damage to personal property.

(t) Failure of the Builder to complete construction of the Home.

(u) Loss or damage which arises while the Home is being used primarily for nonresidential purposes or which arises as the result of nonresidential use.

(v) Loss or damage due to loading on floors by the Purchaser which exceeds design loads as established by the Building Code.

(w) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to inconvenience, relocation, or loss of use, during repair.

(x) Consequential, incidental, special and indirect damages.

(y) Loss or damage arising from any claim not filed in strict compliance with the procedures set forth below in paragraph 14, "Step-by Step Claims Procedures" with respect

to any claim. PURCHASER'S FAILURE TO COMPLY WITH ANY OF THE PROCEDURES SET FORTH IN PARAGRAPH 14 WITH RESPECT TO A CLAIM WILL VOID SAID CLAIM UNDER THIS LIMITED WARRANTY.

(z) Loss or damage of any kind in excess of the Builder's Total Limit of Liability, as indicated on page 1 of this Limited Warranty.

(aa) Loss or damage to any improvements or additions to the Home made by the Purchaser.

(bb) Loss or damage to the Home which cannot be remedied due to the Builder's inability to gain reasonable access to the affected area because of the Purchaser's improvements or additions to the Home.

(cc) Defects in any work or materials ordered directly by the Purchaser from the Builder's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental, consequential, special or indirect damages resulting from such work or materials;

(dd) Raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves) and on facias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops;

12. PURCHASER'S RESPONSIBILITIES

The Home requires active maintenance effort on the Purchaser's part to reduce the likelihood of damage due to neglect, improper maintenance, abnormal use or any other use proscribed under applicable law. Some specific Purchaser's responsibilities are set out in the performance standards of the Locally Accepted Building Practices, attached to and included in this Limited Warranty as Schedule A. The Purchaser is required to abide by all operating instructions provided by the Builder or by any manufacturer or supplier of component parts of the Home.

The Purchaser is required, prior to the time that the Builder has received notice of a claim, to use reasonable efforts to timely mitigate damages caused by a Defect. Except in the event of an actual emergency, the Purchaser's obligation to mitigate damages will not require the Purchaser to expend any monies to mitigate damages. The Builder will be required to reimburse the Purchaser for any monies reasonably expended by the Purchaser to mitigate damages in the event of an actual emergency.

NOTE: DAMAGE CAUSED OR MADE WORSE BY HOME OWNER NEGLIGENCE, IMPROPER MAINTENANCE, IMPROPER OPERATION, ILLEGAL USE OR THE PURCHASER'S FAILURE TO TIMELY MITIGATE DAMAGES IS EXPRESSLY EXCLUDED FROM COVERAGE UNDER THIS LIMITED WARRANTY.

Further responsibilities of the Purchaser are described in section 14 of this Limited Warranty, below.

13. WHAT THE BUILDER WILL DO. If a Defect occurs in an item covered by this Limited Warranty, the Builder will repair, replace or pay the Purchaser the reasonable fair market cost of repairing or replacing the defective item(s) within sixty (60) days after the Builder's inspection or testing discloses the problem, subject to Acts of God, weather conditions, availability of materials and other events and circumstances beyond the Builder's control. The choice among repair, replacement or payment is solely that of the Builder. In making any repairs or replacements, the Builder will have the sole right to select the method and materials to be used in performing such repairs or replacements.

In the case of a Defect that is identified in the Locally Accepted Building Practices, the Builder will respond according to the "Builder Correction" as described in the Locally Accepted Building Practices.

In no event will the Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability, shown on page 1. Any payments made by the Builder or the fair market cost of repairs and/or replacements made by the Builder will be applied to reduce the Builder's Limit of Total Liability set forth on page 1 of this Limited Warranty.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the Defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the Defect must be signed by the Purchaser and delivered to the Builder. In the event the Purchaser fails to execute a full release, the Builder will notify the Purchaser as to what action(s) it has taken with respect to the applicable Defect and thereafter the Builder will be deemed to have complied with all of its obligations under this Limited Warranty with respect to the applicable Defect.

14. STEP BY STEP CLAIMS PROCEDURES. If the Purchaser believes that a Defect has occurred in an item covered by this Limited Warranty, the Purchaser must take the following steps:

(a) Written notice of any warranty claim must be made on the "Notice of Warranty Claim Form" annexed hereto as Schedule B, and must be actually received by the Builder identified on page 1, no later than the tenth (10th) business day after warranty coverage on that item expires. Notice of any warranty claim must be given by the Purchaser to the Builder as follows: (1) by hand, with a written acknowledgement receipt from the Builder, or (2) by certified or registered mail, return receipt requested. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by that deadline, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected. FAILURE TO COMPLETE AND DELIVER THE NOTICE OF WARRANTY CLAIM TO THE BUILDER VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Purchaser or any other person to inspect, test or correct defects will extend the period of warranty coverage or any other time period under this Limited Warranty. Steps taken by the Builder in response to an improperly completed or untimely Notice of Warranty Claim will not give rise to any liability of the Builder to the Purchaser and will not prejudice or otherwise affect any right of the Builder, including but not limited to the Builder's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Builder and the Builder's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide Reasonable Access to the Builder and the Builder's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement.

"Reasonable Access" by the Purchaser for inspection, testing and completion of the work will (a) require the Purchaser or its representative to be physically present during any work period and (b) require the Purchaser and occupants of the Home to allow the Builder to inspect, test and complete the work and not obstruct the Builder in any way during the Builder's performance of its duties. In the event, after a work appointment has been set by the Builder and the Purchaser, the Purchaser (and/or occupants, as required) fails to provide Reasonable Access to the Builder, the Builder will have the right to assess the Purchaser a $50.00 service fee.

IN THE EVENT, AFTER A SECOND WORK APPOINTMENT HAS BEEN SET BY THE BUILDER AND THE PURCHASER, THE PURCHASER (AND/OR OCCUPANTS, AS REQUIRED) AGAIN FAILS TO PROVIDE REASONABLE ACCESS TO THE BUILDER, THE PURCHASER WILL BE ESTOPPED FROM ASSERTING ANY CLAIMS WITH RESPECT TO THE APPLICABLE DEFECT UNDER THIS LIMITED WARRANTY AND THE BUILDER WILL BE DEEMED TO HAVE COMPLIED WITH ALL OF ITS OBLIGATIONS UNDER THIS LIMITED WARRANTY WITH RESPECT TO THE APPLICABLE DEFECT.

(d) The Builder is not responsible for repairs performed by anyone other than the Builder or an authorized service representative of the Builder. The Builder will not reimburse the Purchaser for the costs of any unauthorized work or materials. The Builder will not repair or replace an item that has been repaired, altered or replaced by anyone other than the Builder or the Builder's authorized service representative. A LIST OF THE BUILDER'S AUTHORIZED SERVICE REPRESENTATIVES IS ATTACHED TO THIS LIMITED WARRANTY AS SCHEDULE C. USE OF UNAUTHORIZED SERVICE VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

15. LEGAL ACTIONS.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Builder in any court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 14 above.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any court or forum more than thirty (30) days after the expiration of the applicable warranty coverage under paragraph 6 of this Limited Warranty.

16. GENERAL PROVISIONS.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Builder and the Purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular.

(e) This limited warranty is to be governed in accordance with the laws of New York State.

SCHEDULE A

CONSTRUCTION QUALITY STANDARDS FOR
ONE AND TWO YEAR WARRANTY COVERAGE

WORKMANSHIP/STSYEMS COVERAGE
CONSTRUCTION QUALITY STANDARDS

The following Construction Quality Standards are standards that have been developed and accepted by the residential construction industry in general. While it is virtually impossible to develop a construction standard for each possible deficiency, the construction industry and the Builder have attempted to isolate the most common deficiencies that occur and in so doing, list the extent of the Builder's and Homebuyer(s) responsibility. Where a specific deficiency has not been isolated, the standard practice of the construction industry will apply.

Homebuyer(s) should be aware that all new homes go through a period of settlement and movement. During this period, the Home may experience some minor material shrinkage, cracking and other events which are unavoidable and considered normal. The homebuyer(s) should also be aware that he/she is responsible for proper home maintenance, such as maintaining builder set grades around the house. Damages caused by Homebuyers negligence, improper maintenance or changes, alterations or additions performed by anyone other than the Builder, his/her employees, or subcontractors are excluded from the warranty.

The following Construction Quality Standards are expressed in terms of required standards that the Builder's construction must meet. Non-compliance with these construction standards calls for corrective action by the Builder.

1. SITE WORK

1.1 EXCAVATING AND BACKFILLING

DEFICIENCY Settling of ground around foundation, utility trenches or other filled areas

CONSTRUCTION STANDARDS

Settling of ground around utility trenches or other filled areas; maximum allowable 6 inches. Settling of backfill around foundation shall not interfere with water damage away from the house.

BUILDER CORRECTION

Upon request from the buyer, the Builder shall recompact and backfill excessively settled areas one time only during the first year of warranty. The owner shall be responsible for any grass, shrubs or other landscaping affected by placement of such fill.

1.2 SITE DRAINAGE

DEFICIENCY: Improper drainage of the site.

CONSTRUCTION STANDARD:

The necessary grades and swales should be established to insure proper drainage away from the house. Site drainage is limited to the immediate grades and swales affecting the structure. No standing or ponding of water should remain in this immediate area twenty-four (24) hours after a rain, except sales which may drain longer than other areas after a rain, or sump pump discharge. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.

BUILDER CORRECTION:

The Builder is responsible only for establishing the proper grades and swales. The owner is responsible for maintaining such grade and swales once they have been properly established and stabilized by the Builder.

1.3 CRAWL SPACES

DEFICIENCY: Water in crawl space

CONSTRUCTION STANDARD:

Crawl spaces should be graded and drained properly to prevent water from accumulating in the crawl space area.

BUILDER CORRECTION:

The Builder is responsible for providing proper grading and drainage of crawl space areas. Water should not be present in the crawl space area thirty (30) days after the owner has closed on a Home.

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2. CONCRETE

2.1 EXPANSION AND CONTRACTION JOINTS

DEFICIENCY: Separation or settling of concrete slabs within the structure or at expansion or contraction joints.

CONSTRUCTION STANDARD:

Concrete slabs within the structure are designed to move at expansion and contraction joints. Movement caused by expansion and contraction should not cause cracks and voids to appear in the slabs.

BUILDER CORRECTION:

Builder to take whatever corrective action is necessary to repair excessive cracks and voids. If cracking and movement are within designated tolerances then no correction is necessary.

2.2 CAST-IN-PLACE CONCRETE (NON-STRUCTURAL)

DEFICIENCY: Basement or foundation wall cracks.

CONSTRUCTION STANDARD:

Non-structural cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch are considered excessive.

BUILDER CORRECTION:

The Builder shall repair non-structural cracks in excess of 1/8 inch. Surface patching is acceptable for non-structural cracks

DEFICIENCY: Uneven concrete floors

CONSTRUCTION STANDARD:

Concrete floors in basement or rooms designed for habitability should not have pits, depressions or areas of unevenness that would prevent its use as a finished floor exceeding ¼ inch slope in 32 inches. The floor slope, unless designed for specific drainage purposes, shall not exceed 1/240 of the room width. Structural slab foundation

systems that have experienced some movement but are within the foundation's design performance criteria are excluded from this standard.

BUILDER CORRECTION

Builder to correct or repair to meet the above standard.

DEFICIENCY: Pitting, scaling or spalling of non-excluded concrete work and attached porch concrete work supported by a foundation system

CONSTRUCTION STANDARD:

Concrete surfaces should not disintegrate to the extent that the aggregate is exposed under normal conditions of weather and usage.

BUILDER CORRECTION:

Builder to take whatever corrective action necessary to repair or replace defective concrete surfaces. The Builder is not responsible for deterioration caused by slat, chemicals, mechanical implements and other factors beyond the Builder's control.

DEFICIENCY: Excessive powdering or chalking of non-excluded concrete surfaces.

CONSTRUCTION STANDARD:

Powdering or chalking of concrete surfaces is not permissible, but should not be confused with surface dust.

BUILDER CORRECTION:

The Builder shall take whatever corrective action is necessary to repair or resurface defective areas.

DEFICIENCY: Standing water on stoops.

CONSTRUCTION STANDARD:

Water should drain from outdoor stoops and steps. During and immediately following a rain, minor water standing is permissible.

BUILDER CORRECTION:

The Builder shall take corrective action to assure drainage of stoops and steps.

DEFICIENCY: Cracking of basement floor.

CONSTRUCTION STANDARD:

Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch width or 1/8 inch vertical displacement are considered excessive.

BUILDER CORRECTION:

Builder should repair cracks exceeding maximum tolerances by surface patching or other methods as required.

DEFICIENCY: Cracking of attached garage slab.

CONSTRUCTION STANDARD:

Cracks in garage slab in excess of ¼ inch in width or ¼ inch in vertical displacement are considered excessive and unacceptable. (See expansion joints)

BUILDER CORRECTION:

Builder shall repair excessive cracks as required.

DEFICIENCY: Cracking, settling, heaving or separating of structurally attached stoops or steps.

CONSTRUCTION STANDARDS:

Stoops and steps should not settle, heave or separate in excess of 1 inch in relation to the house structure. No cracks except hairline cracks (less than 1/16 inch) are acceptable in structurally attached concrete stoops.

BUILDER CORRECTION:

Builder shall take whatever corrective action is required to meet acceptable standards.

DEFICIENCY: Cracks in structurally attached patios with footing or foundation system.

CONSTRUCTION STANDARD:

Cracks in excess of ¼ inch in width or 1/8 inch in vertical displacement are considered excessive and unacceptable in structurally attached patios.

BUILDER CORRECTION:

Builder to repair as required.

DEFICIENCY: Cracks in concrete slab-on-grade finished floors.

CONSTRUCTION STANDARD:

Cracks which significantly impair the appearance or performance of the finished flooring material shall not be acceptable.

BUILDER CORRECTION:

The Builder shall repair cracks as necessary so as not to be readily apparent when the finished flooring material is in place.

3. MASONRY

3.1 UNIT MASONRY CONSTRUCTION (NON-STRUCTURAL)

DEFICIENCY: Basement or foundation non-structural wall cracks.
CONSTRUCTION STANDARD:
Small non-structural cracks are not unusual in mortar joints or masonry foundation walls. Such cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair non-structural cracks in excess of 1/8 inch by pointing or patching. These repairs should be made toward the end of the first (1st) year of the warrant period.
DEFICIENCY: Cracks in masonry walls or veneer.
CONSTRUCTION STANDARD:
Small cracks are common in mortar joints of masonry construction. Cracks greater than 3/8 inch in width are considered excessive.
BUILDER CORRECTION:
Repair cracks in excess of 3/8 inch by pointing or patching. These repairs should be made toward the end of the first (1st) year of the warranty period to permit normal settling and stabilizing of the home.

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4. WOOD AND PLASTICS

4.1 ROUGH CARPENTRY

DEFICIENCY: Floor squeak or subfloor appears loose.
CONSTRUCTION STANDARD:
Floor squeaks and loose subfloor are often temporary conditions common to new home construction.
BUILDER CORRECTION:
Builder should locate and make a reasonable effort to correct the problem.
DEFICIENCY: Uneven wood floors.
CONSTRUCTION STANDARD:
Finished floors should not have ridges or depressions exceeding ¼ inch in a 32 inch measurement, when measured parallel to the floor joists. Floor slope within any room should not exceed 1/240 of the room width. Allowable floor and ceiling joist deflections should be taken into consideration when measuring.
BUILDER CORRECTION:
Builder will correct to standard only if caused by an underlying construction defect.
DEFICIENCY: Bowed walls.
CONSTRUCTION STANDARD:
All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the walls finished surface. Allowable structural deflections are governed by the approved building code specifications, however bowing greater than 1/240 of the wall length will be considered unacceptable.
BUILDER CORRECTION:
Repair interior and exterior walls as required.
DEFICIENCY: Out of plumb walls.
CONSTRUCTION STANDARD:
Walls should not be more than ½ inch out of plumb for any 8 foot vertical measurement.
BUILDER CORRECTION:
Builder to repair to meet the above standard.

4.2 FINISH CARPENTRY- INTERIOR

DEFICIENCY: Quality of interior trim workmanship.
CONSTRUCTION STANDARD:
Joints in moldings or joints between moldings and adjacent surfaces should not result in joints exceeding 1/8 inch in width.
BUILDER CORRECTION:
Repair defective joints, as defined above. Caulking is acceptable.

4.3 FINSIH CARPENTRY- EXTERIOR
DEFICIENCY: Quality of exterior trim workmanship.
CONSTRUCTION STANDARD:
Joints between exterior trim elements, including siding and masonry, should not result in open joints in excess of 3/8 inch in all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.
BUILDER CORRECTION:
Builder to repair open joints. Caulking is acceptable.

4.4 WOOD TREATMENT
DEFICIENCY: De-lamination or deterioration of exterior siding
CONSTRUCTION STANDARD:
Siding should not de-laminate beyond the tolerances set out in the manufacturer's specifications. Natural wood sidings can be expected to weather and change color as they age.
BUILDER CORRECTION:
Builder will repair or replace as needed unless caused by the owner's failure to maintain siding properly. Repaired area of prefinished material may not match in color and/or texture. The owner can expect that the newly painted surface may not match originals surface in color.

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5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING
DEFICIENCY: Water in basement
CONSTRUCTION STANDARD:
Leaks resulting in actual trickling of water are unacceptable. However, leaks caused by improper landscaping installed by owner, or failure of owner to maintain proper grades that have been stabilized by the Builder, are not covered by the Warranty. Dampness of the walls may occur in new construction and is not considered a deficiency.
BUILDER CORRECTION:
The Builder shall take such action as necessary to correct basement leaks except where the cause is determined to result from the owner's negligence.

5.2 INSULATION
DEFICIENCY: Insufficient insulation.
CONSTRUCTION STANDARD:
Insulation should be installed in accordance with applicable energy and building code requirements.
BUILDER CORRECTION:
Install insulation in sufficient amounts to meet above standards,

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5.3 SHINGLES AND ROOFING TILES
DEFICIENCY: Leaks due to snow or rain being driven into the attic through vents and louvers.
CONSTRUCTION STANDARD:
Attic vents and/or louvers must be provided in order to properly ventilate your house. Infiltration of rain or snow depends on the force and direction of the wind.
BUILDER CORRECTION:
Builder not responsible for the force and direction of driving rain or snow.

5.4 ROOFING AND SIDING

DEFICIENCY: Ice build-up on roof.

CONSTRUCTION STANDARD:

During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. The condition occurs when snow and ice accumulate, and gutters and downspouts freeze up.

BUILDER CORRECTION:

This is a Homeowner(s) maintenance item unless the roof design is found to be improper for the weather conditions associated with the area.

DEFICIENCY: Roof or flashing leaks.

CONSTRUCTION STANDARD:

Roof and flashing should not leak under normally anticipated conditions, except where cause is determined to result from severe weather conditions, such as ice build-up.

BUILDER CORRECTION:

Builder shall correct or repair any verified roof leaks.

DEFICIENCY: De-lamination of veneer siding or joint separation.

CONSTRUCTION STANDARD:

All siding shall be installed according to the manufacturer's and industry's standards. Joint separation and de-lamination are not acceptable except where the manufacturer indicates that some shrinkage may be anticipated.

BUILDERS CORRECTION:

Builder shall re-secure, caulk, repair or replace to meet the above standard.

5.5 FLAT BUILT-UP ROOFING

DEFICIENCY: Standing water on flat built-up roof.

CONSTRUCTION STANDARD:

Water should drain from a flat built-up roof, with minimum ponding.

BUILDER CORRECTION:

The Builder shall take corrective action to assure proper drainage of roof.

5.6 FLASHING AND SHEET METAL

DEFICIENCY: Flashing, valley, gutters and/or downspouts leak.

CONSTRUCTION STANDARDS:

Flashing, valleys, gutters and downspouts must not leak but gutters may overflow during heavy rains. It shall be the Homeowner(s) responsibility to keep gutters and downspouts free from leaves and debris which could cause excessive overflow.

BUILDERS CORRECTION:

Repair leaks.

DEFICIENCY: Water stands in gutters.

CONSTRUCTION STANDARDS:

When gutter is unobstructed by debris, the water level may not exceed 1 inch.

BUILDER CORRECTION:

Industry practice is to install gutters with slight amounts of pitch. It is possible that small amounts of water will stand in certain sections of the gutter immediately after a rain.

5.7 SEALANTS

DEFICIENCY: Leaks in exterior walls due to inadequate caulking.

CONSTRUCTION STANDARD:

Joints and cracks in exterior wall surfaces and around openings should be properly caulked to exclude the entry of water. Properly installed caulking will shrink and must be maintained by the Homeowner(s) during the life of the house.

BUILDER CORRECTION:

Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct defect.

6. DOORS AND WINDOWS

6.1 WOOD AND PLASTIC DOORS

DEFICIENCY: Warpage of exterior doors.
CONSTRUCTION STANDARDS:
Exterior doors will warp to some degree due to temperature differential on inside and outside faces. However, they should not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association standards (1/4 inch).
BUILDER CORRECTION:
Correct or replace and refinish defective doors to match existing doors as nearly as possible.
DEFICIENCY: Warpage of interior passage and closet doors.
CONSTRUCTION STANDARD:
Interior doors (full opening) should not warp to exceed National Woodwork Manufacturers Association standards (1/4 inch), provided the proper levels of humidity have been maintained in the home.
BUILDER CORRECTION:
Correct or replace and refinish defective doors to match existing doors as nearly as possible.
DEFICIENCY: shrinkage of insert panels showing raw wood edges.
CONSTRUCTION STANDARDS:
Panels will shrink and expand and may expose unpainted surface.
BUILDER CORRECTION:
None: Builder not responsible.
DEFICIENCY: Split door panel.
CONSTRUCTION STANDARD:
Split panels should not allow light to be visible or allow the weather to get through the door.
BUILDER CORRECTION:
If light is visible or the weather is getting through the door, fill split to match paint or stain as closely as possible, one time in first (1st) year.

6.2 GARAGE DOORS ON ATTACHED GARAGE

DEFICIENCY: Garage door fails to operate properly
CONSTRUCTION STANDARD:
Garage door should operate properly.
BUILDER CORRECTION:
The Builder shall correct or adjust garage doors as required, except where the cause is determined to result from the owner installing an electric garage door opener.
DEFICIENCY: Garage door allows entrance of snow or water.
CONSTRUCTION STANDARD:
Garage door should seal properly under normal conditions.
BUILDER CORRECTION:
Some entrance of the elements can be expected under abnormal conditions. Builder shall adjust or correct garage doors or garage slab to meet normal conditions.

6.3 METAL WINDOWS

DEFICIENCY: Malfunction of windows.
CONSTRUCTION STANDARD:
Windows should operate with reasonable ease as designed.
BUILDER CORRECTION:
Builder to correct or repair as required.
DEFICIENCY: Condensation and/or frost on windows.
CONSTRUCTION STANDARD:
Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions.

BUILDER CORRECTION:
Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

6.4 WOOD AND PLASTIC WINDOWS
Refer to 6.3

6.5 WEATHERSTRIPPING AND SEALS
DEFICIENCY: Infiltration around doors and windows.
CONSTRUCTION STANDARDS:
Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weather stripping is not permissible. It may be necessary for the owner to have storm windows and doors installed to provide a satisfactory solution in high wind areas.
BUILDER CORRECTION:
The building shall adjust or correct open cracks, poorly fitted doors or windows, or poorly fitted weather stripping.

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7. FINISHES

7.1 LATH AND PLASTER
DEFICIENCY: Cracks in interior wall surfaces.
CONSTRUCTION STANDARDS:
Hairline cracks are not unusual in interior wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair cracks exceeding 1/8 inch as required.

7.2 GYPSUM WALLBOARD
DEFICIENCY: Defects caused by poor workmanship such as blisters in tape, excess compound in joints, cracked corner beads, or trowel marks.
CONSTRUCTION STANDARDS:
Slight "imperfections" such as nail pops, seam lines and cracks are common in plaster and gypsum wallboard installation. However, obvious defects or poor workmanship resulting in blisters in tape or excess compound in joints, trowel marks and cracked corner beads are not acceptable.
BUILDER CORRECTION:
Builder to correct such defects within acceptable tolerance and repaint repaired areas. Builder is not responsible for color variations in paint.

7.3 CERAMIC TILE
DEFICIENCY: Ceramic tile cracks and becomes loose
CONSTRUCTION STANDARD
Ceramic tile should not crack or become loose.
BUILDER CORRECTION:
The Builder shall replace any cracked tiles and re-secure any loose tiles unless the defects were caused by the owner's negligence. Builder is not responsible for discontinued patterns or color variations in ceramic tile.
DEFICIENCY: Cracks appear in grouting in ceramic tile joints or at junctions with other material such as a bathtub.

CONSTRUCTION STANDARD:
Cracks in grouting in ceramic tile joints are commonly due to normal shrinkage conditions. Re-grouting of these cracks is a maintenance responsibility of the Homeowner(s) within the life of the home. Builder is not responsible for color variations or discontinued color grout.
BUILDERS CORRECTION;
Builder will repair grouting (unless cracks are due to normal shrinkage) as necessary one time within the first (1st) year of warranty.

7.4 RESILIENT FLOORING
DEFICIENCY: Nail pops appear on the surface of flooring.
CONSTRUCTION STANDARDS:
Readily apparent nail pops should be repaired.
BUILDER CORRECTION:
The Builder shall correct nail pops, which have broken the surface. The Builder shall repair or replace resilient floor covering in the affected area with similar material. Builder is not responsible for discontinued patterns or color variation in the floor covering.
DEFICIENCY: Depression or ridges appear in the flooring due to subfloor irregularities.
CONSTRUCTION STANDARD:
Readily apparent depressions or ridges exceeding 1/8 inch should be repaired. The ridge or depression measurement is taken at the gap created at one end of the 6 inch straight edge placed over the depression or ridge within 3 inches on one side of the defect held tightly to the floor.
BUILDER CORRECTION:
The Builder shall take corrective action, as necessary to bring the defect within acceptable tolerances so that it is not readily visible. Builder is not responsible for discontinued patterns or color variations in the floor covering.
DEFICIENCY: Resilient flooring loses adhesion.
CONSTRUCTION STANDARD:
Resilient flooring should not lift, bubble or become unglued.
BUILDER CORRECTION:
The Builder shall repair or replace resilient flooring as required. The Builder shall not be responsible for discontinued patterns or color variation of floor covering or for problems caused by owner neglect or abuse.
DEFICIENCY: Seams or shrinkage gaps show resilient flooring joints.
CONSTRUCTION STANDARD:
Gaps shall not exceed 1/16 inch width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.
BUILDER CORRECTION:
The Builder shall take action as necessary to correct the problem.

7.5 CARPETING
DEFICIENCY: Carpeting becomes loose, seams separate or excessive stretching occurs.
CONSTRUCTION STANDARD:
Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly should not come up, become loose, separate or stretch excessively at its points of attachment.
BUILDER CORRECTION:
Builder is to re-secure carpeting as needed one time within the first (1st) year of warranty.

7.6 SPECIAL COATING
DEFICIENCY: Cracks in exterior stucco wall surfaces
CONSTRUCTION STANDARD:
Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair cracks exceeding 1/8 inch in width as required.

7.7 PAINTING

DEFICIENCY: Mildew or fungus on painted surfaces.

CONSTRUCTION STANDARD:

Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposure, (i.e. rainfall, ocean, lake or river front).

BUILDER CORRECTION:

Mildew or fungus formation is a condition the Builder cannot control and is a Homeowner(s) maintenance item, unless it is caused by moisture entry into wood, in which case, the Builder shall eliminate the source of water entry and refinish.

DEFICIENCY: Exterior paint or stain peels or deteriorates.

CONSTRUCTION STANDARD:

Exterior paints or stains should not fail during the first (1st) year of ownership. However, fading may occur and the degree varies with climatic conditions.

BUILDER CORRECTION:

Builder shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish deterioration affects the majority of the wall or area, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty period.

DEFICIENCY: Painting required as corollary repair because of other work.

CONSTRUCTION STANDARD:

Necessary repairs required under this warranty should be refinished to match the surrounding areas as closely as possible.

BUILDER CORRECTION:

Refinish repaired areas as indicated.

DEFICIENCY: deterioration of warmish or lacquer finishes.

CONSTRUCTION STANDARD:

Natural finish on interior woodwork should not deteriorate during the first (1st) year of ownership. However, varnish-type finish used on the exterior will deteriorate rapidly and is not covered by the warranty.

BUILDER CORRECTION:

Retouch affected area of natural finished interior woodwork, matching the color as closely as possible.

DEFICIENCY: Interior paint application and coverage.

CONSTRUCTION STANDARD:

Interior paint shall be applied in a manner sufficient to visually cover wall, ceiling and trim surfaces where specified.

BUILDER CORRECTION:

The Builder shall retouch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces.

7.8 WALL COVERING

DEFICIENCY: Peeling of Wallpaper.

CONSTRUCTION STANDARD:

Peeling of wallpaper is unacceptable.

BUILDER CORRECTION:

The Builder shall repair or replace defective wallpaper. Builder is not responsible for minor mismatching in pattern or color.

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8. SPECIALTIES

8.1 LOUVERS AND VENTS

DEFICIENCY: Inadequate ventilation of attics and crawl spaces.

CONSTRUCTION STANDARD:

Attic and crawl spaces shall have a natural ventilation area as required by the approved building code specifications.

BUILDER CORRECTION:

The Builder shall provide adequate ventilation. Builder is not responsible for Homeowner(s) alterations to the original system.

8.2 FIREPLACES

DEFICIENCY: Fireplace or chimney does not draw properly.

CONSTRUCTION STANDARD:

A properly designed and constructed fireplace and chimney should function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some houses may need to have a window opened slightly to create an effective draft.

BUILDER CORRECTION:

Determine the cause of malfunction and correct as required if the problem is one of design and construction.

DEFICIENCY: Chimney separation from structure to which it is attached.

CONSTRUCTION STANDARD:

Newly built fireplaces will often incur slight amounts of separation from the main structure. Separation shall not exceed ½ inch from the main structure in any 10 foot vertical measurement.

BUILDER CORRECTION:

Builder to determine the cause of separation and correct as required. Caulking is acceptable for slight separations.

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9. EQUIPMENT

9.1 RESIDENTIAL EQUIPMENT

DEFICIENCY: Warpage and operation of kitchen cabinet doors and drawer faces.

CONSTRUCTION STANDARD:

Cabinet doors and drawer faces should not warp to exceed ¼ inch, provided the proper levels of humidity have been maintained. Both cabinet doors and drawer faces should be properly adjusted and operating in a smooth, efficient manner.

BUILDER CORRECTION:

Adjust, repair or replace defective cabinet doors and drawer faces to correct condition.

DEFICIENCY: Surface cracks, de-laminations and chips in high pressure laminated vanity and kitchen cabinet countertops.

CONSTRUCTION STANDARD:

Countertops fabricated with high pressure laminate coverings should not de-laminate or have chips or surface cracks. The deck area joint may have a maximum of 1/16 inch gap. All other areas may have a maximum of 1/16 inch differential in surface alignment.

BUILDER CORRECTION:

Repair or replace to meet the above criteria.

DEFICIENCY: Countertop separating from finished wall.

CONSTRUCTION STANDARD:

Countertop separation should not exceed 1/8 inch.

BUILDER CORRECTION:

The Builder shall repair or replace the countertop to eliminate or correct the gap caused by separation. Caulking is acceptable.

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10. MECHANICAL

10.1 WATER SUPPLY SYSTEM

DEFICIENCY: Plumbing pipes freeze and burst.

CONSTRUCTION STANDARD:

Drain, waste and vent or water pipes should be adequately protected, as required by the applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE designed temperatures to prevent freezing.

BUILDER CORRECTION:

The Builder shall correct the condition responsible for pipes freezing, and repair piping damage caused by freezing Except where there has been an obvious lack of heat due to Homeowner(s) neglect.

DEFICIENCY: Water supply system fails to deliver water.

CONSTRUCTION STANDARD:
All service connections to municipal water main and private water supplies are the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.
BUILDER CORRECTION:
Builder to repair as necessary, if failure is the result of defective workmanship or materials. If conditions beyond the Builder's control disrupt or eliminate the source of the supply then it is not the Builder's responsibility.

10.2 SEPTIC TANK SYSTEM
DEFICIENCY: Septic system fails to operate properly.
CONSTRUCTION STANDARD:
Septic system should be capable of properly handling normal flow of household effluent. It is possible that due to freezing, soil saturation, changes in the ground water table or excessive use of plumbing systems or appliances, an overflow can occur. Periodic pumping of the septic tank is considered Homeowner(s) maintenance, and a normal need for pumping is not a deficiency.
BUILDER CORRECTION:
Builder shall be responsible for the installation of an operational system and shall take corrective action to repair. Builder shall not be responsible for malfunctions which occur through owner negligence or abuse and from conditions that are beyond his/her control. The following are considered owner negligence or abuse as an exclusion under this warranty;

A. Excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use.
B. Connection of sump pump, roof drain or backwash from water conditioner to the system.
C. Placing non-biodegradable item in system.
D. Addition of any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners.
E. Use of a food waste disposal not supplied by Builder.
F. Placement of impervious surfaces over the disposal area.
G. Allowing vehicles to drive or park over the disposal area.
H. Failure to periodically pump out the septic tank, when required.

10.3 PLUMBING
DEFICIENCY: Faucet or valve leak.
CONSTRUCTION STANDARD:
No valve or faucet should leak due to defects in material or workmanship. However, leakage caused by worn washers or seals is a Homeowner(s) maintenance item.
BUILDER CORRECTION:
Builder should repair or replace the leaking faucet or valve unless leakage is due to a worn washer or seal.
DEFICIENCY: Defective plumbing fixtures, appliances or trim fittings.
CONSTRUCTION STANDARD:
Fixtures, appliances or fittings should comply with their manufacturer's standards.
BUILDER CORRECTION:
The Builder shall replace any fixture or fitting which is outside of acceptable standards as defined by the manufacturer.
DEFICIENCY: Noisy water pipes.
CONSTRUCTION STANDARD:
There will be noise emitting from the water pipe system, due to the flow of water.
BUILDER CORRECTION:
Builder cannot remove all noises due to water flow and pipe expansion. The Builder shall correct any noise problems that are due to faulty workmanship or installation.
DEFICIENCY: Leakage from any pipe.
CONSTRUCTION STANDARD:
No leaks of any kind should exist in any soil, waste, vent, gas or water pipe. Condensation on piping does not constitute leakage, and is not covered. Should a gas pipe leak occur, the Homeowner(s) shall call the appropriate public utility service immediately.

BUILDER CORRECTION:
Builder shall make necessary repairs to eliminate leakages in any piping he/she installed. If a gas or water leak occurs in a piping system the Builder installed, then the Builder will make the necessary repairs. If a gas or water leak occurs in a piping system installed by a public service utility authority, then the public service utility authority should be contacted to make the necessary repairs.
DEFICIENCY: Stopped up sewers, fixtures and drains.
CONSTRUCTION STANDARD:
Sewers, fixtures and drains should operate properly.
BUILDER CORRECTION:
The Builder is not responsible for sewers, fixtures and drains which are clogged through the owner's negligence. Where defective construction is the cause, the Builder shall assume the cost of the repair; where the owner negligence is shown to be the cause, the owner shall assume all repair costs.
DEFICIENCY: Cracking or chipping of porcelain or fiberglass surfaces.
CONSTRUCTION STANDARD:
Chips and cracks on surface of bathtubs and kitchen sinks can occur when the surface is hit with sharp or heavy objects.
BUILDER CORRECTION:
Builder to repair any chips or cracks noted prior to first occupancy.

10.4 HEATING
DEFICIENCY: Inadequate heating.
CONSTRUCTION STANDARD:
Heating system should be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor, under local outside winter design conditions as specified in the ASHRAE handbook. Federal, state or local energy codes shall supersede where such codes have been locally adopted.
BUILDER CORRECTION:
Builder shall correct the heating system as required to provide the required temperatures. The owner shall be responsible for balancing dampers, registers and other minor adjustments.

10.5 COOLING
DEFICIENCY: Inadequate cooling.
CONSTRUCTION STANDARD:
Where air conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor, under local outside summer design conditions as specified in ASHRAE handbook. In the case of outside temperature exceeding 95 degrees Fahrenheit, a differential of 15 degrees Fahrenheit from the outside temperature will be maintained. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.
BUILDER CORRECTION:
Correct cooling system to meet temperature condition in accordance with specifications.
DEFICIENCY: Refrigerant line leak.
CONSTRUCTION STANDARD:
Refrigerant lines should not develop leaks during normal operation.
BUILDER CORRECTION:
Repair leaking refrigerant lines and recharge unit.

10.6 CONDENSATION LINES
DEFICIENCY: Condensation lines clog up.
CONSTRUCTION STANDARD:
Condensation lines will clog under normal use. This is a Homeowner(s) maintenance item.
BUILDER CORRECTION:
Builder to provide unobstructed condensation lines at closing.

10.7 EVAPORATIVE COOLING
DEFICIENCY: Improper mechanical operation.
CONSTRUCTION STANDARD:
Equipment must function properly at temperature standard set.
BUILDER CORRECTION:
Correct and adjust so that blower and water system operate as designed.

10.8 AIR DISTRIBUTION
DEFICIENCY: Ductwork noisy.
CONSTRUCTION STANDARD:
When metal is heated it expands and when cooled it contracts. The result is "ticking" or "cracking" which is generally to be expected.
BUILDER CORRECTION:
The stiffening of the ductwork and the gauge of the metal used shall be such that the ducts do not "oilcan". The booming noise caused by "oilcanning" is not acceptable and the Builder must take necessary steps to eliminate this sound.
DEFICIENCY: Ductwork separates or becomes unattached.
CONSTRUCTION STANDARD:
Ductwork should remain intact and securely fastened.
BUILDER CORRECTION:
Reattach and re-secure all separated or unattached ductwork.

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11. ELECTRICAL

11.1 ELECTRICAL CONDUCTORS
DEFICIENCY: Failure of wiring to carry its designed fuse load to the electrical box.
CONSTRUCTION STANDARD:
Wiring should be capable of carrying the designed load for normal residential use to the electrical box.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring, if it does not conform to code specifications.

11.2 SWITCHES AND RECEPTACLES
DEFICIENCY: Fuses blow or circuit breakers kick out.
CONSTRUCTION STANDARD:
Fuses and circuit breakers should not activate under normal conditions.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.
DEFICIENCY: Malfunction of electrical outlets, switches or fixtures.
CONSTRUCTION STANDARD:
All switches, fixtures and outlets should operate as intended.
BUILDER CORRECTION:
Repair or replace defective switches, fixtures and outlets.

11.3 SERVICE AND DISTRIBUTION
DEFICIENCY: Ground fault interrupter trips frequently.
CONSTRUCTION STANDARD:
Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.
BUILDER CORRECTION:
Builder is to install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to faulty installation.

SCHEDULE E
CONDOMINIUM RIDER

DEFINITIONS: As used in this Limited Warranty (" the Limited Warranty"), the following terms have the following meanings:

"Condominium" means_____ Condominium.

"Declaration" means the declaration of condominium of the Condominium.

Unless otherwise expressly indicated, all terms utilized in this rider shall have the meanings as stated in the Declaration or the Limited Warranty, whichever is applicable.

If the Home is a condominium Unit ("Unit"), as described in the Declaration, this Limited Warranty shall apply to the Unit and the Common Elements which are located in the building ("Building") in which the Unit is situated. The Limited Warranty shall be applicable as follows:

Purchaser's Warranty Coverage- The builder shall extend to the Purchaser Coverage A,B, and C warranty coverage for the Unit and all appurtenant Limited Common Elements which are located in the Building. The Purchaser shall be responsible for notifying the Builder with respect to any warranty claims relating to the above coverage. For the purpose of the above warranty coverage, "Warranty Date" shall be defined as the date that the Purchaser of a Unit or a member of Purchaser's Family takes title to the first Unit, or the date on which any Person begins Residential occupancy of a Unit, whichever date is earlier.

Board of Manager's Warranty Coverage- The Builder shall extend to the Board of Managers of the Condominium (the Board") Coverage A, B, and C warranty coverage for the Common Elements which are located in the Building (excluding Limited Common Elements). The Board shall be responsible for notifying the Builder with respect to any warranty claims relating to the above coverage. For the purpose of the above warranty coverage, "Warranty Date" shall be defined as the date of the recording of the Declaration.

Builder's Limit of Total Liability- The Builder's total liability for deficiencies of the Unit and the appurtenant Limited Common Elements under the Limited Warranty is limited to seventy five (75%) percent of the purchase price of the Unit.

The Builder's total liability for deficiencies of the Common Elements which are located in the Building (excluding Limited Common Elements) under the Limited Warranty is limited to seventy five (75%) percent of the value of the Common Elements which are located in the Building (excluding Limited Common Elements) as of the date of the recording of the Declaration.

The Purchaser of a Unit agrees and understands that the purchaser will allow access to, on, through, or within the Unit and appurtenant Limited Common Elements during normal business hours, Monday through Friday, after receiving notice from the Builder, so that inspections or repairs may be made to Purchaser's or any adjoining or adjacent Unit or the Common Elements.

Except as otherwise expressly provided in this Condominium Rider, all terms and conditions of the Limited Warranty are incorporated herein and shall remain in full force and effect.

SECTION B

POWER OF ATTORNEY

CAUTION TO THE PRINCIPAL: Your Power of Attorney is an important document. As the "principal," you give the person whom you choose (your "agent") authority to spend your money and sell or dispose of your property during your lifetime without telling you. You do not lose your authority to act even though you have given your agent similar authority.

I (We)
(the "principals") the owners of the Condominium Unit No: in the Condominium known as the 377 DEGRAW UNION STREET CONDOMINIUM and also designated as Tax Lot in Block 415 on the Tax Map of the Real Property Assessment Department of the City of New York located in the County of Kings covering the property in the Borough of Brooklyn, County of Kings, and State of New York, do hereby nominate, constitute and appoint members of the Board of Managers of the 377 DEGRAW STREET CONDOMINIUM (as "agent") and their successors, jointly, my true and lawful attorneys-in-fact coupled with an interest and with the power of substitution, in my name and on behalf to acquire, in their own name or in the name of their designees by deed on behalf of all owners of Condominium units in said property, any Condominium Unit together with its Appurtenant Interests, whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or a deed in lieu of foreclosure sale, at such price and on such terms as my said attorney-in-fact shall, in their sole discretion, deem proper and thereafter convey, sell, lease, sublease, mortgage, vote and otherwise deal in such Condominium Unit so acquired, at such terms as my attorney-in-fact may in their sole discretion determine, granting to my said attorney-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We), (the "Principals") do hereby further irrevocably nominate, constitute and appoint DEGRAW ST CAPITAL 377 LLC. (as "agent") and its successors, my true and lawful attorney-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of the 377 Degraw Street Condominium, permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an Amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium.

This power of attorney shall be irrevocable and shall be limited to the powers enumerated herein.

In witness Whereof, I (We) have hereunto signed my (our) name(s) this day of , 2020

_____
Principal

_____
Principal

State of New York, County of ss:

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

_____
Notary Public

IMPORTANT INFORMATION FOR AGENT:

When you accept the authority granted under this Power of Attorney, a special legal relationship is created between you and the principal. This relationship imposes on you legal responsibilities that continue until you resign or the Power of Attorney is terminated or revoked. You must:

(1) Act according to any instructions from the principal, or, where there are no instructions, in the principal's best interest;
(2) Avoid conflicts that would impair your ability to act in the principal's best interest;
(3) Keep the principal's property separate and distinct from any assets you own or control, unless otherwise permitted by law;
(4) Keep a record of all receipts, payments, and transactions conducted for the principal; and
(5) Disclose your identity as an agent whenever you act for the principal by writing or printing the principal's name and signing your own name as "agent" in either of the following manner: (Principal's Name) by (Your Signature) as Agent, or (your signature) as Agent for (Principal's Name).

I/we, , have read the foregoing power of Attorney. I am/we are the person (s) identified therein as agent (s) for the principal named therein.

I/we acknowledge my/our legal responsibilities.

Agent (s) sign(s) here: _____ _____

State of New York, County of ss:

On the day of , in the year ,before me, the undersigned, personally appeared
personally known to me or proved to me on the basis of satisfactory evidence to be the

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

_____

Notary Public

SECTION C

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the day of , between Degraw St Capital 377 LLC with offices at 1325 Patterson Plank Road, Secaucus , NJ 07094, as Grantor and party of the first part; and

residing at

as Grantee and party of the second part:

W I T N E S S E T H

That the Grantor, in consideration of ten dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

All that certain plot, piece or parcel of real property with the improvements therein contained, situate, and being a part of a condominium in the City of New York, County of Kings State of New York, known and designated as Unit No. . Tax Lot together with an undivided interest in the common elements of the condominium hereinafter described as the same is defined in the Declaration of Condominium hereinafter referred to:

The real property above described is a Unit shown on the plans of a condominium and filed in the Office of the Registrar of the County of Kings on the th day of , as Map defined in the Declaration of Condominiums entitled the 377 Degraw Street Condominium made by Degraw St Capital 377 LLC. under Article 9-B of the New York Real Property Law dated , , and recorded in the office of the Registrar of the County of Kings on the day of document number , covering the property therein described.

This transaction is made in the regular course of business of the corporation with the unanimous consent of the shareholders.

The area of the Condominium property is described as follows:

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

Bearing and coordinates are in the United States Coast and Geodetic Survey System for the Borough of Brooklyn

TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises;

TOGETHER with, and subject to, the rights, obligations, easements restrictions, and other provisions set forth in the Declaration, floor plans and the by-laws of the 377 Degraw Street Condominium, as each of the same may have been, and may in the future be, amended from time to time (said by-laws and any amendments thereto are hereinafter collectively referred to as the "By-Laws"), all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest of estate in the unit, as though recited and stipulated at full length herein;

TOGETHER with the benefits, rights, privileges and easements and SUBJECT to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents;

TOGETHER with and SUBJECT to an easement for the continuance of all encroachments by the unit or any adjoining units or common elements now existing as a result of construction of the building or which may come into existence hereafter as a result of settling or shifting of the building, or as the result of repair or restoration of the building, or of the unit after damage or destruction by fire or other casualty or after the taking in condemnation or eminent domain proceedings made by or with the consent of the Board of Managers so that any such encroachments may remain so long as the building shall stand;

TOGETHER with an easement in common with the owners of other units to use any pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units or elsewhere on the property and servicing the unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the units or in favor of the other units or common elements;

SUBJECT also to an easement in favor of the other units to use the pipes, wires, ducts, conduits, cables, public utilities lines and other common elements located in the unit or elsewhere on the property and serving such other units;

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the premises

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

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.

And the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

And the party of the first part in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust 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 use for which the home is intended is that of a ONE FAMILY residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

BEING part of the same property conveyed by deed dated , recorded on , in Reel Page , made by . to .

The word "party" shall be construed as if it reads "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

Degraw St Capital 377 LLC

by_____

SECTION D

377 Degraw Street, BROOKLYN, NEW YORK

Description of Property and Specifications

Prepared by: Ben Herzog Architect, PC

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

Date: 02.11.20

(a) Location and Use of Property

1. Address:
377 Degraw Street, Brooklyn. NY, 11231

2. Block and Lot Number
Block: 415 Lot: 59

3. Zoning
The property is in an R6-B zoning district.

4. Permitted Use:
Residential

5. Year Built: 1899 And redeveloped in 2018
Building is scheduled to begin October 2018 with an estimated completion of February 2020.

(b) Status of Construction

1. Year Redeveloped: Building began October 2018
Quality Housing:

- Refuse Storage and Disposal: Not Required
- Laundry Facilities: Not Required
- Daylight in Corridor: Not Required
- Outdoor Recreation Space: Not Required
- Standard of Recreation Space: Not Required

2. Filing
Building drawings were filed at the Department of Buildings, under Application #321606151, and were approved on June 22, 2018. The drawings were filed under 1938 Building Code in conformance with Section 26-161.0. Drawings to be filed with the Attorney General's Office will be copies of the approved drawings.

3. Construction Classification
The building will be of combustible construction classification 3-non fireproof per the 1938 Building Code. 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.

4. Certificate of Occupancy
The building is currently under construction and a Certificate of Occupancy will be issued when the work is completed to the satisfaction of the New York City, Department of Buildings

All work, including general construction, heating, ventilation, plumbing, and electrical work will be completed before a permanent certificate of occupancy can be issued. The Sponsor will obtain a Temporary Certificate of Occupancy prior to closing of the first unit or at a point in time as specified in the Offering Plan.

5. Permit Number

The building is being constructed as per plans that were filed with and approved by the New York City Department of Buildings. A permit number, #321606151-01-AL, Alteration Type 1, has been issued by the Department of Buildings.

6. Proposed Enlargement

The project is a renovation of an existing four story building with a four story rear addition, creating three condominium apartments. A 3BR apartment will be located on the Basement and 1st floor with storage in the Cellar and a deck to the exclusive use of the rear yard. A 2BR apartment will be located on the 2nd Floor and 3rd Floor. The 3rd floor will have exclusive use of a roof terrace. This property and its proposed use will comply with all zoning and use regulations.

(c) Site

1. Size

The size of the zoning lot is 2,000 s.f., 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'-0", and the existing building height is 39'-0 3/8" from the sidewalk. The site is located approximately 350'-0" east of Smith Street.

2. Number of Buildings and Use

There is one building on the site, which is being renovated to include three (3) residential units.

3. Street

The street adjacent to the site is owned and maintained by the City of New York.

a. Paving

The street adjacent to the site, Degraw Street, is a one-way street paved with asphalt in good condition.

b. Curbing and Fire Hydrants

There are no existing curb cuts or ramps/aprons, and none will be provided. There is one fire hydrant in front of 369 Degraw St and another at the corner of Degraw St. and Smith Street.

c. Catch Basins

There are no catch basins on the property.

d. Street Lighting

There is no street lighting on the property.

4. Drives, sidewalks and ramps

The existing sidewalk is in good condition and no work is planned to change the existing concrete. The existing sidewalk is in conformity with local fire district, town and municipal building codes.

(d) Utilities

1. Water

Water is obtained by tap to the New York City water main located on Degraw 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.

2. Sewer

The existing building sewer connection is connected to the sanitary sewer located on
Degraw Street and maintained by the New York City Sewer Department. The size of the sewer from the property line to the city line 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.

Storm drainage will gather on site and will be discharged into a combined sanitary/storm sewer located on Degraw Street.

3. Gas

Gas service will be provided by National Grid through an underground connection on Degraw Street. There will be 3 gas meters in the building. The gas service for the building will fuel cooking ranges, hot water and dryers in each apartment. Piping will be black iron schedule 40 pipe with malleable fittings.

4. Electrical

Electric service to the building will be an underground connection to the electric service on Degraw Street. The incoming service shall be 200 Amps. All circuits will be protected with circuit breakers. All wiring from load side of meter into the buildings, as well as all wiring in the building, is to be copper and will be 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 will be protected with a twenty (20) ampere circuit breaker. All utility outlets shall be protected with a twenty (20) ampere circuit breaker as per the New York City Electrical Code requirements. Separate circuits will be provided for the washing machines, dryers, and VRF fan coil air conditioning units. Each residential unit in the Cellar through 3rd floors will be provided with a 3 wire, 120/208-volt, single phase 100 ampere services and a 100 ampere panel box to feed with a 100 ampere feed.
All residential units will be 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.

All residential units will be 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 will be a 100 ampere house meter connected to house panels, which are located in the cellar utility room.

Apartments will be individually metered via Con Ed approved meters banks, fed by individual (3) 100 ampere un-metered service switches. (1) meter will be used for common charges. Each apartment will be served with single phase, 3 wire 120-208 volt electricity and will be separately metered for individual electrical consumption.

There are no generators in the building for power outages.

5. 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 / Building Survey

Test pits inspections in the Cellar were performed on November 14, 2016 by Engineering Group Associates PC [19 W 21st Street, New York, NY, 212-982-1410] filing the result of those inspections at the NYC DoB. No hazardous materials and/or environmental restriction were found on the property.

The survey, conducted by Perfect Point Land Surveying [79-14 Rockaway Beach Blvd, Rockaway Beach, NY 11693 (ph. (718) 474-7700)], indicates no visible streams of natural watercourses in the property.

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 Outdoor Space

There is existing front stairs extend beyond the property line 6.1' and gate and sidewalk fence extend 5.5' from the property line. These landscape elements are existing encroachments that are allowed as a grandfathered element.

1. The front yard of the building was existing concrete that has been replace with new concrete.

2. The new planting area will be installed at the front areaway. The planting area is a wood box planter that will be filled with shrubs.

3. (1) new tree is required by the N.Y City Department of Parks. Due to the close location of the neighboring street tree, the owner will pay into the street tree fund since there is not adequate room for a street tree on the property.

4. There will be a new Stratco aluminum slat fencing of 6 feet (6'-0") above the finish grade of the backyard. The existing iron fence and gate is in good condition and will be refinished with new paint.

6. There are no retaining walls on the property.

7. There will be no display pools and fountains on the site.

(g) Building Size

1. The completed building height will be 39'-0 3/8" from the sidewalk. A height of 50'-0" is the maximum height permitted in this zoning district. The building is legally established in height as four stories. Miscellaneous mechanical equipment and plumbing stacks extend above the rooftop level.

2. There is not a crawl space within the building. The slab for the addition in the rear is slab on grade.

3. In addition to the Cellar, there are four stories, the Basement, the First floor, Second floor, and Third floor. The ceiling heights of living rooms and bedrooms (habitable rooms) in the residential apartments vary, but are a minimum of 8'-0" high.

4. The approximate gross square foot footages of each floor are as follows:
   Cellar = 999.9 sq.ft
   Basement = 999.9 sq.ft
   1st floor = 999.9 sq.ft
   2nd Floor = 999.9 sq.ft
   3rd Floor = 999.9 sq.ft
   Bulkhead = 50 sq.ft

5. The electrical meters, gas meters, sump pump and booster pump are located in the cellar. The front hatch at the front areaway can be utilized for access to the utility room.

6. The Roof Terrace will have railings extending to 42" above the walking surface.

(h) Structural System

The building is comprised of a four story existing structure extending approximately 39'-0 3/8" from the front wall. There will be a bulkhead at the roof that is approximately 11'-9 ½ " long and 4'-3" wide at the widest point.

The structure of the existing building is brick walls at the east and west property lines and, at the 1st, 2nd, and 3rd Floors, existing 3"x10" double wood joists will be sistered with new 2"x10" framing. The structure at the Roof level of the existing building will be 10" C joists. The four story addition will have CMU foundation walls at the Cellar level supported by concrete spread footings. The walls at the east and west property lines from the 1st floor to the Roof in the four story addition will be CMU with light gauge steel framing infill at the walls and the structure of the floors will be 10" C joists.

The Cellar floor is an existing concrete slab on grade at the existing portion of the building. The new addition is a slab on grade. There is a new perforated drain pipe installed at the perimeter of the existing cellar slab which feeds into a new sump pump to provide drainage for the foundation. The sump pump model is a ProFlo 1/3HP cast iron sump pump, Model # PF92352. The manufacturer's warranty is for 5 years.

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 other underlayment or ceiling channels are used for minimizing IIC rating.

Waterproofing for the new foundation walls includes 3 layers of liquid based waterproofing applied to the masonry, then 2" of rigid insulation in front of masonry for protection. The base of the wall is a perforated drain pipe under stone fill and filter fabric cloth. Underneath the cellar slab is a vapor barrier installed throughout.

1. Building Exterior

    i. Walls

    a. Front Wall: The wall is comprised of existing brick at the exterior. New metal framing and 5/8" gypsum board are installed at the interior. The interior cavity of the wall will be insulated with mineral wool insulation for a minimum 'R' value of 13. The 'R' value of the total wall will be approximately 20.5.

    b. Rear Wall, East and West Walls of Addition: The new rear wall is comprised of light gauge metal framing, with two layers of 'DensGlass', a two ply vapor barrier and stucco finish. The interior cavity of the wall is insulated with continuous spray insulation, for a minimum 'R' value of 13, with 5/8" gypsum board on the inside. The 'R' value of the total wall will be approximately 20.5. The new party walls are 8" cmu with two layers of 'DensGlass', a two ply vapor barrier and stucco finish.

    c. East and West Walls at Existing Building: The existing party walls are eight inch brick with an interior finish of 1 5/8" metal studs and 5/8" gypsum wall board.

    d. The exterior walls have (2) layers of 5/8" DensGlass to achieve a 2 hour fire rating. The interior walls have (2) layers of 5/8" sheetrock where a 2 hour fire rating is required. The stucco finish is applied to lath which creates a drainage plane for moisture.

    ii. Windows

All windows are new and are double- glazed Sierra Pacific windows with screens and have a thermal break system. No window guards are provided.
The perimeter of the windows will be fitted with latex-based caulking compound at interior and exterior surfaces. Windows will be mainly double hung type. Existing stone sills will remain. Existing lintels remain and will be reinforced as required. New lintels are light gauge framing reinforced with a 2x4 wood lintel. The interior finish of the lintels will be gypsum wallboards on furring channels. There will be no lot line windows.

The manufacturer will provided a one year warrantee for parts and hardware, and a five year warrantee for glazing.

iii. Landmark status
The building is not in a landmarked district.

2. Parapets and Copings
   The new parapets will be constructed of CMU with aluminum copings with 040 Kynar finish at the roof addition location. The existing parapets are brick and will be covered with new 040 Kynar finish. There is no evidence of leaking.

3. Chimneys
   The building will not have a chimney or a boiler requiring venting. There are (6) 3" CPVC flues for the hot water heaters terminating at west side of the roof.

4. Balconies, Terraces and Decks
   There will be no balconies in the building. There is (1) deck at the 1st floor that is dedicated to Unit 1. The deck is constructed out of W10x22 framing at the outside edge and infilled with 8J16 at 16" o.c. There is subway grating over the joists and the finish is painted black.

   The Roof Terrace deck surface will be an adjustable roof pedestal system with AGR Pavers which are hydraulically pressed concrete pavers and is dedicated to the use of Unit 3.

5. Exterior Entrances
   i. The main entrance door will be located at the first floor and will be a solid wood door, 1 ¾" thick, and a wood frame. The door will be Simpson Door Company, model 7406, 1 ½ hour fire rated. The doors to the 1st floor deck and basement patio will be Sierra Pacific, aluminum clad wood doors, (2) sliders and the basement front entrance door will be (1) inswing doors that are thermally broken. The door to the bulkhead will be a hollow metal, 1 ¾" thick, 1 ½ hour fire rated, door. The existing metal front hatch will remain and be refinished with black paint.

   ii. Vestibule doors and frames
   The vestibule door will be a 90 minute fire rated wood door with self closing hinges.

   iii. Exterior stairs
   The existing front stoop will be removed and replaced with a new stoop constructed out of reinforced concrete. The concrete will be refinished with a brownstone coating. There will be new metal stairs from the 1st floor deck to the rear yard. The construction includes 10" metal stringer @ 8.4 lb. per foot and 10" Diamond Plate Treads for the Deck Stairs.

The new rear patio under the deck above is concrete covered in tiles. The rest of the rear yard is covered with grass.

iv. Railing and Balustrade
A new 42" metal painted guardrail will be provided at the stair at the areaway in the rear yard.
The new railing at the front and rear steps consists of 2" solid metal posts and railings.
The new balustrade for the handrail at the front and rear steps is ½" solid metal vertical balustrades at a 4" spacing.

v. Mail boxes
U.S.P.S approved mail boxes will be provided for each unit on a post next to the metal gate at the entrance to the property.

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 will be no separate service entrance to the building.

7. Roof and roof structures
i. Type of roofs for all areas;
All roofs are new and are Polyglass SBS modified bitumen roofing over 2" XPS rigid insulation (R10) over two layers of ¾ "plywood decking with R38 batt in the ceiling cavity, pitched to drain per roofing manufacturer's specification. The surface finish will be Granulated Cap-Sheet White.

The expected useful life or this roof will be about fifteen (15) years. There is a 2 year contractor's guarantee and a 12 year manufacturer's guarantee. The commencement date is upon completion of the roof installation. The roof is manufactured for ordinary foot traffic and the pavers do not detract from the warranty.
The Pavers have a limited lifetime manufacturer's warranty commencing from the date of purchase. The pavers have a labor warranty of 2 years, commencing from the completion of the installation.
The pedestals which support the pavers come with a material warranty of 5 years by the manufacturer and commences with the date of purchase
The pedestals have a labor warranty of 2 years commencing with the date of completion of the installation.

Flashing is to be granulated cap-sheet with termination bar and aluminum surface mounted counter flashing. All penetration flashing is to be fleece reinforced liquid.

ii. Drains
a. The roof pitch is approximately ¼"per foot. The rear roof drains to an existing roof drain system.

b. 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. The external gutter and leader is located at the rear façade and is adequate for the square footage of roof provided.

iii. Skylights
There is one skylight on the property over the new bulkhead to the roof. The aluminum skylight is an aluminum Velux fixed skylight, model 2246, size 25 ½" x 49 ½".

iv. Bulkheads
There is a new bulkhead to the roof. The exterior walls at the bulkhead will have (2) layers of 5/8" DensGlass to achieve a 2 hour fire rating. The interior walls have (2) layers of 5/8" sheetrock where a 2 hour fire rating is required. There is a stucco finish at the exterior. The stair access is made of wood treads, wood risers and wood stringers.

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 is Aluminum with 040 Kynar finish.

There will be no hatches at the roof.

vi. Roof top facilities:
There will be a Roof Deck at the top of the building for the exclusive use of Unit C. The surface of the Roof Deck material will consist of adjustable roof pedestal system with AGR Pavers which are hydraulically pressed concrete pavers. The roof will be used for recreation and the pavers will need to be installed per manufacturer's recommendations. The roof deck for Unit 3 is approximately 999 square feet. The roof deck is code compliant and has a maximum occupancy of 19 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

The fire escape is a new steel fire escape painted black. The fire escape is comprised of a ladder that extends from the Roof to a 3rd Floor platform, stairs leading to platforms at the 3rd and 2nd floors, and a ladder that extends from the 2nd Floor platform to the 1st floor deck. There are metal steps from the 1st floor deck to the rear yard.
The fire escape is attached to the new addition by being bolted to new I-beams within the new rear wall.

9. Yards and Courts

The building has a front yard that is approximately 20'-0" feet wide and ranges from 5.3' to 5.5' deep and a back yard, approximately 20'-0" feet wide and 46'-3 5/8" deep. The building rear yard is for the exclusive use of the Unit 1. Units 2 and 3 will have access to the rear deck and yard in the case of emergency via the fire escape if needed. The front Court yard is common to the building.

i. Paving

The front yard of the building has been replace with new concrete. The rear yard patio under the deck is poured concrete covered in tiles. The rest of the rear yard is grass.

ii. Drainage

The run off from the yard areas will be transported, via area drains by to the New York City sewer system. A rear yard drain is located at the basement rear patio and connected to the sewer line to the street.

iii. Railing

There will be a new metal railing at the rear deck.

iv. Stairs

There is an existing concrete stair from the front yard to the basement. There will be a new metal stair from the 1st floor to the rear yard.

v. Fencing:

There will be a new Stratco aluminum slat fencing of 6 feet (6'-0") above the finish grade of the backyard.

vi. Walls:

There are no walls on the property.

10. Interior Stairs

There will be a common interior stair from the 1st Floor to the Roof. In Unit 1 there will be a convenience stair connecting the 1st floor to the basement and to the Cellar.

i. Enclosure

The common stair will have a two-hour fire rated, gypsum board wall enclosure.

ii. Stair construction

All components of the new stairs from the first floor to roof including stringers, treads and risers, are wood construction. The new convenience stairs from the basement to the cellar will be wood stringers, treads and risers.

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 six inches (3'-6") 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 door to the stair hall and frames will be metal. They will have a minimum one and a half hour fire rating with self-closing devices. The interior apartment doors and frames for bedrooms and bathrooms will be solid-core pre-painted veneer or pressed fiberboard. Closets are 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

1. Laundry Facilities:

Each residential unit will have a laundry room with complete plumbing for water and waste connections, and electrical outlets for stacked washing machine and dryer. Dryers will be gas fired and connected to an exhaust duct riser to a roof. Washer& dryer will be included as follows:

Washer: Samsung SWF42H5000AW SS Front Loading Washer
Dryer: Samsung SDV42H5000GW SS Gas Front Load Dryers

1. Refuse Disposal

There will be no incinerators or compactors in this building. Refuse disposal will be the responsibility of each individual unit's occupant. They will collect their own refuse and carry it to supplied containers located in the front courtyard. The refuse will be collected by the New York City Sanitation Department on the days designated for garbage removal.

There are no other auxiliary facilities.

(j) Plumbing and Drainage

1. Water Supply
Water will be supplied to the units through connections from the building to the New York City Water Distribution System. There will be 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 to be supplied with cold water from 1" copper piping. Each unit will have its own hot water heating unit, located within the apartment.
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. As indicated on the Department of Buildings approved drawings, the proposed alterations do not exceed 50% of the value of the building therefore not requiring the building to be sprinklered. There is no change of occupancy for this project. There is no Siamese connection on the property.

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 have a water booster pump for raising the water to the 3rd floor level. The booster pump used is a new Grunfos Model CMBE Booster Pump and has a 2 year manufacturer's warranty.

5. Sanitary sewage system
   i. Sewage piping
   Piping for the sanitary sewage systems shall be service weight cast iron with hubless fittings.
   ii. 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 Degraw 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 Degraw 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 areas at the Roof level of the building. Gutters and leaders at the pitched roof shall be of extruded aluminum. A rear yard drain is located at the basement rear patio and connected to the sewer line to the street.
   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 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. For domestic hot water there is a gas water heater located in each apartment. 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.
   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.

   The hot water heaters will be Navien Tankless Hot Water Heater, Model Number is NPE-240ANG. The warranty is 1 year for labor. 5 years for parts, and 15 years for the heat exchanger. The Navien tankless hot water heater input BTUs is 199K BTU/Hr. The uniform energy factor (UEF) is .96.

   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 will be no boilers in this building.

(l) Gas Supply

1. Type
   Gas service will be provided by National Grid through an underground connection on Degraw Street.

2. Meters
   There will be three gas meters in the building. The gas service for the building will fuel cooking ranges, hot water and dryers in each apartment.

3. Piping
   Piping will be black iron schedule 40 pipe with malleable fittings.

(m) Air Conditioning

Each residential unit will be 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.
Air conditioning units shall not produce noise levels in excess of 42 decibels per condenser and 45 decibels for multiple condensers when measured from 3 feet away from windows or doors of apartments below. Vibration isolators have been specified to prevent vibration in apartments below.
The insulation for rooftop piping: Refrigerant piping insulation shall be 1-1/2" thick Armaflex II or approved equal. All joints shall be sealed and taped. Both liquid and suction lines shall be insulated.

1. Type of systems
   Cooling of each unit will be achieved by a central variable refrigerant flow (VRF) system. The cooling system is designed to maintain a maximum indoor temperature of 75 degrees Fahrenheit. Maximum outdoor ambient temperature for condensing unit is 118 degrees Fahrenheit. Individual thermostats will be provided for each unit. All units will be ducted.

2. Central system manufacturer model, description
   Indoor units will be Mitsubishi as specified below.
   The efficiency of the units is:
   HSPF = 10
   COP at 47 degrees F = 3.13
   COP at 17 degrees F in Maximum Capacity = 2.14
   COP at 5 degrees F in Maximum Capacity = 2.16

AC Unit Tag	Location	Area Tag	Model No. / SEER / BTU cooling / BTU heating
FCU-BA	Cellar (serving the basement)	HVAC room	SEZ-KD15NA4 /15 /15,000 BTU / 18,000 BTU
FCU-BB	Cellar(serving the basement)	HVAC room	SEZ-KD09NA4 /15 /9,000 BTU / 10,300 BTU
FCU-1A	First floor	Kitchen	SEZ-KD18NA4 / 17.5 /18,000 BTU / 22,500 BTU
FCU-1B	First floor	closet	SEZ-KD09NA4 /15 /9,000 BTU / 10,300 BTU
FCU-2A	Second floor	Kitchen	SEZ-KD18NA4 / 17.5 /18,000 BTU / 22,500 BTU
FCU-2B	Second floor	closet	SEZ-KD09NA4 /15 /9,000 BTU / 10,300 BTU
FCU-3A	Third floor	Kitchen	SEZ-KD18NA4 / 17.5 /18,000 BTU / 22,500 BTU

FCU-3B	Third floor	closet	SEZ-KD09NA4 /15 /9,000 BTU / 10,300 BTU

Condensing units will be Mitsubishi units as specified below:

Condensing Unit Tag	Location	Units served	Model No./ SEER / BTU
CU-1	Rear yard	FCU-1A, FCU-1B, FCU-BA, FCU-BB	MXZ-4C36NAHZ/ 15.8 / 36k BTU
CU-2	Roof	FCU-2A, FCU-2B	MXZ-4C36NAHZ/ 15.8 / 36k BTU
CU-3	Roof	FCU-3A, FCU-3B	MXZ-4C36NAHZ/ 15.8 / 36k BTU

3. Condensers
There will be three (3) condensing units. (1) Condenser will be located in the rear yard and (2) condensers will be located on the roof. The energy efficiency of the condensers is 15.8 SEER for heating and cooling.

4. Individual Units
Ceiling mounted AC units will be provided.

5. Warranty
There is a 5 year limited parts warranty when installed by a licensed hvac contractor. There is also a 7 year warranty provided through the hvac contractor.

(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. The ductwork will extend through the roof. The maintenance of each exhaust fan is the responsibility of the owner of each apartment.

Registers with automatic dampers will be provided. 50 CFM minimum exhaust will be provided for each bathroom. Kitchens will be exhausted with 400 CFM with recirculating fans. Dryer will be provided with minimum 200 CFM exhaust.

A fresh air duct will be provided in the gas meter room with a duct to the front hatch. The other cellar spaces will be mechanically ventilated with a Mitsubishi air handler on a thermostat.

The noise emission from the kitchen exhaust fans is emission 5.3 Sones. The noise emission from the bath exhaust fans is 1.4 Sones.

(o) Electrical system

1. Service from main service switchgear

Electric service to the building will be underground by connection to electric service on Degraw 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 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.

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 Akuvoc R29S with C313S multifunctional Communicator and Category 5E UTP MHz enhanced cables. 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 all applicable 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 Elitco White 4" round reflector, model # E-SMR40930K.

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

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.

NFPA 80 – Inspections for fire door assemblies shall be inspected and tested not less than annually, and a written record of the inspection shall be signed and kept for inspection by the AHJ.
Backflow preventers – Inspections for backflow preventers should be performed annually by a certified tester.

(v) Violations

There currently one active violations listed for the property as per the N.Y.City Department of Buildings Information system website. The Partial Stop Work order occurred 12/02/19 because an Inspector observed debris on the scaffolding. The scaffolding has been cleaned and a re-inspection was requested on January 13, 2020. It is estimated that the partial stop work order will be resolved by January 20, 2020. The sponsor will cure any outstanding violation prior to closing.

(w) Residential Unit Information

1. Space 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	534 sq ft
Basement	999.9 sq ft
1st Floor	916 sq ft
Deck	160 sq ft
Rear Yard	766 sq ft
Total	**3,375.9 sq ft**

UNIT 2

2nd Floor	906 sq ft
Total	**906 sq ft**

UNIT 3

3rd Floor	904.9 sq ft

Roof Deck	949.9 sq ft
Total	**1,854.8 sq.ft.**

COMMON AREA

Utilities	238 sq.ft.
1ST Floor Vestibule	83.9 sq ft
2nd Floor Stair hall	93.9 sq ft
3rd Floor Stair hall	95.0 sq ft
Bulkhead	50.0 sq ft
Total	**560.8 sq.ft**

Unit 1 has a vestibule entry at the basement and first floor, 3 bedrooms, kitchen, living room/dining room, laundry closet, storage space in cellar, 3 ½ bathrooms and rear yard access and deck.
Ceiling heights: The cellar ceiling is 5'-0", basement floor ceiling is 8'-0" and first floor ceiling is 10'-2".
Unit 2 has 2 bedrooms, kitchen, living room/dining room, laundry closet, 2 bathrooms.
Ceiling heights: The second floor ceiling is 8'-6".
Unit 3 has 2 bedrooms, kitchen, living room/dining room, laundry closet, 2 bathrooms and roof deck.
Ceiling heights: The third floor ceiling is 8'-0".

377 Degraw - AG/Offering Plan - Basement/Cellar

Laundry Room				
17-080	Appliances	Washer	Samsung front load washer - 27"	SWF42H5000AW
17-080	Appliances	Dryer	Samsung gas dryer - 27"	SDV42H5000GW
			Stack Kit	SKK-7A
Hardwood Floor				
16-040	Hardwood	Hardwood	Hardwood Floors	
Paint - interior				
15-010	Paint	House	ProMar 200 Snowbound - Flat	
15-010	Paint	Bathrooms	Promar 200 White - Satin	
15-010	Paint	Ceiling [all]	ProMar 200 - ceiling white	
15-010	Paint	Interior Trim	ProMar 200 - White - semi gloss	
Kitchen Countertop				
17-060	Countertop	Countertop	Stone countertops	
Kitchen - Appliances				
17-080	Appliances	Refrigerator	SubZero - 30" integrated fridge w/ internal dispenser and ice maker	IT-30CIID-LH/RH
17-080	Appliances	Range/ Cooktop	Wolf - 30" gas range	GR304
17-080	Appliances	Wall Hood	Wolf - 30" undercabinet hood	VU30S
			Wolf - under cabinet recirculating filters	828075
17-080	Plumbing	Sink	Artisan Manufacturing 29" Stainless Steel zero radius sink	CPUZ2919
07-040	Final Plumbing	Basket strainer	ProFlo Stainless Steel deep cup basket strainer	PF1432SS
17-080	Appliances	Dishwasher	Bosch - 24"800 Series panel ready dishwaser	SHVM78W53N
17-080	Appliances	Microwave	Sharp 30" micro drawer	SMD3070AS_SS_EN
Kitchen - Plumbing				
07-040	Final Plumbing	Garbage Disposal	In-sinkerator PRO 750	IPRO750
07-040	Final Plumbing	Faucet	Grohe K7	G32951000
Powder Room				
07-010	Rough Plumbing	Toilet	Gerberit - 2x4 in wall tank	G111798001
07-040	Final Plumbing	Faucet	Kohler - Purist widespread bathroom sink faucet - with low cross handles	K-14406-3-BL
07-040	Final Plumbing	Toilet	Toto - Aquia wall hung - white	CT418FG01
07-040	Final Plumbing	Toilet	Gerberit - Sigma 30 dual flush plate - Black with chrome accent	115.883.14.1
07-040	Final Plumbing	Toilet	Toto - soft close seat	SS204
17-040	Cabinets	Vanity Cabinet/sink	Custom vanity and sink	
Bath-Tub 1				
07-010	Rough Plumbing	Tub	Kohler - pressure balancing valve w/diverter stop	K11748-KS-NA
07-010	Rough Plumbing	Tub	Jacuzzi 60x32 tub	JLNS6032BRXXXXW
07-010	Rough Plumbing	Tub	Jacuzzi overflow and tap drain kit - chrome	JMF35827
07-040	Final Plumbing	Faucet	Kohler - Purist widespread bathroom sink faucet - with low lever handles	K-14406-4-CP
07-010	Rough Plumbing	Toilet	Gerberit - 2x4 in wall tank	G111798001
07-040	Final Plumbing	Toilet	Toto - Aquia wall hung toilet	TCT418FG01
07-040	Final Plumbing	Toilet	Gerberit - Sigma 30 dual flush plate - white with chrome accent	115.883.KK.1
07-040	Final Plumbing	Tub	Kohler Purist T&S trim - lever	KT14420-4-CP
17-040	Cabinets	Vanity Cabinet/sink	Custom vanity cabinet and sink	
Master Bath				
07-010	Rough Plumbing	Shower	Kohler - rite temp press bal valve	KP8304-KS-NA
07-010	Rough Plumbing	Shower	Kohler - 3 way transfer valve	K728-K-NA
07-010	Rough Plumbing	Shower Drain	Kohler - chrome square drain	K9136-CP
07-040	Final Plumbing	Faucet	Kohler Composed - single hole sink faucet	K-73167-4-CP
07-010	Rough Plumbing	Toilet	Gerberit - 2x4 in wall tank	G111798001
07-040	Final Plumbing	Toilet	Toto - Aquia wall hung toilet	TCT418FG01
07-040	Final Plumbing	Toilet	Gerberit - Sigma 30 dual flush plate - white with chrome accent	115.883.KK.1
07-040	Final Plumbing	Shower	Kohler - 10" contemporary round rain showerhead	K-13689-CP
07-040	Final Plumbing	Shower	Kohler 6" ceiling mount arm	K7394-CP
07-040	Final Plumbing	Shower	Kohler 12" ceiling mount shower arm	K7392-CP
07-040	Final Plumbing	Shower	Kohler Composed- rite temp press bal trim	TS73115-4-CP
07-040	Final Plumbing	Shower	Kohler Composed - transfer trim	T73140-4-CP
07-040	Final Plumbing	Shower	Kohler - Awaken multifunction handshower	K-72415-CP
07-040	Final Plumbing	Shower	Kohler - 60" hose	K9514-CP
07-040	Final Plumbing	Shower	Kohler - Exhale wall mount handshower holder w/supply elbow	K-98354-CP
17-040	Vanity Cabinet	Vanity Cabinet/sink	Custom vanity and sink	
17-040	Vanity Cabinet	Countertop	Stone vanity countertop	

377 Degraw- AG/Offering Plan - Units 2-3

Laundry Room				
17-080	Appliances	Washer	Samsung front load washer - 27"	SWF42H5000AW
17-080	Appliances	Dryer	Samsung gas dryer - 27"	SDV42H5000GW
07-080	Appliances	stack kit	Samsung Stack Kit	SKK-7A
Hardwood Floor				
16-040	Hardwood	Hardwood	Hardwood Floors	
Paint - interior				
15-010	Paint	House	ProMar 200 Snowbound - Flat	
15-010	Paint	Bathrooms	Promar 200 White - Satin	
15-010	Paint	Ceiling [all]	ProMar 200 - ceiling white	
15-010	Paint	Interior Trim	ProMar 200 - White - semi gloss	
Kitchen Countertop				
17-060	Countertop	Countertop	Stone countertops	
Kitchen - Appliances				
17-080	Appliances	Refrigerator	SubZero - 30" integrated fridge w/ internal dispenser and ice maker	IT-30CIID-LH/RH
17-080	Appliances	Range/ Cooktop	Wolf - 30" gas range	GR304
17-080	Appliances	Wall Hood	Wolf - 30" undercabinet hood	VU30S
17-080	Plumbing	Sink	Artisan Manufacturing 29" Stainless Steel zero radius sink	CPUZ2919
07-040	Final Plumbing	Basket strainer	ProFlo Stainless Steel deep cup basket strainer	PF1432SS
17-080	Appliances	Dishwasher	Bosch - 24"800 Series panel ready dishwaser	SHVM78W53N
17-080	Appliances	Microwave	Sharp 30" micro drawer	SMD3070AS_SS_EN
Kitchen - Plumbing				
07-040	Final Plumbing	Garbage Disposal	In-sinkerator PRO 750	IPRO750
07-040	Final Plumbing	Faucet	Grohe K7	G32951000
Bath-Tub 1				
07-010	Rough Plumbing	Tub	Kohler - pressure balancing valve w/diverter stop	K11748-KS-NA
07-010	Rough Plumbing	Tub	Jacuzzi 60x32 tub	JLNS6032BRXXXXW
07-010	Rough Plumbing	Tub	Jacuzzi overflow and tap drain kit - chrome	JMF35827
07-040	Final Plumbing	Faucet	Kohler Kumin - single handle faucet	K-98827-4-CP
07-010	Rough Plumbing	Toilet	Gerberit - 2x4 in wall tank	G111798001
07-040	Final Plumbing	Toilet	Toto - Aquia wall hung toilet	TCT418FG01
07-040	Final Plumbing	Toilet	Gerberit - Sigma 30 dual flush plate - white with chrome accent	115.883.KK.1
07-040	Final Plumbing	Tub	Kohler Purist T&S trim - lever	KT14420-4-CP
17-040	Cabinets	Vanity Cabinet/sink	Custom vanity cabinet and sink	
Master Bath				
07-010	Rough Plumbing	Shower	Kohler - rite temp press bal valve	KP8304-KS-NA
07-010	Rough Plumbing	Shower	Kohler - 3 way transfer valve	K728-K-NA
07-010	Rough Plumbing	Shower Drain	Kohler - chrome square drain	K9136-CP
07-010	Rough Plumbing	Body Sprays	Kohler Composed - single hole sink faucet	K-73167-4-CP
07-040	Final Plumbing	Faucet	Gerberit - 2x4 in wall tank	G111798001
07-010	Rough Plumbing	Toilet	Toto - Aquia wall hung toilet	TCT418FG01
07-040	Final Plumbing	Toilet	Gerberit - Sigma 30 dual flush plate - white with chrome accent	115.883.KK.1
07-040	Final Plumbing	Toilet	Kohler - 10" contemporary round rain showerhead	K-13689-CP
07-040	Final Plumbing	Shower	Kohler 6" ceiling mount arm	K7394-CP
07-040	Final Plumbing	Shower	Kohler 12" ceiling mount shower arm	K7392-CP
07-040	Final Plumbing	Shower	Kohler Composed- rite temp press bal trim	TS73115-4-CP
07-040	Final Plumbing	Shower	Kohler Composed - transfer trim	T73140-4-CP
07-040	Final Plumbing	Shower	Kohler - Awaken multifunction handshower	K-72415-CP
07-040	Final Plumbing	Shower	Kohler - 60" hose	K9514-CP
07-040	Final Plumbing	Shower	Kohler - Exhale wall mount handshower holder w/supply elbow	K-98354-CP
17-040	Vanity Cabinet	Vanity Cabinet/sink	Custom vanity and sink	
17-040	Vanity Cabinet	Countertop	Stone vanity countertop	

(x) Finish Schedule of Spaces Other Than Units

Cellar:

Room	*Floor*	*Walls*	*Ceiling*	*Remarks*
Utility Room	Epoxy coating on new stud walls in cellar	GWB painted	GWB painted	Sheetrock is installed

Basement:

Room	*Floor*	*Walls*	*Ceiling*	*Remarks*
Entry vestibule	Tile	GWB painted	GWB painted	

1st Floor:

Room	*Floor*	*Walls*	*Ceiling*	*Remarks*
Entry vestibule	Tile	GWB painted	GWB painted	

2nd Floor:

Room	*Floor*	*Walls*	*Ceiling*	*Remarks*
Stair hall	Wood	GWB painted	GWB painted	

3rd Floor:

Room	*Floor*	*Walls*	*Ceiling*	*Remarks*
Stair hall	Wood	GWB painted	GWB painted	

Bulkhead:

Room	*Floor*	*Walls*	*Ceiling*	*Remarks*
Stair hall	Wood	GWB painted	GWB painted	

The paint specifications for the walls and ceiling throughout are Level 3 G.W.B painted with 2 coats of paint and Sherwin William ProMar200 primer.

White oak engineered flooring - LW Flooring - Sonoma Valley Collection - Chardonnay – model#SVWO12C7, Warranty: Lifetime structural 50 years finish

(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.

(cc) Asbestos
The building site has been remediated and no asbestos is present. Asbestos was found in the existing roof base flashing, roof membrane and roofing material. One the 2nd floor, the existing linoleum flooring also had asbestos. The asbestos was abated and an ACP21 was issued on February 6, 2017.

(dd) Lead-based Paint
Reports have been included that indicate lead paint was discovered at existing rear fire escape staircases and in the paint at the rear wall. The existing lead has been removed from these locations due the fact that the rear wall was removed for the addition and the existing fire escape was removed and replaced with a new fire escape. No lead paint was discovered on the front window sills just on the rear facade. As stated in Special Risk #30, "The property renovation is considered a "gut rehabilitation" project. Sponsor is in compliance with Local Law 1 of 2004. 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 of lead paint. Please refer to copy of Local Law 1 of 2004 included in Part II Section D of this plan following the architect's floor plans.

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. Unit 1 is an adaptable unit that incorporates R2 Type B unit toilet and bathing facilities. There is one Appendix P bathroom layout and one Type A bathroom layout provided. The requirements for accessible entrances was waived due to the project scope and building type.

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

BEN HERZOG
PRESIDENT
Name title

Signature

1/2020
Date

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.

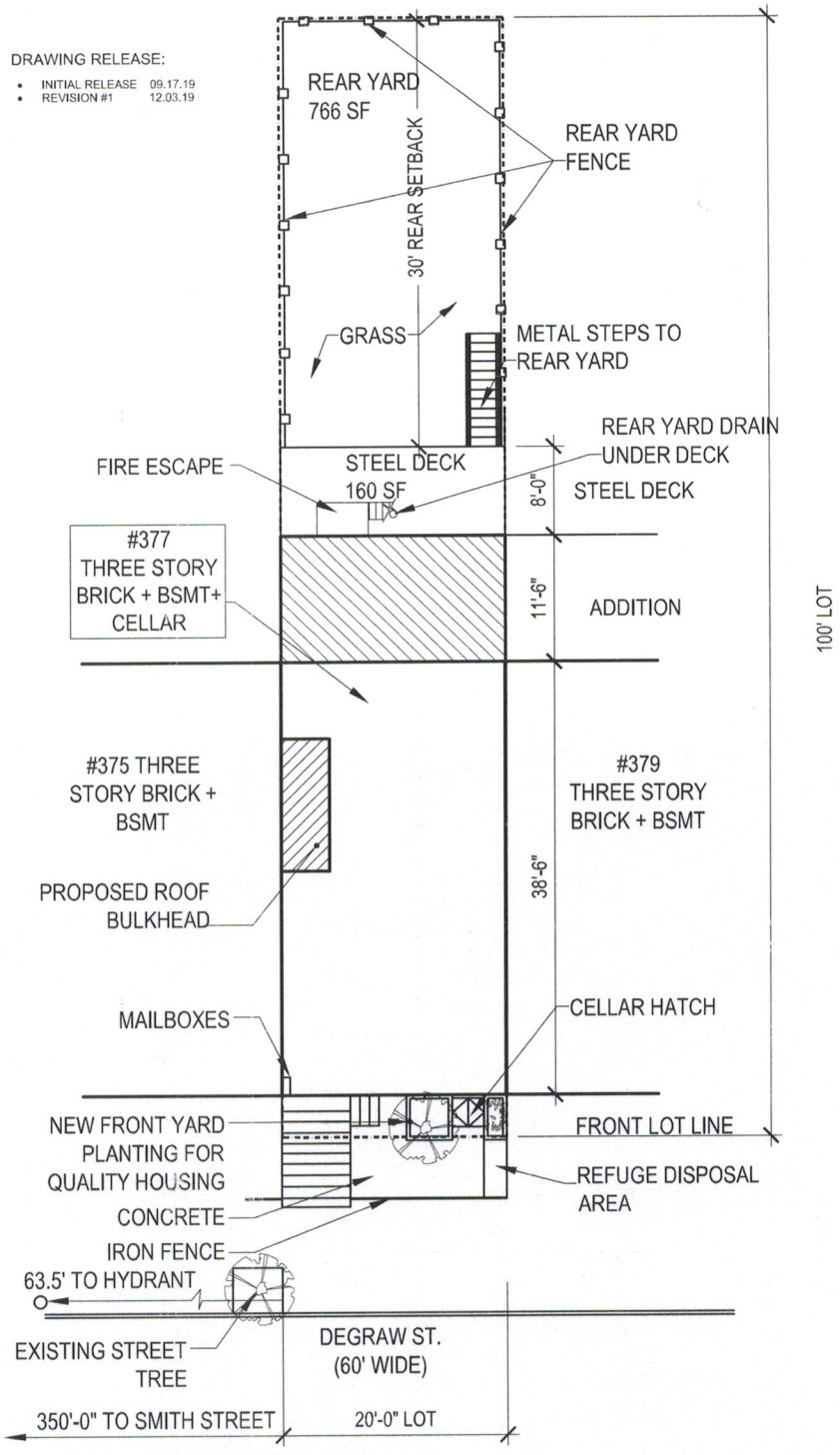
Was returned to the City Clerk on December 19, 2003.

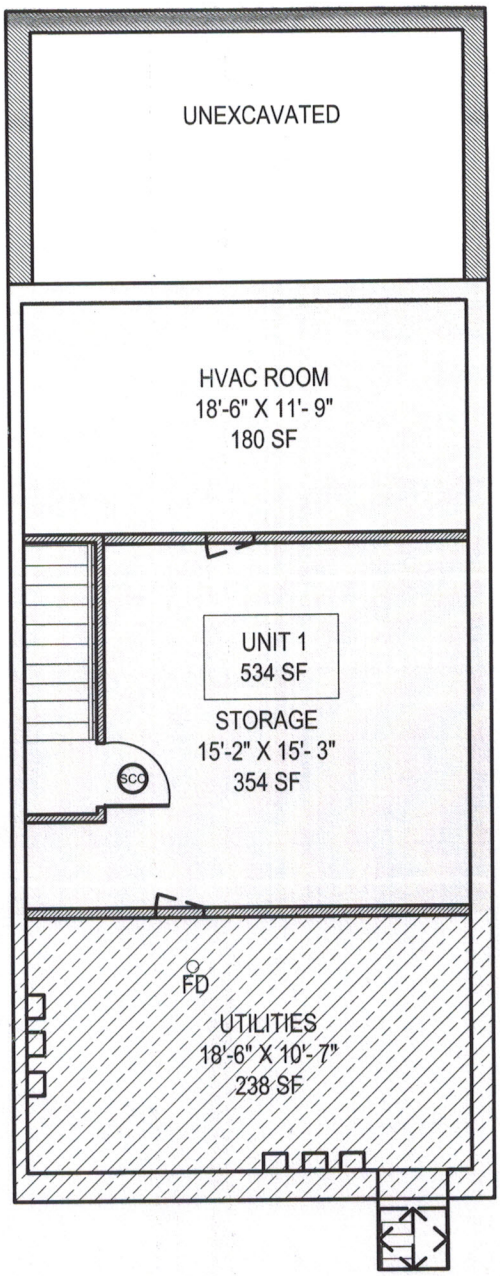
Was reconsidered by the Council on February 4, 2004 and received the following vote of the Council members at a meeting of the Council on February 4, 2004: 44 for, 5 against, 1 not voting.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel

DRAWING RELEASE:

- INITIAL RELEASE 09.17.19
- REVISION #1 12.03.19





DRAWING RELEASE:

- INITIAL RELEASE 09.17.19
- REVISION #1 12.03.19
- REVISION #2 01.09.20
- REVISION #3 03.30.20

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

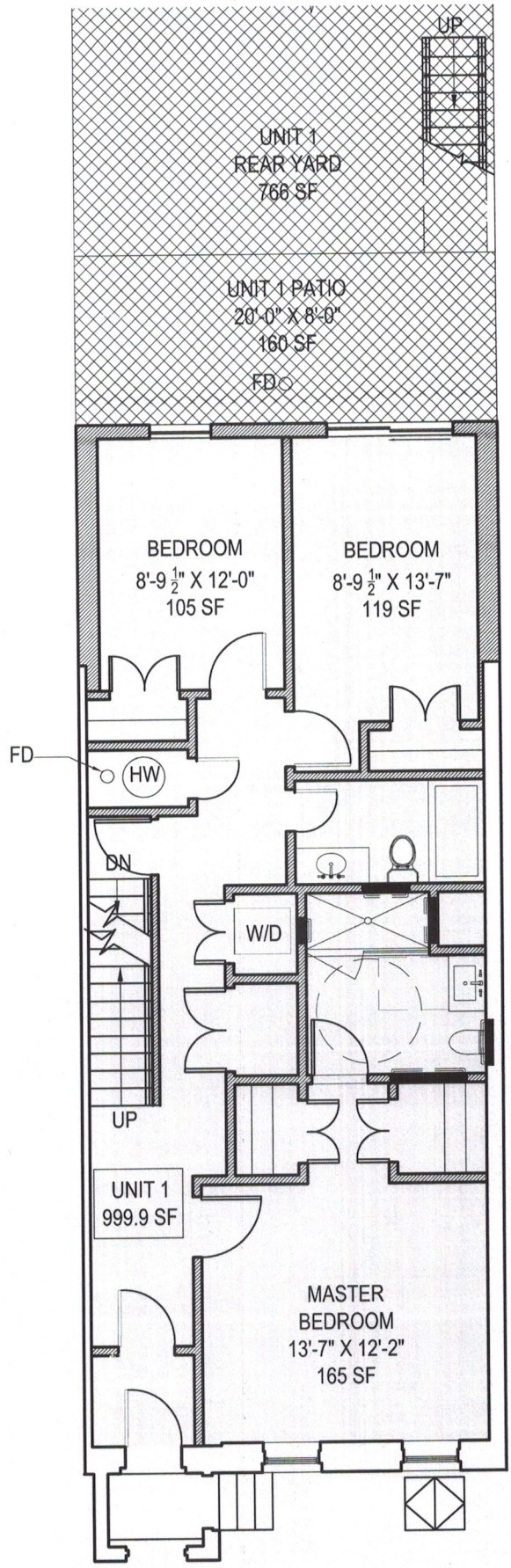
LEGEND:

- UNIT "1"
- UNIT "2"
- UNIT "3"
- COMMON ELEMENT (CE)
- LIMITED COMMON ELEMENT (LCE)

W/D	WASHER / DRYER
HW	HOT WATER
DW	DISHWASHER
REF	REFRIGERATOR
GR	GAS RANGE
FD	FLOOR DRAIN
RD	ROOF DRAIN

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

CELLAR FLOOR PLAN
N.T.S.



DRAWING RELEASE:

- INITIAL RELEASE 09.17.19
- REVISION #1 12.03.19
- REVISION #2 01.09.20
- REVISION #3 03.30.20

LEGEND:

- UNIT "1"
- UNIT "2"
- UNIT "3"
- COMMON ELEMENT (CE)
- LIMITED COMMON ELEMENT (LCE)

W/D	WASHER / DRYER
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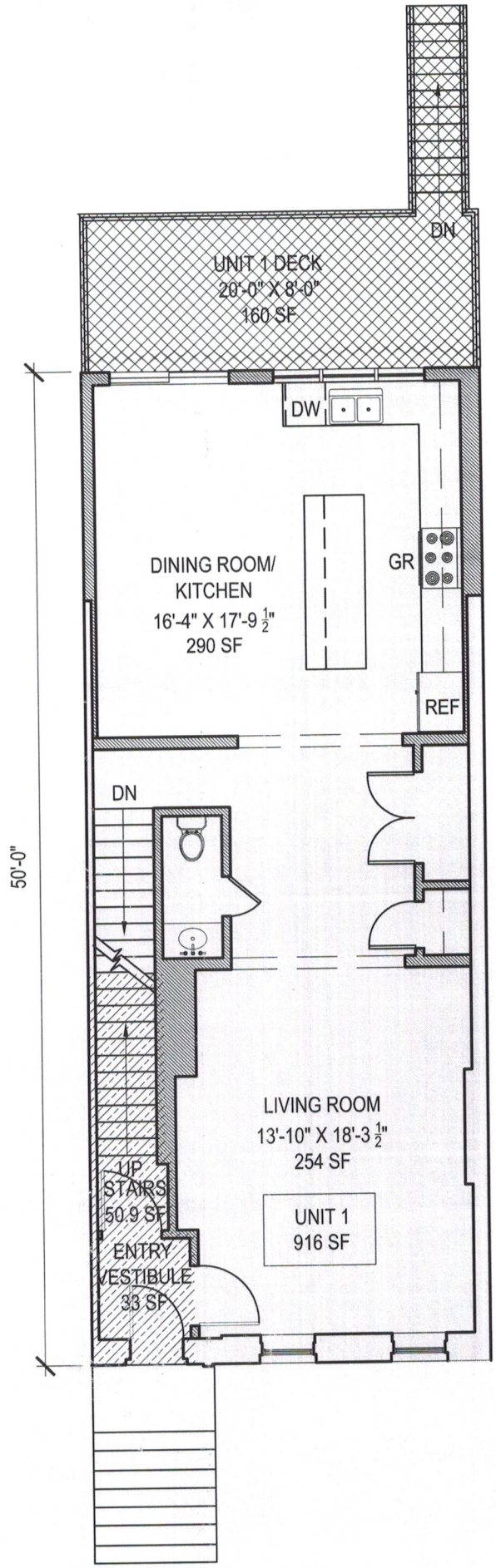
BASEMENT FLOOR PLAN 1
N.T.S.



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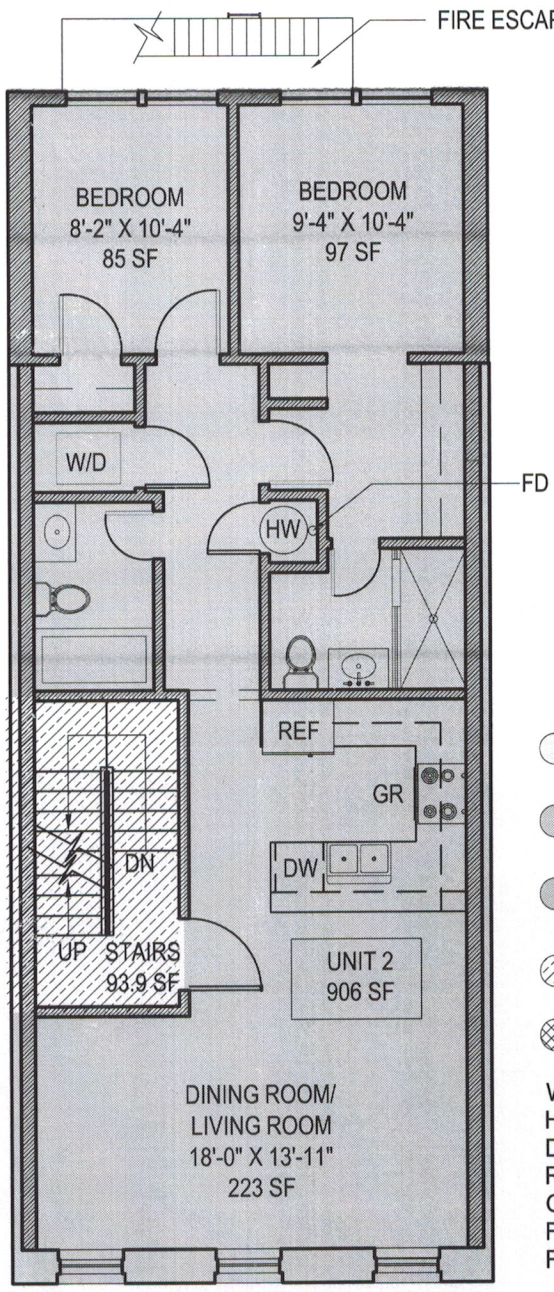
FIRST FLOOR PLAN
N.T.S.



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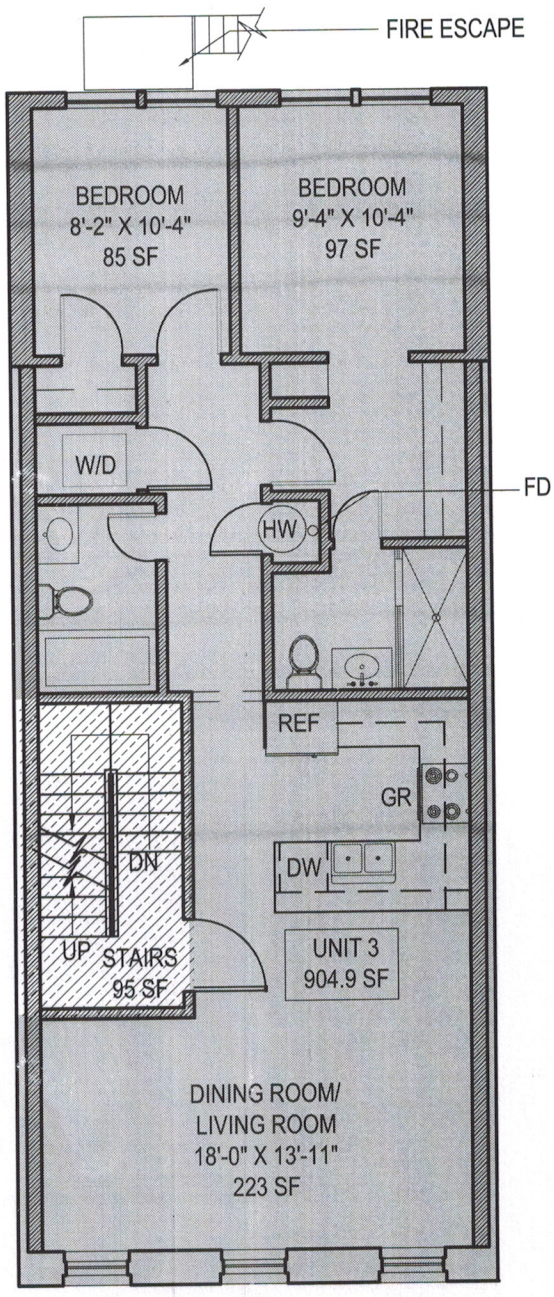
SECOND FLOOR PLAN
N.T.S.



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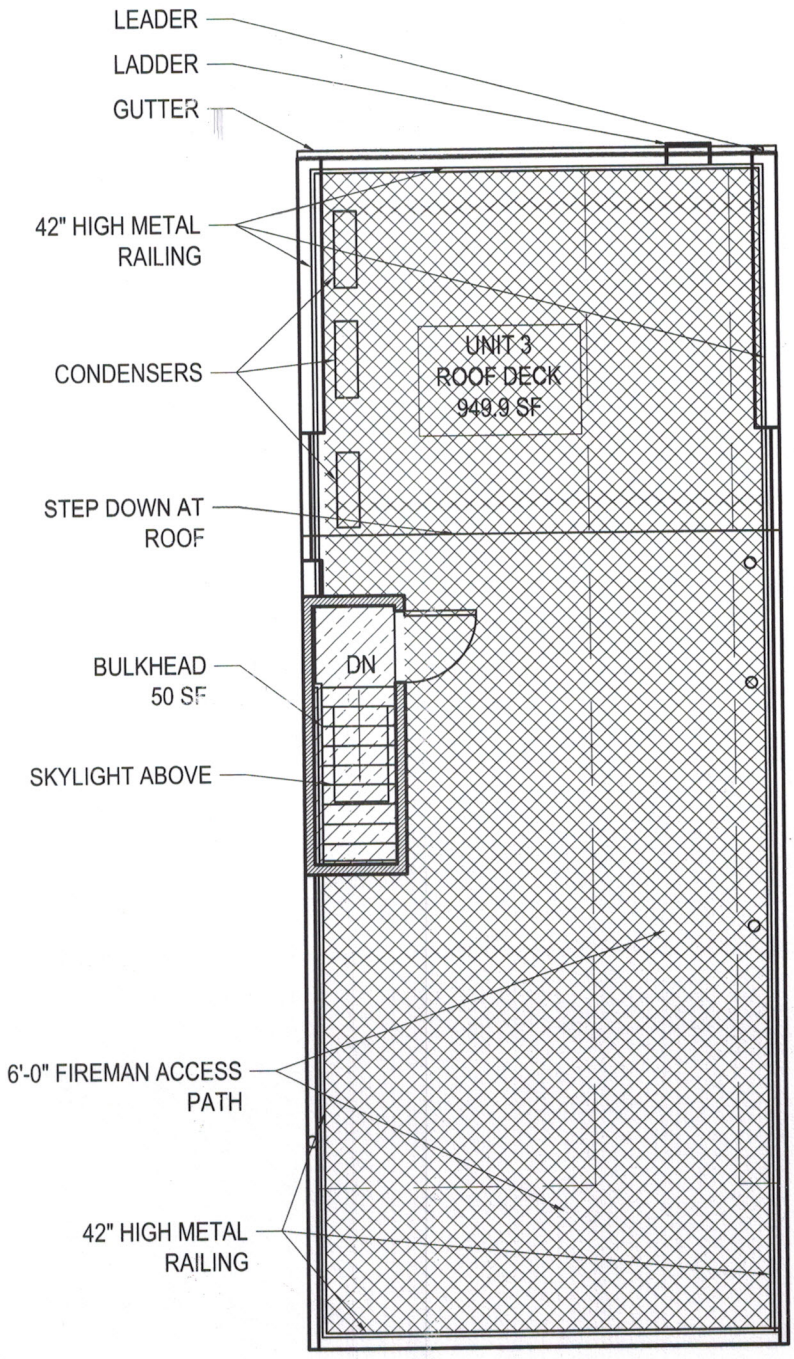
THIRD FLOOR PLAN
N.T.S.



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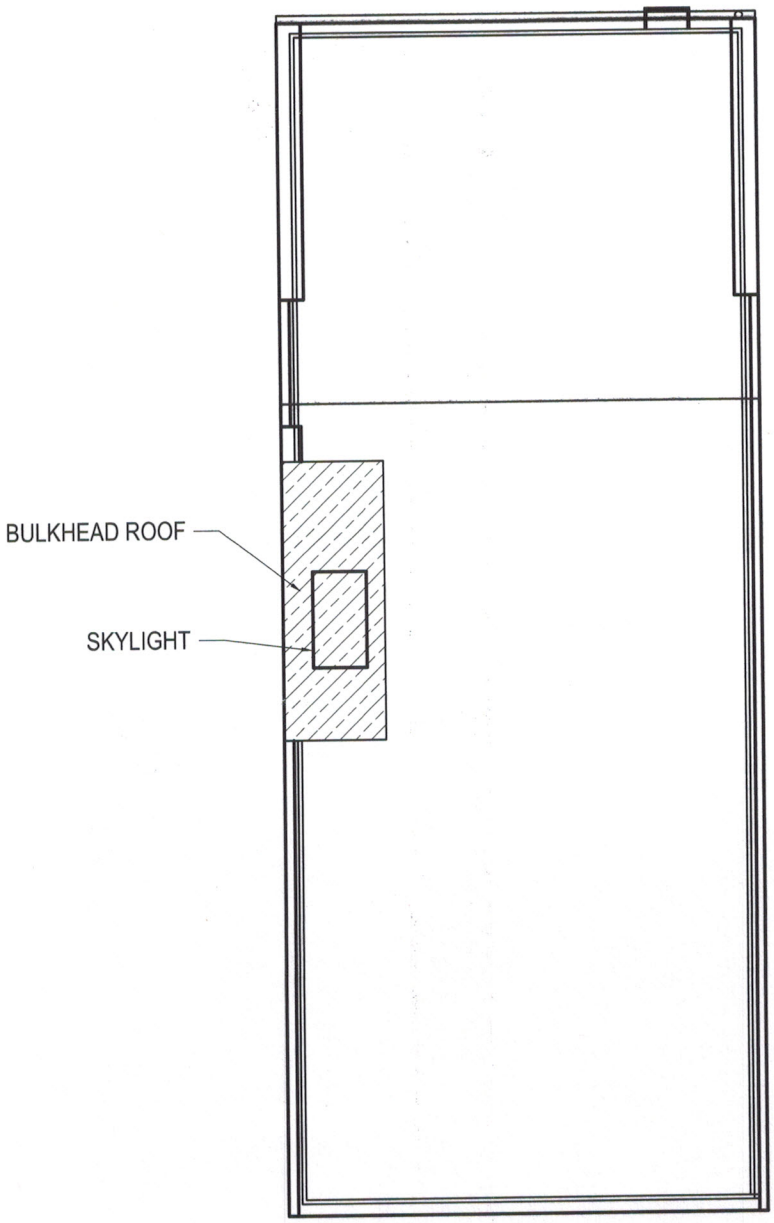
ROOF PLAN
N.T.S.



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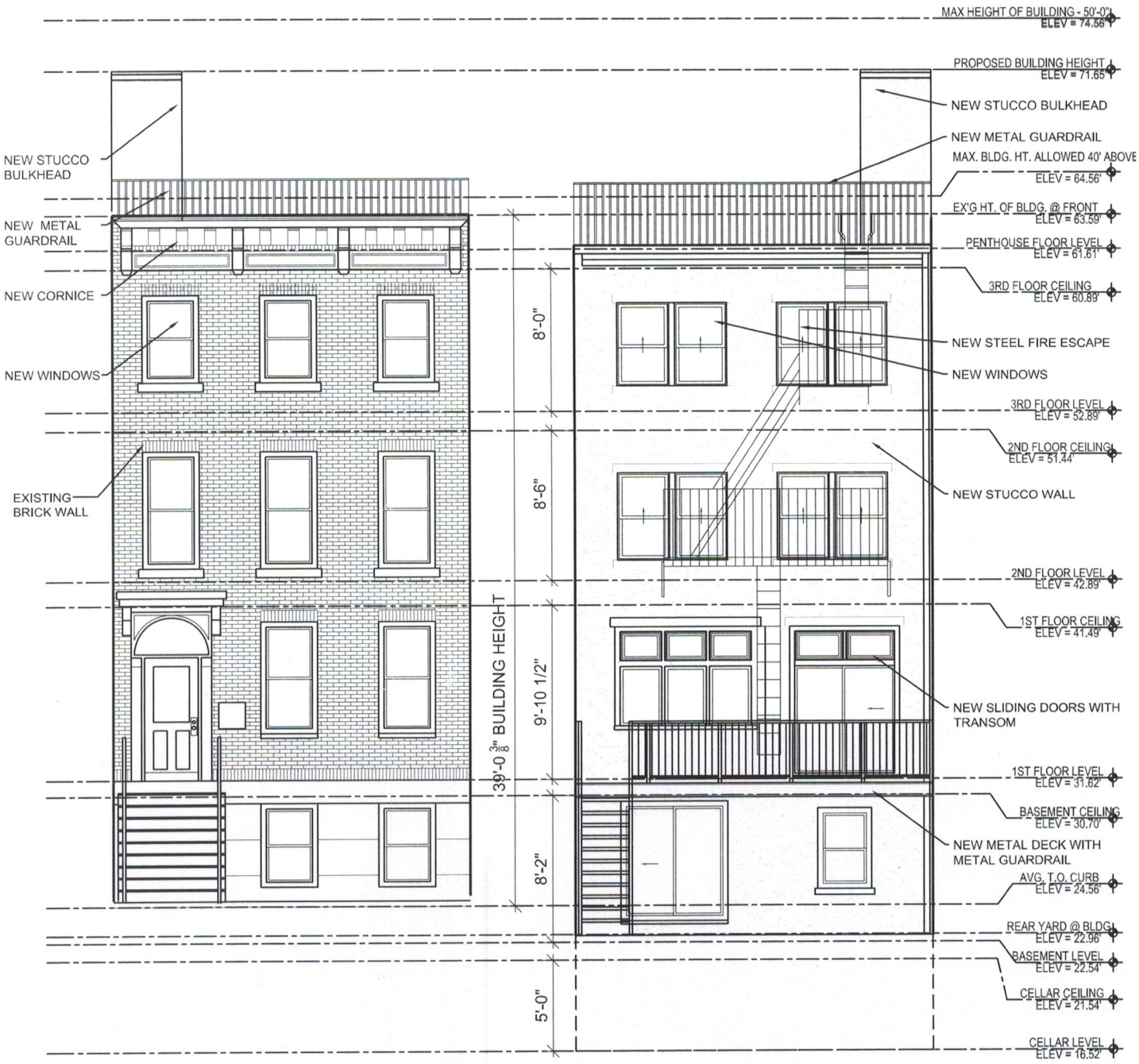
BULKHEAD ROOF PLAN
N.T.S.



PROPOSED FRONT ELEVATION

N.T.S.

PROPOSED REAR ELEVATION

N.T.S.

DRAWING RELEASE:

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- REVISION #1 12.03.19

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SECTION E

DECLARATION OF THE
377 DEGRAW STREET CONDOMINIUM

ESTABLISHING A PLAN OF A CONDOMINIUM OWNERSHIP FOR PREMISES LOCATED 377 DEGRAW STREET, IN THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE 9-B OF THE REAL ESTATE PROPERTY LAW OF THE STATE OF NEW YORK.

NAME: 377 DEGRAW STREET CONDOMINIUM
377 Degraw Street, Brooklyn, N.Y. 11231

SPONSOR: DEGRAW ST CAPITAL 377 LLC.
1325 Paterson Plank Road, Secaucus, NJ 07094

DATE OF DECLARATION: September ,2020

THE LAND AFFECTED BY THE WITHIN INSTRUMENT LIES IN SECTION , IN BLOCK 415, F/K/A LOT 59 N/K/A LOTS THROUGH ON THE TAX MAP OF THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK.

RECORD AND RETURN

Attorney for Sponsor
Gabor & Marotta, LLC
1878 Victory Blvd.
Staten Island, N.Y. 10314

DECLARATION OF THE
377 DEGRAW STREET CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK

In the Borough of Brooklyn, County of Kings, City and State of New York on this day of September 2020, Degraw St Capital 377 LLC whose principal office is situated at 1325 Paterson Plank Road, Secaucus, NJ 07094, hereinafter referred to as the "Sponsor", does hereby state:

FIRST: Submission of Property. By this Declaration, the Sponsor submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Sponsor owns all of that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, being more particularly bounded and described on Schedule "A" which is annexed hereto and made part of this Declaration.

THIRD: Definitions.

(a). The record owner of each Unit is hereinafter referred to as the "Unit Owner". Every Unit owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote as referred to in this Declaration.

(b) A "Unit" as hereinafter referred to shall be defined as follows: Each Unit shall consist of the area enclosed horizontally by the unexposed sides of the drywalls of the exterior walls of the building and by the unexposed sides of the dry wall or the exposed face of the concrete of those walls and partitions which separates the unit from the corridors, stairs, mechanical equipment spaces, and other units, and enclosed vertically by the underside of the unit's finished flooring and the exposed painted face of the concrete ceiling or the unexposed side of the unit's drywall ceiling where applicable. The Doors and windows which open from the unit shall be deemed part of the unit. No unit owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the unit, which are utilized for or services more than one unit. The description of the Units set forth herein pertains to the location of the walls, floors and ceilings of the unit as they are set forth in the building plans filed simultaneously with the recording of this Declaration. The building plans were prepared by the architect for the project Ben Herzog Architect, PC 247 Prospect Avenue, Brooklyn, N.Y. 11215

The Condominium shall contain a total of three residential units.

(c) "Party Wall" as hereinafter referred to shall be defined as a wall which is common to or separates two Units.

(d) "Condominium" as hereinafter referred to shall mean the 377 Degraw Street Condominium which is composed of the Unit owners.

FOURTH: The Sponsor is renovating one four story building with cellar to be owned as condominium Units located at 377 Degraw Street, Brooklyn, N.Y. according to the floor plans filed simultaneously with the recording of this Declaration in the Kings County Registrar's office which plans set forth a description of the building stating the number of stories, the number of units and the principal materials of which they are to be constructed.

The Condominium will consist of three residential Units located in one building composed of a cellar, basement, first, second, and third floors, all as set forth in the floor plans filed as part of this Declaration. Each of the Units has access to each other Unit and the street upon which the Condominium abuts by means of hallways and staircases which form a part of the common elements of the condominium. For the purposes of describing the approximate area, type and number of rooms of each unit and the common elements to which each unit has immediate access, the units are fully described on the filed floor plans and on Schedule "B".

Each Unit will be sold to one or more owners, each owner obtaining fee ownership in and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the common elements of the condominium, as listed hereinafter in this Declaration, and referred to as the "Common Elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

The aforesaid condominium covers a plot area of approximately 2,000 square feet which includes the buildings and the yard areas.

FIFTH: Common Elements. The Common elements of the condominium will consist of all of the Condominium, except the Units, including without limitation, outside walls of units, the land, building and improvements (other than the units) comprising the condominium, including the land under the building and under the improvements, all utility or other pipes and material located outside of the units, grass areas and sidewalks.

The common elements shall remain undivided and no Unit owner shall bring any action for partition or division unless otherwise provided by Law. Each Unit owner shall have the right to use the common elements, other than such portions, if any, which by the terms of this Declaration or the annexed By-Laws are irrevocably restricted in use to other Unit owners, in accordance with the purpose for which such common elements are intended, without hindering the exercise of or encroaching upon the rights of the other Unit owners.

The percentages of undivided interest in the Common elements and the rights and obligations of Unit owners respecting irrevocably restricted portions of the common elements established herein shall not be changed except with the consent of all of the affected Unit owners expressed in a duly recorded amendment to this Declaration.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instruments.

Limited Common Elements. Each unit owner, his guest, invitees, lessees and residents of his unit shall have the exclusive right to use and possess the limited common elements of the building indicated in the attached Schedule B, subject to the following:

Each Unit Owner shall be solely responsible for the repair and maintenance of the Limited Common Elements appurtenant to his Unit including, but not limited to painting, cleaning, patching and surface repair. In the event a Unit Owner fails to properly maintain his Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas. The cost thereof shall be assessed against the Condominium Unit to which such Limited Common Element is appurtenant. To the extent that any damage to a Limited Common Element is caused by building conditions, or by other conditions for which the Condominium carries insurance, the cost to repair such damage shall be borne by the Condominium.

The Limited Common Elements of the condominium as set forth in Schedule B are the following: rear deck, roof deck and rear yard.

SIXTH: Easements. All pipes, wires, conduits, cable lines, and public utility lines located within each unit shall be owned by such unit owner. Any portion of such pipes, wires, conduits, cable lines and public utility lines located in the common elements will be owned in common by the unit owners. Every unit owner shall have an easement in common with the owners of other units to maintain and use all pipes, wires, conduits, cable lines and public utility lines located in other units and servicing such owners unit. Each unit shall be subject to an easement in favor of the owners of other units to maintain and use the pipes, wires, conduits, cable lines and public utility lines servicing such other units which are located in such Unit.

The Board of Managers shall have a right of access to each unit for maintenance, repair or improvement to any pipes, wires, conduits, cable lines and public utility lines located in any unit and servicing any other unit. The cost of such repairs shall be a common expense.

The Board of Managers shall have a right of access to all common elements for maintenance, repair or improvement whether such common elements are limited or not.

The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of development and sale, reserves the right to continue to use the

common elements and any facilities, sales offices, model units, and signs located on the common elements, in it efforts to market units in the Condominium. This paragraph shall not be amended without the written consent of the Sponsor.

SEVENTH: Service of Process and Building Code Violations. Service of process on the unit owners in any action with relation to the common elements or more than one unit and with regard to any violation of local building codes, zoning ordinances and other related building and zoning laws by the Common Elements or one or more units shall be made upon the Board of Managers of the Condominium. The Board of Managers shall have the principal responsibility for curing any violations of such building and zoning laws and service upon the Board of Managers shall be deemed service upon the owner or owners of the Condominium unit or units in which any such violation exists. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any city agency which is a successor thereto.

EIGHTH: Common Interest. Each Unit owner shall have a percentage interest in the Common Elements and shall bear such percentage of the common expenses of the Condominium. The percentage interest of each Unit in the common elements has been determined by the Sponsor and is set forth in the Offering Plan of the Condominium and is recorded with the Plan.

Each Unit owner shall have one vote for all voting purposes at any meeting of the Unit owners unless otherwise mandated by law or expressly provided for herein or in the By-Laws.

NINTH: Administration. The administration of the condominium and the parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto.

TENTH: Amendment and Withdrawal. The property shall not be withdrawn from condominium ownership unless 100% of the Unit owners in number and common interest and the first mortgagees, if any, of each of these same units agree to such removal by duly recorded instruments. Such withdrawal of the property from condominium ownership shall not take effect until the withdrawal documents are duly recorded in the office of the clerk of the county of Richmond.

Except as provided pursuant to real Property Law section 339-p, the provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of 100% of the Unit owners in number and in common interest held at a duly called meeting of the unit owners provided, however, that:

(i) No amendment shall alter the percentage interest in the common elements appurtenant to any unit or alter any rights or obligations respecting portions of the Common Elements irrevocably restricted in use to the owners of any Units without the consent of the affected unit owners and the first mortgagees, if any, of the same units, which consents shall be expressed in the instruments of amendment.

(ii) No amendment shall add any parcel of land or Unit to or divest any parcel of land or unit from the Condominium property unless 100% of the unit owners in number and common interest and the first mortgagees, if any, of each of these same units agree to such change on the instrument or amendment.

(iii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the unit owners was made at a duly called meeting and that the requisite voting percentages were obtained. After the 60 day period, such presumption will be deemed conclusive. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Kings County Registrar.

ELEVENTH: Subject to Declaration, By-Laws, etc. All present and future unit owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner are subject to the provisions of this Declaration, the By-Laws and Rules and regulations of the Condominium and the mere acquisition or rental of any of the Units or the mere act of occupancy of any of the said Units shall signify that the provisions of the Declaration, By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the unit by the taxing subdivision of any governmental authority, including but not limited to State, City, County and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any unit. Such lien may be foreclosed, when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys fees (but such right shall not be a lien against the unit).

In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the unit shall not be subject to a lien for the payment of common charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of common charges shall be charged to all other Unit owners as a common expense. The term "institutional

mortgage" herein shall mean a first mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the City or State of New York or other similar institutional lender or a purchase money mortgage granted by the Sponsor.

Every unit owner shall pay the common charges assessed against him when due and no Unit owner may exempt himself from liability for the payment of common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. However, no unit owner shall be liable for the payment of any common charges accrued subsequent to a sale, transfer or other conveyance by him of such unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Units acquired by the Board. In the event any Unit owner shall convey his unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit in a foreclosure sale, title to such unit or the rights to the lease of such unit shall be held by the Board of Managers or its designee on behalf of the other Unit owners.

In order to carry out the provisions of this paragraph, each Unit owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such unit under whatever terms the Board may in its sole discretion deem proper and sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The unit owners agree that if any portion of a Unit or the common elements (whether restricted in use to an individual unit owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of construction, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the building is partially or totally destroyed as a result of fire or other casualty or a result of condemnation or eminent domain proceedings and are rebuilt, the unit owners agree that encroachments of any portion of the unit or the common elements as herein described due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed building shall stand.

FIFTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit owner in the Condominium subject to the Declaration, By-Laws and other effective rules and regulations and shall remain such until such time as he ceases to own a Unit for any reason.

SIXTEENTH: Conveyance of a Unit. In any conveyance of a unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the unit shall be jointly and severally liable with the Grantor for any unpaid common charges against the Grantor assessed and due up to the time of the grant or conveyance

without prejudice to the Grantee's right to recover from the grantor the amount paid by the grantee therefore. Any such grantee shall be entitled to a statement from the Board of Managers setting forth the amount of unpaid common charges against the Grantor and such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid common charges against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a unit at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: Covenants and Restrictions. The use of the Unit by the Unit owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and rules and regulations of the Board of Managers and the following covenants and restrictions:

(a) The unit and area restricted to the unit owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the unit or any part of the common elements may be made without the written consent of the Board of Managers. No alterations to the inside of a unit which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested, to the Management Agency, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have an obligation to answer within thirty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) Any Unit owner who mortgages or sells his unit shall notify the Board of Managers providing the name and address of his mortgagee or purchaser.

(d) The Board of Managers shall, at the request of the mortgagee of the unit, report any unpaid common charges due from the Unit owner of such Unit.

(e) No nuisance shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(f) No immoral, improper, offensive or unlawful use shall be made of the property nor of any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the unit owners provided, however, that copies of such regulations are furnished to each unit owner prior to the time the said regulation becomes effective.

(h) The common charges shall be paid when due.

(i) The use for which the units are intended is residential occupancy, provided that, subject to all applicable governmental laws and regulations, any unit may be used as a professional office if the owner thereof resides therein.

EIGHTEENTH: Utilities. Gas and electricity consumed in or on the common elements and water covering the units and the common elements shall be paid for by the Board of Managers as an item of common expense, unless otherwise billed separately by the supplier. Each unit shall be individually metered for gas and electricity and the expense of such utilities consumed within the unit shall be paid for by the owner of the Unit.

The Sponsor, while in control of the Condominium, and the Board of Managers and the Unit owners thereafter shall maintain all internal sewers and drains at all times throughout the life of the Condominium. They shall be responsible for the abatement of any nuisance due to the use of the "internal drains" that would have an adverse effect on the health, safety and welfare of the City and State of New York.

The charges and assessments for maintenance and operation of internal drains, shall be a charge upon the land against which the same are made and shall be a continuing lien upon the property so charged and assessed, and in addition, that charge or assessment shall be a personal obligation of the record owner of the unit against which the same is made.

The Sponsor and/or the Board of Managers on behalf of the Condominium and each and every member thereof, shall utilize the "internal drains" in such a manner, that it will not in any way have an adverse effect on the City of New York's completed or pending sanitary and storm water drainage plans for the tributary drainage area of the separate sewer outlets.

NINTEENTH: General Provisions

A. Enforcement

The Condominium, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Condominium or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

B. Severability

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect the validity of any other provision, all of which shall remain in full force and effect.

C. Amendment

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by seventy-five percent (75%) in number and common interest of the Unit Owners, and thereafter by an instrument signed by one hundred percent (100%) in number and common interest of the Unit Owners. Any amendment must be recorded.

In Witness Whereof, the undersigned, being the Declarant herein, has hereunto set its hand and seal this day of , 2020.

Degraw St Capital 377 LLC

by_____

State of New York, County of Kings

On the day of 2020, before me the undersigned personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

_____
Notary Public

SECTION F

BY-LAWS
OF
THE 377 DEGRAW STREET CONDOMINIUM

ARTICLE I

Plan of Unit Ownership

Section 1. The property located at 377 Degraw Street, Brooklyn, New York (hereinafter called the property) has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the office of the Registrar of Kings County simultaneously herewith and shall hereinafter be known as the 377 Degraw Street Condominium, Inc, a Condominium (hereinafter the Condominium). The residential apartments as herein sometimes called the Units.

Section 2. The provisions of these By-Laws are applicable to the property of the Condominium and to the land and the building and improvements thereon (including the units and the common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal, or mixed, intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

Section 3. All present and future owners, mortgagees, lessees, tenants, their families, guests, licensees, agents and their employees, and other persons who may use the facilities of the Condominium, in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of the said Units will signify that these By-Laws, the Declaration, and the Rules and Regulations are accepted, ratified and will be complied with.

Section 4. The office of the Condominium and of the Board of Managers shall be located at 377 Degraw Street, Brooklyn, N.Y.

ARTICLE II

Voting

Section 1. The Condominium shall be limited to Unit owners. Unit Owners as referred to herein shall mean all of the deed owners of each Unit.

Section 2. Each Unit owner (including the Sponsor and the Board of Managers, if the Sponsor and Board of Managers shall own or hold title to one or more Units), shall be entitled to cast one vote at all Unit owners meetings for each unit owned by such unit owners, but the Board of Managers shall not cast any votes for the election of any member of the Board.

Section 3. Unit Owners who represent 72% of the common interest in the aggregate of all unit owners who are present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum is not present or represented at a called meeting of the Unit owners, the Unit owners present shall have the power to adjourn the meeting without notice other than an announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. When a quorum is present at any meeting, the vote of a majority of the Unit owners present in person or represented by written proxy shall decide any question brought before such meeting. Such vote shall be binding upon all Unit owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. At any meeting of unit owners, every Unit owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which such proxies are to be used. A notion of such proxies shall be made in the minutes of the meeting.

Section 7. Whenever the vote of Unit owners at a meeting is required or permitted by any provision of the Declaration, Statutes, or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of the unit owners may be dispensed with if all Unit owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Meetings shall be held at such suitable place convenient to the Unit owners as may be designated by the Board of Managers.

Section 9. Within thirty (30) days after the earlier of (i) two (2) years after the closing of the first unit, or (ii) whenever there is only one unsold unit remaining, the Sponsor shall call the first annual Unit Owners meeting. At such meeting a new Board of three Managers shall be elected by the unit owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit owners a Board of Managers in accordance with these By-laws. The unit owners may transact such other business of the Condominium as may properly come before them.

ARTICLE III
Board of Managers

Section 1. The affairs of the Condominium shall be governed by a Board of Managers. Until the first meeting of unit owners pursuant to Section 9 of Article II, the Board of Managers shall consist of one person designated by the Sponsor of the Condominium.

After the first meeting of the Unit owners, the Board of Managers shall consist of three persons elected by all Unit owners (including the Sponsor), but the Sponsor's right to elect members of the Board shall be subject to the limitations set forth in Section 1(c) of Article V of these By-Laws. A majority the Board of Managers shall be owners-occupants or members of an owner-occupants household who are unrelated to the sponsor and its principals, or mortgagees of units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries, or in the case of the Sponsor, shall be designees of the Sponsor.

Section 2. Vacancy and Replacement. If the office of any Manager becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred and until his successor is duly elected and qualified. If the vacancy occurs with respect to any member of the Board of Managers who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term. If such appointee vacates during a period of time in which the sponsor does not have the right to appoint a member, the sponsor will not have the right to appoint a replacement.

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager other than a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be either a Unit Owner, or a lessee or occupant entitled to the access of the Common Elements in lieu of the Unit Owner renting or permitting him to occupy the unit in which he resides.

Section 4. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute, Declaration, Certificate of Incorporation or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but shall not be limited to the following:

1. To determine and levy monthly assessments (Common Charges) to cover the cost of operating and maintaining the Common Elements, and providing repairs and maintenance, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses. Said increase can only be assessed among the unit owners pro rata to their respective common interest.

2. To collect, use and expend the assessments collected to maintain and care for and preserve the Units, building and other common elements.

3. To enter into and upon the Units when necessary and at as little inconvenience to the Unit owners as possible in connection with the maintenance, care and preservation of the property.

4. To make repairs, restore or alter any Units or the common elements after damage or destruction by a casualty or as a result of condemnation or eminent domain proceedings.

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

6. To insure and keep insured the Common Elements in accordance with Article XII of these By-laws.

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from unit owners for violations of the house rules or rules and regulations herein referred to.

8. To make reasonable rules and regulations and to amend the same from time to time. Such rules and regulations and amendments thereto shall be binding upon the unit owners when the Board has approved them in writing and delivered a copy of such rules and all amendments to each unit owner. Such rules and regulations may, without limiting the foregoing, include reasonable limitations on access to the Common Elements.

9. To employ workmen and purchase supplies and equipment, to enter into contracts, and generally to have the powers of Managers in connection with the matters hereinabove set forth.

10. To bring and defend actions by or against more than one unit owner and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of the common charge assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of the Condominium and these By-Laws and may fund the cost of such litigation out of the common charge assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the common elements.

11. To purchase any Unit at a foreclosure sale on behalf of all Unit owners.

12. To acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any unit so acquired and to vote as unit owner, offer such unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers.

13. To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and unit owners without the necessity of consent thereto, or joinder therein, by the unit owners or any mortgagee.

14. To act as an agent of each unit owner who has given his written authorization to complain or apply to the local and county real estate assessment agency board of review by filing a single complaint on behalf of all such unit owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all unit owners for which it is acting as agent and charge all such unit owners a pro rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien pursuant to these By-Laws.

15. Real estate taxes will be included in the common charges and paid by the board on behalf of the condominium until the units are separately assessed.

16. Although the board of managers has sole authority to enforce the rights of the condominium there is one exception. When it is sixty (60) days before the expiration of the statute of limitations or the board has not enforced such rights after reasonable notice and opportunity, the unit owners are empowered to enforce such rights on behalf of the condominium.

(b) The Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Managers or unit owners one of whom shall be a Manager, which to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, for two years after the filing of the Condominium Declaration so long as the Sponsor or its designee shall continue to own units representing 5% or more in common interest, the Board of Managers may not, without the Sponsor's prior written consent (i) make any addition, alteration or improvements to the common elements or to any units, (ii) assess any common charge for the creation of, or addition to or replacement of all or part of a reserve for contingencies provided in the estimate of receipts and expenses for the first year of operation set forth in Schedule B of the Plan of Condominium Ownership or (iii) hire any employee in addition to the employees referred to in the Plan of

Condominium Ownership or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a unit or (v) borrow money on behalf of the Condominium.

(d) During any period that the Sponsor controls the board, the board of managers may not enforce (as a result of sponsor's control thereof) the obligations of the sponsor under the Plan or as otherwise required by law. During the period that the Sponsor controls the board, the Sponsor agrees that it will enforce such obligations pursuant to a resolution passed by a majority of the unit owners excluding the sponsor at a special meeting called for such purpose.

Section 5. Compensation. Managers and officers, as such shall receive no compensation for their services.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacement to the common elements of the Condominium including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacement to any pipes, wires, conduits, cables and public utility lines, any portion of which is located in one unit and services another unit or more then one unit or so much of any pipes, wires, cables, conduits and public utility lines as are located in the common elements but service one or more units shall be made by the Board of Managers and the cost thereof shall be a common expense. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the common elements.

Except as is otherwise specifically provided, all maintenance to the units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the units, and repairs and replacements to the units including windows and doors (including all glass breakage), and repairs to pipes, wires, cables and conduits located in and servicing the same unit, other than as set forth above, shall be made by the respective unit owners at their own expense.

All irrevocably restricted common elements shall be maintained and repaired by the Unit owner to whom such common element is restricted in use. However, the Board of Managers shall repair or replace any pipes, wires, conduits, cables and public utility lines located underground or overhead any irrevocably restricted common element, except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the unit owner to which the common element is restricted in use, in which event such cost and expense shall be assessed to and paid for by such unit owner.

The Board of Managers and its agents, employees, and contractors shall have a right of access to any unit and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. All repairs, painting or maintenance, whether made by the unit owner or by the Board of Managers to the doors, windows, or the exterior surface of the building, including the roof, or to any generally visible portion of the common elements shall be carried out in such manner as to conform to the materials, style and color initially provided by the Sponsor.

In the event that a Unit owner fails to perform any maintenance, painting or repair, which maintenance, painting or repair is necessary to protect any of the common element, any other unit, or, in the event of service of a Building Department violation notice covering the unit upon the Board of Managers, the Board of Managers shall have the right to perform such maintenance, painting or repairs (after failure of the unit owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the unit owner for the cost of all such repairs, painting and/or maintenance. In the event that the Board of Managers charges a unit owner for the painting or maintenance to any common element restricted in use to such unit owner, and the unit owner fails to make prompt payment, such charges shall be considered as additional common charges due from said unit owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board brings such a suit, the unit owner shall be liable for the reasonable attorney's fees and costs of such suit or proceeding together with interest on all sums.

Section 7. Meeting of Board of Managers

(a) The first meeting of each Board newly elected by the Unit owners shall be held immediately following the adjournment of the meeting at which they are elected, providing a quorum shall then be present or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the unit owners meetings, and immediately after the adjournment of such meeting, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Member either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Managers.

(d) At all such meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or these By-Laws. If a quorum is not present at any meeting of Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before, or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all Managers are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

(f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 8. Annual Statement. The Board of Managers shall furnish to all unit owners, their mortgagees and the Department of Law of the State of New York and shall present annually (at the annual meeting) and when called for by a vote of the unit owners at any special meeting of the unit owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the unit owners and a notice of the holding of the annual meeting of Unit owners.

Section 9. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense of the Condominium.

Section 10. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to all of the duties of the Board listed in this Article.

Section 11. 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 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. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability there under as his interest in the common elements bears to the interests of all 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 agents for the Unit Owners and shall have no personal liability there under (except as unit owners), and that each unit owner's liability there under shall be limited to such proportion of the total liability there under as his interest in the common elements bears to the interest of all unit owners in the common elements. The indemnification liability of the unit owner shall be several and not join and several.

ARTICLE IV OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Managers may also choose one or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be either members of the Board of Managers or Unit Owners. Two or more offices may not be held by the same person.

Section 2. Election. The Board of Managers, at its first meeting after each annual meeting of Unit owners, shall elect a President, a Vice President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section 3. Appointive Offices. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office for the term to which they are elected and appointed and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and the Board of Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a corporation organized under the Not-for-Profit Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a corporation organized under the Not-for-Profit Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all meetings of Unit Owners and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of Unit Owners and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of accounts of the Condominium, including a separate account for each Member, which, among other things, shall contain the amount of each assessment, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V UNIT OWNERS

Section 1. (a) Within 30 days after (i) the Sponsor's conveyance of title to all units or (ii) the first anniversary of the date of filing the Declaration, whichever shall first occur, the Sponsor shall call the first meeting of unit owners for the election by all unit owners (including Sponsor) of a three member Board of Managers.

(b) Annual meetings of unit owners shall be held March 30th each year beginning in the year following the first meeting of unit owners held pursuant to Section 1(a) unless another date is chosen by the Board of Managers.

(c) So long as the Sponsor of the Condominium or its designee shall continue to own at least one unit, the Sponsor or its designee shall have the right to elect one of the three members of the Board of Managers. Members of the Board of Managers elected by the Sponsor or its designee shall serve a term of one year. All other members of the Board of Managers shall be elected by the Unit owners. The Unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Meetings of the Unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit owners as may be designated by the Board of Managers.

Section 3. It shall be the duty of the president to call a special meeting of the Unit owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 20% in common interest, in the aggregate, of Unit owners. The notice of

special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting of the unit owners, at least ten days but not more than twenty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty days prior to such meeting. The mailing of a notice of meeting in the manner provided for in this section shall be considered service of notice.

Section 5. If any meeting of Unit owners cannot be held because a quorum has not attended, a majority in common interest of the Unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. The order of business at all meetings of the unit owners shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting
(c) Reading of Minutes of preceding meeting
(d) Reports of Officers
(e) Report of Board of Managers
(f) Reports of Committees
(g) Election of inspectors of election
(h) Election of Board of Managers (when so required)
(i) Unfinished business
(j) New Business

Section 7. Title to Units may be taken in the name of an individual or in the name of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or in the name of a fiduciary.

ARTICLE VI NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers or to any Manager or Unit Owners, 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 letterbox in a postpaid sealed wrapper, addressed to the Board of Managers, such Manager or owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII OPERATION OF THE PROPERTY

Section 1. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges and expenses among the unit owners according 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.

The common expenses also include such amounts as the Board of Managers may deem proper of the operation and maintenance of the property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale.

A separate fund for future capital repairs and improvements shall be established. It will be funded yearly at 10% of the budget for that year. These funds shall be maintained in an account separate and apart from the yearly expenses. These funds shall not be used for normal yearly repair and maintenance.

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 such budget on which the common charges and expenses are based, to all unit owners. Until the Sponsor has conveyed title to all the units to purchasers, the Board of Managers can reduce the amount of common charges allocated to the units and payable by unit owners (including the Sponsor or its designee as owners of any unsold units) provided that so long as the Sponsor or its designee controls the Board of Managers the common charges will not be reduced below the amount necessary to operate the Property with the services to be provided as set forth in the Plan of Condominium Ownership.

Section 2. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (i) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the building (including all of the units and the bathroom

and kitchen fixtures installed therein on the date of recordation of the Declaration, partitions, flooring and ceilings within the units, but not including furniture, furnishings or other personal property provided or installed by unit owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all unit owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation; each of said policies shall contain a New York Standard mortgagees clause in favor of each mortgagee of a unit which shall provide that the loss, if any, there under shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; (ii) public liability insurance; (iii) water damage legal liability insurance; (iv) rent insurance in an amount equal to the aggregate common charges and expenses payable to the Board of Managers; and (v) such other insurance as the Board of Managers may determine.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based upon co-insurance or a pro-rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of units.

Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to the expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the units and all of the common elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year.

While the sponsor controls the board of managers, the insurance coverage cannot be less that what is required by Part 20 of Title 13 NYCRR

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any additional insurance carried by any unit owner.

Section 3. In event of damage to or destruction of the Building as a result of fire or other casualty (unless such damage or destruction shall give a unit owner or lienor a right of partition as provided by Article 9-B of the Real Property Law of the State of New York), the Board of Managers shall arrange for the prompt repair and restoration of the building (including any damaged units, and any kitchen or bathroom fixtures installed therein on the date of the recording of the Declaration, partitions, flooring and ceilings within the units but not including any wall ceiling, or floor decorations or coverings or other furniture, furnishings fixtures or equipment installed by unit owners in the units), and the Board of Managers shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the unit owners for such deficit as part of the common charges.

If, as a result of the damage to or destruction of the Building, by fire or other casualty, the Property becomes subject to an action for partition at the suit of any unit owner or lienor as if owned in common, in accordance with the provisions of Article 9-B of the Real Property Law of the State of New York, the property will not be repaired and the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of unpaid liens on his unit, in the order of the priority of such liens.

Section 4. All unit owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of this Article 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 (made in accordance with the provisions of Article IX of these By-Laws) of such unit, together with the appurtenant interests.

In addition, any unit owner may, subject to the terms and conditions specified by these By-Laws, provided that his unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey his unit, together with the appurtenant interests to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed.

A purchaser of a unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 5. The Board of Managers shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charges

due from any unit owner which remains unpaid for more than 30 days from the due date for payment thereof.

Section 6. In the event of default by any unit owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such unit owner shall be obligated to pay interest at the legal maximum rate on such common charges 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. The Board of Managers shall have the right and duty to attempt to recover such common charges, 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.

The Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on the Units in which the Sponsor is more than 30 days in arrears of common charges while it is in control of the Board of Managers.

Section 7. 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 unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all unit owners, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (except that such votes shall not be cast by the Board of Managers for the election of any members of the Board of Managers), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintained without foreclosing or waiving the lien securing the same.

Section 8. 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 9. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) 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, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10. All maintenance of and repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any and all other

units and/or to the common elements, that his failure to maintain or repair may engender.

All maintenance, repairs and replacements to the common elements, whether located inside or outside of the units, shall be charged directly to the unit owners, except as the Board of Managers shall otherwise determine.

Section 11. All maintenance, repairs and replacements to the air conditioning system, the heating system and the hot water heater servicing a unit shall be made by the unit owner at the unit owner's expense.

Section 12. In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

(a) The Units shall be used by Unit owners (other than the Sponsor) for residences only and in compliance with the occupancy restrictions imposed and as amended from time to time. While the Sponsor or its designee owns a unit, it shall have the right to use such unit for general and sales office purposes and as a sales model. Except upon the prior written consent of the Board of Managers, occupants of a unit must be members of the family of the unit owner or lessee (or if the unit owner is a partnership, a corporation or a trust, members of the family of a partner or of an officer, director, shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be), but not more than one family my occupy a unit at one time. "Members of the family" as used herein shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren.

(b) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by its residents or occupants.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, 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.

(d) No portion of a Unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein.

(e) Smoking Policy. The condominium has adopted the following smoking policy in compliance with New York City Local Law 147. Smoking is prohibited in all of the common areas of the condominium. The common areas include but are not limited to the cellar area where the utility room is located, the stairways leading to and from the units, the roof area above the third floor

and the outdoor front of the building to the property line. The unit owners may smoke in their units or the limited common elements appurtenant to a particular unit such as rear yard or the roof area limited common element of unit C as long as it does not create a nuisance to the other units. A nuisance shall be defined as infiltration of smoke or smoke odors into the units.

This policy includes electronic cigarettes and other vapor products in addition to the more conventional smoking apparatus.

(f) Rules and regulations concerning the use of the units may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are furnished to each unit owner no less than 5 days prior to the time that they become effective.

Section 13. Whenever, in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in excess of $1,000. And the making of such additions, alterations or improvements shall have been approved by 66 2/3% of the unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws, and by the representative or representatives, if any, appointed pursuant to Section 5 of Article VIII hereof by the holders of mortgages constituting first liens upon units, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations or improvements costing $1,000 or less may be made by the Board of Managers without approval of the unit owners, or the representative or representatives, if any, of mortgagees of units and the cost thereof shall constitute part of the common expenses.

Section 14. No unit owner shall make any structural addition, alteration or improvement in or to his unit and/or his limited common element (terrace and balconies), without the prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer 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. Any application to any governmental authority having or asserting jurisdiction for a permit to make an addition, alteration or improvement in or to any unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, material man, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising there from. The provisions of this section 14 shall not apply to a unit owned by the Sponsor or its designee until a deed to such unit has been delivered to a purchaser thereof.

The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by the Sponsor or its designee to any unit provided, however, that neither the Board of Managers nor the unit owners other than the

Sponsor or its designee shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Section 15. (a) A unit owner shall not place or cause to be placed in the common areas or common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind.

(b) The common elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. No unit owner shall make any addition, alteration, improvement or change in or to any common element without the prior written consent of the Board of Managers.

(c) While the Sponsor or its designee owns any unit, it shall have the right to maintain general and sales offices on or about the Property, to have its employees present on the Property, to use the common elements and to do all things necessary and appropriate to sell units, to complete construction of the Building and to comply with its obligations under the Plan of Condominium Ownership, including but without being limited to, the right to erect and maintain signs on the common elements. Sponsor shall be obligated to repair and maintain the portions of the Property used by it for such purposes so long as such use by the Sponsor shall continue.

Section 16. A unit owner shall grant a right of access to his unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager of 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 the 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, or to correct any condition which violates the provisions of any mortgage covering another unit, providing that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner and further provided that such right shall be exercised in such manner as will no unreasonable interfere with the use of the units for residential purposes. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 17. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each unit owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 18. Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter and each unit owner shall be required to pay the bills for electricity consumed or used in his unit directly to the utility company. The cost of electricity for the public spaces outside the units, including but not limited to the hallways and walkways, as

measured by one or more building meters, will be borne by the unit owners and will be included in the common charges.

Section 19. The condominium offering plan allows the sponsors and purchasers to rent the units. Therefore, there might be a number of Unit owners who do not occupy their dwelling units. The provisions of Real Property Law Section 339-kk applies in such circumstances.

ARTICLE VIII MORTGAGES

Section 1. 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 conformed 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. The Board of Managers, whenever so requested in writing by a mortgagee of a unit, shall promptly report any unpaid common charges due from, or any other default by, the owner of the mortgaged Unit.

Section 3. 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 theretofore been furnished to the Board of Managers.

Section 4. 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, but not more than once a month.

Section 5. The holders of mortgages constituting first liens on the units may, at their election, appoint one or more (but not more than three) representatives who shall be empowered to act on behalf of all mortgagees (first or subordinate) with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. If such representative or representatives are appointed and written notice thereof given to the Board of Managers the act of such representative or representatives shall be deemed binding upon the holders of all mortgages which are liens on units. If no such representative shall be appointed or written notice of the appointment shall not be given to the Board of Managers then notwithstanding any other provision of the Declaration of these By-Laws, the consent of mortgagees shall not be required to any act of the Board of Managers or the unit owners.

Section 6. Mortgagees and guarantors of the mortgage on any unit in the condominium project will receive timely written notice of the following:

a. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing the mortgage;

b. Any 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 condominium association;

d. Any proposed action that requires the consent of a specified percentage of mortgagees.

ARTICLE IX

Sales, Leases and Mortgages of Units

Section 1. (a) No unit owner may sell his unit or any interest therein except by complying with the following provisions:

Any unit owner who receives a bona fide offer (hereinafter called an "Outside Offer") for the sale of his unit together with: (i) the undivided interest in the common elements appurtenant hereto; (ii) the interest of such unit owner in any units theretofore acquired by the Board of Managers, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such unit owner in any other assets of the Condominium (hereinafter called the "Appurtenant Interests"), which he intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, and such other information as the Board of Managers may reasonably require.

Such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and regulations as the same may be amended from time to time.

The Board of Managers does not have a right of first refusal.

(b) No unit owner may lease his unit except by complying with the following provisions:

Any unit owner who receives a bona fide offer for a lease of his unit which he intends to accept shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, references and such other information as the Board of Managers may reasonably require.

Any such lease shall be consistent with theses By-Laws.

The Board of Managers shall have the right to terminate the lease on not less than 30 day's prior written notice upon the foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as hereinbefore set forth, the form of any such lease shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc. With such modifications as shall be approved in writing by the Board of Managers.

Any purported lease of a unit in violation of this section shall be voidable at the election of the Board of Managers and if the Board should so elect, the unit owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said unit owner as the purported landlord.

Any purported sale of a unit in violation of this Section shall be voidable at the election of the Board of Managers.

Section 2. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interest, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any unit may be sold, transferred or otherwise disposed of , except as part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

Section 3. Any unit owner shall be free to convey or transfer his unit by gift, or to devise his unit by will, or to pass the same by intestacy, without restriction.

Section 4. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges and expenses theretofore assessed by the Board of Managers against his unit and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

Section 5. Each unit owner shall have the right to mortgage his unit without restriction provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be necessary in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional lender to make the mortgage loan.

Section 6. This article IX of the By-laws shall not apply to sales or rentals made by the Sponsor. The Board of Managers shall not have any control over the sale, rental or other disposition of Sponsor owned Units.

ARTICLE X
Condemnation

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made by such taking shall be payable to the Board of Managers. If 100% in number and common interest of the Unit owners duly and promptly approve the repair and restoration of such common elements, the Board of Managers shall arrange for the repair and

restoration of such common elements, and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments.

In the event that 100% in number and common interest of the Unit owners do not duly and promptly approve the repair and restoration of such common elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds when there is no repair or restoration of the damage as provided by these By-Laws.

Notwithstanding the above, any action to terminate the legal status of the project after substantial destruction or condemnation occurs or for any other reason, mortgagees that represent at least 51% of the votes of the unit estate that are subject to mortgages must agree to such action being taken.

ARTICLE XI Records

The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of meetings of the Board of Managers, minutes of the meetings of unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account of each unit, which among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

An annual report of the receipts and expenditures of the Condominium audited by an independent certified public accountant shall be rendered by the Board of Managers to all unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year and no later than March 31 of the subsequent year. The cost of such report shall be paid by the Board of Managers as a common expense.

ARTICLE XII AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called meeting of unit owners, provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment and (2) that the amendment shall be approved by vote of one hundred percent (100%) of the Unit owners in number and common interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the unit owners' interests and the interests of holders of a mortgage encumbering a unit or Units.

The provisions of the By-Laws affecting the Sponsor and the Sponsors rights may not be amended without the consent in writing of the Sponsor or its designee so long as the Sponsor or its designee shall be the owner of one (1) or more Units.

ARTICLE XIII GENERAL PROVISIONS

Section 1. All notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the Managing agent, or if there is no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all unit owners and to all mortgagees of units.

All notices to unit owners shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees of units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers.

All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of the Statute or the Declaration, the provision of the Statute or of the Declaration, whichever the case may be, shall control.

SECTION G

NEW WARRANTY LAW

General Business Law Article 36-B

WARRANTIES ON SALES OF NEW HOMES

Section 777. Defininitions
777-a. Housing Merchant Implied Warranty
778-b. Exclusion or Modification of Warranties

Section 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 use of materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevent specific standard, such term means that workmanship and use of materials meet or exceed the standards of locally accepted building practice.

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 which the builder has resided in 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 succcessor in title to the home and any mortgagee in possession. Owner does not include the builder of the 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.

Section 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, elecrtical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such system 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 diferent 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 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 the 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 of 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. An 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 hmoe 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 slae 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 oe 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 such 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 incidential 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.

SECTION H

ESCROW AGREEMENT

AGREEMENT made this day of 2020, by and among _____ ("PURCHASER"), Degraw St Capital 377, LLC ("SPONSOR") as sponsor of the 434 Union Street Condominium offering plan ("Plan") and Gabor & Marotta LLC ("ESCROW AGENT").

WHEREAS, Sponsor has filed the Offering Plan with the Attorney General to offer for sale condominium ownership interests at the premises located at 377 Degraw Street, Brooklyn, New York, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Section 352-e(2-b), 352-(h) and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of unit number (the "Purchase Agreement") at Empire State Bank located at 1361 North Railroad Avenue, Staten Island, N.Y. , a bank authorized to do business in the State of New York. The escrow account will be entitled "Gabor & Marotta LLC Attorney Escrow Account".

1.2 ESCROW AGENT has designated the following attorney to serve as signatory: Daniel Marotta, Esq. The designated signatory is admitted to practice law in the State of New York.

The signatory on the Escrow Account have an address of 1878 Victory Blvd., Staten Island, N.Y. and a telephone number of (718) 390-0555.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as the term is defined in the Plan), or any principal thereof, or having any beneficial interest in any of the foregoing.

1.5 The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Gabor & Marotta LLC, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited in such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 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 the Deposit and requisite notice was timely mailed to the Purchaser

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL Sections 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORD KEEPING

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of the ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchaser and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL sections 352(e)(2-b) and 352(h).

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

6. RESPONSIBILITIES OF SPONSOR

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the unit to a designated attorney who is a member or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL sections 352-e(2-b) and 352-(h) and the New York State Department of Law regulations.

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF THIS AGREEMENT

7.1 This agreement shall remain in effect unless and until it is cancelled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number thereof.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW

. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENTS COMPENSATION

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstances..

11. SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstances is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

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

13. ENTIRE AGREEMENT

This agreement, read together with GBL Sections 352-e (2-b) and 352-(h) and the New York State Department of Law's regulations, constitute the entire agreement between the parties with respect to the subject matter hereof.

In Witness Whereof, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT
By_____
Daniel Marotta, Esq.

SPONSOR

Degraw St Capital 377 LLC

by_____
, member

PURCHASER

BY_____

SECTION I

OCCUPANCY AGREEMENT
Interim Lease

AGREEMENT dated ,2020 by and between Degraw St Capital 377, LLC, Sponsor of the 377 Degraw Street Condominium with a principal place of business at 1325 Paterson Plank Road, 2nd Floor, Secaucus, NJ and residing at the Purchaser under a contract to purchase a residential unit at the 434 Union Street Condominium.

WITNESSETH

Whereas, the undersigned are the parties reflected in a certain written Purchase Agreement for the sale of unit ("the Unit"), in the 377 Degraw Street Condominium, dated the day of ,2020: and

Whereas, the purchasers wish to occupy the premises prior to closing of title and simultaneously with the execution of the Agreement or as of the day of ,2020; and

Whereas, the Sponsor is willing to grant such permission upon the terms and conditions set forth herein:

NOW, THEREFORE, in consideration of allowing occupancy prior to closing of title and until such closing of title or termination of contract, the Purchaser agrees as follows:

1. The purchasers shall be allowed to occupy the unit for a term commencing on the day of 2020, and expiring on the date of closing of title or termination of contract, whichever is sooner (the "Term").

2. The purchaser shall be solely responsible for payment of all utilities consumed within the Premises during the Term.

3. During the Term, purchasers shall be solely responsible for the payment of Sponsors' carrying costs for the unit which includes maintenance or common charges as listed in the Offering Plan or subsequent amendment which the parties agree will be $ per day and a proportionate share of the interest on Sponsor's mortgage, and the real estate taxes attributable to the Unit which the parties agree will be $ per day.

Purchasers are hereby delivering to Sponsor the sum of $ to be credited towards per diem occupancy. A final adjustment by way of refund of excess or additional per diem payment will be made at closing or upon termination of contract.

Nevertheless, Purchasers shall carry their own tenants or occupants insurance coverage from the date of occupancy.

4. Purchasers understand and agree that, in the event that Closing of Title pursuant to the Purchase Agreement does not occur resulting in cancellation or termination of the Purchase Agreement, purchasers will immediately vacate the premises. Purchasers agree in addition to any costs incurred by Sponsor in causing purchasers to vacate the premises, purchasers will pay to the Sponsor an additional occupancy fee of $300 for each day or portion of a day the purchasers hold over after termination of contract.

5. Purchasers warrant and represent that they have inspected the Unit and appliances just prior to taking occupancy, accept the same in their "as is" condition and at their sole cost and expense, shall keep the appliances, plumbing, heating, air conditioning and electrical systems in working order subject to reasonable wear and tear until the end of the Term of this Agreement.

   Purchasers further agree that in the event of Termination of Purchase agreement resulting in their vacating the Unit, the Unit shall be delivered back to the Sponsor vacant, broom clean/vacuumed and with all appliances emptied and cleaned and all debris removed.

   Purchasers further agree that since the premises has been delivered to purchasers with new appliances and heating/air conditioning systems, the purchasers shall be liable for any damage to the appliances or systems.

6. Sponsor has agreed to allow the Purchasers to occupy the premises prior to Closing of title merely as an accommodation. No landlord tenant relationship has been created but rather a use and occupancy. No rental protection laws are applicable to this interim occupancy agreement.

7. An uncured default under the purchase agreement is a default under the lease and an uncured default under the lease is a default under the purchase agreement. Before sponsor may utilize the default under the lease to declare a default under the purchase agreement, the sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the unit.

8. The interim lessee shall have 30 days to vacate the unit after a default under the purchase agreement or rescission agreement by the lessee.

9. Purchasers hereby hold the Sponsor harmless and shall indemnify them from and against any and all claims, demands, losses or damages arising from the purchaser's occupancy of the Unit. This paragraph shall survive expiration of the Term.

10. Smoking Policy. The condominium has adopted the following smoking policy in compliance with New York City Local Law 147. Smoking is prohibited in all of the common areas of the condominium. The common areas include but are not limited to the cellar area where the utility room is located, the stairways leading to and from the units, the roof area above the third floor and the outdoor front of the building to the property line. The unit owners may smoke in their units or the limited common elements appurtenant to a particular unit such as rear yard or the roof area limited common element of unit C as long as it does not create a nuisance to the other units. A nuisance shall be defined as infiltration of smoke or smoke odors into the units.

    This policy includes electronic cigarettes and other vapor products in addition to the more conventional smoking apparatus

    This Agreement constitutes the entire understanding of the parties and may not be changed orally.

11. This Agreement shall be binding upon the heirs, executors, administrators and assigns of the parties hereto and shall be construed in accordance with the laws of the State of New York.

    In WITNESS Whereof, the parties hereto have executed this Agreement on the day of 2020.

_____ _____

Purchaser Sponsor

SECTION J

Certification of Sponsor Pursuant to §20.4(b) of the Regulations issued Pursuant to General Business Law Article 23-A, as amended.

New York State Department of Law
120 Broadway
New York, New York 10271
Attn.: Investment Protection Bureau

Re: The 377 Degraw Street Condominium

The undersigned, Degraw St. Capital 377, LLC, and Rey Grabato hereby certify as follows:

We are the sponsor and principal of the sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law; the regulations promulgated by the Department of Law in Part 20, and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised the due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

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

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

iii. not omit any material fact;

iv. not contain any untrue statement of a material fact;

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

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

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

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

Degraw St. Capital 377, LLC

By: _____
Rey Grabato, as President

INDIVIDUAL:

_____
Rey Grabato

Sworn to before me this 16 day of ~~August~~ September 2019

_____
NOTARY PUBLIC

NATALIE S. PETRUIC
NOTARY PUBLIC OF NEW JERSEY
COMM. # 2457083
MY COMMISSION EXPIRES 10/3/2022

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: March 25, 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 377 Degraw Street Condominium
377 Degraw Street
Block: 415 Lot: 59
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 April 10, 2019 and I examined the building plans and specifications that were prepared by prepared by Ben Herzog Architect, PC dated May 23, 2018 and the Report prepared by Ben Herzog Architect, PC dated February 11, 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."

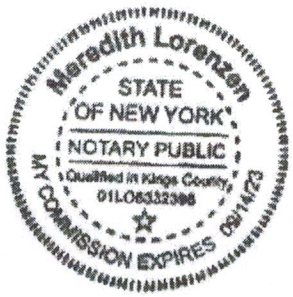
BEN HERZOG :
PRESIDENT

10/2020

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

Sworn to and signed before me this

25th day of March, 2020



Notary Public

X On Advisors, LLC.

Business Consulting Done Right

THE 377 DEGRAW STREET CONDOMINIUM

August 28th , 2019

The Sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule B and Schedule B-1 containing projections of income and expenses for the first year of condominium operation contained in the Offering Plan.

Our experience in this field includes over 35 years of Real Estate management and or in the sale of numerous condominiums and multi-family units, along with over 30 years of condominiums and multi-family financing. We are familiar with the prices, practices, and procedures in the area of this condominium. Currently, we are managing 6 residential real estate projects in New Jersey, real estate properties in Philadelphia, and Palm Beach County Florida including The Green Roof Condominium, The Afton of Morris, and The Gulf Stream Views in Boynton Beach Florida, performing landscaping, sanitation, repairs, maintenance, all other common area services, managing budgets, collecting fees and performing all management services.

We understand that we are responsible for complying with Article 23-A of the General Business Law and regulations promulgated by the Department of Law insofar as they are applicable to Schedule(s) B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules along with the facts underlying them, with due diligence in order to form a basis for this certification. We also have relied on our experience in the management and sales of residential buildings.

We certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

i. set forth in detail the projected income and expenses for the first year of condominium operation;

ii. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

iii. do not omit any material fact;

iv. do not contain any untrue statement of a material fact;

v. do not contain any fraud, deception, concealment, or suppression;

vi. do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances

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X On Advisors, LLC.

Business Consulting Done Right

vii. do 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.

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 for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

X-On Advisors, LLC

By: Glenn A La Mattina

Glenn A. La Mattina – Managing Director

STATE OF NEW JERSEY
COUNTY OF HUDSON } SS;,

Sworn to before me this 28th day of August 2019

NOTARY PUBLIC

NATALIE S. PETRUIC
NOTARY PUBLIC OF NEW JERSEY
COMM. # 2457083
MY COMMISSION EXPIRES 10/3/2022

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