
CONDOMINIUM OFFERING PLAN

**THE 850 57TH STREET CONDOMINIUM
850 57TH STREET
BROOKLYN, KINGS COUNTY, NEW YORK 11220**

Residential Units.....5	\$2,230,000.00
Community Facility Units.....2	\$1,750,000.00
Total Amount of Offering	\$3,980,000.00

SPONSOR AND SELLING AGENT:

**WINLE PROPERTY LLC
834 57TH STREET, #5A
BROOKLYN, NEW YORK 11220**

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

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

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

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

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

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

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SPECIAL RISKS

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

2) The By-Laws do not include a provision that, after the initial Sponsor control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its Principals. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

3) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **TIME IS OF THE ESSENCE** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, s/he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default will both have the contract canceled and lose his/her down payment. Similarly, a purchaser who fails to notify the Sponsor in the event s/he has failed to obtain mortgage financing within forty (40) days after receipt of a fully executed Purchase Agreement will be required to proceed to closing notwithstanding the fact that purchaser has failed to obtain mortgage financing; if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Purchasers are advised to consult with their attorneys concerning all terms of this offering. Please see the section of this Plan entitled PROCEDURE TO PURCHASE, and the PURCHASE AGREEMENT set forth in Part II, for a statement of all applicable time limitations.

4) New York State Documentary Stamp taxes, presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage, will be the sole responsibility of the Purchaser. Although usually the Seller's statutory obligation, the

terms of this Offering Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1.425% of purchase price for residential units), and New York State Documentary Stamp Taxes (\$4.00 per thousand) to the Purchaser; therefore, the costs of such taxes represent an additional closing cost to the Purchaser, as well as an additional item of consideration on which transfer taxes must be paid. Please see the CLOSING COSTS AND ADJUSTMENTS section of this Offering Plan.

5) At closing each Purchaser shall pay a reimbursement fee of \$2,500.00 to the Sponsor as partial reimbursement for the costs of preparing and filing the Offering Plan. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee of \$1,800.00, a working capital fund contribution in an amount equal to two months' common charges and may be responsible for certain other fees. For example, under no circumstances will Sponsor be required to close at any place other than a location designated by Sponsor's Attorney. If closing takes place anywhere other than at the office of Sponsor's counsel at the request of the Purchaser, an additional fee of \$350.00 will be charged for attending a closing outside of Manhattan or Brooklyn. If Purchaser obtains mortgage financing, Purchaser shall pay Sponsor's attorney a fee of \$300.00 to defray the additional costs of legal work associated therewith. In the event that the Sponsor's attorney is asked to complete a questionnaire for Purchaser's lender, then Purchaser shall pay Sponsor's attorney a fee of \$250.00 for doing so. Sponsor's attorney will charge \$250.00 fee for the preparation of ACRIIS New York City and State transfer tax forms. In the event that a scheduled closing must be adjourned due to the Purchaser, Seller's attorney will charge Purchaser a \$350.00 adjournment fee. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00. Please see the section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

6) Transfer of control of the Condominium Board of Managers shall pass to unit owners other than the Sponsor at the earlier of: 1) sixty (60) days after the date by which 75% of the units have been conveyed to unit purchasers, or 2) three (3) years after the first conveyance of a unit to a unit purchaser. Sponsor will not hold control of the condominium board after the sponsor control period. Notwithstanding the foregoing, Sponsor may vote for unit owners of its choice. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions that can be taken by the Board of Managers while the Sponsor remains in control of the Board of Managers. Such limitations are set forth in the CONTROL BY THE SPONSOR of this Offering Plan.

Until the earlier of five (5) years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those expenses described in Schedule B or expenses required to comply with applicable laws or regulations, to remedy any notice of violation, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of occupants of the Building or to remedy any work order by an insurer. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

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

7) The Sponsor is liable for all common charges, special assessments, and real estate taxes with respect to unsold units, and represents that Sponsor has financial resources to meet these obligations. However, no bond, escrow deposit, or other security has been furnished to secure the Sponsor's obligations. Please see the section of the Offering Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR for a more detailed explanation.

8) Pursuant to existing law and regulation, the Sponsor may declare the plan effective by selling a minimum of fifteen (15%) percent of the units in the building, which in this Plan constitutes one (1) residential unit. If the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a condominium even though there is no guarantee that all of the purchasers counted towards effectiveness will ultimately purchase their units. The Plan would have to be re-declared effective in the event that purchasers counted towards effectiveness failed to close their sales. Please see the EFFECTIVE DATE section of this Offering Plan.

9) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in a building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original Sponsor has an

ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

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

10) Prospective Purchasers are advised that all deposits and Down Payments will be held in the escrow account maintained by David J. Lee, Esq. of Lee & Cheung, PLLC as escrow agent, at HSBC Bank, a bank authorized to do business in the State of New York, at its Branch #688 located at 82-57 Broadway, Elmhurst, New York 11373 (the "Escrow Account"). The name of the account is LEE & CHEUNG PLLC ATTORNEY TRUST ACCOUNT. The Escrow Account is an IOLA account. IOLA stands for "interest on lawyer accounts," and is a special type of account maintained by an attorney for the purpose of holding escrow funds. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000. To the extent that the total contract deposits exceed \$250,000, they will not be federally insured. If Purchasers have accounts at the same bank as Sponsor's account that holds escrowed funds, Purchaser funds at the escrow bank factor into the \$250,000 insurance limit. Interest earned on IOLA accounts is paid over to the state of New York. No interest is credited to either the purchaser or the seller. Please see the PROCEDURE TO PURCHASE section of this Offering Plan.

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

12) The cost of providing heat and hot water for individual units is not included in the monthly Common Charges. Heat and hot water are separately provided to each unit, and the cost of utilities for providing such heat and hot water will be separately billed for each unit. Thus, the cost of heat and hot water represents a cost in addition to the monthly Common Charges. Please see FOOTNOTES TO SCHEDULE B and SCHEDULE B1.

13) Sponsor has obtained mortgage financing from Cathay Bank, having an office at 235 Fifth Avenue, New York, New York 10016 (the "Mortgage Lender"). The Mortgage Lender has agreed to subordinate its liens to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant payment as provided in the loan documents. There is a minimum release price set by the Mortgage Lender for the Mortgage Lender to release its lien from the Unit being sold. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units. See the INTRODUCTION and RIGHTS AND OBLIGATIONS OF THE SPONSOR sections in Part I of the Plan.

14) At each unit closing the Sponsor will transfer maintenance manuals and warranties for said Unit, as applicable, to the Purchaser. At the meeting of the Board of Managers to be convened within sixty (60) days after the closing of the first unit, or whenever the unsold units constitute less than 25 percent of the common interests, whichever is sooner, the Sponsor will transfer construction documents, including "as-built" materials, maintenance manuals, and warranties, as applicable, to the Condominium. Please see the CONTROL BY THE SPONSOR section in Part I and the ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

15) The obligations of a Purchaser under a Purchase Agreement are conditioned on the Purchaser obtaining financing. If a Purchaser intends to obtain mortgage financing, such Purchaser shall apply for said loan within five (5) days after receipt of a fully executed copy of the PURCHASE AGREEMENT and shall have forty (40) days from receipt of a fully executed copy of said PURCHASE AGREEMENT to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the lending institution applied to, provided that the loan offered by the lending institution is for at least the amount of the loan contemplated in the PURCHASE AGREEMENT. In the event Purchaser obtains a firm written commitment for financing and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however, in the event Purchaser has made such good faith effort to extend the commitment on the same terms and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice

from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, then Sponsor will return the down payment. Please see PROCEDURE TO PURCHASE in Part I, and PURCHASE AGREEMENT located in Part II of this Offering Plan.

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

17) Unit 1 will have a terrace measuring approximately 431.61 square feet allocated as a Limited Common Element. Units 2, 3, 4, and 5 will each have a balcony measuring approximately 48.33 square feet allocated as a Limited Common Element. Unit 5 will also have a terrace of approximately 360 square feet allocated as a Limited Common Element. No structures of any kind may be built in or on these limited common elements except for temporary structures such as sukkots. The right to use and occupancy is subject to the right of the Condominium to enter into said areas for the purpose of inspection and/or building repairs. Please see SCHEDULE A and the ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan for a more complete explanation.

18) The Sponsor will install in each unit a gas range GE model #JGSS66SELSS, and a refrigerator, Fisher & Paykel model #RF-170BLPX6. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. There will be no common or individual laundry hook-ups or equipment provided. The Sponsor reserves the right to provide fixtures and appliances by a variety of manufacturers of equal or better quality. "Equal or better quality" shall mean materials, appliances, equipment and/or fixtures that have substantially the same life expectancy, warranty, basic performance, and maintenance expectations. Please see the ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

19) There are two (2) Community Facility Units located in the building. Both Community Facility Units are currently anticipated to be used as day care facilities. However, a Community Facility Unit owner may utilize the unit for any purpose

consistent with applicable zoning regulations or any variance granted thereof, and the Certificate of Occupancy for the premises or any amendment thereto. An owner of a Community Facility Unit shall have the right to seek such amendment to the Certificate of Occupancy or variance in the zoning regulations without permission of the Board of Managers but at such Unit Owner's sole cost and expense. Community Facility Units are classified and taxed as commercial properties by the NYC Department of Finance (DOF). Uses are limited to schools, houses of worship and medical facilities. Such units have similar functional characteristics and/or nuisance impacts and are generally compatible with each other. Community Facility Units are classified for zoning purposes within commercial Use Groups 3 and 4 and are permitted within both residential and commercial districts. The Community Facility Units have been developed for use as day care centers which fall within Use Group 3, along with other schools including colleges, universities and professional schools. Use Group 4 zoning uses include houses of worship and seminaries, ambulatory, diagnostic or treatment health care facilities, and community centers. The zoning designation for these units is Use Group 3 as reflected in the final certificate of occupancy ("FCO") procured by the Sponsor. The FCO for the building was issued on December 3, 2020. A Community Facility Unit owner has the right to subdivide his unit into any number of smaller units provided that the total allocation of common interest of the Community Facility Units may not be altered by such subdivision and further provided that said all such subdivisions must be in conformity with applicable zoning rules and a Certificate of Occupancy for the premises. Please see the COMMUNITY FACILITY UNITS section of this Offering Plan for a more complete explanation.

20) The existence of Community Facility Units on the premises may increase the cost of insuring the building. A Community Facility Unit owner will be responsible for reimbursing the condominium for his/her proportionate share of any insurance cost over and above that which the condominium would incur if all units in the building were residential units. This additional cost is to be determined by the insurance carrier or agent of same that provides coverage for the building and presented to an owner or prospective owner of a Community Facility Unit upon request; the Community Facility Unit owner or prospective owner is responsible for providing said insurer with any information needed to make this determination. The owner of a Community Facility Unit will be required to maintain heat supply to his/her premises on a 24-hour a day basis, so as to not create an undue heating burden on residential units within the building. In the event the Community Facility Unit owner fails to maintain his/her heat supply on such a basis, the condominium Board shall have the power to compel compliance with this requirement. Owners, tenants, occupants, and invitees of the Community Facility Unit shall have the right to use the elevator located on the

premises. Please see the COMMUNITY FACILITY UNIT section of this Offering Plan for a more complete explanation.

21) The Community Facility Units will occupy the first floor and cellar floor of the building. Community Facility Units are types of commercial units. These cellar spaces in the Community Facility Unit may not be used as a bedroom, living room, or dining room, or for any other use construed as “habitable space” as defined by the New York City Building Code, nor may this space be rented out as habitable space. Doing so may result in a violation being issued against the building and a fine imposed, which would be the responsibility of the unit owner to correct and remove. The existence of violations on the building may result in fines and prevent the residential unit owners, though not responsible for the violations, being unable to sell or refinance their Units. Please see the sections of the Plan entitled DESCRIPTION OF PROPERTY AND IMPROVEMENTS and SCHEDULE A in Part I, and DESCRIPTION OF PROPERTY AND BUILDING CONDITION and FLOOR PLANS in Part II

22) With regard to the roof, no permanent structures may be built on the roof without a permit from the Building Department, and the Board of Managers. The Board of Managers will have access for inspection and repair and may regulate any one or more of the following aspects of construction:

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

The building Certificate of Occupancy and applicable zoning rules will not allow the construction of anything on the roof. Any damage occurring to the roof shall be the sole responsibility of the Condominium and/or any such Unit Owner causing such damage, and will need to be repaired at the Condominium or such Unit Owner’s sole cost and expense as determined by the Condominium Board of Managers. Additionally, any warranty described in Part II may be voided by improper use of the roof. Please see ARCHITECT’S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in this Offering Plan.

23) PLEASE BE ADVISED: The Sponsor is NOT providing an NDL Manufacturer’s Warranty for the new roof. The absence of an NDL Manufacturer’s Warranty may indicate that the roof membrane and appurtenances were not inspected for compliance

with the manufacturer's specifications for installation. As such, premature deterioration and replacement of the roof membrane may be anticipated and should be budgeted for. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in this Offering Plan.

24) The Sponsor anticipates that the first closing of a unit will occur by July 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than June 30, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

Purchasers should note that even if the first closing occurs on or before July 1, 2021 (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve month period thereafter, the closing of subsequent units may be substantially delayed beyond such dates if a TCO has not been issued for such units or for the floor on which such units are located. In such case, provided Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the unit. Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the Purchase Agreement, affected purchasers will be offered a right of rescission.

Purchasers will have at least fifteen (15) days from presentation of an offer of rescission within which to elect to rescind. Please see the PROCEDURE TO PURCHASE section of this Offering Plan.

25) INTENTIONALLY OMITTED.

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

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

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

29) Sponsor is not creating a fund on closing to be used as a reserve for capital expenditures. However, the budget for the first year of Condominium operation in SCHEDULE B includes a budgeted Capital Reserve Fund for repair and replacement of major systems or structural elements of the building. This budgeted item will start the gradual creation of a reserve fund. Unit owners will therefore be contributing to the Capital Reserve Fund through their common charges, beginning with common charge adjustments paid at the closings of their individual condominium units. (Unit owners will also, at closing, pay their contributions to the building's Working Capital Fund.) In the event a need arises for capital expenditures such as renewal or replacement of building components or systems, or to remedy major building defects, and the reserve fund is inadequate to pay for those expenditures, it will be necessary to raise needed capital either by assessing individual units or owners for the cost of such expenditures. See the RESERVE FUND section of this Offering Plan.

30) Sponsor is reserving the right to delay the collection of Common Charges until such time into the future. During any such period of delay, the Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any reserve fund payments. Such expenses shall not include individual unit owner expenses such as real estate taxes, utility charges, etc. Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to update the budget for the Condominium as required by Department of Law governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of Common Charges, Sponsor will notify all unit owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent Purchasers. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.

31) If a Purchaser takes possession of a Unit prior to closing title, such as through an Interim Lease or by any other means, he or she will assume the risk of loss and the obligation to repair damage not covered by insurance already in place; therefore it is advisable that Purchasers obtain casualty insurance at such time. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.

32) In the event a Purchaser takes possession of a Unit prior to Closing pursuant to an Interim Lease, upon a non-monetary default by Purchaser under the terms of the Interim Lease which is not cured within 30 days after notice thereof, or immediately after Purchaser exercises any right of rescission with respect to the Purchase Agreement, Purchaser's right to occupy the apartment will terminate, and PURCHASER must vacate the Apartment within 30 days after receipt of written notice from Sponsor to vacate. An uncured default under the Purchase Agreement is a default under the Interim Lease, and an uncured default under the Interim Lease is a default under the Purchase Agreement. Purchaser shall pay to Sponsor \$500.00 per day for each day he remains in possession following the periods set forth above. Nothing contained herein shall be construed so as to limit Sponsor's ability to have Purchaser evicted from the premises and to pursue any other legal remedy available to Sponsor, nor shall anything herein be construed as a waiver by the Sponsor of his right to retain, as

liquidated damages, the down payment deposited upon execution of the Purchase Agreement. Sponsor shall not seek or accept release of any portion of a Purchaser's down payment until the offering plan has been consummated. See the INTERIM LEASE set forth in Part II of the Plan.

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

34) Sponsor has filed a Preliminary Application for Certificate of Eligibility for the Industrial and Commercial Abatement Program (ICAP) with the DOF for the commercial portion of the property pursuant to NYRPT Law § 489-bbbbbb. ICAP benefits are applicable solely to the two Community Facility Units at the property. Based on the Preliminary Application filed by Sponsor, MGNY opines that the commercial portion of the building is expected to be eligible for ICAP benefits, and that the first year of the abatement shall be the tax year that follows the completion of construction. Construction on the Building has been substantially completed. It is estimated that the first year of abatement will be the 2020/21 tax year.

After issuing the Certificate of Eligibility, the Department of Finance is expected to use the following conventions in calculating the amount of abatement under ICAP:

1. Calculate the pro-rated portion of pre-construction building tax attributable to commercial space subject to the ICAP benefits, estimated to be \$2,513.
2. Calculate 115% of pre-construction tax, which is \$2,890.
3. Calculate the post-completion **building tax**.
 - a. It is important to note that the tax on the land value is never abated by ICAP. The land value is likely to increase significantly after the project is completed.
 - b. Land Value attributable to the commercial portion of the property is estimated to be \$44,889.
 - c. Building Value attributable to the commercial portion of the property is estimated to be \$204,493.

- d. Assuming the tax rate for Tax Class 4 properties remains at the current level of 10.694% of assessed value (Land Value plus Building Value), the total pre-abatement building tax for the 2021/22 tax year for the commercial portion of the building is estimated to be approximately \$21,868.
4. Determine the amount of abatement by subtracting the 115% of pre-construction tax (\$2,890) from post-completion building tax (\$21,868), resulting in an abatement in the amount of \$18,979.

Based on the foregoing, the total property tax in 2021/22 tax year for the commercial portion of the building is estimated to be approximately \$7,690 after the abatement amount of \$18,979 is applied.

DOF advises that the condominium project is located in the special commercial abatement area, and as such, the tax benefits should be granted for 25 years, with certain conditions. For years one through sixteen, the abatement shall be the amount of the abatement base, which is estimated to be \$18,979. See TAX OPINION hereinafter set forth for a more complete discussion of conditions governing the ongoing eligibility of the community facility units for tax benefits and the abatement phase-out schedule.

MGNY has estimated the post-completion assessed value for the commercial component of the building for the 2021/2022 tax year, the first year of condominium operation, if ICAP benefits are obtained and if ICAP benefits are not obtained. The assessed value for the commercial property without ICAP benefits is estimated at \$249,381, resulting in an estimated annual tax liability of \$26,669. MGNY projects that the total property tax in the 2021/22 tax year for the commercial portion of the building is estimated to be approximately \$7,690 after the abatement amount of \$18,979 is applied, as discussed above. The estimates assume a tax rate of 10.694% for Tax Class 4 properties.

While Sponsor is applying for ICAP benefits, and the MGNY opinion included in this Offering Plan projects that such benefits are available and will be granted, no guarantee can be, or is made, that said benefits will be obtained, or will continue to be available. Sponsor will use best efforts to obtain the aforementioned real estate tax benefits and will make all filings necessary to obtain such benefits, including a timely filing of all applications, and timely compliance with all procedures required to properly process and maintain the benefits. Upon closing, the Sponsor will make all documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not required.

If at any point it becomes impossible for the Sponsor to obtain the ICAP benefits, the Sponsor will immediately submit an amendment disclosing that it is impossible to obtain the tax benefits.

Prospective purchasers are urged most strongly to read the section entitled REAL ESTATE TAXES LETTER included herein.

NO WARRANTY IS OR CAN BE MADE THAT THE § 489-bbbbbb BENEFITS SET FORTH THEREIN WILL BE OBTAINED. IN THE EVENT THE BENEFITS ARE NOT OBTAINED, OR IN THE EVENT THERE ARE INCREASES IN THE TAX RATE, OR THE PROPERTY'S ASSESSED VALUATION, OR CHANGES IN THE STATUTES GOVERNING THE TAX BENEFITS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS GOVERNING THE TAX BENEFITS, REAL ESTATE TAXES MAY BE HIGHER THAN ANTICIPATED FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR THE BUILDING WOULD ALSO BE HIGHER. UNDER NO CIRCUMSTANCES WILL SPONSOR OR SPONSOR'S ATTORNEY OR SPONSOR'S EXPERT BE HELD RESPONSIBLE IN THE EVENT THAT ICAP BENEFITS ARE NOT OBTAINED.

Prospective Purchasers are urged most strongly to read the section entitled "Tax Opinion Letter for Condominium Project" included herein and to consult with their own counsel regarding the project's potential eligibility for ICAP abatement benefits. Please see REAL ESTATE TAXES LETTER section of the Offering Plan for a more complete explanation.

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

36) On March 31, 2019, New York State announced additions to the base real estate transfer tax ("transfer tax") and established a new supplemental tax ("supplemental

tax”) on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is \$3 million or more, and conveyances of any other property when the consideration for the conveyance is \$2 million or more. The new supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is \$2 million or more. Purchasers shall be responsible for paying the base transfer tax and supplemental tax. The purchaser’s payment of the base transfer tax will itself be deemed additional consideration, resulting in a “tax on a tax” effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs. Please see CLOSING COSTS AND ADJUSTMENTS section of the Offering Plan for a more complete explanation.

37) The Sponsor will serve as managing agent for the first year of condominium operation for the annual cost specified in SCHEDULE B. The budgeted fee is consistent with the prevailing cost for such services. The Board of Managers thereafter may elect to employ the services of a managing agent of the Board’s own choosing, which may affect the operating budget and therefore may also affect the common charges accordingly. Please see SCHEDULE B and FOOTNOTES TO SCHEDULE B.

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

39) Sponsor has not budgeted a contingency for the performance of legal services. If the condominium Board of Managers decides to hire an attorney, additional costs will be incurred which will affect the operating budget resulting in an increase in the common charges accordingly. Please see SCHEDULE B and FOOTNOTES thereto for a more complete explanation.

40) This Offering Plan is subject to The New York State Housing Merchant Implied Warranty (General Business Law Article 36-B) which applies to new single family

homes or new for-sale units in a multi-unit residential structure of 5 stories or less in which title is transferred to Owners under a condominium or cooperative regime. The Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in this Plan, nor will the Sponsor indemnify the Board of Managers or defend lawsuits that arise which are not the result of the Sponsor's acts or omissions. Each prospective Purchaser may have the Building and apartments therein inspected by an architect or engineer of his or her own choosing to determine the quality of materials and workmanship. Any and all representations and obligations, which are imposed by the Sponsor by virtue of this Offering Plan or the General Business Law, the performance of which shall occur after the transfer of title shall survive delivery of the deed. However, nothing herein is intended to abrogate the responsibility of the Sponsor under the General Obligations Law, the General Business Law and the Regulations promulgated by the Department of Law. See section entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR. A copy of the Housing Merchant Implied Warranty Law is included in Part II of this Offering Plan.

41) The square footage in SCHEDULE A is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area, and adding together for each apartment all of the areas contained therein. The square footage of each unit is based upon a "gross" square footage calculation using the approximate distance measured horizontally from the exterior side of the exterior walls or property line of any party wall to the centerline of the partitions separating one unit from another unit, or separating one unit from any common element or to the unit side of the opposite exterior walls. Each unit will consist of the area measured vertically from the lowest concrete floor of the units to the underside of the highest ceiling of the units. However, any common element located within a unit shall not be considered to be a part of that unit, and all exterior spaces which are part of a unit are not included in the square footage count. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan, and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration.

42) The Condominium will not qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code, and as such will be ineligible for exemption benefits under Section 528. As a result, the Condominium may be subject to Federal corporate income tax on the excess of the Common Charges and investment income over the expenses of operating the Condominium, if any. It is not presently anticipated that the condominium will have any income in excess of its expenses, as per

SCHEDULE B included in this Offering Plan. It should be noted that the Condominium may, even if permitted to make an election under Section 528 of the Code, still be required to pay the minimum New York State and City corporation taxes. Sponsor anticipates that the amount budgeted in the line item for Miscellaneous Reserve shall also cover “minimum” New York City and State corporation and income taxes (current minimums are anticipated to be \$25.00 for New York City and \$50.00 for New York State) for the first year of operation in the event that the Condominium is required to pay them. However, in the event that the Condominium does have any excess of income for the first year of operation, it may be necessary to increase Common Charges or separately assess all Unit Owners. There is no assurance that the line item for Miscellaneous Reserve will be sufficient to pay for taxes on said excess income. See SCHEDULE B, INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM, and COUNSEL’S TAX OPINION LETTER in Part I of the Plan for a more complete explanation.

43) The Sponsor is the Selling Agent for this Offering Plan. As Selling Agent Sponsor reserves the right to use the services of a broker or sales agent in connection with the sale of one or more units. If Sponsor utilizes such broker or sales agent then Sponsor will pay the commission earned by any broker pursuant to a written agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, but not limited to, reasonable legal fees and disbursements. The provisions of this Paragraph 35 shall survive the Closing of title and are not made for the benefit of any third parties. Please see PROCEDURE TO PURCHASE in Part I and PURCHASE AGREEMENT in Part II for a more complete explanation.

44) The roof shall have a total of three 4” diameter control flow drains—one at the second floor roof terrace, one at the fourth floor front roof terrace, and one at the fourth floor rear roof terrace. There is no secondary roof drainage. Consequently, owners of units with roof terraces allocated as limited common elements will need to clean and maintain the control flow drains on a regular basis in order to prevent flooding and leaks. Any damage from flooding or leaks due to the negligence or misconduct of a unit owner shall be the responsibility of such unit owner, and the costs associated with such negligence or misconduct shall be the responsibility of such unit owner. 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 and the cost thereof shall be assessed against the

Condominium Unit to which such Limited Common Elements are appurtenant. Please see ENGINEER'S REPORT included in Part II.

45) The Unit 5 duplex apartment contains interior winder stairs. Winder stairs are not code compliant and do not meet the requirements of the 2014 NYC Building Code section 1009.4.2 because the linear minimum clearance width dimension is not provided. As designed, the narrow side of the treads converges to a point. This creates a hazardous condition that might result in falls. There is a possibility that the Department of Buildings may at any time in the future require the construction of these stairs to meet code requirements. The expense of this work will be borne by the unit owner. Please see ENGINEER'S REPORT included in Part II.

DEFINITIONS

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

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

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

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

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

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

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

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

Community Facility Unit: Any Unit in the Condominium designated as a Community Facility Unit in the Declaration and Floor Plans. All such units are referred to collectively as "**Community Facility Units.**"

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

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

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

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

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

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

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

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

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

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

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

Sponsor: Winle Property LLC, 834 57th Street, Apt. 5A, Brooklyn NY 11220.

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

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

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 850 57th Street, Brooklyn, New York. The purpose of this plan is to set forth fully all material terms of the offer. This plan may be amended from time to time if such amendment is filed with the New York State Department of Law. Any such amendments will be served on all prospective Purchasers who have executed a Purchase Agreement for any apartment, all unit owners, and all other persons entitled to service pursuant to 13 N.Y.C.R.R. § 20.3(d)(1).

The Sponsor of this offering is Winle Property LLC, a New York limited liability company formed on November 11, 2016 with offices located at 834 57th Street, Apt. 5A, Brooklyn, New York 11220. The principals of the Sponsor are Bing Ru Zheng and Gu Chen, of the same address. The Sponsor acquired title to the property on February 24, 2017 from Stanley Carlsen. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances other than the easements disclosed in the Terms of Sale section of this Offering Plan. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

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

This plan, including all schedules and exhibits submitted herewith, constitutes the entire Offering Plan. Copies of the plan and Parts A, B, C, and D of the exhibits will be available for inspection to potential purchasers and their attorneys at the office of the Sponsor indicated on the front cover of this Offering Plan, and the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York, without charge, and for copying, at a reasonable charge.

The Building will be constructed by Sponsor within the requirements of all applicable federal, state, and local codes and regulations governing accessibility to the disabled including the ADAAG standard and Local Law 58/87.

Sponsor is converting an existing two-family residential structure into a single five-story building with a below-grade cellar and containing, in aggregate, five (5) Residential Units and two (2) Community Facility Units. Sponsor will obtain a new Certificate of Occupancy for the premises. The five Residential Units will occupy the second through fifth floors of the building. The Community Facility Units will occupy the first floor and cellar floor of the building. The Community Facility Units are being developed for use as a day care centers. Residential Units and Community Facility Units will utilize the same entrance on 57th Street at the first floor of the premises. The property is located in the Sunset Park section of Brooklyn. Construction on the Building was completed in December 2020.

Sponsor has obtained a mortgage from Cathay Bank, having an office at 235 Fifth Avenue, New York, New York 10016 (the "Mortgage Lender"). Sponsor will pay, satisfy and otherwise comply with the terms of the mortgage documents. The Mortgagee consents to the formation of the Condominium, has agreed to subordinate its liens to the Condominium Declaration, and acknowledges that its mortgage liens will be limited to Unsold Units. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgagee will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant payment as provided in the mortgage loan documents. There is a minimum release price set by the Mortgagee for the Mortgagee to release its lien from the Unit being sold. The Mortgagee has set no limits or requirements for Sponsor to sell rather than rent Units.

Sponsor is retaining the unconditional right to rent rather than sell Units after the Plan has been declared effective and the First Unit Closing has occurred. Until this Plan is abandoned, Sponsor will endeavor in good faith to sell, but makes no representation that it will execute Purchase Agreements to sell fifteen percent (15%) of the Units. In the event Sponsor has rented a Unit and, subsequently, sells the Unit pursuant to this Plan, such sale of the Unit will provide that it will be sold in "as is" condition, except for any applicable warranties expressly provided in this Plan.

On the Effective Date of this Offering Plan as hereinafter described, Sponsor will by Declaration of Condominium recorded in the Office of the City Register of the City of New York submit the Property to Article 9-B of the Real Property Law of the State of New York (as amended, the "Condominium Act"). The proposed Declaration is set forth in Part II of this Plan. The Declaration, together with the By-Laws of the Condominium, will be recorded by Sponsor at its sole cost and expense prior to its conveyance of title to the first Unit.

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

In accordance with the provisions of the Laws of the City of New York, the Sponsor represents that neither the Sponsor, nor the Condominium, nor the Selling Agent, will discriminate against any person because of his race, creed, color, sex, sexual orientation, national origin, ancestry, or any other reason prohibited by civil rights law in the sale of apartments offered by this Plan, or in the leasing of any apartment in the Building. Unit owners have an unrestricted right to lease, sell or mortgage units. Use of units is limited to residential use and appurtenant home office use.

The Plan delivered to prospective purchasers contains all the material terms of the transaction, and is presented in two Parts in one volume. Part I sets forth a general description of the Plan, including the relevant provisions of various agreements known as the Project Documents. Part II contains a detailed physical description of the Condominium, together with copies of the forms of many of the documents that will affect the use, resale, or mortgaging of each Unit. Both Parts, including all schedules and exhibits, constitute the entire offer of Sponsor. These documents should be reviewed carefully by each prospective Purchaser and his or her attorney prior to signing a Purchase Agreement. Copies of the Plan, all exhibits to the Plan, and Project Documents are available for inspection by prospective purchasers and their attorneys at the on-site offices of the Sponsor, and are also available for inspection and copying at a reasonable fee at the New York State Department of Law, 28 Liberty Street, New York, New York.

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

- (1) Each Purchaser owns his/her unit outright and is entitled to exclusive possession of such unit. Each Purchaser also has an interest in, and a right to use, common elements and exclusive right to use limited common elements of the building. However, each unit owner is obligated to comply with the Declaration, By Laws, rules and regulations, and any other requirements of the Board of Managers.
- (2) Common elements are parts of the Property which, in addition to his/her own Unit, a Unit Owner owns in common with the owners of all other Units, such as entryways, stairways, hallways, utility areas, and similar elements of the

building that serve all Unit Owners. A Unit Owner will share the non-exclusive right to use the Common Elements with all other unit owners.

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by such unit owner(s). Thus, in this Condominium, Unit 1 will have a terrace measuring approximately 431.61 square feet allocated as a Limited Common Element. Units 2, 3, 4, and 5 will each have a balcony measuring approximately 48.33 square feet allocated as a Limited Common Element. Unit 5 will also have a terrace of approximately 360 square feet allocated as a Limited Common Element.

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

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

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

(6) Individual unit owners are responsible for repairs to and maintenance within their own condominium units. Individual purchasers should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their apartments to their

personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments. Otherwise, unit owners will not be covered for risks such as fire and casualty losses within their apartments. The condominium Board of Managers is not obligated to repair and maintain individual apartments, nor provide casualty and/or liability insurance for occurrences that may occur in individual apartments.

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

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

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

The purchase prices, estimated common charges, and estimated real estate taxes for the first year of Condominium operation are set forth in SCHEDULE A. The projected budget for the first year of Condominium operation is set forth in SCHEDULE B.

There are two Community Facility Unit located in the building. Though the Community Facility Units are being developed for use as a day care centers, there are no restrictions on the use of a Community Facility Unit other than that such use must conform to applicable zoning regulations or any variance granted thereof, and the Certificate of Occupancy for the premises or any amendment thereto. A unit owner of a Community Facility Unit shall have the right to seek such amendment to the Certificate of Occupancy or variance in the zoning regulations without permission of the Board of Managers but at such Unit Owner's sole cost and expense. Examples of permitted uses for Community Facility Units include outpatient medical facilities and day care centers; prohibited uses include retail and restaurants.

While the Sponsor will endeavor in good faith to sell all units, 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, which in this Plan constitutes one (1) Residential Unit. If Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor Sponsor is bound by Sponsor's representations

regarding its commitment to sell units. Owner-Occupants, therefore, may never gain effective control and management of the condominium. There are no requirements or restrictions on renting imposed by a construction lender. Additionally, the By-Laws do not include a provision that after expiration of the initial Sponsor Control period, a majority of the Board of Managers must be Owner-Occupants or member of an owner occupant's household who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The structure which is the subject of this Offering Plan is a mixed-use building consisting of a single five-story building with a below-grade cellar and containing, in aggregate, five (5) Residential Units and two (2) Commercial (Community Facility) Units. This project is located in the Sunset Park section of the Borough of Brooklyn, New York. The site is a lot facing 57th Street on the block between 8th Avenue and 9th Avenue. The Property has a land area of approximately 2,003 square feet, and a street address of 850 57th Street. The Condominium when completed will have an approximate area of 5,639 gross square feet. The Commercial Units are being developed as Community Facility Units intended for use as day care centers. The Residential and Community Facility Units will utilize the same first floor entrance fronting on 57th Street.

This is an existing building undergoing a substantial renovation pursuant to NYC Department of Buildings job type "Alteration 1." The finished building will be in compliance with Class I-B non-combustible construction classification. The Building is not a designated landmark nor is it in a landmark district. After completion of construction, the Sponsor will apply for a temporary or final Certificate of Occupancy from the New York City Department of Buildings. The Sponsor and its principals will obtain a temporary Certificate of Occupancy prior to the First Unit Closing and will seek to obtain a final Certificate of Occupancy within two (2) years of the issuance of the first temporary Certificate of Occupancy for the Building, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. Construction on the Building has been substantially completed.

All cabinetry and fixtures in kitchens and baths in the units will be new. The Sponsor will install in each unit a gas range GE model #JGSS66SELSS, and a refrigerator, Fisher & Paykel model #RF-170BLPX6. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. There will be no common or individual laundry hook-ups or equipment provided. The Sponsor reserves the right to provide fixtures and appliances by a variety of manufacturers of equal or better quality. "Equal or better quality" shall mean materials, appliances, equipment and/or fixtures that have substantially the same life expectancy, warranty, basic performance, and maintenance expectations. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

The First Floor and Cellar Floor of the Building contain the Community Facility Units with separate day care facilities in each Unit. The Building has one elevator for both passenger and service purposes accessible to the Residential Units and Community Facility Units. The Building has four staircases, one providing entrance and egress at the first floor (stair B), one for the Residential Units on the second through fifth floors, and two dedicated staircases for the Community Facility Units at the first and cellar floors. Residential mailboxes are located on the partition wall of the entrance stair B on the first floor. Security cameras will be installed in the first floor entrance to ensure security and protect unit owners' property. There is no interior or exterior recreation space. The building does not contain accessory storage or bicycle storage space. There is no refuse room. Residents will collect refuse and recyclable items next to the entrance stair B of the Building to be brought to the street for collection by the New York City Department of Sanitation. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

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

The Sponsor hereby adopts the detailed description of property and building condition set forth in the section entitled ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION in Part II of this Offering Plan. With reference to such material, a licensed architect or engineer prepared the description of property and building condition contained therein. Prospective purchasers are urged to refer to said section for a more complete understanding of the physical condition of the subject property and building.

Subject to the requirements of law, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including without limitation, changing materials, appliances, equipment, fixtures and other construction details) and to substitute in place of any materials, appliances, equipment, and fixtures as set forth, materials, appliances, equipment and of equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction is first obtained.

LOCATION AND AREA INFORMATION

The premises are located in Sunset Park in the Borough of Brooklyn, New York, on the block between 8th Avenue and 9th Avenue. The neighborhood is bordered by Park Slope, Greenwood Cemetery, Borough Park, and Bay Ridge. The neighborhood is named after 25-acre Sunset Park located between 41st and 44th Streets, and 5th and 7th Avenues. Sunset Park was initially developed as a middle-class area, with most residents being either mid-level professionals or skilled tradespeople. In the 1980s, Sunset Park became the location of the borough's first Chinatown, which is located along Eighth Avenue roughly between 44th and 68th Streets. Eighth Avenue is lined with Chinese businesses, including grocery stores, restaurants, Buddhist temples, video stores, bakeries, community organizations, and supermarkets selling both Asian and American products serving the indigenous, predominantly Caucasian residents of the area and attracting Chinese immigrants from all areas of Brooklyn and Manhattan's Chinatown. Sunset Park is Brooklyn's largest Chinatown and gathering center and central business district.

The property is served by both the N and D subway lines. The 8th Avenue and Fort Hamilton Parkway stations on the N subway line, and the 50th and 55th Street stations on the D subway line are each just a few blocks' walking distance from the premises. Bus lines servicing the neighborhood include the B70 running along 8th Avenue, the B9 running along 60th Street, and the B16 running along Fort Hamilton Parkway.

The property is located in within Community Board 16. The property is located in Community District 312 and City Council District 38. There are several small parks and playgrounds in the neighborhood. Namesake Sunset Park is a 25-acre park located between 41st and 44th Streets, and 5th and 7th Avenues. The park's recreation center and pool comprise the Sunset Play Center which is a New York City designated landmark, and one of the few exterior and interior landmarks designated by the city. North of 39th Street and east of 5th Avenue is Green-Wood Cemetery, a national historic landmark.

The designated school district for the subject premises is District 20. The public schools in closest proximity to the subject premises are elementary school P.S. 105, The Blythbourne Partnership Elementary School, middle school J.H.S. 223, the Montauk, and Franklin Delano Roosevelt High School. Parents may also choose among the local religious schools or secular private schools. The nearest library is the McKinley Park Branch of the Brooklyn Public Library located at 6802 Fort Hamilton Parkway. The post office servicing the property is the Bay Ridge Station located one-quarter mile from the

premises at 5501 7th Avenue, Brooklyn, New York 11220. Nearby local medical centers include the Maimonides Medical Center at 4802 10th Avenue approximately one-half mile from the premises, and Lutheran Medical Center at 150 55th Street 1 mile from the premises. There are several houses of worship of most major denominations in the immediate vicinity of the premises.

Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York, and all charges (except water) are incorporated into City taxes. The property is located within the 66th Police Precinct located at 5822 16th Avenue, Brooklyn, New York 11204. However, the nearest precinct is the 68th Police Precinct located at 33 65th Street, Brooklyn, New York 11220. The closest fire house is Ladder 114 located at 5209 5th Avenue, Brooklyn, New York 11224 approximately one-half mile from the premises.

The building is located in Zoning District R6, which permits residential use as-of-right, in addition to commercial Use Groups 3 and 4, Commercial Facility Units. R6 districts are widely mapped in built-up, medium-density areas in Brooklyn, Queens and the Bronx. The character of R6 districts can range from neighborhoods with a diverse mix of building types and heights to large-scale “tower in the park” developments designed to be compatible with older buildings found in medium-density neighborhoods. Zoning regulations produce high lot coverage with six to eight-story apartment buildings set at or near the street line. The Building complies with all zoning and use requirements of Use Groups 1-4 which permit residential and community facility uses.

Neither the Sponsor nor principals of the Sponsor own or have an option or right to acquire any undeveloped areas adjacent to or directly across the street from the property except for 828 57th Street, Brooklyn, New York.

After the date of submission of this Offering Plan to the Department of Law, Sponsor makes no guarantee or representation as to the continued operation of any of the services or amenities disclosed in this section of the Plan.

SCHEDULE A
PURCHASE PRICES AND ALLOCATION OF COMMON INTEREST
850 57th Street, Brooklyn, New York
First Year of Operation
July 1, 2021 - June 30, 2022

	Habitable Sq. <u>Ftg.</u> (1A)	Uninhab. Sq. <u>Ftg.</u> (1B)	Bdms/ <u>Bths</u> (2)	% of General Common <u>Interest</u> (3A)	% of Residential Common <u>Interest</u> (3B)	Offering <u>Price</u> (4)	Monthly Common <u>Charges</u> (5)	Monthly Real Estate <u>Taxes</u> (6)	Monthly Carrying <u>Charges</u> (7)		
<u>Residential Units</u>											
1	1,019.83	431.61	2/2	18.43%	31.52%	\$700,000.00	\$677.11	\$805.57	\$1,482.69		
2	519.40	48.33	1/1	8.69%	14.86%	\$330,000.00	\$319.11	\$379.65	\$698.77		
3	500.67	48.33	1/1	8.38%	14.32%	\$350,000.00	\$307.87	\$365.97	\$673.84		
4	519.40	48.33	1/1	8.69%	14.86%	\$360,000.00	\$319.11	\$379.65	\$698.77		
5	772.18	408.33	2/2	14.29%	24.44%	\$490,000.00	\$524.92	\$624.51	\$1,149.44		
Residential Total	3,331.48	984.93		58.48%	100.00%	\$2,230,000.00	\$2,148.13	\$2,555.67	\$4,703.50		
				% of General Common <u>Interest</u> (3A)	% of CF Common <u>Interest</u> (3B)	Offering <u>Price</u> (4)	Monthly Common <u>Charges</u> (5)	With ICAP Tax Ben. Monthly <u>Taxes</u> (6)	With ICAP Tax Ben. Monthly <u>Charges</u> (7)	Without ICAP Tax Ben. Monthly <u>Taxes</u> (8)	Without ICAP Tax Ben. Monthly <u>Charges</u> (9)
<u>Unit</u>	Square <u>Ftg.</u> (1A)	Other Sq. <u>Ftg.</u> (1B)	Bdms/ <u>Bths</u> (2)	<u>Interest</u> (3A)	<u>Interest</u> (3B)	<u>Price</u> (4)	<u>Charges</u> (5)	Real Estate <u>Taxes</u> (6)	Carrying <u>Charges</u> (7)	Real Estate <u>Taxes</u> (8)	Carrying <u>Charges</u> (9)
<u>Community Facility Units (CF)</u>											
Cellar	1,174.92	0.00	N/A	19.20%	46.23%	\$850,000.00	\$705.45	\$296.27	\$1,001.72	\$1,027.48	\$1,732.92
First Floor	1,366.42	0.00	N/A	22.32%	53.77%	\$900,000.00	\$820.04	\$344.56	\$1,164.60	\$1,194.94	\$2,014.98
CF Total	2,541.34	0.00		41.52%	100.00%	\$1,750,000.00	\$1,525.48	\$640.83	\$2,166.31	\$2,222.42	\$3,747.90
Grand Total	5,872.82	984.93		100.00%		\$3,980,000.00	\$3,674.00	\$3,196.50	\$6,869.81	\$4,778.09	\$8,451.40

Notes:

- 1) The annual budget for the condominium for the first year of operation is \$44,080.00 as detailed in Schedule B included herein. The common charges are \$3,674.00 per month as shown above.
- 2) As part of the uninhabitable square footages listed above, Unit 1 will have a terrace measuring approximately 431.61 square feet allocated as a Limited Common Element. Units 2, 3, 4, and 5 will each have a balcony measuring approximately 48.33 square feet allocated as a Limited Common Element. Unit 5 will also have a terrace of approximately 360 sf allocated as a Limited Common Element.
- 3) In addition to the offering prices above, there are additional closing costs assessed against each unit, such document preparation fees, payment of transfer taxes, reimbursement fee, working capital fund contribution equal to two months' common charges, etc. Additionally, Purchasers will pay their own title insurance costs, recording charges, and mortgage recording taxes. Please see the CLOSING COSTS AND ADJUSTMENTS section of this Offering Plan for a more complete explanation.
- 4) The real estate tax projections herein are based on post-construction estimates. The Community Facility Units are eligible for ICAP tax abatement benefits. The annual real estate taxes with ICAP benefits are estimated at \$7,690.00. The annual real estate taxes without ICAP benefits are estimated at \$26,669.00. The monthly real estate taxes with and without ICAP benefits have been included in the calculations above. The annual real estate taxes for the Residential Units are estimated at \$30,668.00. Please see the REAL ESTATE TAXES and TAX OPINION sections of this Offering Plan for a more complete explanation. The annual figures for each unit are shown in the following Exhibit I to Schedule A.
- 5) Cellar space and balconies/terraces may not legally be used for any type of occupancy. To do so may result in a violation being placed against the building which would be the obligation of the Unit Owner to remove.

SCHEDULE A - EXHIBIT 1
850 57th Street, Brooklyn, New York

	Annual Real Estate Taxes	Annual Real Estate Taxes with ICAP	Annual Real Estate Taxes with ICAP
<u>Residential Units</u>			
1	\$9,628.56		
2	\$4,537.80		
3	\$4,373.28		
4	\$4,537.80		
5	\$7,586.04		
Residential Total	\$30,663.48		
<u>Community Facility Units</u>			
Cellar		\$3,555.24	\$12,329.76
First Floor		\$4,134.72	\$14,339.28
CF Total		\$7,689.96	\$26,669.04

FOOTNOTES TO SCHEDULE A

1. The square footage in SCHEDULE A is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area and adding together for each apartment all areas contained therein. The square footage of each unit is based upon a "gross" square footage calculation using the approximate distance measured horizontally from the exterior side of the exterior walls or property line of any party wall to the centerline of the partitions separating one unit from another unit or separating one unit from any common element or to the unit side of the opposite exterior walls. Each unit will consist of the area measured vertically from the lowest concrete floor of the units to the underside of the highest ceiling of the units. However, any common element located within a unit shall not be considered to be a part of that unit, and all exterior spaces which are part of a unit are not included in the square footage count. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration.

Unit 1 will have a terrace measuring approximately 431.61 square feet allocated as a Limited Common Element. Units 2, 3, 4, and 5 will each have a balcony measuring approximately 48.33 square feet allocated as a Limited Common Element. Unit 5 will also have a terrace of approximately 360 square feet allocated as a Limited Common Element. No structures of any kind may be built in or on these limited common elements except for temporary structures such as fencing, screen tents, tool sheds, sukkots, etc. Each Owner of a Unit to which a Limited Common Element is appurtenant shall be responsible for the cost and performance of all painting, decorating and non-structural ordinary maintenance, repairs, cleaning, and replacements to such Limited Common Element. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element, unless the need for such repair or replacement was caused by the negligent act or omission of the Owner of the Unit to which it is appurtenant, shall be allocated to all Unit Owners as a Common Expense. The right to use and occupancy is subject to the right of the Condominium to enter into said areas for the purpose of inspection and/or building repairs.

2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths that do not include a tub or shower are counted as half baths. See the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.
3. The determination of percentages of Common Interest allocated to each unit is based upon floor area, subject to such other items of relative value as the location of the apartment within the building; uniqueness of the apartment; the availability of common elements for exclusive or shared use; and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.
4. Across-the-board changes in unit prices, advertised price changes, and increases in individual unit prices may be made only by an amendment duly filed with the New York State Department of Law; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. Purchasers will also incur certain closing costs in connection with the purchase of their unit. See CHANGES IN PRICES IN UNITS and CLOSING COSTS AND ADJUSTMENTS sections of this Offering Plan.
5. Projected Common Charges for the first year of operation include only those expenses which are enumerated in SCHEDULE B. Common Charges do not include such expenses as repairs to the interior of the owner's unit, and the owner's individual gas, electricity, cable, Internet service, air conditioning, and telephone expenses; individual costs for heat and hot water for each apartment are set forth in SCHEDULE B1 of this Offering Plan. Moreover, if the purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Common Charges. Common Charges are arrived at by allocating to each unit a share of the Monthly Charges proportionate to the Common Interest that such unit bears in the condominium.
6. After the condominium is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the nonpayment of taxes on other units.

Sponsor has obtained an estimate of post-completion assessed value of the property for real estate tax purposes from MGNY Consulting, 18 Bridge Street, Suite 2D, Brooklyn, NY 11201, whose opinion letter dated July 30, 2020 is included in this Plan. Construction on the Building was completed in December 2020. MGNY is of the opinion that post-completion, the residential portions of the property will be classified by the New York City Department of Finance ("DOF") as Tax Class 2 property and will pay taxes based on the Tax Class 2 tax rate, while the commercial Class 4 tax rate will be applied to the Community Facility Units. A final Certificate of Occupancy for the property was issued on December 3, 2020. The Sponsor expects the final assessment roll to be issued for the tax year commencing July 1, 2021. DOF calculations of real estate taxes are arrived at by applying the current tax rate to the assessed property value, and then allocating the resulting taxes in direct proportion to the allocation of Common Interest percentages set forth in the condominium Declaration. Sponsor makes no representation, however, that DOF will actually apportion the real estate taxes for each Unit based on Common Interest.

MGNY has provided projections of the resulting estimated real estate taxes for the first post-construction tax year of 2021/22 as provided in SCHEDULE A. The post-completion assessed value set forth by Sponsor's expert and used for calculations for Tax Class 2 residential property is \$250,000.00, resulting in an estimated tax liability of \$30,668.00. The tax rate used for the calculation is 12.267% which is the tax rate for Class 2 properties for the 2020/21 tax year. Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes subject to the limits imposed by the Tax Cuts and Jobs Act of 2017. See TAX OPINION hereinafter set forth for a more complete discussion. Sponsor has not applied for 421-a tax exemption benefits for the Residential Units, nor are such benefits available for this project.

Sponsor has filed a Preliminary Application for Certificate of Eligibility for the Industrial and Commercial Abatement Program (ICAP) with the DOF for the commercial portion of the property pursuant to NYRPT Law § 489-bbbbbb. MGNY has estimated the post-completion assessed value for the commercial component of the building for the 2021/2022 tax year if ICAP benefits are obtained and if ICAP benefits are not obtained. The assessed value for the commercial property without ICAP benefits is estimated at \$249,381, resulting in an estimated annual tax liability of \$26,669. MGNY projects that the total property tax in the 2020/21 tax year for the commercial portion of the building is estimated to be approximately \$7,690 after the abatement amount of \$18,979 is applied, as discussed above. The estimates assume a tax rate of 10.694% for Tax Class 4 properties.

The real estate taxes for the first year of condominium operation are provided in SCHEDULE A. All figures are estimates. Prospective Purchasers should note that the taxes listed for each unit in Schedule A are allocated in proportion to the allocation of Common Interest that each unit bears in relation to all other units of its type, and are proportional to said unit's Common Interest in the whole condominium. The DOF is not bound by this method of allocation and may allocate on a different basis. Unit Owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes subject to the limits imposed by the Tax Cuts and Jobs Act of 2017. This federal law limits the itemized deduction to \$10,000.00 for the total of state and local property taxes and income or sales taxes. This maximum applies to both single and married filers. Potential purchasers are strongly advised to consult with their own tax experts regarding deductibility of their real estate taxes and mortgage interest. Purchasers are directed to the opinion from MRE in the section of this Offering Plan entitled REAL ESTATE TAXES for a more complete.

Until the units are separately assessed for real estate taxes, real estate taxes for the property shall be paid by the condominium (although no such payment is provided for in Schedule B) as a general common expense and each Unit Owner shall pay additional common charges (which are not reflected in the estimated common charges for the unit as set forth in Schedule A) equal to the applicable unit's pro rata share, based upon the common interest of the applicable unit, of such real estate taxes for the property for such period. If real estate taxes are charged to Unit Owners as additional common charges for any period with respect to which the units shall not have been separately assessed, then a Unit Owner's payment of such additional common charges shall be in lieu of payment by such Unit Owner to the city of real estate taxes (which otherwise might have been assessed against the unit as a separate tax lot) for such period. As set forth in the By-Laws, after the units are separately assessed for real estate tax purposes, the Board of Managers as agent of the Unit Owners shall promptly assess any Unit Owners who have underpaid real estate taxes with respect to their units based on the assessed valuation of such units and shall likewise reimburse any Unit Owners for overpayment of taxes. Although the condominium will be obligated to pay the real estate taxes for the property until the units are separately assessed, it is possible that Purchaser's lender may, nevertheless, require that Purchaser escrow with such lender for real estate taxes for such period.

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

Residential unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued subject to the limits imposed by the Tax Cuts and Jobs Act of 2017. The projected tax deduction may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any), or from changes in the allocation of constant debt service payments to interest and principal; or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, tax rates, or the method of assessing real property; or from changes in the tax laws governing deductibility of mortgage interest and real estate taxes. Please see the TAX OPINION LETTER set forth in this Offering Plan for a more complete explanation. Carrying charges do not include certain costs for which the unit owner is responsible, such as repairs to the interior of the unit, separate metered gas, electricity, hot water, heat, air conditioning, and cable television service. Please see SCHEDULE B-1 for estimates of individual utility charges.

8. The real estate taxes herein are based on post-construction estimates. Please see REAL ESTATE TAX OPINION LETTER included herein for a more complete explanation.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
THE 850 57TH STREET CONDOMINIUM
July 1, 2021 – June 30, 2022

INCOME

Common Charges	\$ 44,080
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EXPENSES

Heat and Hot Water (1)	\$ -0-
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Electricity (2)	\$ 3,275
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Water and Sewer (3)	\$ 8,605
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Repairs and Maintenance (4)	\$ 5,600
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Services and Supplies (5)	\$ 1,000
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Insurance (6)	\$ 8,500
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Legal and Accounting Fees (7)	\$ 3,000
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Labor (8)	\$ 2,300
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Management (9)	\$ 6,000
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Anticipated Taxes (10)	\$ 200
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Miscellaneous Reserve (11)	\$ 800
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Capital Reserve Fund (12)	<u>\$ 4,800</u>
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Total	\$ 44,080
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Note: All figures are rounded to the nearest dollar.

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

THE SPONSOR MAY NOT DECLARE THE PLAN EFFECTIVE WHERE THERE ARE MATERIAL CHANGES TO THE BUDGET IF THESE CHANGES HAVE NOT BEEN DISCLOSED IN A DULY FILED AMENDMENT TO THE PLAN.

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

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

FOOTNOTES TO SCHEDULE B

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

2. Electricity: The Sponsor has obtained an estimate, dated July 22, 2020, from Kon Ho Lee, P.E., Kon Ho Lee Consulting Engineer, PLLC, 728 Bay Ridge Avenue, Brooklyn, New York 11220, of approximately 9,189 kilowatt hours per year (766 KWH per month) of electrical usage for the common areas, at an annual cost of \$3,275.00. This projection included in SCHEDULE B is based on a rate of approximately 30 cents per kilowatt hour plus minimum meter charge, and includes the cost of all applicable state and local taxes and fuel adjustments, and a 10% allowance for inflation. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water and Sewer: Water is supplied to the Building by the City of New York through a single water meter serving the entire building. The Sponsor has obtained an estimate, dated November 4, 2019, from Kon Ho Lee, P.E., Kon Ho Lee Consulting Engineer, PLLC, 728 Bay Ridge Avenue, Brooklyn, New York 11220, projecting annual water consumption and the annual cost of water and sewer usage for the Building (5 Residential Units and 2 Community Facility Units). The combined annual consumption of water and sewer is estimated to be 500,378 gallons at an annual cost of \$8,605.00. This estimate assumes current charges of \$10.33 per 100 cubic feet. Projected figure also includes a 10% allowance for inflation.

4. Repairs and Maintenance: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. Insofar as this is a newly renovated building it is not anticipated that any major repairs will be required. The budget includes items of regular maintenance, such as cleaning, painting and minor mechanical, carpentry, or electrical work, which are budgeted, in aggregate, at \$1,000. In addition, Sponsor has obtained estimates for the following additional maintenance services:

Elevator maintenance contract, annual testing & servicing \$3,000

Fire alarm monitoring	\$1,100
Sprinkler monthly inspection contract	\$ 500

Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances.

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

6. Insurance: Sponsor has received a letter, dated July 15, 2020, estimating the cost of coverage for the building via a package policy through United Innovation Group Inc., 8 Chatham Square, Suite 802, New York, New York 10038 in the following coverage amounts:

Building.....	\$1,500,000 All Risk, Replacement Cost
Liability.....	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
Deductible.....	\$1,000
Rent Loss.....	Actual Loss Up To 12 Months

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

- (i) each unit owner will be an additional insured;
- (ii) there will be no cancellation without notice to the Board of Managers and individual unit owners;
- (iii) will waive subrogation;
- (iv) will waive invalidity because of the acts of the insured

- and individual unit owners;
- (v) and, will waive pro rata reduction if individual unit owners obtain additional individual coverage.

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

7. Legal and Accounting Fees: This figure is based on the estimate, dated October 8, 2019, received from Jeffrey Eng Certified Public Accountant, P.C., 139 Centre Street, Suite 713, New York, New York 10013, a certified public accountant, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$3,000.00. No contingency has been budgeted for the performance of legal services. If the condominium decides to hire an attorney, additional costs will be incurred.

8. Labor: The budgeted figure anticipates one part-time superintendent/porter performing ordinary cleaning and maintenance and working approximately 10 hours per month at an hourly rate of \$15.00. The basis for this projection is the experience of the principals of the Sponsor in their capacity as self-employed multiple dwelling rental property owners and managers in Brooklyn, New York and their experience with the superintendent demands of similarly-sized buildings.

The budgeted figure also includes FICA, New York State Unemployment Insurance, Federal Unemployment Insurance, Workers Compensation and Disability Insurance, and also meets state minimum wage laws. Superintendent services are available on a 24-hour a day basis for an additional charge. The budgeted figure does not anticipate use of union personnel, which would result in a higher annual cost, and would require a concomitant increase in common charges. The anticipated level of staffing complies with all applicable housing and labor statutes. The porter/superintendent will be able to provide regular maintenance services such as replacement of light bulbs, trash removal, common area cleaning, snow removal, etc. Plumbing, heating, electrical, mechanical or carpentry work will require the engagement of personnel for those purposes.

9. Management: The Sponsor will serve as managing agent for the first year of condominium operation for the annual cost specified in SCHEDULE B. The budgeted fee is consistent with the prevailing cost for such services. The Board of Managers thereafter may elect to employ the services of a managing agent of the Board's own choosing, which may affect the operating budget and therefore may affect the common charges accordingly.

Activities typically performed by the managing agent include maintenance of checking and savings accounts for the condominium, collection of monthly common charges, payment of all condominium common charges, processing of all individual unit sales, supervision and payment of building employees, building maintenance; review and resolution of any problems arising in the day-to-day operation of the building, compliance with all government laws and regulations affecting building operation, ownership, and maintenance, filing of annual tax returns, enforcement of condominium-adopted rules and regulations, seizure and sale of delinquent units, and response to individual unit owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building will need to be dealt with by the Board of Managers.

10. Sponsor anticipates that the line item for Anticipated Taxes shall cover "minimum" New York City and State corporation and income taxes (current minimums are anticipated to be \$25.00 for New York City and \$50.00 for New York State) for the first year of operation. Sponsor's Counsel is of the opinion that the Condominium will not qualify as an exempt homeowner's association under section 528 of the IRS code and will, therefore, be required to pay such taxes. However, based upon the income and expenses projected in SCHEDULE B, it is not anticipated that any income in excess of expenses will be earned by the condominium. Therefore, Sponsor and Sponsor's counsel are of the opinion that the condominium will be subject to "minimum" New York City and State corporation and income taxes. In the event that the condominium earns income in excess of its expenses, same would represent an additional source of revenue to the condominium and it is possible that the condominium would owe more than the "minimum" anticipated taxes, in which case it may be necessary for the condominium to raise additional revenue either through an assessment or an increase in common charges.

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

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

SCHEDULE B1
July 1, 2021 – June 30, 2022

Heat and hot water are provided to each individual unit by separate boilers and hot water heaters serving each such unit. The attached Exhibit A includes annual estimates obtained on July 22, 2020, from Kon Ho Lee, P.E., Kon Ho Lee Consulting Engineer, PLLC, 728 Bay Ridge Avenue, Brooklyn, New York 11220, for the cost of providing gas for heat, hot water and cooking for each residential unit.

The estimate assumes the following:

- (a) Natural gas for cooking and hot water generation at the projected rate of rate \$2.15 per therm;
- (b) Natural gas for space heating in community facility units at the projected rate of rate \$2.15 per therm;
- (c) Electricity for heating, cooling, appliances, and general lighting and convenience receptacles in residential units at the projected rate of \$0.30/KWH;
- (d) Electricity for heating, cooling, appliances, general lighting, security system operation, hot water generation and entertainment systems in community facility units at the projected rate of \$0.30/KWH;
- (e) Internal temperature of 70 degrees Fahrenheit when the outside temperature is 0 degrees Fahrenheit with 15 mph wind.

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

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

SCHEDULE B1 - EXHIBIT A
850 57th Street, Brooklyn, New York

<u>Unit</u>	<u>Annual Electricity Estimate</u>	<u>Annual Gas Estimate</u>	<u>Taxes</u>	<u>Inflation</u>	<u>Annual Total</u>	<u>Monthly Total</u>
<u>Residential Units</u>						
1	\$2,604.00	\$804.00	\$294.79	\$340.80	\$4,043.59	\$336.97
2	\$1,332.00	\$720.00	\$177.50	\$205.20	\$2,434.70	\$202.89
3	\$1,332.00	\$720.00	\$177.50	\$205.20	\$2,434.70	\$202.89
4	\$1,332.00	\$720.00	\$177.50	\$205.20	\$2,434.70	\$202.89
5	\$1,844.00	\$804.00	\$229.05	\$264.80	\$3,141.85	\$261.82
<u>Community Facility Units</u>						
Cellar Floor	\$5,304.00	\$1,092.00	\$553.25	\$639.60	\$7,588.85	\$632.40
First Floor	\$5,952.00	\$1,320.00	\$629.03	\$727.20	\$8,628.23	\$719.02

CHANGES IN PRICES AND UNITS

Across-the-board increases or decreases in unit prices, advertised price changes, and increases in individual unit prices may be made only by an amendment duly filed with the New York State Department of Law. However, prices are negotiable, and Sponsor may enter into an agreement with a Purchaser to sell one or more units at prices lower than those set forth in SCHEDULE A without filing an amendment prior to entering such agreement, as per FOOTNOTES TO SCHEDULE A.

No change will be made in the size or number of units, and/or their respective percentage of common interest, and no material change will be made in the size or quality of common elements except by amendment to the Plan and, when applicable, to the Declaration. If a Purchase Agreement has been executed and delivered to the Sponsor for that unit and the Purchaser is not in default, then no material change will be made in unit size, layout, or percentage of common interest unless the affected purchaser consents. No material change will be made in the size, and no material adverse change will be made in the quality, of common elements unless all Purchasers consent. No change of any type set forth in this paragraph shall be made except by amendment duly filed with the New York State Department of Law.



BROOKLYN PROPERTIES
LICENSED REAL ESTATE BROKERAGE FIRM

LOCATIONS 113 7th Avenue | 213 7th Avenue | 85 Fort Greene Place
718.788.3888 | info@brooklynproperties.com

March 13, 2020

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

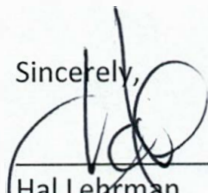
Winle Property LLC
834 57th Street, #5A, Brooklyn, NY 11220

Dear Sir or Madam:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 850 57th Street, Brooklyn, New York, with Section 339-(i)(1) of the New York Real Property Law. You have informed us that the method of allocation chosen is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339(i)(1)(iv) of the New York State Real Property Law.

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

Sincerely,



Hal Lehrman
Licensed Real Estate Broker

COMMUNITY FACILITY UNITS

There are two (2) Community Facility Units located in the building. Community Facility Units are classified and taxed as commercial properties by the New York City Department of Finance (DOF). Uses are limited to schools, houses of worship and medical facilities providing essential services for the community they serve. Such units have similar functional characteristics and/or nuisance impacts and are generally compatible with each other. Community Facility Units are classified for zoning purposes within commercial Use Groups 3 and 4 and are permitted within both residential and commercial districts. The Community Facility Units are each being developed for use as day care centers which fall within Use Group 3, along with other schools including colleges, universities and professional schools. Use Group 4 zoning uses include houses of worship and seminaries, ambulatory, diagnostic or treatment health care facilities, and community centers. The zoning designation for these units is Use Group 2 as reflected in the final certificate of occupancy ("FCO") procured by the Sponsor. The FCO for the building was issued on December 3, 2020.

The Community Facility Units in this condominium will occupy the first floor and cellar floors of the building. There are no restrictions on the use of the Community Facility Units other than that such use must conform to applicable zoning regulations or any variance granted thereof, and the Certificate of Occupancy for the premises or any amendment thereto. Use of the Community Facility Unit is limited to Community Facility Unit use that is not commonly considered offensive, such as outpatient medical treatment centers or day care facilities. Uses that are commonly considered offensive, such as massage parlors, drug treatment facilities, or homeless shelters, are not permitted. The unit owner of a Community Facility Unit shall have the right to seek such amendment to the Certificate of Occupancy or variance in the zoning regulations without permission of the Board of Managers but at such unit owner's sole cost and expense.

The common charges payable by a Community Facility Unit owner are sufficient to cover the expenses attributable to said unit. Heat, hot water, and electricity services are all separately metered and will, therefore, not consume any portion of the condominium budget. The Community Facility Unit owners are responsible for all internal repairs and maintenance; therefore, heavier wear and tear attributable to use as community facilities should not impact on the budget for the condominium.

A Community Facility Unit owner has rights and obligations that differ substantially from those of residential units. Use of the premises as community facilities may increase

the cost of insuring the building. A Community Facility Unit owner will be responsible for reimbursing the condominium for his/her proportionate share of any insurance cost over and above that which the condominium would incur if all units in the building were residential units. This additional cost is to be determined by the insurance carrier or agent of same that provides coverage for the building and presented to an owner or prospective owner of a Community Facility Unit it upon request; the community facility unit owner or prospective owner is responsible for providing said insurer with any information needed to make this determination. A Community Facility Unit owner may subdivide and sublet any or all of the Community Facility Units. A Community Facility Unit may be divided into any number of smaller condominium units, or combined into any number of larger units, provided that the net common interest of such newly created units shall not exceed the original common interest allocated to the Community Facility Unit or Units involved. It is not anticipated that such differences in rights and obligations will have a materially adverse impact upon the condominium. Owners, tenants, occupants, and invitees of the Community Facility Unit shall have the right to use the elevator located on the premises. The Board of Managers shall not be permitted to impose a rental fee upon the owner of the Community Facility Unit.

INTERIM LEASE

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

PROCEDURE TO PURCHASE

Persons desiring to purchase condominium units will be required to execute a Purchase Agreement in the form contained in Part II of this Plan and return it to the selling agent, together with a check in the amount of 10% of the purchase price as a down-payment, drawn to the order of DAVID J. LEE, ESQ. AS ESCROW AGENT. The Sponsor is not obligated to negotiate with the Purchaser. Sponsor reserves the right to accept a lesser downpayment to accommodate Purchasers, but in no case will the downpayment be less than 5% of the purchase price of the unit.

The prospective purchaser must have the Offering Plan and all filed amendments in his/her possession at least three (3) business days prior to executing the Purchase Agreement. In the event Purchaser has not had said Offering Plan in his possession for at least three (3) business days prior to execution, Purchaser may rescind the Purchase Agreement by mailing Notice of Rescission to Sponsor or selling agent, or by hand delivering notice, within seven (7) days after executing same. Notice by mail will be effective if it is postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreements shall not be binding on any party until accepted by the Sponsor. Within twenty (20) days after the prospective purchaser has delivered to the selling agent a signed Purchase Agreement together with the required downpayment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart, or reject the Purchase Agreement and refund in full any downpayment taken. If the Sponsor takes no action, the Purchase Agreement will be deemed rejected. This Offering Plan will expire twelve (12) months from the date on which it is accepted by the New York State Department of Law, unless extended by a duly filed amendment hereto.

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

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

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations

concerning escrow/trust funds shall prevail over any purchase. Purchasers shall not be obligated to pay any legal or other expenses of the Sponsor in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

The law firm of Lee & Cheung, PLLC with an address at 244 Grand Street, 5th Floor, New York, New York 10002, telephone number (212) 334-9417, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: David J. Lee, Esq. and Ronald Cheung, 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.

The Escrow Agent has established the escrow account at HSBC Bank, Branch #688, located at 82-57 Broadway, Flushing, New York 11373, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled LEE & CHEUNG PLLC ATTORNEY TRUST ACCOUNT ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All Deposits made by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of DAVID J. LEE, ESQ., AS ESCROW AGENT.

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

The Escrow Account is an IOLA account. IOLA stands for "interest on lawyer accounts," and is a special type of account maintained by an attorney for the purpose of holding escrow funds. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000. To the extent that the total contract deposits exceed \$250,000, they will not be federally insured. If Purchasers have accounts at the same bank as Sponsor's account that holds escrowed funds, Purchaser funds at the escrow bank factor into the \$250,000 insurance limit. Interest earned on IOLA accounts is paid

over to the state of New York. No interest is credited to either the purchaser or the seller. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement is attached hereto in Part II of the Offering Plan. The relevant escrow trust fund provisions are included in Section 5 of the Purchase Agreement, which incorporates all of the provision of the Escrow Agreement set forth in Part II of this Offering Plan. The Purchase Agreement must be executed by the Purchaser, Seller, and the Escrow Agent.

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) days of placing the Deposit in the escrow account, the Escrow Agent shall notify the Purchaser that such funds have been placed in the Bank by providing written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the name and address of the bank where the account is located.

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

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law.

Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL sections 352-e(2-b) and 352-h.

The escrow agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Escrow Agreement and Purchase Agreement upon closing of title to the unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable judgment or order of a court of competent jurisdiction.

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

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

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

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

regulations. The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. Set forth in Part II of this Offering Plan is a copy of the Escrow Agreement between the Sponsor and the Escrowee that incorporates the terms of the Attorney General's regulations.

Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the plan must 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. The Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit, in accordance with the regulations of the New York State Department of Law, in lieu of escrow of such funds. Such alternate security must be approved by the Department of Law. In the event the Sponsor elects to use such alternative security, an amendment to that effect will be filed in the Offering Plan fully complying with all provisions of the Department of Law for proof of satisfactory insurance of said funds.

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

Purchase Agreements will be contingent on Purchaser obtaining a firm written commitment for financing. Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for

financing within such 40 day period, and fails to notify Sponsor's attorney within five days thereafter, **TIME BEING OF THE ESSENCE THERETO**, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his/her down payment, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the down payment or deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution. However, in the event Purchaser has made such good faith effort to extend the commitment and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, Sponsor will return the down payment within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind.

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

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such purchaser's closing date. Such notice will be served in compliance with the Attorney General's rules no less than 30 days prior to the closing date set therein. Sponsor will permit Purchasers to waive

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

On closing, Purchaser will be required to sign a Power of Attorney in favor of the Board of Managers as otherwise set forth in this Offering Plan. If Purchaser refuses at closing to sign such a Power of Attorney, the Purchase Agreement shall be deemed cancelled and all rights of the parties thereunder shall terminate except that the amount of the purchaser's down payment shall be paid over to the Sponsor as liquidated damages.

The Sponsor anticipates that the first closing of a unit will occur by July 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than June 30, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, Purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs on or before June 30, 2022, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.** In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the purchase agreement, affected Purchasers will be offered a right of rescission.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Offering Plan shall be resolved in favor of the Offering Plan. Sponsor will not permit the assignment or transfer of Purchase Agreements.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST

IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM.

EFFECTIVE DATE

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

The Plan will only be declared effective by a duly filed amendment, or by personal service of notice to all Purchasers. If declared effective by notice, an amendment to that effect, specifying the date on which the Plan was declared effective, shall be filed within five (5) days thereafter with the New York State Department of Law. No closing on any individual unit will be held prior to the acceptance for filing of such amendment by the New York State Department of Law.

The Plan may be declared effective upon the execution of Purchase Agreements for 15% (in number, not common interest) of the residential units in the building to bona fide purchasers, including investors. A minimum of one (1) residential unit must be sold to declare the Plan effective. The count of Purchase Agreements towards the minimum number for effectiveness shall not include those: signed by Purchasers granted a right of rescission which has neither expired nor been waived; a Purchaser who has not had at least three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement or had less than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded immediately; with any Purchaser who is the Sponsor, the selling agent, or the managing agent, or is a principal for the Sponsor, the selling agent, or the managing agent, or is related to the Sponsor, the selling agent, or the managing agent, or to any principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage, or adoption, or as a business associate, employee, shareholder, or a limited partner; except that such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. Residential units purchased by an investor or for the purpose of resale shall be counted.

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

The Plan must be declared effective upon the execution of Purchase Agreements for 80% (in number, not common interest) of the residential units, which, in the case of this Plan

means four (4) residential units. Prior to the sale of 80% of such Units, or prior to being declared effective, the Plan may be abandoned by the Sponsor at its option. The Sponsor cannot abandon the plan for any judgments or liens against the property resulting from acts of the Sponsor or any of its principals or which are known to the Sponsor on the date of the plan. If the Sponsor abandons the plan, the Sponsor will return all monies paid by Purchasers, including down payments and the cost of custom work, if any, together with interest earned, if any, within ten business days. The Sponsor will also file with the New York State Department of Law an amendment abandoning the Plan and form RS-3, detailing why the Plan was abandoned, and explaining all disbursements of funds. If payments under Purchase Agreements have been received, the amount of such funds and the manner and time when these funds will be returned to purchasers must be disclosed. The funds must be returned within five (5) days after the amendment abandoning the Plan has been accepted for filing.

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

TERMS OF SALE

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

Risk of loss from fire or other casualty remains with the Sponsor until title is passed, unless and until the Purchaser is given the right of possession of a unit pursuant to a written agreement with the Sponsor. Upon Purchaser acquiring the right of possession of the unit, all risk of loss to the unit and its contents, to the extent not covered by building insurance, passes to Purchaser, and Sponsor shall not thereafter be responsible for repairing any damage. No closing will occur unless and until a partial, temporary, or final Certificate of Occupancy for the unit to be closed has been issued.

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

Permitted Exceptions

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

1. Rights of tenants or persons in possession, if any;
2. Standard exceptions contained in the title report;
3. Taxes, tax liens, tax sales, water rates, sewer rents and assessments set forth herein.
4. AS TO THE BUILDING: Any statement of facts which a subsequent survey of would disclose provided that such additional statement of facts do not render title unmarketable;

AS TO THE UNIT: With respect to Condominium Unit No. ____ the title to which is to be insured herein, policy excepts any state of facts which an accurate

survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

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

- A. Zoning Lot Description and Ownership Statement made by Winle Property LLC dated 3/19/2017 and recorded on 3/30/2017 as CRFN 2017000122415, affects Block 5693, Lot 27.
- B. Certification of Parties in Interest made by Summit Associates dated 3/19/2017 and recorded on 3/30/2017 as CRFN 2017000122416, affects Block 5693, Lot 27.

The property is currently encumbered by a mortgage held by Cathay Bank. Pursuant to 13 NYCRR 20.3(r)(8), if existing mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, at the time of conveyance of the first unit, each mortgagee will either: (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (ii) subordinate the lien of its mortgage to the declaration of the condominium; or (iii) release its lien on the condominium unit being conveyed and its interest in the common elements. Sponsor will satisfy this mortgage in full at the closing of the first unit with sale proceeds and, if necessary, Sponsor's own funds. Sponsor has adequate financial resources with which to meet the obligations of the unsold units. The following mortgage information is disclosed for reference only.

- Mortgage between Cathay Bank as Mortgagee and Winle Property LLC as Mortgagor dated 2/24/2017 and recorded 3/3/2017 in CRFN 2017000085700 in the amount of \$420,000.00.
- Collateral Assignment of Leases and Rents between Cathay Bank as Mortgagee and Winle Property LLC as Mortgagor dated 2/24/2017 and recorded 3/3/2017 in CRFN 2017000085701 in the amount of \$420,000.00.
- UCC-1 Financing Statement between and Cathay Bank as Secured Party and Winle Property LLC as Debtor, dated 2/27/2017 and recorded 2/27/2017 in CRFN 2017000078138.

A closing will take place only concurrently with the issuance of a temporary or final Certificate of Occupancy for the entire project, or issuance of a partial, temporary, or final

Certificate of Occupancy for the unit closed or the building in which the unit is located. The final Certificate of Occupancy for the building was issued December 3, 2020.

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

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

CLOSING COSTS AND ADJUSTMENTS

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

(a) If a purchaser elects to obtain fee title insurance, the purchaser will pay the premium thereof which will vary depending upon the Purchase Price of the Unit. Purchasers are free to utilize the title insurance company of their choice without incurring any Sponsor-imposed additional fees. Rates set by the New York Board of Title Underwriters are currently \$1,502.00 on a Purchase Price of \$500,000.00 and approximately \$2.37 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently \$445.00 on a mortgage of \$500,001.00 and \$0.70 for each additional thousand dollars or fraction thereof. Where mortgage and fee title are obtained simultaneously the charge for mortgage insurance is reduced to 30% of the usual applicable rate, up to the amount of the fee insurance; the amounts provided reflect this.

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

(c) If the purchaser obtains a mortgage loan, the purchaser will pay a mortgage tax of 2.05% of the principal amount of the mortgage if the mortgage is under \$500,000.00; under New York State Law the lending institution is required to pay 0.25%, so the effective rate of a residential mortgage under \$500,000.00 will be 1.8%. If the residential mortgage is \$500,000.00 or over the rate will be 2.175%, minus the 0.25% lending institution's contribution, for a mortgage tax rate of 1.925%. If a mortgage tax credit is or becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, the Purchaser will reimburse the Sponsor for any mortgage tax credit allowed, and will pay the balance of the mortgage recording tax as provided by law.

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

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

(f) New York State Documentary Stamp taxes, presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage, will be the sole responsibility of the purchaser. Sellers in general are obligated to pay the New York State Documentary Stamp tax; however, the Purchaser here will be obligated to pay the New York City Documentary Stamp tax, and therefore such payment by the Purchaser is deemed additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

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

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

(i) All closings will occur in Manhattan at a location designated by the Sponsor's Attorney. Under no circumstances will Sponsor or its Attorney be required to close at any place other than a location designated by Sponsor's Attorney. If at the request of the Purchaser a closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of \$350.00 will be charged for attending a closing outside of Manhattan or Brooklyn. If Purchaser obtains mortgage financing, Purchaser shall pay Sponsor's attorney a fee of \$300.00 to defray the additional

costs associated therewith. In the event that the Sponsor's attorney is asked to complete a questionnaire for Purchaser's lender, then Purchaser shall pay Sponsor's attorney a fee of \$250.00 for doing so. Sponsor's attorney will charge \$250.00 fee for the preparation of ACRIS New York City and State transfer tax forms. In the event that a scheduled closing is adjourned due to the Purchaser, Seller's attorney will charge Purchaser a \$350.00 adjournment fee. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00.

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

Consideration	New York Mansion Tax (including supplemental Mansion Tax)
\$1,000,000.00 or less	Not subject to tax
\$1,000,000.00 to 1,999,999.99	1%
\$2,000,000.00 to 2,999,999.99	1.25%
\$3,000,000.00 to 4,999,999.99	1.5%
\$5,000,000.00 to 9,999,999.99	2.25%

(k) On March 31, 2019, New York State announced additions to the base real estate transfer tax ("transfer tax") and established a new supplemental tax ("supplemental tax") on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is \$3 million or more, and conveyances of any other property when the consideration for the conveyance is \$2 million or more. For conveyances of residential real property where the consideration for the entire conveyance is \$3 million or more, the new base tax rate is \$1.25 for each \$500 or fractional part thereof. The new supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is \$2 million or more. For conveyances of residential real property where the entire conveyance amount is at

least \$2 million but less than \$3 million, the new supplemental tax is one-quarter of one percent (0.25%). For conveyances of residential real property where the entire conveyance amount is at least \$3 million but less than \$5 million, the new supplemental tax is one-half of one percent (0.5%). Purchasers shall be responsible for paying the base transfer tax and supplemental tax. The purchaser's payment of the base transfer tax will itself be deemed additional consideration, resulting in a "tax on a tax" effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs.

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

Purchasers shall pay to the Sponsor's Attorney at closing a fee of \$1,800.00 for the preparation of closing documents. In the event that the closing date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative): (i) all adjustments shall be made as of the original closing date and (ii) Purchaser shall pay interest on the unpaid balance of the total Purchase Price to Sponsor from the originally scheduled closing date until the actual date of closing at the rate of 10% per annum. Notwithstanding the foregoing, the amount of interest charges will not exceed New York State usury laws or any other applicable laws. Seller's attorney will also charge Purchaser a \$350.00 adjournment fee. The above closing fees are cumulative to the extent applicable to an individual closing.

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

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

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

A numerical example of closing costs allocable to a typical Unit is set forth on the next page. Said example is for illustrative purposes only and is not intended to be comprehensive.

SAMPLE CLOSING COSTS

\$360,000.00 Purchase Price

\$288,000.00 Mortgage

Mortgage and Fee Title Insurance	\$ 1,947.00
Deed and Unit Power of Attorney Recording	\$ 250.00
Mortgage Recording Fee	\$ 350.00
Mortgage Recording Tax	\$ 5,154.00
New York City Transfer Tax	\$ 3,650.40
New York State Documentary Stamp Tax	\$ 1,460.16
Working Capital Fund Contribution	\$ 803.24
Document Preparation Fee	\$ 1,800.00
Mortgage Financing Fee	\$ 300.00
ACRIS Preparation Fee	\$ 250.00
Reimbursement Fee	<u>\$ 2,500.00</u>
TOTAL:	\$ 18,464.80

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

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor will complete the work set forth in this Plan relating to the building and the apartments contained therein in conformity with and in accordance with the Building Plans and Specifications, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits required, if any. Insofar as this is a newly constructed building, there are currently no housing, building, or fire department violations; however, in the event any housing, building, or fire department violations arise prior to closing, all such violations, if any, will be cured prior to closing. The Sponsor may make changes in design, layout, and arrangement of apartments, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design, or (ii) change the size, location of buildings or units, other improvements, or common elements, if such changes adversely affect the public areas, or affect the percentage of common interest, or adversely affect the value of, any unit to which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless all affected purchasers consent in writing to such change, and all affected Purchasers are given the opportunity to rescind their contracts and receive a refund of the deposit or down payment given to the Sponsor. All representations under the Offering Plan, and all obligations pursuant to the GBL, and any additional obligations under the Offering Plan that are to be performed subsequent to the closing date, will survive delivery of the Deed.

The Sponsor shall obtain a Temporary or Final Certificate of Occupancy prior to the closing of the first unit. The DOB issued the FCO for the building on December 3, 2020.

While the Sponsor will endeavor in good faith to sell all units in a reasonably timely manner, the Sponsor is retaining the unconditional right to rent rather than sell units after consummation of the Offering Plan. Thus, Sponsor may never sell more than the 15% of units required to declare the plan effective. As a result of this, the Plan may not result in the creation of a Condominium in which a majority of the units are owned by owner-occupants or investors unrelated to the Sponsor. The Condominium Board does not have the right to approve or disapprove Purchasers, so there is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents. Owner-occupants and non-resident owners, including Sponsor or Purchasers for investment,

may have inherent conflict on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as home as opposed to purchase as investment).

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

- (a) For one year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for the items not covered by code, the construction must be in accordance with locally accepted building practices.
- (b) For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.
- (c) For six years, the home must be free from physical defects in the structural elements (foundations, floors, walls, roof framing) which make it unsafe or unlivable.

The Housing Merchant Implied Warranty is also applicable to the common elements. In addition to, and notwithstanding any limitations set forth in the Housing Merchant Implied Warranty Law, Sponsor remains under a duty to construct the premises in accordance with all applicable codes, filed plans, and specifications, and, for items not covered by local building codes, locally accepted building practices for such items. 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 any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. All representations under this Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan that are specifically to be performed subsequent to the closing date, shall survive delivery of the deed.

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

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

The Sponsor will pay for the authorized and proper work involved in the conversion of the property that the Sponsor is obligated to complete under the Plan. All mechanics' liens that are lodged against the property by virtue of work done by the Sponsor, or on the Sponsor's behalf, will be promptly discharged or appropriately bonded. Sponsor guarantees payment of all common charges and assessments with respect to unsold units. Such guarantees will remain in effect until all units are sold. Sponsor warrants and represents that it has adequate financial resources to meet its obligations with respect to any unsold unit.

Pursuant to 13 NYCRR § 20.3(t)(5), the Sponsor agrees to pay all common charges, special assessments, and real estate taxes with regards to unsold units, and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor to be utilized if such projected sales are not made. No bond or other security has been furnished to secure Sponsor's obligations. In the event of dissolution or liquidation of the Sponsor, or transfer of 10 or more units or 20% or more of the total number of residential units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the Offering Plan, applicable laws, or regulations.

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

Sponsor has obtained mortgage financing from Cathay Bank, having an office at 235 Fifth Avenue, New York, New York 10016 (the "Mortgage Lender"). Sponsor will pay, satisfy and otherwise comply with the terms of the mortgage loan documents. Pursuant to 13 NYCRR 20.3(r)(8), Sponsor will satisfy this mortgage in full at the closing of the first unit with sale proceeds and, if necessary, Sponsor's own funds. Sponsor has adequate financial resources with which to meet the obligations of the unsold units.

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

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

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

The property will be conveyed free and clear of all liens. Copies of the plans, exhibits and documents referred to herein shall be kept on file at the office of the Attorney for the sponsor for a period of six (6) years after filing of the Declaration of Condominium.

No bond or other security has been furnished to secure Sponsor's obligations hereunder. The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any unit within reasonable time, and no Purchaser shall be required to accept a damaged unit.

In New York City, newly constructed and newly renovated buildings are sometimes offered as Condominium projects without a final certificate of occupancy ("FCO") covering the entire building, but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules and are issued by the New York City Department of Buildings ("DOB").

In this Condominium, Sponsor and its Principals have met their obligation to procure the FCO. The DOB issued the FCO for the building on December 3, 2020. Prospective purchasers may visit the DOB website to review a Factsheet on Certificates of Occupancy at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. Please see the ARCHITECT'S REPORT located in Part II of this Offering Plan.

CONTROL BY THE SPONSOR

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

The By-Laws are reproduced in Part II, beginning on page CBL1. A summary of certain pertinent provisions of these By-Laws is set forth below. The By-Laws limit the number of Managers on the Board of Managers (hereinafter called "Managers") to not less than three (3). The first Board of Managers to be elected by the Unit Owners shall consist of three (3) members.

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

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

- a) Sixty (60) days after the date by which 75% of the units have been conveyed to unit purchasers; or
- b) Three (3) years after the first conveyance of a unit to a unit Purchaser.

Within thirty (30) days after transfer of control, a meeting will be held to elect new Managers unrelated to the Sponsor. Notwithstanding the foregoing, even after control is surrendered to a Board elected by Unit Owners, the Sponsor may vote for the Unit Owner of its choice at an election of Managers. The Sponsor will not hold control of the Condominium Board after the Sponsor control period.

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

1. Shall not eliminate or reduce the number of employees, insurance coverages, or any service to a level less than that provided in Schedule B unless a majority of Board members elected by bona fide unit Purchasers vote in favor thereof.
2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services, and installations) to be kept operational, clean, and in a good state of repair and condition;
3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law, or order of an insurance carrier.

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

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

All Board Members shall serve without compensation. Any member of the Board of Managers who is a designee of the Sponsor, may contract or deal with Sponsor or a partner, affiliate, or entity controlled by the Sponsor; however, such Board members shall remain under a fiduciary duty to act in the best interest of the Condominium. Additionally, such Board Members shall be required to disclose the nature of their relationship(s) in dealing with the Sponsor to all Unit Owners.

BOARD OF MANAGERS

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

The By-Laws limit the number of Managers to not less than three (3) members. They will be Bing Ru Zheng and Gu Chen, who are the Principals of the Sponsor, and Shannon Huang, who is a business associate of the Principals of the Sponsor. The first Board of Managers shall consist of three (3) members designated by the Sponsor. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within sixty (60) days after the First Closing; they may, however, be re-elected at such time. Transfer of control of the Condominium Board of Managers shall pass to Unit Owners other than the Sponsor at the earlier of the following:

- a) Sixty (60) days after the date by which 75% of the units have been conveyed to unit purchasers; or
- b) Three (3) years after the first conveyance of a unit to a unit purchaser.

Within thirty (30) days after transfer of control, a meeting will be held to elect new Managers unrelated to the Sponsor. The By-Laws do not include a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its Principals after the end of the initial Sponsor control period.

When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .01% of common interest in the condominium appurtenant to such Owner's Unit, which may be cast all for one nominated manager or divided among any number of candidates. At such time as the Unsold Units constitute less than twenty-five (25) percent of the Condominium, but in no event later than the third anniversary of the Closing Date, not less than a majority of Managers shall be unit owners other than, and unrelated to, the Sponsor. Notwithstanding the foregoing, Sponsor may vote for Unit Owners from among the non-Sponsor related persons seeking election to the Board of Managers. Members of the Board of Managers shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers.

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

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

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

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

The principal officers of the Condominium shall be the President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by the Board of Managers. The President and Vice-President (but no other officers) need be members of the Board of Managers. All officers shall serve without compensation or remuneration. The officers shall be elected annually by the Board of Managers, and each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon

the vote of a majority of the Board of Managers, any officer may be removed with or without cause.

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

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

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers, shall have charge of such books and papers as the Board of Managers may direct, and shall, in general, perform all the duties incident to the office of a secretary pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

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

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

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

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

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

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

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

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

Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. If there are non-Sponsor members of the board, and there is a

vote on whether to sue the Sponsor, the Sponsor's representatives cannot lawfully vote on that issue.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

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

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

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

2. No right of first refusal.

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

3. Common charges and assessments.

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

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

Under section 339-kk of the Real Property Law, the Board of Managers has the right to require the tenant in an apartment owned by a non-occupying owner to make rental payments directly to the Board of Managers where such non-occupying owner is in default on payments of common charges, assessments, or late fees for such unit for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying owner. The procedures by which the Board of Managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned section which is recited at Page RP1 of this Offering Plan.

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

Unit Owners, and in such event be exempt from all Common Charges and Expenses thereafter assessed.

4. Repairs and Maintenance.

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

5. Additions, alterations, and improvements.

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

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

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

6. Insurance.

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

The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the event of a loss amounting to \$100,000.00 or less and to the insurance trustee if the loss exceeds \$100,000.00. Such proceeds shall be applied to the repairing, restoring, or rebuilding of the subject premises unless otherwise determined by unit owners. In no event shall the proceeds of any insurance policy be paid to the

holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the City and State of New York.

7. Restrictions on occupancy and use.

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

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

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

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

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

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

Each Unit Owner will have an undivided interest in the Common Elements in the respective percentages set forth in SCHEDULE A in Part I. Subject to the provisions of the By-Laws and Rules and Regulations, the Common Elements are appurtenant to, serve, and benefit each Unit to the extent of such Unit's percentage share of the Common Elements, and the Common Elements are for the common use of all Unit Owners.

Further restrictions on the use of Units are set forth in the By-Laws, which are set forth in Part II of the Plan, and in Rules and Regulations made in accordance with the By-Laws. Current restrictions include a restriction that the residential units shall be used for private residence only, or any home occupation use permitted under applicable zoning law, ordinances, building codes, or other governmental regulations. However, the Sponsor or Sponsor-Designee has the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations. Units may not be used for any unlawful purpose, and any use which amounts to a violation of law or to rules, regulations, or requirements of any governmental agency having jurisdiction thereover shall be eliminated at the sole expense of the Unit Owner. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents. 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. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. There are currently no limitations on pets; aesthetic controls; restrictions on occupancy of units owned by corporations, partnerships or fiduciaries; limitations on the use of parking units. Rules and Regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers as provided in the By-Laws. Residential use of the premises is consistent with the zoning regulations and the anticipated certificate of occupancy.

8. Other material rights and obligations.

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

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

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

9. Smoking Policy.

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

REAL ESTATE TAXES

After the units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other unit. While there is no anticipated reason for delay in obtaining separate assessments by the New York City Department of Finance, which is the assessing authority, it is anticipated that units will not be separately assessed for the first year of condominium operation. On closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of 2020/2021 tax year. The Board of Managers shall be authorized to pay such taxes as and when due from such escrow fund. As each subsequent individual condominium Unit is sold, the Purchasers thereof, as a standard closing adjustment, shall reimburse the Sponsor for the portion of their tax liability paid by the Sponsor from the date of closing through the end of the 2020/2021 tax year. It is anticipated that Units will be separately assessed for the 2021/2022 tax year, and that individual Unit Owners (whether Purchasers, holders of unsold shares, or the Sponsor) will pay the taxes thereof as set forth in the attached SCHEDULE A. The amount of the taxes deposited with the Board of the condominium will be disclosed in the post closing amendments until the units are separately assessed.

The property is assessed by New York City through the assessing authority of the Department of Finance ("DOF"). Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of Common Interest percentages set forth in the condominium Declaration. Sponsor has obtained an estimate of post-completion assessed value of the property for real estate tax purposes from MGNV Consulting, 18 Bridge Street, Suite 2D, Brooklyn, NY 11201, who has rendered an opinion letter included in this Plan. Construction on the Building has been substantially completed. MGNV is of the opinion that post-completion, the residential portions of the property will be classified by the New York City Department of Finance ("DOF") as Tax Class 2 property, and will pay taxes based on the Tax Class 2 tax rate, while the commercial Class 4 tax rate will be applied to the Community Facility Units. A final Certificate of Occupancy for the property was issued on December 3, 2020. The Sponsor expects the final assessment roll to be issued for the tax year commencing July 1, 2021. DOF calculations of real estate taxes are arrived at by applying the current tax rate to the assessed property value, and then allocating the resulting taxes in direct proportion to the allocation of Common Interest percentages set forth in the condominium

Declaration. Sponsor makes no representation, however, that DOF will actually apportion the real estate taxes for each Unit based on Common Interest.

MGNY has provided projections of the resulting estimated real estate taxes for the first post-construction tax year of 2021/22. In the opinion letter hereinafter included in this Plan, MGNY projects the total assessed value for Tax Class 2 residential property is \$250,000.00, resulting in an estimated tax liability of \$30,668.00. The tax rate used for the calculation is 12.267%, which is the tax rate for Class 2 properties for the 2020/21 tax year. Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes subject to the limits imposed by the Tax Cuts and Jobs Act of 2017. See TAX OPINION hereinafter set forth for a more complete discussion. Sponsor has not applied for 421-a tax exemption benefits for the Residential Units, nor are such benefits available for this project.

The real estate taxes for the first year of condominium operation are provided in SCHEDULE A. All figures are estimates. Prospective Purchasers should note that the taxes listed for each unit in Schedule A are allocated in proportion to the allocation of Common Interest that each unit bears in relation to all other units of its type, and are proportional to said unit's Common Interest in the whole condominium. The DOF is not bound by this method of allocation, and may allocate on a different basis. Unit Owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes subject to the limits imposed by the Tax Cuts and Jobs Act of 2017. See TAX OPINION hereinafter set forth for a more complete discussion.

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

Sponsor has filed a Preliminary Application for Certificate of Eligibility for the Industrial and Commercial Abatement Program (ICAP) with the DOF for the commercial portion of the property pursuant to NYRPT Law § 489-bbbbbb. Based on the Preliminary Application filed by Sponsor, MGNY opines that the commercial portion of the building is expected to be eligible for ICAP benefits, and that the first year of the abatement shall be the tax year that follows the completion of construction.

Construction on the Building has been substantially completed. It is estimated that the first year of abatement will be the 2021/22 tax year.

After issuing the Certificate of Eligibility, the Department of Finance is expected to use the following conventions in calculating the amount of abatement under ICAP:

1. Calculate the pro-rated portion of pre-construction building tax attributable to commercial space subject to the ICAP benefits, estimated to be \$2,513.
2. Calculate 115% of pre-construction tax, which is \$2,890.
3. Calculate the post-completion **building tax**.
 - a. It is important to note that the tax on the land value is never abated by ICAP. The land value is likely to increase significantly after the project is completed.
 - b. Land Value attributable to the commercial portion of the property is estimated to be \$44,889.
 - c. Building Value attributable to the commercial portion of the property is estimated to be \$204,493.
 - d. Assuming the tax rate for Tax Class 4 properties remains at the current level of 10.694% of assessed value (Land Value plus Building Value), the total pre-abatement building tax for the 2021/22 tax year for the commercial portion of the building is estimated to be approximately \$21,686.
4. Determine the amount of abatement by subtracting the 115% of pre-construction tax (\$2,890) from post-completion building tax (\$21,868), resulting in an abatement in the amount of \$18,979.

Based on the foregoing, the total property tax in 2020/21 tax year for the commercial portion of the building is estimated to be approximately \$7,690 after the abatement amount of \$18,979 is applied.

DOF advises that the condominium project is located in the special commercial abatement area, and as such, the tax benefits should be granted for 25 years, with certain conditions. For years one through sixteen, the abatement shall be the amount of the abatement base, which is estimated to be \$18,979. See TAX OPINION hereinafter set forth for a more complete discussion of conditions governing the ongoing eligibility of the community facility units for tax benefits and the abatement phase-out schedule.

MGNY has estimated the post-completion assessed value for the commercial component of the building for the 2021/2022 tax year, the first year of condominium

operation, if ICAP benefits are obtained and if ICAP benefits are not obtained. The assessed value for the commercial property without ICAP benefits is estimated at \$249,381, resulting in an estimated annual tax liability of \$26,669. MGNY projects that the total property tax in the 2020/21 tax year for the commercial portion of the building is estimated to be approximately \$7,690 after the abatement amount of \$18,979 is applied, as discussed above. The estimates assume a tax rate of 10.694% for Tax Class 4 properties.

While Sponsor is applying for ICAP abatement benefits, and the MGNY opinion included in this Offering Plan projects that such benefits are available and will be granted, no guarantee can be, or is made, that said benefits will be obtained, or will continue to be available. Sponsor will use best efforts to obtain the aforementioned real estate tax benefits, and will make all filings necessary to obtain such benefits, including a timely filing of all applications, and timely compliance with all procedures required to properly process and maintain the benefits. Upon closing, the Sponsor will make all documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will keep all records required by HPD, and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not required.

If at any point it becomes impossible for the Sponsor to obtain the ICAP benefits, the Sponsor will immediately submit an amendment disclosing that it is impossible to obtain the tax benefits.

Prospective purchasers are urged most strongly to read the section entitled REAL ESTATE TAXES LETTER included herein.

NO WARRANTY IS OR CAN BE MADE THAT THE § 489-bbbbbbb BENEFITS SET FORTH THEREIN WILL BE OBTAINED. IN THE EVENT THE BENEFITS ARE NOT OBTAINED, OR IN THE EVENT THERE ARE INCREASES IN THE TAX RATE, OR THE PROPERTY'S ASSESSED VALUATION, OR CHANGES IN THE STATUTES GOVERNING THE TAX BENEFITS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS GOVERNING THE TAX BENEFITS, REAL ESTATE TAXES MAY BE HIGHER THAN ANTICIPATED FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR THE BUILDING WOULD ALSO BE HIGHER. UNDER NO CIRCUMSTANCES WILL SPONSOR OR

SPONSOR'S ATTORNEY OR SPONSOR'S EXPERT BE HELD RESPONSIBLE IN THE EVENT THAT ICAP BENEFITS ARE NOT OBTAINED.

Until the units are separately assessed for real estate taxes, real estate taxes for the property shall be paid by the condominium (although no such payment is provided for in Schedule B) as a general common expense and each unit owner shall pay additional common charges (which are not reflected in the estimated common charges for the unit as set forth in Schedule A) equal to the applicable unit's pro rata share, based upon the common interest of the applicable unit, of such real estate taxes for the property for such period. If real estate taxes are charged to unit owners as additional common charges for any period with respect to which the units shall not have been separately assessed, then a unit owner's payment of such additional common charges shall be in lieu of payment by such unit owner to the city of real estate taxes (which otherwise might have been assessed against the unit as a separate tax lot) for such period. As set forth in the By-laws, after the units are separately assessed for real estate tax purposes, the Board of Managers as agent of the unit owners shall promptly assess any unit owners who have underpaid real estate taxes with respect to their units based on the assessed valuation of such units and shall likewise reimburse any unit owners for overpayment of taxes. Although the condominium will be obligated to pay the real estate taxes for the property until the units are separately assessed, it is possible that Purchaser's lender may, nevertheless, require that Purchaser escrow with such lender for real estate taxes for such period.

The City of New York is not bound by the allocation of Common Interest, and may allocate on a different basis. All figures are estimates. Sponsor makes no representation that the assessed value of the property, the estimated allocations, or the tax rate will not be changed.

There are no tax certiorari proceedings currently pending. Individual owners may challenge the assessment of their property by filing a tax protest in accord with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessment, the general grant of power in the Board of Managers to operate the property in the best interest of unit owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all unit owners. The Building benefits from the limitations imposed by Sections 581 (which prevents a building from being assessed at a higher level than similarly situated rental properties merely because of its status) and 1805 (which limits the annual increases due to changes in market value) of the Real Property Tax Law.

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

Prospective Purchasers are advised to read the full text of the real estate tax analysis by MRE for details about the projected real estate tax assessments.



MGNY Consulting
18 Bridge St. Suite 2D
Brooklyn, NY 11201
T: 718.522.1111
F: 718.522.1112
E: info@mgnyconsulting.com
www.mgnyconsulting.com

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**Tax Opinion Letter for Condominium Project
850 57th Street, Brooklyn, NY Block: 5693 Lots: 27**

Mr. David Chen
Winle Property LLC
850 57th Street
Brooklyn, NY 11220

Dear Mr. Chen,

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

The following estimates are provided in response to your request for an opinion and projection of the real estate assessments and taxes.

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

I. Project Details

You have informed us that you intend to build a condominium on the above tax lots ("property"), and that this condominium will be constructed pursuant to Department of Buildings job number **321-528-094** for job type "A1 – Alteration Type 1".

You have requested an opinion concerning the real property assessment to be levied upon the above property for the first full tax year after completion of construction, which corresponds to the tax year 2021/2022. In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. You have informed us that the date of commencement of construction was **October 31, 2018**; and that the anticipated completion date is **August 6, 2020**. You have advised us of your acquisition costs and the anticipated construction costs.

You have also supplied us with architectural drawings of the proposed building prepared by HPL Engineering P.C. The data contained in the architectural drawings indicates that the building will have a gross floor area of **7,332** square feet and will have 4 (four) main levels plus cellar and penthouse.

The total gross square footage of non-residential space is estimated to be approximately **3,232** square feet. The total gross square footage of residential space is estimated to be **4,100** square feet.



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There will be Community Facility space located in the cellar and the first floor. In total, there will be 5 (five) residential units located on floors 2 (two) through penthouse.

II. Estimated Assessed Value

We have considered the following factors in formulating our opinion: (a) the recent tax assessment history on the property; (b) the potential income for the new structure (if operated as a rental); (c) comparable new construction properties in Brooklyn (specifically, in Sunset Park, Borough Park and Bay Ridge neighborhoods); (d) market conditions in the general area; and (e) estimate of the cost of construction.

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore, the prices that you set in your offering plan and any subsequent sales or re-sales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The residential units will be designated as tax class 2 property and will pay on the class 2 tax rate. The current 2020/21 class 2 tax rate is 12.267% of assessed valuation. The community facility unit will be designated as tax class 4 property and will pay on the class 4 tax rate. The current 2020/21 class 4 tax rate is 10.694% of assessed valuation.

Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year. The status of the building on January 5th of each year is the basis of the assessment for the fiscal year beginning that July 1st.

Real Property Tax Law Section 1805 provides for limitation on increases of assessment of certain properties. We believe that the subject property will be classified as Tax Class 2A upon completion of construction. Once the apportionment of value between condo units occurs, the individual units will be classified as Tax Class 2C. Under the current law, the Department of Finance may not increase the assessment of tax class 2A or 2C properties by more than eight percent from year to year, and may not increase such assessment by more than thirty percent in any five-year period. However, this limitation does not apply to new construction or other increases due to physical improvements to the property. Increases due to such physical improvements or new construction are added in full to the next year's assessment.

We believe there will be a substantial increase in value for 2021/22 as a result of the new



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**Tax Opinion Letter for Condominium Project
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construction, and that such increase will be placed on the assessment roll immediately and not subject to the limitation on increases described above.

However, in future years increases in assessed value will likely result in the taxable assessment being based on a phased-in transition assessment.

2021/22 Projected Assessed Value and Tax Liability

For the post construction tax year of 2021/22, we project that the actual assessed value and the tax liability for the entire property will be as follows:

**Residential Component Estimated Assessed Value: \$ 250,000
Residential Component Tax Liability: \$ 30,668**

**Community Facility Component Estimated Assessed Value: \$ 249,381
Community Facility Tax Liability: \$ 26,669**

**Total Estimated Assessed Value: \$ 499,381
Total Tax Liability: \$ 57,337**

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

III. ICAP Eligibility and Effect on Taxes

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

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

It is estimated that the first year of abatement will be **2021/22 tax year**.

If all the requirements are met, the commercial portion of the building is expected to be eligible



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**Tax Opinion Letter for Condominium Project
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for the ICAP benefits. After issuing the Certificate of Eligibility, the Department of Finance is expected to use the following conventions in calculating the amount of abatement under ICAP.

We are in possession of an ICAP application which was not handled by our firm. However, if ICAP is granted, the projections will be as follows:

1. Calculate the pro-rated portion of pre-construction building tax attributable to commercial space subject to the ICAP benefits. We estimate this pre-construction tax to be **\$2,513**
2. Calculate 115% of pre-construction tax. $\$2,513 \times 115\% = \mathbf{\$2,890}$
3. Calculate the post-completion **building tax**.
 - a. It is important to note that the tax on the land value is never abated by ICAP. The land value is likely to increase significantly after the project is completed;
 - b. Land Value attributable to the commercial portion of the property is estimated to be **\$44,889** (or 18% of the total projected assessed value for commercial portion)
 - c. Building Value attributable to the commercial portion of the property is estimated to be **\$204,493** (or 82% of the total projected assessed value for commercial portion)
 - d. Assuming the tax rate for tax class 4 properties remains at the current level of 10.694% from assessed value, the total ***pre-abatement*** building tax in 2021/22 tax year for the commercial portion of the building is estimated to be approximately **\$21,868**.
4. Determine the amount of abatement by subtracting the 115% of pre-construction tax from post-completion building tax. $\mathbf{\$21,868 - \$2,890 = \$18,979}$

Based on the foregoing, the total property tax in 2021/22 tax year for the commercial portion of the building is estimated to be approximately **\$7,690 after the abatement amount of \$18,979 is applied.**

We have been informed by the NYC Finance Department that the project is located in the special commercial abatement area. As such, the tax benefits should be granted for 25 years, with certain conditions.¹ For years one through sixteen, the abatement shall be the amount of the abatement base, which is estimated to be **\$18,979**. For years seventeen through twenty-five, the abatement shall decrease by ten percent each year, according to the following schedule:

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



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**Tax Opinion Letter for Condominium Project
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<i>Year of Abatement</i>	<i>Percentage of Abatement Base</i>	<i>Approximate Amount of Tax Abatement</i>
Year 1-16	100%	\$18,979
Year 17	90%	\$17,081
Year 18	80%	\$15,183
Year 19	70%	\$13,285
Year 20	60%	\$11,387
Year 21	50%	\$9,489
Year 22	40%	\$7,591
Year 23	30%	\$5,694
Year 24	20%	\$3,796
Year 25	10%	\$1,898
Year 26	Fully taxable	\$0

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

NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT THE ASSESSED VALUATION WILL BE AS ESTIMATED HEREIN, AND THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT, THE PROPERTY'S TAX LIABILITY TURNS OUT TO BE DIFFERENT. WE MAKE NO REPRESENTATIONS OR GUARANTEES THAT THE ASSESSED VALUES WILL BE FIXED AT ANY AMOUNT. NEITHER WE NOR ANY PERSON CAN GUARANTEE WHAT THE REAL ESTATE TAXES WILL BE AT ANY FUTURE DATE.

We consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

MGNY Consulting Corp.

Michael Geylik

DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations, particularly those imposed by the new Tax Cuts and Jobs Act of 2017, that are more particularly discussed in the COUNSEL'S TAX OPINION LETTER. This federal law limits the itemized deduction to \$10,000.00 for the total of state and local property taxes and income or sales taxes. This maximum applies to both single and married filers. With regard to the deductibility of mortgage interest, the law limits deductible mortgage debt to \$750,000.00 for new loans taken out after 12/14/17, and interest paid on home equity debt is no longer deductible through 12/31/25; interest is still deductible on home equity loans (or second mortgages) if the proceeds are used for substantial improvement of the residence. Each individual Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year. Potential purchasers are strongly advised to consult with their own tax experts with regard to deductibility of their real estate taxes and mortgage interest.

The Condominium will be governed by a Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. Sponsor's Counsel is of the opinion that the Condominium will not qualify as an exempt homeowner's association under section 528 of the IRS code. As a result, the condominium may be subject to Federal corporate income tax on its taxable income, if any. It is not presently anticipated that the condominium will have any income in excess of its expenses, as per SCHEDULE B included in this Offering Plan. It should be noted that the Condominium may, even if permitted to make an election under Section 528 of the Code, still be required to pay the minimum New York State and City corporation taxes, as well as income tax on any taxable income it may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year (other than "exempt function income" as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding "exempt function income") computed with certain modifications provided in Section 528. "Exempt function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units. Income such as interest earned as cash deposits would not

be exempt function income. Sponsor does not anticipate that the condominium will have any excess of income (or "taxable income") after "exempt function income" for the first year of operation. Sponsor anticipates that the amount budgeted in the Miscellaneous Reserve Fund shall also cover "minimum" New York City and State corporation and income taxes for the first year of operation in the event that the condominium is required to pay them. In the event that the condominium DOES have any excess of income (or "taxable income") after "exempt function income" for the first year of operation, it may be necessary to increase Common Charges or separately assess all Unit Owners.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial, or administrative changes may be made which would require modification of such statements, or that the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions. A more detailed statement of the tax factors involved may be found in the COUNSEL'S TAX OPINION; however, each purchaser should consult with his or her own attorney with regard to tax consequences of this transaction.



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

ATTORNEY AT LAW
CLAV@CLAVLAW.COM

117 SEVENTH AVENUE
BROOKLYN, NY 11215

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

OPINION OF COUNSEL REGARDING TAX STATUS OF THE 850 57TH STREET CONDOMINIUM PURSUANT TO TITLE 13 NYCRR § 20.3(y)

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

This discussion assumes that the condominium in question, The 850 57th Street Condominium, is a validly-formed condominium under New York's Condominium Act (Article 9B of the New York State Real Property Law) consisting of five (5) Residential Units and two (2) Community Facility Units.

1. Availability of Tax Deductions

A. Tax Deductions for Real Estate Taxes

Section 164(a) of the Internal Revenue Code has traditionally spoken to the issue of deductibility of real estate taxes: "Except as otherwise provided in this section, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued: (1) State and local, and foreign, real property taxes." I.R.C. § 164(a). The section further defines a State or local tax as "includ[ing] only a tax imposed by a State, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia." I.R.C. § 164(b)(2). Indeed, the IRS's 2012 Instructions for Schedule A Itemized Deductions (Form 1040) specifically instructs at page A-6 that taxpayers may include state and local real estate taxes paid.

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

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

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

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

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

B. Tax Deductions for Mortgage Interest

Prior to January 1, 2018, the general Internal Revenue Code rule concerning interest has been, “There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness.” I.R.C. § 163(a). While subsection (h) disallowed deductions for personal interest (I.R.C. § 163(h)(1)), it also clarified, “For purposes of this subsection, the term ‘personal interest’ means any interest allowable as a deduction under this chapter *other than* (D) any qualified residence interest (within the meaning of paragraph (3))” (emphasis mine). I.R.C. § 163(h)(2). Paragraph (3) stated, “The term ‘qualified residence interest’ means any interest which is paid or

accrued during the taxable year on (i) acquisition indebtedness with respect to any qualified residence of the taxpayer, or (ii) home equity indebtedness with respect to any qualified residence of the taxpayer.” I.R.C. § 163(h)(3). “Acquisition indebtedness” is further defined as “any indebtedness which (I) is incurred in acquiring, constructing, or substantially improving any qualified residence of the taxpayer, and (II) is secured by such residence.” I.R.C. § 163(h)(3)(B)(i). The subsection limited acquisition indebtedness to \$1,000,000.00. I.R.C. § 163(h)(3)(B)(ii). “Home equity indebtedness” was defined as “any indebtedness (other than acquisition indebtedness) secured by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed (I) the fair market value of such qualified residence, reduced by (II) the amount of acquisition indebtedness with respect to such residence.” I.R.C. § 163(h)(3)(C)(i). The subsection limited home equity indebtedness to \$100,000.00. I.R.C. § 163(h)(3)(C)(ii).

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

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

Given the provisions above, it is my opinion that purchasers who intend to use their units in this condominium for residential purposes and who itemize their deductions will generally be able to deduct their home mortgage interest for federal and New York State income tax purposes subject to the limits imposed by § 163 of the Internal Revenue Code as modified by the Tax Cuts and Jobs Act of 2017. Unit owners are strongly advised to consult with their own tax advisors regarding the effects of the Tax Cuts and Jobs Act of 2017 on their tax burdens and their prospective real estate purchases. I express no opinion with regard to mortgage interest deductibility for purchasers of non-residential units or purchasers of units for non-residential reasons, such as investment or resale. Such purchasers are also strongly advised to consult with tax professionals to see if mortgage interest may be deductible for them and their purposes under other provisions of the Internal Revenue Code.

These materials are difficult even for practitioners to comprehend, as is evidenced by the plethora of clarifying Revenue Rulings and discussions surrounding the pertinent provisions of the Internal Revenue Code. Potential purchasers are *strongly* advised to consult with their own tax experts with regard to deductibility of

mortgage interest, as § 163 contains several limitations on deductibility that may or may not apply to a given taxpayer's specific situation. This opinion is only intended to render a general opinion; purchasers' or owners' specific situations are well beyond the scope of this document and require a far more tailored analysis.

2. Income Tax Status of the Condominium

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

"Substantially all" the Units will be considered used by individuals for residences if at least eighty-five percent (85%) of total square footage of all units within the project is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and areas used by maintenance personnel. Given that this condominium consists of two (2) Community Facility Units which will occupy the First Floor and Cellar Floor of this five-story structure, it is my opinion that this condominium as managed by its Board of Managers will *not* qualify as a homeowners association within the meaning of I.R.C. § 528 and will therefore *not* be exempt from income taxes.

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

Real Property Law § 339-(i) governs allocation of common interest and provides four acceptable methods for allocating common interest among

condominium units. The allocation of common interest to the units in this condominium has been made pursuant to Real Property Law § 339-(i)(1)(iv), which allows for common interest to be “based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.” N.Y. REAL PROP. LAW § 339-(i)(1)(iv). It is my opinion that this condominium’s allocation of common interest complies with Real Property Law § 339-(i)(1)(iv). This opinion is also based on expert factual determinations as required by § 20.3(i) of Title 13 NYCRR; specifically, Sponsor’s expert’s opinion included in the Offering Plan at the section entitled COMPLIANCE WITH REAL PROPERTY LAW 339-(i)(1)(iv).

4. Discussion Regarding Real Estate Tax Benefits

As part of this opinion, I hereby adopt the opinion of MGNV Consulting regarding the Condominium’s projected real estate tax liabilities and real estate tax benefits anticipated to become available to unit owners. This opinion as adopted is hereby incorporated into this opinion.

Conclusion

In my opinion, the condominium will potentially be eligible for tax-exempt status under I.R.C. § 528, if it elects such status, and unit owners will potentially be eligible for the real estate tax deductions and benefits described above. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor’s counsel, the Board of Managers of the condominium, the selling agent, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law, or Internal Revenue Service rulings, or the New York State tax law, as amended, and cause the unit owners not to be entitled to income tax deductions or the benefits described above.

Sincerely,

Claudia V. Murdoch

Claudia V. Murdoch

September 1, 2020

RESERVE FUND

Sponsor is not creating a fund on closing to be used as a reserve for capital expenditures. However, the budget for the first year of Condominium operation in SCHEDULE B includes a budgeted Capital Reserve Fund for repair and replacement of major systems or structural elements of the building. This budgeted item will start the gradual creation of a reserve fund. Unit owners will therefore be contributing to the Capital Reserve Fund through their common charges, beginning with common charge adjustments paid at the closings of their individual Condominium Units. (Unit owners will also, at closing, pay their contributions to the building's Working Capital Fund.) In the event a need arises for capital expenditures such as renewal or replacement of building components or systems, or to remedy major building defects, and the reserve fund is inadequate to pay for those expenditures, it will be necessary to raise needed capital either by assessing individual units or owners for the cost of such expenditures. However, in the Sponsor's estimation, and in view of the fact that all major building systems and components are new, it is anticipated that there will be no needed capital expenditures within the five (5) years immediately following the first closing of a Condominium Unit under the Offering Plan. While the Sponsor is in control of the Board of Managers, the Reserve Fund may not be used to reduce projected common charges in the Plan. Neither the Department of Law nor any other government agency has passed upon the adequacy of the fund.

WORKING CAPITAL FUND

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

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

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

MANAGEMENT AGREEMENT, CONTRACTS, & LEASES

Sponsor is not entering into any service contracts that will be binding on the condominium. Sponsor is not entering into any management agreement with a managing agent. Sponsor will serve as the managing agent for the first year of condominium operation, and anticipates continuing to do so while Sponsor controls the Board of Managers for the annual cost specified in SCHEDULE B. The budgeted fee is consistent with the prevailing cost for such services. Should the Board of Managers decide at any point to retain the services of a managing agent of the Board's own choosing, same may represent an additional cost to the condominium which might result in a concomitant increase in common charges. The Board of Managers has the right to cancel the management agreement with or without cause.

Activities typically performed by the managing agent include maintenance of checking and savings accounts for the condominium, collection of monthly common charges, payment of all condominium common charges, processing of all individual unit sales, supervision and payment of building employees, building maintenance; review and resolution of any problems arising in the day-to-day operation of the building, compliance with all government laws and regulations affecting building operation, ownership, and maintenance, filing of annual tax returns, enforcement of condominium-adopted rules and regulations, seizure and sale of delinquent units, and response to individual unit owner complaints, questions, or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building will need to be dealt with by the Board of Managers.

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this project is Winle Property LLC, a New York limited liability company formed on November 11, 2016 with offices located at 834 57th Street, #5A, Brooklyn, New York 11220. The principals of the Sponsor are Bing Ru Zheng and Gu Chen, of the same address. The principals are a wife and husband, respectively, and are self-employed multiple dwelling rental property owners and managers in Brooklyn, New York. Neither the Sponsor nor the Principals of the Sponsor have previously been the Sponsor or Principals of the Sponsor of an Offering Plan in the State of New York during the preceding five years.

There are no felony convictions, convictions, bankruptcies or injunctions against the Sponsor or Principals.

COUNSEL: Sponsor has engaged Claudia V. Murdoch, Esq. of the Law Office of Claudia V. Murdoch, P.C., 117 Seventh Avenue, Brooklyn, New York 11215 to prepare and file this Offering Plan. Sponsor has engaged David J. Lee, Esq., of Lee & Cheung, PLLC., with an address at 244 Grand Street, 5th Floor, New York, New York 10002, telephone number (212) 334-9417, to represent it in the conversion of the premises to condominium ownership. Mr. Lee will act as the Sponsor's closing attorney, and will be the escrow agent for Purchasers' down payments. Ms. Murdoch and Mr. Lee represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT: The architect, Fran Feng Huang, R.A., HPL Engineering PC, 31 Rosewood Road, Edison, New Jersey 08817, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. HPL Engineering PC is an engineering consulting firm established in 2009 to provide comprehensive engineering and consulting services, including in the fields of Structural Engineering, Construction Monitoring, Roofing and Building Envelopes, Building Inspection, Bridge Design, Evaluation and Inspections, to both the public and private sectors. Ms. Huang, principal and chair of HPL, has significant experience preparing narrative reports for condominium offering plans. The architect has no financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction, except for her fee for services rendered in connection with his report.

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

MANAGING AGENT: The Sponsor will serve as the managing agent for the condominium. The Principals of the Sponsor, Bing Ru Zheng and Gu Chen, are each owners and managers of real estate property located at 834 57th Street, Brooklyn, New York 11220. The Principals manage this property, which is a condominium building built in 2008 comprised of six floors and containing 12 residential units, 1 commercial unit and cellar parking space.

GENERAL

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

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

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

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

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

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

If there is a material amendment to the Offering Plan that adversely affects a purchaser, such Purchaser shall have the right to rescind his/her Purchase Agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by CERTIFIED MAIL - RETURN RECEIPT REQUESTED, and shall be deemed

made on the date when notice of rescission is deposited with the United States Post Office. Sponsor shall promptly return the deposit on contract to any Purchaser who validly rescinds.

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

DOCUMENTS ON FILE

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

REPORT TO UNIT OWNERS

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

- 1) Within four (4) months from the end of each fiscal year a financial statement. During the period the Sponsors are in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant or public accountant.
- 2) Prior notice of the annual Unit Owners meeting, which shall occur in March, and which notice shall be no less than thirty (30) days prior to the scheduled meeting.
- 3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption thereof by the Board of Managers. During the time the Board is controlled by the Sponsors, this budget shall be certified by a qualified budget expert.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the ARCHITECT'S REPORT / DESCRIPTION OF THE PROPERTY AND SPECIFICATIONS set forth in Part II of this Offering Plan. With reference to such material, a licensed architect or engineer prepared the description of property and building conditions contained therein.

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

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

PART II

PURCHASE AGREEMENT

850 57th Street, Brooklyn, New York 11220

Purchaser(s) _____

Address _____

Home Telephone _____ Business Telephone _____

Purchaser's S.S.No _____

Purchaser's Attorney _____

Attorney's Address _____

Attorney's Telephone No _____

Broker _____ Telephone No _____

Unit _____ Common Interest _____ % Common Charges \$ _____

Cash Purchase Price \$ _____

Down Payment (herewith) \$ _____

Balance Due on Closing \$ _____

I RECEIVED THE PLAN, AS AMENDED, AT LEAST THREE FULL BUSINESS DAYS, AND HAVE READ BOTH PARTS I AND II OF THE PLAN, BEFORE EXECUTION HEREOF BY ME.

1. OFFERING PLAN READ. As Purchaser, I have received and read the Offering Plan of Condominium Organization (the Plan) with respect to premises located at 850 57th Street, Brooklyn, New York.

The Offering Plan for said premises, including all documents set forth in Part II thereof and any amendments thereto, is incorporated herein by reference with the same effect as if set forth at length. I hereby accept and approve the Plan (and all of said

amendments thereto, if any) and agree to abide and be bound by the terms and conditions thereof. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

2. AGREEMENT TO PURCHASE. I hereby agree to purchase the above Unit and ____ percent of undivided appurtenant interest in the Common Elements of the Condominium in said premises.

3. DOWN PAYMENT AND BALANCE. Submitted herewith is my check to the order of "DAVID J. LEE, ESQ. AS ESCROW AGENT" for the amount of the above stated Down Payment. I agree that after the Plan becomes effective, as therein provided, I will pay the above-stated balance of said Cash Purchase Price on closing. The payment due on closing shall be by certified check or official check drawn on a New York City bank which is a member of the New York City Clearing Housing System. The check shall be delivered to the seller.

The Seller will give me prompt written notice thereof when the Plan either becomes effective or is abandoned, unless same has already been declared effective by a duly filed amendment to the Plan submitted to me.

4. MANNER OF PAYMENT AND BALANCE. Provided that I shall have paid the full Cash Purchase Price for said Unit, as provided herein, and shall not be in default hereunder, I am to receive a Deed for the Unit, at the Closing to this Unit. The date of the commencement of my obligations under such Deed, including the payment of Common Charges, shall be the date on which I acquire title to such Unit. At the time the deed is delivered, I shall execute the Power of Attorney to the Board of Managers of the Condominium in the form contained in the Plan and whatever other documents are reasonably necessary to convey the Unit to me, such as real property transfer tax forms.

5. PAYMENTS HELD IN TRUST AT NAMED BANK. The Seller will hold all monies received by it directly or through its agents, employees or escrow agent, in trust, in compliance with the trust fund provisions of section 352-h and section 352-e(2)b of the General Business Law, until actually employed in connection with the consummation to the Offering Plan. All such monies will be deposited with HSBC Bank, a bank authorized to do business in the State of New York, at its Branch #688 located at 82-57 Broadway, Flushing, New York 11373. The name of the account is LEE & CHEUNG PLLC ATTORNEY TRUST ACCOUNT. The funds so deposited will be released by the escrow agent, an attorney at law, only for the purposes of, and in conformity with the consummation of this Plan, or returned to me as herein provided. The Escrow Account is an IOLA account. Interest earned on IOLA accounts is paid over

to the state of New York. No interest is credited to either the purchaser or the seller. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, Purchaser should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras (except for any unexpended portion of sums deposited for such purpose), provided the Offering Plan is consummated. In the event the plan is abandoned by the Sponsor, all sums deposited with the Sponsor, including those used for upgrades or extras, shall be returned to the Purchaser. See the PROCEDURE TO PURCHASE Section of this Offering Plan for a more complete explanation.

The Escrow Agreement is attached hereto as Exhibit B.

6. THIS PARAGRAPH HAS BEEN INTENTIONALLY OMITTED.

7. THIS AGREEMENT IS CONTINGENT. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective.

8. ABANDONMENT OF PLAN. The Plan may be abandoned by the Seller at any time prior to its being declared effective, and thereafter only for reasons heretofore set forth in the Plan. The Plan shall be abandoned by amendment duly filed with the Department of Law of the State of New York and upon notice to all prospective purchasers who have signed the Purchase Agreement.

9. REFUND AND LIMITATION ON CLAIMS. If the Plan is abandoned or does not become effective within twelve (12) months from the date of presentation and is not extended, this Agreement shall be deemed canceled and the Plan terminated and I am to receive back, not later than five (5) days thereafter, in full, all monies paid by me hereunder. Upon such payment no party shall have any claim against any other party or person, the Sponsor, the Seller, or the agent, and all parties shall be released from all obligations hereunder and under the Plan.

10. DEFAULT AND LIQUIDATED DAMAGES. I agree that if I shall fail to pay the balance of the Cash Purchase Price when due, as herein provided, or, if I am otherwise

in default hereunder as such term is defined herein, the Seller may elect to cancel this Agreement by written notice to me at my residence or at the address stated above, by certified mail, and at the expiration of 30 days after the date of mailing thereof (unless I shall have theretofore paid the balance of the Cash Purchase Price in full) said notice shall be effective and this Agreement shall be deemed canceled and all rights of the parties thereunder shall terminate except that the amount of my Down Payment shall be paid over to the Seller as liquidated damages, such liquidated damages not to exceed 10% of the Cash Purchase Price plus the cost of any special work in the Unit ordered by me, together with any interest earned thereon. However, it is not anticipated that any interest will be earned. TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. The notice of default is hereby deemed a notice to vacate as well if I occupy the Unit under the terms of an Interim Lease. In the event of such cancellation, the Seller shall have the right to sell said Units to another purchaser as though this Agreement had never been made and without accountability to me for the proceeds received on any sale to another.

11. CLOSING DATE AND PLACE. The closing of title shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such time and date for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days-prior written notice of the new scheduled date and time for closing.

In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's Closing to his Unit, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10%) per annum. This rate shall be in effect for as long as there is any unpaid amount owing towards the full purchase price.

12. APPORTIONMENT OF CHARGES. At the Closing, the parties shall apportion, as of the day preceding the date of actual closing, the Common Charges, real estate taxes and other charges under the By-Laws, utility charges (if any) due to the Condominium and the use and occupancy charge, if any, to the Unit. Assessments will not be apportioned and will be payable by the party who is the owner of the Unit when the same became due and payable. A letter from the Condominium or its Managing Agent as to status of Common Charges, utility or other charges shall be sufficient for purposes of determining the adjustments as herein described.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit will inure to the benefit of the Sponsor. Accordingly, on the Closing Date, I will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount financed, if any. The Sponsor will be reimbursed to the extent of any mortgage tax credit allowed.

13. CLOSING COSTS. Purchaser shall be responsible for paying all costs as outlined in the Section of this Offering Plan entitled Closing Costs and Adjustments.

14. ENTIRE AGREEMENT, OPPORTUNITY TO EXAMINE, NON-ASSIGNABILITY. This Agreement is the entire contract between the parties hereto as set forth herein and in the Plan and as the Plan may be amended from time to time. The only representations made to me are those contained herein and in the Plan, as may be amended. I have not relied upon any representations, statements, or warranties, written or oral, as to any matter or estimate that is not set forth herein and in the Plan. I have had at least three days to read and review the Offering Plan and all amendments and have had the opportunity to examine all the documents filed as Exhibits, volume A, B and C to the Plan. This Agreement is not assignable by me without prior written consent of the Seller and shall bind and apply to the parties hereto and their personal legal representatives, successors and assigns and may not be amended, changed or discharged orally.

15. CONFLICTS WITH THE PLAN. Conflicts between this Agreement and the Plan shall be resolved in favor of the Plan.

16. CONDITIONS FOR BINDING AGREEMENT. This Agreement shall not be binding on me or on the Seller until a fully executed copy thereof shall have been delivered to me. If this Agreement shall not be accepted within twenty (20) days of the date hereof by the delivery to me of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and my deposit shall be promptly refunded to me.

17. CONDITIONS FOR CLOSING. It is a condition of this closing that:

- (a) There shall be no claims or liens against the Unit at the time of the Closing, except for Permitted Encumbrances as described in the Plan; and
- (b) The Seller has full right and authority to sell and transfer the Units.

18. WHEN TITLE PASSES. I shall acquire no right, title or interest in the aforesaid Unit until (i) the entire Cash Purchase Price has been paid in accordance with the terms hereof, and (ii) I have otherwise performed, observed and complied with the terms and conditions of this Agreement.

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

19. IDENTIFICATION OF PURCHASER. I represent that I am a person over 18 years of age. The term "I" shall read as "we" and "purchaser" shall be read as "purchasers" if more than one person are purchasers, in which case our obligations shall be deemed joint and several. I further represent to the Condominium and to all of the persons to who are Unit Owners that I am purchasing the Unit for my own account and that Sponsor will have no interest, direct or indirect, in the Unit being purchased hereunder.

20. BONA FIDE PURCHASER. I certify that I have agreed in good faith to purchase the above-described Unit with no discriminatory re-purchase Agreement or other discriminatory inducement.

21. AGREEMENT SUBJECT TO MORTGAGES. I agree that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, incidental thereto, or to protect the security thereof, to the full extent hereof without the execution of any further legal documents by me. The subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this paragraph, however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage(s) obtained by me.

22 MORTGAGE FINANCING. This Contract will be conditional on Purchaser obtaining such loan in an amount not more than \$ from an institutional lender. Purchaser shall apply for said loan within five (5) business days after receipt of a fully executed copy of this Contract, and shall have forty (40)

days from the signing of said Contract to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the aforementioned lending institution provided same is in at least the amount set forth above, and the purchaser has reasonably determined he/she can satisfy the conditions set forth therein. In the event Purchaser fails to obtain such commitment within forty (40) days from the date of execution of the Contract, either party may cancel this Purchase Agreement on five (5) business days written notice to the other party, whereupon this Purchase Agreement shall become null and void, and the down payment shall be returned to the Purchaser. If the financing commitment lapses or expires prior to closing and the Purchaser has made a good faith effort to extend the commitment but has been unable to do so, then so long as the Purchaser notifies the Sponsor within five (5) business days of the lending institution's refusal to extend the commitment, the Sponsor shall grant to the Purchaser a right of rescission. **IN THE EVENT THAT SPONSOR'S ATTORNEY DOES NOT RECEIVE SUCH NOTICE OF FAILURE TO OBTAIN FINANCING WITHIN FIVE BUSINESS DAYS AFTER EXPIRATION OF THE FORTY-DAY-PERIOD SET FORTH ABOVE (OR ANY EXTENSION THERETO), PURCHASER SHALL BE REQUIRED TO CLOSE WHETHER OR NOT PURCHASER RECEIVES FINANCING.**

23. AMENDMENTS. After acceptance of my Purchase Agreement and so long as I am not in default hereunder, there shall be no change in the amount of the Cash Purchase Price, size, layout, or percentage of common interest of the Unit I intend to purchase, nor shall a material change be made in the size, and no material adverse change be made in the quality of the common elements without my written consent first being obtained prior to such changes. If I do not consent to such material change in the unit or quality of common areas, I shall be given written notice thereof by certified mail, return receipt requested, and I shall have fifteen (15) days therefrom to rescind my Purchase Agreement and obtain return of my Down Payment by so notifying the Sponsor or Selling Agent in writing by certified mail, return receipt requested. Notice of an amendment may also be given by overnight delivery service, or e-mail and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above.

24. CAPTIONS. The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or described the scope of this Purchase Agreement or the intent of any provision hereof.

25. RECORDING OF DEED AND POWER OF ATTORNEY. At the Closing of Title,

I will deliver the executed deed received from Seller and an executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of Kings, together with any recording and/or filing fees. Such deed and power of attorney will be in the form set forth in the Plan.

26. RISK OF LOSS. Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. In the case of an interim lessee, if the Sponsor is not obligated to repair any such damage, the Sponsor will make insurance proceeds available to the interim lessee purchaser, subject to the rights of the condominium Board.

27. SURVIVAL. The Closing of Title to the Unit and the delivery of the deed thereto shall be deemed full compliance by the Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

28. EXECUTION OF FORMS. It shall be a condition of this contract that I shall execute and deliver to the Sponsor's attorney all forms and papers required by the State of New York and City of New York in connection with the purchase of the Unit including but not limited to the "RPT" form.

29. LAWS. The laws of the State of New York shall govern this transaction.

30. PURCHASER'S REMEDIES. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the Unit in accordance with terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform Sponsor's obligations under the Offering Plan) the sole remedy of the Purchaser shall be to rescind the Purchase Agreement and be refunded the entire downpayment with interest plus the cost of title searches, if any.

Any conflict between the Plan and the Purchase Agreement shall be resolved according to the terms of the Plan.

Nothing contained in the Purchase Agreement or the Plan shall be construed to waive a Purchaser's right to abrogate Sponsor's obligations under Article 23-A of the GBL.

31. APPLIANCES AND EQUIPMENT. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described above and in the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit are for display purposes only and are not included in this sale. Residential Units will be offered with surface treatments as are specified in the DESCRIPTION OF PROPERTY AND BUILDING CONDITION set for the in the Offering Plan. Purchaser will be responsible for any repainting and touch-ups necessitated from moving in. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Units dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

There will be no modifications or extras unless agreed to in writing by the parties. All modifications and alterations must be approved by Sponsor in writing and, if approved, shall be performed by Sponsor at Purchaser's expenses (payable in the manner to be set forth in addendum to this Agreement or separate agreement).

32. CONSTRUCTION

A. The construction of the building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the architectural "plans and specifications" (defined in the Plan), subject to the right reserved by Sponsor to modify and amend the Plan and the "plans and specifications" in order to substitute materials, equipment or fixtures of equal or better quality and design, provided only the approval of any governmental authorities having jurisdiction thereover and the construction lender are first obtained (if required). The issuance of a Certificate of Occupancy for the Building shall be deemed rebuttable evidence that the Building and the Unit have been fully completed in accordance with the Plan and the "plans and specifications". However, nothing herein contained shall excuse Sponsor from its obligations to correct any defects in construction in accordance with the conditions set forth in the Plan in the section entitled "RIGHTS AND OBLIGATIONS OF THE SPONSOR."

B. The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and "plans and specifications" as indicated in the Plan in "RIGHTS AND OBLIGATIONS OF THE SPONSOR," and will only be responsible to correct any construction defects to the

extent, and on the terms and conditions, set forth in said section.

33. PRE-CLOSING WALK-THROUGH INSPECTION OF UNIT. At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for a standard pre-closing walk-through inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his/her duly authorized agent shall attend such walk-through and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit A to this Agreement) and deliver same to the Selling Agent at the conclusion of the walk-through. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "RIGHTS AND OBLIGATIONS OF THE SPONSOR."

34. NOTICES. All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") 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 the Sponsor's Attorney as indicated in this Plan. 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 shall 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 shall be deemed given when actually received. Notice may also be given by overnight delivery service or e-mail and regular mail, and shall be deemed effective when received or when delivery is attempted. Any notice required to be given hereunder may be given to the attorney of the respective parties.

35. BROKER. Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with who Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 35 shall survive the Closing.

36. ASSIGNMENT AND RECORDATION. This contract may not be assigned or recorded, and any proposed assignment or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the contract and retain all sums deposited pursuant hereto. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00.

37. NO LIEN. No lien or encumbrances shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

38. INVALIDITY. Invalidity or unenforceability of any portion or portions of this Agreement shall not affect the validity or enforceability of the other portions, which shall all be deemed valid and enforceable to the fullest extent of the law.

39. STRICT COMPLIANCE. Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

40. COUNTERPART AND PDF ACCEPTABLE. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which when taken together shall constitute one original. Delivery via facsimile or PDF transmission of a counterpart of this Agreement as executed by the parties making such delivery shall constitute good and valid execution and delivery of this Agreement for all purposes.

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

DATE: _____, 20____.

Purchaser

Purchaser

APPROVED AND ACCEPTED
WINLE PROPERTY LLC

By: _____
Name:
Title:

ESCROW AGENT:

By: _____
Name: David J. Lee

EXHIBIT A
PRE-CLOSING INSPECTION STATEMENT

We/I, the named purchaser/s in a contract for Unit _____ at 850 57th Street,
Brooklyn, New York, certify that we/I have this day inspected said unit, and agree to
accept same in its present condition, subject to completion or repair of the items set
forth on the list attached hereto.

The attached list of repair items is consented to, and we agree to complete same prior to
closing.

APPROVED AND ACCEPTED
WINLE PROPERTY LLC

By:

EXHIBIT B
ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), WINLE PROPERTY LLC ("SPONSOR") as Sponsor of the Offering Plan, and DAVID J. LEE, ESQ. of Lee & Cheung, PLLC ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium units at the premises located at 850 57th 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 Attorney General'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 has established 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(s) _____ at premises 850 57th Street, Brooklyn, New York at HSBC Bank, a bank authorized to do business in the State of New York, at its Branch #688 located at 82-57 Broadway, Flushing, New York 11373. The name of the account is LEE & CHEUNG PLLC ATTORNEY TRUST ACCOUNT.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: David J. Lee, Esq. and Ronald Cheung, Esq. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 244 Grand Street, 5th Floor, New York, New York 10002, and a telephone number of (212) 334-9417.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5 The escrow account is an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments that 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 DAVID J. LEE, ESQ. AS ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby and which cannot be deposited into such Escrow Account shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall not be deemed 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 initial interest rate, if any, earned thereon. If the PURCHASER does not receive notification of such deposit 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, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with these regulations 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 §§ 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 of the Deposit within said thirty (30) day period, ESCROW AGENT shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, ESCROW AGENT shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

3.4 SPONSOR shall not object to the release of the Deposit to:

3.4.1 PURCHASER, if PURCHASER timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 PURCHASER after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven (7) years after release of the Deposit.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm, or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the ESCROW ACCOUNT under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL§§ 352(e)(2-b) and 352(h).

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

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the unit to a designated attorney who is a member of or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT.

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

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW

AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

12.1 SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity

includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

13.1 This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:
DAVID J. LEE, ESQ.

By: _____
Name: David J. Lee
Title: Escrow Agent

SPONSOR:
WINLE PROPERTY LLC

By: _____
Name:
Title: Principal of the Sponsor

PURCHASER:

By: _____
Name:

UNIT DEED
Bargain and Sale Deed with Covenants Against Grantor's Acts

THIS INDENTURE made the day of , 20 , between WINLE PROPERTY LLC, 834 57th Street, #5A, Brooklyn, New York 11220 (hereinafter "Grantor"), and , (hereinafter "Grantee");

W I T N E S S E T H:

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

The Unit described in the attached Schedule A.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof;

TOGETHER with an undivided percent interest in the Common Elements of the Property described in said Declaration (hereinafter called the "Common Elements");

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

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Units;

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

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

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Buildings, or as a result of repair or restoration of the Buildings, or any adjoining Unit, or of the Common Elements, after damage, condemnation, or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers so that any such encroachments may remain so long as the Buildings shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units.

TOGETHER with and subject to easements, rights of way, restrictions and encumbrances created by the Declaration for THE WINLE PROPERTY LLC CONDOMINIUM recorded in the Office of the City Register of the City of New York on the day of , 20 , at CRFN .

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the City Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having time, any interest, or estate in the Unit, as though such provisions were recited and stipulated at length herein;

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

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

The use for which the Unit is intended is that of a residence and/or professional office as permitted by the By-Laws and the Declaration.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws

are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Condominium Act shall control.

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

IN WITNESS WHEREOF, the Grantor has duly executed this Deed the day and year first above written.

WINLE PROPERTY LLC

By:

Name:

Title:

STATE OF NEW YORK)
COUNTY OF) SS.:

On the _____ day of _____, 20____, before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner of Unit No. _____ in the Condominium known as the 850 57TH STREET CONDOMINIUM, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration recorded the _____ day of _____, 20____, in the Office of the City Register of the City of New York at CRFN _____ in the floor plan of file as Map No. _____, do hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of the 850 57TH STREET CONDOMINIUM jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate, or otherwise, on behalf of all Owners of Units whose Owner in said Property, in accordance with their Common Interests, any Unit whose Owner desired to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners in all other assets of the Condominium as defined in the aforementioned Declaration, or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do, if the undersigned were personally present. In more particular delineation of, but not in derogation or limitation of, the power set forth above, the Board of Managers, notwithstanding bankruptcy of any Unit Owner, specifically has the power to do any act or thing, and execute any document necessary to effectuate the purposes set forth in the Declaration referenced above including, but not limited to, Amendment of said Declaration, execution of the Deed conveying condominium property, filing for a severance of tax lots, and any other document or thing reasonable or necessary to effectuate the aforementioned purposes.

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

The Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20____.

STATE OF NEW YORK)
COUNTY OF _____) SS.:

On the _____ day of _____, 20____, before me, the undersigned personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

FORM OF INTERIM LEASE

AGREEMENT made this day of , 20 , between WINLE PROPERTY LLC, (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 850 57th Street, Brooklyn, New York; and,

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

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

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

- 1) Commencing on _____, and terminating as hereinafter specified, PURCHASER shall have the right to use and occupy the aforementioned apartment.
- 2) PURCHASER shall pay a fee for use and occupancy of the apartment of \$_____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this agreement is not governed or subject to any rent regulatory laws.
- 3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. No portion of the use and occupancy fee will be applied to the purchase price of the apartment.
- 4) The terms of the Offering Plan, and all related documents in effect as of the date hereof are incorporated in and made a part of this agreement.
- 5) As of the date of this Agreement, risk of loss to the apartment and its contents by fire or other hazard shall be determined pursuant to the terms of the Offering Plan.

- 6) PURCHASER shall pay all utility costs and make any repairs to the apartment for which s/he would be obligated as owner. SPONSOR will not be responsible for ordinary wear and tear to the apartment during the PURCHASER'S occupancy.
- 7) PURCHASER may not make any alterations to the apartment without SPONSOR'S written consent.
- 8) This lease will terminate on the happening of the earliest of the following:
- a) Closing;
 - b) Rescission of the Purchase Agreement by PURCHASER;
 - c) Default by PURCHASER.
- 9) Upon a default by PURCHASER of the Purchase Agreement that is not cured within 15 days after notice thereof, or rescission by PURCHASER, PURCHASER'S right to occupy the apartment will terminate, and PURCHASER must vacate the apartment within thirty (30) days after mailing of Notice to Vacate by the SPONSOR. Such notice must be by certified mail, return receipt requested, to the apartment. PURCHASER agrees to pay SPONSOR \$_____ per day for each day s/he remains in possession beyond the 30th day following mailing of the Notice to Vacate in conformity with this section. SPONSOR is hereby irrevocably authorized to deduct said per diem sum directly from any amounts being held as a security deposit hereunder. Nothing contained herein shall be construed so as to limit SPONSOR's ability to have PURCHASER evicted from the premises and to pursue any other legal remedy available to SPONSOR; nor shall anything herein be construed as a waiver by the SPONSOR of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.
- 10) Any default under this agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this agreement. Any such default will terminate PURCHASER'S right to use and occupancy, and will also terminate PURCHASER'S right to purchase the apartment, and may result in loss of the down payment.
- 11) This agreement may not be assigned, and may not be changed, except by signed, written instrument. This agreement is the entire agreement between the parties as regards use and occupancy of the apartment pending closing.

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

SPONSOR

By: _____
Name: _____
Title: _____

TAX ESCROW AGREEMENT

AGREEMENT made this 11th day of March, 2020, by and WINLE PROPERTY LLC (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 850 57TH STREET CONDOMINIUM (hereinafter "The Board");

WITNESSETH:

WHEREAS, Sponsor is the Sponsor of the Offering Plan for the conversion to condominium ownership of the land and building located at 850 57th Street, Brooklyn, New York; and,

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

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

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

NOW, THEREFORE, the parties agree as follows:

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

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

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

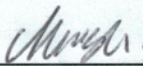
4. Upon each subsequent closing of the units, the Sponsor may collect the estimated amount of taxes attributable to such unit for the balance of the six month period from the purchaser thereof.

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

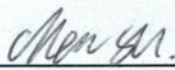
6. The escrow account shall be maintained in accord with all laws, rules, and regulations of the State of New York, specifically including, but not limited to, the General Business Law, and shall be deemed held for the benefit of the condominium.

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

WINLE PROPERTY LLC

By: 
Name: Gu Chen
Title:

THE BOARD OF MANAGERS OF THE
850 57TH STREET CONDOMINIUM

By: 
Name: Gu Chen
Title:

Sworn to and subscribed
before me this
11th day of March 2020



LI HONG HUANG
Notary Public – State of New York
No. 01HU6307123
Qualified in Kings County
My Commission Expires 6/30/2022

DESCRIPTION OF THE PROPERTY AND BUILDING CONDITION

"Winle Property LLC CONDOMINIUM" **850 57TH STREET, BROOKLYN NY 11220**

a. LOCATION AND USE OF PROPERTY

1. Address: 850 57th Street, Brooklyn NY 11220
2. Block and lot number: Block: 5693, Lot: 27
3. Zoning: R6

This building has been granted a DOB permit; the permit number is 321528094. This building is a quality housing project. Since the proposed use will contain only five residential dwelling units, the refuse storage and recreation spaces are not required for nine dwelling units or less therefore will not be provided. In accordance with NYC Zoning Resolution Article II Chapter 8, The Quality Housing Program, additional elements such as laundry facilities and lighting in the corridor are also not required and will not be provided.

4. Permissible use: Use Groups 1-4, residential and community facility.
The property and proposed uses will comply with all zoning and use requirements at closing.

b. STATUS OF CONSTRUCTION

1. Year built: The existing building was initially built in 1920. Construction permit #321528094-01-AL has been issued on October 31, 2018 to commence construction. On January 6, 2020 NYC Department of Buildings have inspected the building for certificate of occupancy, and pending elevator signoff for issuance of certificate of occupancy. The substantial building construction was completed in December of 2020.
2. Class of construction: The Class of Construction is IB two (2) hours protected non-combustible construction for primary structural frame, bearing walls, and floor construction, as described under Table 601 of the New York City 2014 Building Code. The structural fire ratings of the building are as of the following; a. Exterior & interior bearing walls, floors and roof construction to be 2.0 hrs fire resistant, b. Vertical exits, exit passageways, hoistways and shafts to be 2.0 hrs fire resistant, c. Non-bearing interior walls to be 2.0 hrs fire resistant, d. Residential unit separation walls to be 1.0 hrs fire separation and unit separation walls between community facility and residential to be 2.0 hrs fire separation, f. All exterior walls will be 2.0 hrs fire resistant including at the interior lot line.
3. Certificate of Occupancy: The Sponsor have obtained a permanent Certificate of Occupancy from the Department of Buildings of the City of New York on December 03, 2020 for the building that which complies with all applicable laws, codes, rules and regulations,
4. Alteration Permits: The DOB permit number is 321528094-01-AL. Refer to item b.1. for construction completion time. The existing building was demolished and no longer present

only the party walls were to remain. New structures will be provided for the new building enlargement consisting of a cellar, four stories and a penthouse level. Community spaces shall be in the cellar and first floor, one dwelling unit on second floor and two dwelling units on third and fourth floor. Unit #5 on fourth floor split unit to the penthouse level with private roof terrace. Second floor unit will also have a private roof terrace. Third and fourth floor will have balconies at front and at rear of the building.

c. SITE

1. Size: The dimension of Winle Property LLC Condominium will be 100'-2" by 19'-8" with an approximate area of 5,639 gross square feet. The lot size is about 2,003 square feet with dimension of 100'-2" by 20'.
2. Number of buildings and use: There will be one building for residential from second floor to penthouse floor and community use in cellar, and first floor. Cellar floor will be used for utility rooms such as gas, electrical, sprinkler rooms, and elevator machine room.
3. Streets: The Site is located on 57th Street, between 8th Avenue and 9th Avenue. The site has a public roadway frontage of 60 feet wide with one-way street along 57th Street. The existing roadway is paved with asphalt and is in good condition. The roadway, fronting the property will be repaired as necessary when construction is near completion as directed by the New York City Department of Transportation (NYCDOT). Existing catch basins are located at the corner of 9th Avenue and 57th Street to drain the storm water run-off into the existing New York City Sewer System. The streets beyond the property lines are New York City sidewalks, curbs and roadways. The existing fifteen feet concrete sidewalk and curb fronting the property will be replaced when construction is near completion, as directed by the New York City, Department of Transportation. The original 12 feet curb cut located at North of the front property for accessing accessory parking will be removed. A new planted tree will be planted in front of the building. After construction is complete the condominium remains responsible to maintain the sidewalk and curb and shall comply with NYCDOT's/Local Law and ADA requirements. The condominium shall maintain any necessary repairs to provide access to the building, and be free of any tripping hazards and ponding. The condominium will be responsible for maintaining the sidewalk in accordance with the requirements of the Authority Having Jurisdiction (AHJ). Street lighting is provided by the City of New York and consists of vertical stanchions surmounted with mercury arc lamps in metal enclosures. The existing streetlights are located at the sidewalk close to the curb, on both sides of the roadway along 57th Street. The existing lights are in good condition.

d. UTILITIES

1. Water Supply & Sewer: A new 2-inch domestic cold-water service and a 4-inch fire sprinkler water service will be connected to the 8-inch existing street water main on 57th Street. These water lines will be extended to the sprinkler utility room. The building's water service will be provided by the City of New York. A 2-inch domestic water service connection will be made to the building. A new 2-inch reduced pressure zone device will be installed. No water pumps or water storage tank will be installed. Total of one water meter, will be installed, and water will be billed to

the condominium as a common expense by the New York Water Board in accordance with the water meter reading based on actual consumption.

The building sewer service and drainage systems, located on 57th Street, will be connected to the City of New York public combined sewer drainage systems through one (1) 12-inch combined sewer (storm and sewer) outflow pipe in accordance with the New York City Department of Environmental Protection. A complete sanitary drainage system will convey all soil and waste from plumbing fixtures and drains. The sanitary system is designed for gravity flow through vented branches, stacks and building drains. Drainage piping to fixtures located in the cellar areas will flow by gravity to a duplex sewage ejector including all remote fixtures that cannot drain by gravity on the first floor.

Water and sewer are metered collectively of billing.

2. Natural Gas: National Grid will provide the service of gas usage. There will be Seven (7) gas meters located in the cellar meter room. Each residential unit will be separately metered and billed directly for the natural gas use for cooking and heating.
3. Electricity: Con Edison Co. will supply electric service through above ground conduit to an electric main in cellar. There will be one (1) meter for each unit, one for the common elements to measure the consumption of electrical usage for lighting and/or A/C and one (1) meter for each community facility unit. The total number of meters is eight (8) and will be separately metered and billed directly. All lighting for common spaces is connected to motion sensors. The operating expenses for all common areas shall be included in the individual maintenance fees.
4. Telephone: Telephone service is by Verizon and will be subscribed by the owner of each condominium unit.
5. Cable Television: Cable Television service is by Verizon and will be subscribed by the owner of each condominium unit.
6. Data Service: Data Service is by Verizon and will be subscribed by the owner of each condominium unit.

e. SUB-SOIL CONDITIONS

The soil description in this area is mostly fine sand with gravel and traces of silts up to a depth of about 32 feet. The NYC Building Code class of material is "3a" with a maximum allowable bearing pressure of 6 tons per square foot. The ground water table was not observed during the soil boring operation. There is no uneven foundation movement or settling has occurred (cracking, mortar joint decay, etc.). This boring report was prepared by ACE inspection and testing services, INC with the office at 107-16 Jamaica Avenue, Richmond Hill, NY 11418, dated May 14, 2018. There are no visible streams of natural water courses in the property, and there is no apparent danger of flooding from bodies of water. Finish grades shall be sloped to drain water to trench drains and street drainage, and away from the foundation walls of the building.

The building site is not in a flood hazard zone. This property is not in an E-designated nor was there any hazardous materials found at the site. According to the borings there were some finding of wet and moisture beneath the site. Vapor

barriers were installed below the slab in the cellar to prevent further ground infiltration.

f. LANDSCAPE AND ENCLOSURES

- | | |
|---------------------------------|--|
| 1. Grass cover: | None. |
| 2. Plantings: | None. |
| 3. Trees: | There is one new street tree on sidewalk facing 57 th Street. |
| 4. Fencing: | None. |
| 5. Gates: | None. |
| 6. Garden walls: | None. |
| 7. Retaining walls: | A retainer shall be provided at the rear of cellar for light well. |
| 8. Display pools and fountains: | None. |

g. BUILDING SIZE

- | | | | | | | | | | | | | | |
|----------------------|---|---------|------------|--------------|------------|---------------|------------|--------------|------------|---------------|------------|------------|-----------|
| 1. Total height: | The building will have a total height of approximately 54 feet 11 inches measured from the adjoining grade to the roof above the penthouse level. | | | | | | | | | | | | |
| 2. Crawl spaces: | None. | | | | | | | | | | | | |
| 3. Cellar: | The lowest level in the building will be the cellar with a ceiling height of 8'-6". | | | | | | | | | | | | |
| 4. Number of floors: | <p>The residential lobby floor to ceiling will be approximately 8'-6". First floor to ceiling height will be approximately 8'-6", residential second through fourth floor to ceiling height will be approximately 8'-6", and fourth floor residential floor to top of building height will be approximately 8'-6". The approximate measurements: (gross square footages) of each floor in the building will be as follows;</p> <table border="0"><tr><td>Cellar:</td><td>1693.44 SF</td></tr><tr><td>First Floor:</td><td>1693.44 SF</td></tr><tr><td>Second Floor:</td><td>1197.00 SF</td></tr><tr><td>Third Floor:</td><td>1180.00 SF</td></tr><tr><td>Fourth Floor:</td><td>1180.00 SF</td></tr><tr><td>Penthouse:</td><td>388.95 SF</td></tr></table> | Cellar: | 1693.44 SF | First Floor: | 1693.44 SF | Second Floor: | 1197.00 SF | Third Floor: | 1180.00 SF | Fourth Floor: | 1180.00 SF | Penthouse: | 388.95 SF |
| Cellar: | 1693.44 SF | | | | | | | | | | | | |
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| Third Floor: | 1180.00 SF | | | | | | | | | | | | |
| Fourth Floor: | 1180.00 SF | | | | | | | | | | | | |
| Penthouse: | 388.95 SF | | | | | | | | | | | | |
| 5. Equipment rooms: | The equipment rooms designated for the electric and gas meters, sprinkle and water meters and the elevator machine room are located at the cellar level. | | | | | | | | | | | | |
| 6. Parapet heights: | All parapet heights are 3'-6" to 4'-0" above finish roof surface. | | | | | | | | | | | | |

h. STRUCTURAL SYSTEM

The only existing structural walls are the adjacent party walls which do not pose any potential danger or building structure failure and will not support the new structure. The new building structural system are supported mainly by steel column and steel beams, and 1-1/2" 20 gauge Lok-Floor composite metal deck with 2-1/2" lightweight concrete for typical structural floors and roofs. The new foundation walls consist of poured in place concrete with footings bearing on 2.5 TSF on natural or compacted soil. Waterproofing is installed throughout below grade at the exterior side of the foundation wall under the footings and below slab. Underpinnings are constructed to support existing party walls located between 848 57th St and 850 57th St, 852 57th St and 850 57th St. The cellar floor is 4" thick 3000 PSI lightweight concrete slab on grade with 6x6 welded wire fabric w1.4 x w1.4 and vapor barrier. A minimum sound transmission class (STC)

rating of 50 will be provided for dwelling units' wall separation and are in accordance with New York City building code. An underlayment of Smartcore Soft and Sound vinyl will be used to reduce impact noise and increase comfort and shall have a minimum impact insulation class (IIC) of 50 and shall be in accordance with New York City building code.
No sub-grade drainage system is provided.

1. Exterior of building:

(i) Walls:

All existing exterior walls were demolished and repairs were not applicable. The new exterior walls consist of 4-inch face brick, 2.5-inch wall cavity with R-11.4 continuous rigid insulation, waterproofing membrane, 6-inch CMU wall and 5/8-inch type "X" gypsum board wall. The fire-rating of this type of exterior wall is 2-hour rated.

There is no exterior insulation finishing system (EIFS) or panel cladding installed.

Local Law 11 of 1998, known as "Façade Inspection Safety Program" (FISP) requires owners of buildings greater than six stories to have the building's exterior walls and appurtenances inspected once every five years and file a technical report to the Department of Buildings (DOB). Aforementioned the proposed enlargement is less than six stories and shall not be applicable to this building.

Windows: Windows by Crystal Window & Door Systems, LTD.

Quantity of 3, Model #: CTS 5600-2L open from left, bronze finished with wired screen.

Quantity of 11, Model #: CTP 8510-2V picture windows, bronze finished with wired screen.

Quantity of 11, Model #: CTC 8501-2V Casement/Project Out-Fixed, bronze finished with wired screen.

Quantity of 5, Model #: CTD 2000A Double-Hung, bronze finished with wired screen. The operable sliding windows will be aluminum thermal break window system located at the front and rear façade. Window exterior sills are precast and lintels are facebrick with metal angle support.

All windows shall be caulked with clear silicone II caulk from the exterior.

Thermal break system consists of pour-in-place polyurethane polymer for exterior windows. Provided with maximum 4 inch opening window stop for child safety in accordance with state local law and the windows size confirm with code requirement for Light & Air. Manufacturer and installer shall provide one-year warranty starting from the date of installation on glass and labor. There is no Lot Line Window. Window lintels shall be of steel support.

Sliding doors will be provided to access private balconies with glass railing system and private terraces.

Quantity of 6, Model #: CTP 1280-2R opens from right, 2-point lock handle w/ key (black) bronze finished with wired screen. Thermal break system consists of pour-in-place polyurethane polymer for exterior sliding doors. Manufacturer and installer provide one-year warranty starting from the date of installation on glass and labor.

2. Parapets and copings:

All parapet walls will be the same wall assembly as below (facebrick) with the exception of the interior side of the parapet wall. The interior face of the parapet will have three coat stucco finish over metal lath. The aluminum metal coping caps with watertight joints will be installed on top of the parapet walls.

3. Chimneys: There will be a total of five (5) 3-inch polypropylene two-pipe vertical venting for fresh air intake and exhaust pipes for tankless gas fire hot water heater and shall be installed on the roof top as per manufacture's recommendations. A total of four (4) 4-inch aluminum exhaust vents for the kitchen and bathrooms shall be installed on the roof top to be 3-feet above parapet height.
4. Balconies and terraces: All balconies will be constructed with steel and concrete on top of metal decking. There will be 3 feet 6 inches high balcony glass panel barrier which will not create a ladder effect. The floors are concrete with ceramic tile. Ceramic tile will be the deck finish material for roof terrace assigned as limited common element. Soffits are covered with ceramic tile finish and constructed with steel and concrete on top of metal decking underside of balconies exposed to the elements. There shall be a balcony at each floor on third and fourth floor at the front and rear of the building with a total of four balconies. Second floor unit #2 and the split unit #5 with a penthouse shall have a private roof terrace. Refer to item h.1(ii) for doors to balconies and terraces.
5. Exterior entrances: The main building entrance located on 57th St will be storefront construction by Crystal Window & Door System series 1400 aluminum stainless steel door and door frame with aluminum deadbolt lock on the ground level. No vestibule is provided for the entrance. Authorized mailboxes will be provided which meets post office specification will be installed on right side building entrance. All exterior entrances are to be free of tripping hazards and with surface sloped away from the building for positive drainage. All exterior doors will be provided with weather strip. All fasteners are made of corrosion resistant metals. The roof doors shall be painted flush panel hollow metal, 1-3/4- inch thick, 1-1/2 hours fireproof self-closing with stone saddles.
- Automatic daylight exterior lightings are by the building entrance, bulkhead and roof with compliance of NYCECC C405.2.5. Manual control exterior lightings are located on balcony and terrace.
6. Service entrance: There is no service entrance to this premise.
7. Roof and roof structures:
- (i) Type of roofs for all areas: The roof construction is conventional reinforced concrete flat plates with thickness of 8 inch. The roof insulation is 1-1/2" minimum rigid insulation with an "R" value of 38 tapered to roof drains. One coat of "Bulldog" heavy duty flashing cement then a layer of 'Firestone' roof membrane and topcoat with aluminum coating finish shall be applied on top of the insulation. The metal base and aluminum counter flashing around the parapets and the walls at the roof shall be provided. Stair bulkhead and elevator machine room are constructed on the roof. Roof areas are common areas, and other structure or enclosure on roof are approved by NYC Department of Buildings and City Planning Department. The expected useful life of the roof is about twenty-five years. There will be 2 controlled roof drains on the roof with 3-inch cast iron pipes connected to 6-inch house main drain in cellar to City's combined sewer. All rooftop facilities are code compliant. There is no bond, guarantee of warranty issued by the roof installer or the manufacturer. 'Please be advised, the sponsor is not providing an NDL Manufacturer's Warranty for the new roof. The absence of an NDL Manufacturer's warranty may indicate that the roof membrane and

appurtenances were not inspected for compliance with the manufacture's specifications for installation. As such, premature deterioration & replacement of the roof membrane may be anticipated and therefore should be budgeted for. 'Please be advised, any warranty will be voided if a suitable walking surface is not provided.

Rooftop is not allocated as an accessory to residential space in the Certificate of Occupancy. However, terraces on second floor and penthouse are only accessible for second floor unit and fourth floor owners or tenants respectively. Roof materials for roof terrace, including roof slab, separation of roofing, utilities on terrace, are assigned as limited common elements in compliance with the Zoning and Building Code. DOB filling is not required for these limited common elements. Rooftop and roof terraces are fenced by 48-inch high partition walls. There is no separation between recreational surfaces from roof surface. Roof terrace finish and material are appropriate for daily foot traffic. Roof terrace material and installation will be acceptable by the manufacturer to retain the roof warranty. The roof was installed in September, 2019.

(ii) Drains:

All drains will be 4-inch drains and all roof drains will be control drains. No secondary overflow drains will be provided and Special Risk shall be provided. Roof area will be pitched at a minimum slope of approximately ¼-inch per foot and drained to vertical roof drains. The run-off from the roof areas and bulkheads will be transported via, internal cast iron leaders to storm drain which leads to the existing street combined sewer. The followings shall be exterior drain locations; (1) one yard drain at cellar light well, (1) one yard drain at front yard, (1) one roof drain at second floor roof terrace, (1) one roof drain at fourth floor front roof terrace and (1) one rood drain at fourth floor rear roof terrace. All drain materials shall conform to the standards of the New York City Plumbing Code.

(iii) Skylights:

There is no skylight in this proposed building.

(iv) Bulkheads:

There is no bulkhead in this proposed building.

(v) Metal work at roof levels:

There shall be two (2) Steel metal vertical access ladders with stainless handrail to top of the bulkhead roof from roof level for maintenance only. Refer to item h.3 for additional metal work materials.

(vi) Rooftop Facilities:

The front roof terrace with approximately 360 square feet shall be part of unit #5 private roof terrace. The rear roof terrace with approximately 431 square feet shall be part of unit #2 private roof terrace. The occupied public rear roof terrace of 339 gross square feet with maximum of two occupants shall be common element. There shall be no obstructions in the access path of Fire Department of New York City. There are no current antennae, cell phone towers, satellite dishes nor lightening protection equipment at rooftop. Rooftop access will be in accordance with 2014 New York City Fire Code section FC 504.4.

8. Fire Escapes:

None.

9. Yard and courts:

A light well shall be provided at the cellar level and a private rear roof terrace shall be provided on the second floor. The rear of the building is setback in accordance to NYC Zoning Resolution.

10. Stairs:

There will be one main interior fire egress stair D for residential units accessing to street level from the roof to the first floor. The community facility located on 1st

floor will have a direct separate egress to street level through exterior stair B. The community facility located on cellar floor will have a means of egress through the exterior stair A. The interior stairs will be two-hour fire resistance enclosure assembled with 2-layers of 1/2-inch sheetrock fire-code C on both sides of 2-1/2-inch 20-gauge metal stud at 24-inch on center. The exterior street level stairs will be constructed of concrete and interior stairs will be constructed of steel stringers, treads and risers. All stair handrails will be painted 1-1/4-inch steel pipe and to will be anchored and fastened to the adjacent walls. Community Facility interior stair are to be constructed of steel stringers, treads and risers with painted 1-1/4-inch steel pipe guardrails and handrails supported on painted 1-1/2-inch steel pipe post. Residential unit #5 non rated accessory interior stair shall be construct of steel stringers, treads and risers and Special Risk shall be provided for this winder stair. The winder stair is not code compliant and does not meet the requirements of the 2014 NYC Building Code section 1009.4.2 because the linear minimum clearance width dimension is not provided. As designed, the narrow side of the treads converges to a point. This may create a hazardous condition that might result in falls. There shall be a possibility that the Department of Buildings may at any time in the future require the reconstruction of this stair to meet the code requirements. The expense of this work shall be borne by the unit owner.

11. Interior doors and frames:

- (i) Unit entrance: The entrances to the residential units will have a viewer, 1-1/2hours fire-rated, self-closing painted hollow aluminum doors with hollow aluminum frames and a STC rating of 35, with non-combustible saddles in accordance with New York City Code requirements. The interior doors within the units will be 1-3/4" solid core wood doors with hollow aluminum frames.
- (ii) Corridor doors and frames: All corridor doors and frames will be painted hollow aluminum frames, 1 and 3/4 inch thick, one and one-half (1-1/2) hour rated fire proofed self-closure. All corridor doors and frames will meet New York City Code requirements.
- (iii) Stair doors and frames: All stair doors and frames will be painted hollow aluminum frames, 1 and 3/4 inch thick, one and one-half (1-1/2) hour rated fire proofed self-closure. All stair doors and frames will meet New York City Code requirements.
- (iv) Roof doors, cellar doors and frames: All roof, cellar doors and frames will be painted hollow aluminum frames, 1 and 3/4 inch thick, one and one-half (1-1/2) hour rated fire proofed self-closure. All roof doors, cellar doors and frames will meet New York City Code requirements.

12. Elevators:

- (i) Number of passenger & service elevators: 1
- (ii) Manufacture & capacity: Innovative Elevator, Capacity: 3,500 pounds and withholds 8 passengers.
- (iii) Type of operation: Geared Traction Machine
- (iv) Type of controls: Automatic
- (v) Floors served: Cellar, 1st floor, 2nd floor

- (vi) Type: Geared Traction
- (vii) Door type: Single speed side sliding opening – Stainless steel finish
- (viii) Location of machine room: Cellar
- (ix) DC motor manufacturer: N/A

13. Elevator cabs:

- (i) Manufacturer: Innovative Elevator
- (ii) Floor material: Stainless steel with ceramic type floor finish
- (iii) Walls material: stainless steel wall panel
- (iv) Ceiling material: stainless steel ceiling
- (v) Lighting: LED recessed light fixtures
- (vi) Alarm, safety system: Phone alarm safety system

i. AUXILIARY FACILITIES

General

The proposed building does not contain accessory storage room and bicycle storage room. There are mailboxes located in the entrance of the first floor.

- 1. Laundry rooms: There shall be no provision of common laundry room or any laundry closet in the units for this building.
- 2. Refuse disposal: There is no refuse room in this proposed building. Residents will collect their refuse and discard them in the refuse and discard them next to the entrance stair B. The refuse and recyclable items will be placed next to entrance stair B until it is brought to the street curb for carting by the New York City Department of Sanitation.

Trash pick-up schedule for this site is collecting garbage on Monday and Thursday from 8:00 AM – 9:00 AM and 6:00 PM – 7:00 PM by the New York City Department of Sanitation. Recycling and organics pick-up schedules are on Thursday from 8:00 AM – 9:00 AM and 6:00 PM – 7:00 PM by the New York City Department of Sanitation.
- 3. Mail/Package: Residential mailboxes will be installed on the partition wall of the entrance stair B on 1st floor. Security cameras will be installed in the 1st floor entrance to ensure security and protect the Unit Owner's property.

j. PLUMBING AND DRAINAGE

- 1. Water supply: Potable water will be supplied to the units through connections from the building to the New York City Water Distribution System. There will be a 2-inch domestic water main with main shut off valve connecting to the 8-inch existing city water main. Each unit is to be supplied with cold water from 2-inch copper piping. The hot and cold-water piping throughout the building shall be insulated as per New York City Energy Code requirements. All hot and cold-water supply piping shall be fitted with a minimum ½-inch polyethylene, pipe insulation. Each residential unit will have its own hot water heating unit located within their own residential unit.

The building relies on normal New York City water pressure for raising the water to the sixth-floor level so that no water tanks are required. Hydraulic calculations have been provided by the sprinkler engineer confirming significant psi at the penthouse-floor level. There will be a new 2-inch reduced pressure principle assembly installed in the sub-cellar floor to reduce pressure from city water main. (Manufacture: Zurn Wilkins; model# 975XL2).

Fire protection system: The entire building shall have a fully automatic wet-pipe fire sprinkler system and standpipe system in accordance with the City of New York Building and Fire Codes. There will be a new 4-inch double check detector assembly installed in the sub-cellar floor (Manufacturer: Zurn Wilkins; model# 350ADA). There will be no standpipe in this building. The sprinkler heads will be in all residential area, common areas and community facility spaces. The building will also have a siamese connection made of 4-inch diameter cast iron located on the front façade of the building 24 inch above grade on 57th Street. There shall not be any fire hose rack within the building, the sprinkler shall be connected to a separate sprinkler main, located in the lower cellar of the building. The sprinkler heads shall be sidewall and concealed types spaced in residential and community facility areas.

2. Water storage:

None.

3. Water pressure:

The static pressure taken on an 8-inch water main which is fed from 57th street is 47 pound square inch at point of connection.

Water pressure will be maintained by the water distribution system which composites of water booster pump and domestic pipelines. Water pressure will be maintained the flow rate and flow pressure meeting the standard requirements of NYC Plumbing Code 2014, Chapter 6, 604.3 "Water Distribution System Design Criteria".

4. Sanitary sewage system:

The sanitary sewage system will be a gravity type that is connected to the 57th Street municipal sewer. The sanitary house drain, house trap and house sewer are on the Cellar. Cellar floor through penthouse floor is connected by gravity to a 4-cin cast iron building main drainpipe tied to a 6-inch combined connection at property. This 6-inch combined connection is then connected to the 12-inch city owned combine sewer line on 57th Street. There is no sewage pump installed and there is no catch basin in front of the property.

5. Permits required:

Sewer and water connection applications are filed with the NYC Department of Environmental Protection. The water meter permit hasn't been filed yet. The following are the installed devices: 2-inch RPZ (domestic service), Brand Zurn Wilkins, model 975XL2; 4-inch DCDA (fire service), Brand Zurn Wilkins, model 350ADA.

DOB Plumbing Permit: #321528094-01-PL Permit obtained on 08/07/2019 for site connections.

6. Storm drainage system:

The storm drainage system will be gravity type connected to municipal combination storm and sanitary sewer in 57th Street. Storm piping will be cast iron throughout. No hub piping and galvanized steel pipe will be used above grade. Cast iron service weight pipe with mechanical joints will be used below grade. Schedule 40 galvanized steel pipes will be used for sump pump discharge

pipng. Storm drains will be located at terraces and roofs. The system will be adequately sized. Storm piping that cannot drain by gravity will be connected to sump pump system.

k. HEATING

1. System:

This building will be providing electric split system with wall mount air handler units in the dwelling units. Each individual dwelling unit will be provided with hybrid flex inverter driven heat pump unit delivering heating and cooling in the bedrooms and living areas. These units will be provided with thermostatic control or remote device. The locations for electric air condensers will be distributed throughout the building terraces and roof tops.

The wall mount air handle units for the residential units are as follows;

- For the bedrooms - Model# KW12HQ2B8DI as manufactured by Kinghome, heating capacity of 13,000 BTU/h and cooling capacity of 12,000 BTU/h, AHRI certified, 2-year parts and 6-year compressor for warranty, energy efficient system with SEER rating as high as 33.0.
- For living/dining area – Model# KW12HQ2B8DI as manufactured by Kinghome, heating capacity of 13,000 BTU/h and cooling capacity of 12,000 BTU/h, AHRI certified, 2-year parts and 6-year compressor for warranty, energy efficient system with SEER rating as high as 33.0.
- The penthouse units are as follows;
 - Model# KW12HQ2B8DI as manufactured by Kinghome, heating capacity of 13,000 BTU/h and cooling capacity of 12,000 BTU/h, AHRI certified, 2-year parts and 6-year compressor for warranty, energy efficient system with SEER rating as high as 33.0.

Community facility units will be provided with gas furnaces; model MCG60PD1M, manufactured by Comfort Aire with heating capacity of 60,000 BTU ETL listed & AHRI certified. These units will be provided with thermostatic control or remote device. The locations for electric air condensers will be distributed throughout the building terraces and roof tops.

Duct Insulation

Supply and return ducts in unconditioned spaces and all outside air ducts shall be insulated with minimum R-6 insulation. Exterior ductwork shall be insulated with R-8 duct insulation. All low-pressure ducts shall be galvanized steel (24 gauge minimum).

Controls

Each air conditioning unit, fan coil unit, heaters shall be started/stopped and controlled by wall mounted 7-day programmable thermostat with 5°F dead band, setback to 55°F (heat) and 85°F (cool), 2 hours override, minimum 10 hours battery and shall provide and comply with manufacturer's requirements on power and control wiring for each equipment. The thermostat shall be set to 75°F (cooling) and 72°F (heating).

All rooftop units and utility fans exposed to the outside shall be coated with paint for corrosion resistance. The rooftop units, up-blast, and down-blast fans shall be installed on sound attenuated roof curbs and vibration isolators as required. All utility fans shall be installed with spring vibration isolators.

The sponsor reserves the right to provide the split system units by same or different manufacturers, which are equal to or better quality than noted above. The residence owners are responsible to maintain, repair and replace such systems, as necessary, at their sole cost and expense. The heating system has the ability to maintain the minimum legally required temperatures.

2. Boiler:

None.

3. Hot Water Heater:

Will provide tankless hot water heater (Model Navien NPE-240A) for each unit.

Manufacturer: Navien

Model: NPE-240A

Capacity: 19,000 – 199,000 BTU/H

Warranty: 1-year labor, 5-years parts, 15-years heat exchanger

Energy Efficiency: 0.97 UEF

I. GAS SUPPLY

See gas described in **d.3** and **k.2**.

Gas main service pipe shall be 2-inch diameter. Gas piping system, system testing and appliance installation shall be in accordance with New York City Code.

m. AIR CONDITIONING

This building will be providing electric split system with wall mount air handler units in the dwelling units. Each individual dwelling unit will be provided with hybrid flex inverter driven heat pump unit delivering heating and cooling in the bedrooms and living areas. These units will be provided with thermostatic control or remote device. The locations for electric air condensers will be distributed throughout the building terraces and roof tops.

The wall mount air handle units for the residential units are as follows;

- For the bedrooms - Model# KW12HQ2B8DI as manufactured by Kinghome, heating capacity of 13,000 BTU/h and cooling capacity of 12,000 BTU/h, AHRI certified, 2-year parts and 6-year compressor for warranty, energy efficient system with SEER rating as high as 33.0.
- For living/dining area – Model# KW12HQ2B8DI as manufactured by Kinghome, heating capacity of 13,000 BTU/h and cooling capacity of 12,000 BTU/h, AHRI certified, 2-year parts and 6-year compressor for warranty, energy efficient system with SEER rating as high as 33.0.
- The roof top units are as follows;
 - Model# KW12HQ2B8DI as manufactured by Kinghome, heating capacity of 13,000 BTU/h and cooling capacity of 12,000 BTU/h, AHRI certified, 2-year parts and 6-year compressor for warranty, energy efficient system with SEER rating as high as 33.0.

Refer to item k.1 for controls.

Community facility units will be provided with gas furnaces; model MCG60PD1M, manufactured by Comfort Aire with heating capacity of 60,000 BTU ETL listed & AHRI certified. These units will be provided with thermostatic control or remote device. The locations for electric air condensers will be distributed throughout the building terraces and roof tops.

The sponsor reserves the right to provide the split system units by same or different manufacturers, which are equal to or better quality than noted above. The residence owners are responsible to maintain, repair and replace such

systems, as necessary, at their sole cost and expense. The heating system can maintain the minimum legally required temperatures.

Exterior metals, including fasteners, are corrosion resistant. There are steel beams to support the A/C outdoor units on the roof and to prevent A/C outdoor units' vibration and noise from reverberating in the apartments below.

Insulation for rooftop piping will be R-3 insulation accordance with NYC Plumbing Code 2014, Table C403.2.10 Minimum Pipe Insulation Thickness.

n. VENTILATION

Mechanical ventilation systems is provided in this building through a method of supply air and return or exhaust air with compliance of NYC Mechanical Code 2014, Chapter 4, Section 403.1 "Ventilation System". Exhaust fans are installed in every kitchens, fireplaces, and windowless area such as corridor, bath, cellar, etc. Supply airs come through the inlet vent fans on every dwelling unit, hallway, and community facility throughout the building. The cellar areas have ventilation system with exhaust fans in all utility rooms and community facility and inlet vent fans in refuse room, lobby, and community facility to meet code requirements and adequacy. The ventilation of the residential public corridors will be provided by mechanically ventilated to the exterior with 200 cfm. Windowless areas such as kitchenettes with 100 cfm exhaust fans and bathrooms with 50 cfm exhaust fans will be mechanically ventilated to the exterior. The boiler rooms will be provided with a 3-inch duct running horizontally to either the front or rear for fresh air intake. Common storage and mechanical areas will be ventilated with a separate exhaust system and supply fans. Sound power levels for all equipment are provided in mechanical equipment submissions. All interior and exterior mechanical equipment and systems are designed to comply with the Noise Control Requirements of NYC Mechanical Code 2014, Chapter 9 Section 928. Below are the design criteria for noise:

Lobbies/apartment – NC = 35

Back of house – NC = 45

o. ELECTRICAL SYSTEM

The electrical service to the building will be brought in from the terminal point of Consolidated Edison Co. The service supplied will be a 120/280V, 3 phases, 4 wires, which will provide 1400 amps, to the building. The main feed will bring the service to a minimum of (8) eight separate meters; (1) one each for service to the individual unit. The residential units are provided with 400 amps, and 1000 amps to the building for other services. There will be a minimum of (8) eight main panels in the building, (1) one for each residential unit, (1) one for the common spaces, (1) one each for the community facility. There will be approximately 12/24 panel equipped with circuit breakers for each residential unit, which will separate, heating and cooling equipment, kitchen appliances, lights and outlets. The electrical system will be adequate for modern usage. All bathrooms and kitchenettes shall be equipped with GFCI outlets. There shall be AFCI circuit breakers designated for all sleeping rooms indicated on the electrical service equipment panels in each unit to prevent any arcing that could cause any potential damage to the units. Water resistant receptacles shall be provided at exterior areas. The sponsor reserves the right to provided electrical system by

same of different manufacturers, which are equal to or better quality than noted above. Each residential unit shall be provided with 200 amps service. No generator will be provided.

There will be an average of 30 circuits for all residential units. Service will be in accordance with New York City Electrical Code. Circuits are provided as follow:

- At least two (2) for general-purpose appliance circuits in the kitchen and dining areas.
- One outlet for the microwave.
- One outlet for the dishwasher.
- One outlet for the refrigerator.
- Dedicated circuits for HVAC loads.
- One ground fault type outlet located in each bathroom.
- Circuits are provided for 3 watts per sq.ft. for lighting and general receptacle load.

Light fixtures will be incandescent with fluorescent type or LED in the residential units, common areas, and community facilities.

Convenience receptacles will be provided to meet the requirements of the New York City Electric Code. All appliances will be provided with dedicated or limited spared outlets as required to meet the equipment load. No generator will be provided. Copper wire materials and sizes shall be in accordance with New York City Code.

p. INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS

Audio Intercom system, manufactured by Hangor, model number #HJ-2000KT72, will be provided. This audio intercom will be warranted for two years and installed in the main entrance on 57th Street. The door signal system will be provided for each unit. There will be no security closed circuit TV, or Public Television reception facilities in the building.

q. PUBLIC AREA LIGHTING

Lighting in common areas, public stairways and hallways will be provided with compact fluorescent fixture type and occupancy sensor. Exterior lighting for the main entrance and roof will be outdoor aluminum cylinder wall mount lantern. The interior stair will be provided with an astronomical timeclock with occupancy sensor to de-energize 50% of the fixture and 50% of the fixture to remain energized at all times. Light fixtures in the public hallways and lobby will be provided with automatic on/off of 75% of fixture to remain energized at all times, i.e. emergency fixtures to remain on. The sponsor reserves the right to provide equipment by the same or better quality than noted above. The maintenance or replacement of the light fixtures for common areas will be by the Condo Board members. The above requirements shall be in compliance with the New York City Energy Code. Lighting fixtures and electrical outlets shall be installed by a licensed electrician and shall be in compliance with the NYC Electrical Code and the NYC Building Code. All common light fixtures shall be compact fluorescent light bulb.

The sponsor reserves the right to provide the light fixtures by same or different manufacturer, which are equal to or better quality than noted above.

r. GARAGE AND PARKING AREAS

This building will have an accessory parking with total of zero parking spaces. The quantity of parking spaces for Winle Property LLC Condominium is based on a percentage (50%) of the total dwelling units as noted in section 25-241, Article II, Chapter 5 of the Zoning Resolution, The City of New York.

As of the date of this report, the percentage required under the Zoning Resolution is 50% of total dwelling units, or approximately 3 parking spaces provided for Winle Property LLC Condominium residential Unit Owners.

According to the section 25-261, Article II, Chapter 5 of the Zoning Resolution, The City of New York, the max number of waived parking space for residential uses is 5. The total space for residential uses is zero (0) as those three (3) required spaces are waived.

As there is no commercial unit in Winle Property LLC Condominium, no parking spaces have been set aside for commercial use in connection therewith.

As there are two community facilities in this building, the required non-residential uses parking spaces as noted in section 25-31, Article II, Chapter 5 of the Zoning Resolution, The City of New York is 4spaces. According to the section 25-33, Article II, Chapter 5 of the Zoning Resolution, The City of New York, the max number of waived parking space for non-residential uses is 25 spaces. The total space for non-residential uses is zero (0) as those four (4) required spaces are waived.

s. SWIMMING POOL

None.

t. TENNIS COURTS, PLAYGROUND AND RECREATIONAL FACILITIES

None.

u. PERMITS AND CERTIFICATES

All required permits and signoffs, including a Certificate of Occupancy (temporary or final), are to be obtained by the Sponsor prior to closing. The building shall not be occupied by tenants and / or unit owners prior to the Sponsor obtaining the Certificate of Occupancy.

The building and units will be constructed in accordance with the NYC Building Code, Regulations of the City of New York Zoning Resolutions, New York City Energy Code, and any other applicable authority, and in accordance with the plans and specifications filed with the Department of Buildings.

Herewith listed below are the approved and permitted applications filed with the New York City Department of Building;

Alternative 1 Job No. 321528094

In conjunction filing;

1. Plumbing Job No. 321528094

2. Fence Job No. 321528094

3. Sprinkler Job No. 321528094

All recurring annual inspections will be scheduled and passed after the building is in operation: floodproofing, street tree, plumbing, elevator, electric, sprinkler, fire alarm/signal system, smoke and carbon monoxide detector, NFPA 80, boiler safety, backflow preventer, and FISP requires every 5 year inspection.

v. VIOLATIONS

A search of the NYC Building Department files reveals that the building has no pending Building Code or any violations.

The Sponsor will cure any outstanding violation prior to closing.

w. UNIT INFORMATION

The condominium will have a total of (5) five residential units and (2) two community facility units. The community facility units will be on cellar level and first floor level. The residential will be located on the second through penthouse floor.

Each unit will be measured horizontally from the exterior side of the exterior walls or property line of any party wall to the centerline of the partitions separating one unit from another unit, or separating one unit from any common element or to the unit side of the opposite exterior walls. Each unit will consist of the area measured vertically from the lowest concrete floor of the units to the underside of the highest ceiling of the units. However, any common element located within a unit shall not be considered to be a part of that unit, and all exterior spaces which are a part of a unit are not included in the square footage count.

The building is fully adaptable to be accessible for all dwelling units in the building including the main elevator that is ADA Compliant. Sponsor will provide adjustment to the unit for the first unit owner for mobile impaired. Doors and accessible paths within these units shall comply with NY City Local Law 58/87 and ANSI.A117.1-2009.

Wood flooring is installed in every living room, bedroom, closet, and kitchenette in every residential unit. This wood flooring is manufactured by Smartcore, model Naturals with limited lifetime warranty. This type of hardwood flooring is 5/16-inch thick maple wood with natural grade and bluegrass trail finish. For underlayment, the Smartcore Soft and Sound vinyl underlayment #1191177 is used to reduce noise and increase comfort.

Walls and ceilings will be painted with one coat of primer and two coats of paints. For primer, the all-purpose multi-surface primer manufactured by Kilz2 will be used as the primer for walls and ceilings. For paint, a high-grade water base paint manufactured by Benjamin Moore will be used as the paint for walls and ceilings.

Residential

Floor designation	Apt. number	Gross SF	Floor to ceiling ht	# of bedroom	# of bathroom	Laundry closet	Laundry in boiler cl	w/ terrace	w/ balcony
2 nd floor	1	1,019.83	9'-0"	2	2	-	-	√	-
3 rd floor	2	519.40	9'-0"	1	1	-	-	-	√
3 rd floor	3	500.67	9'-0"	1	1	-	-	-	√
4 th floor	4	519.40	9'-0"	1	1	-	-	-	√
4 th floor	5	500.67	9'-0"	1	1	-	-	-	√
Penthouse	5	271.51	9'-0"	1	1	-	-	√	-
Total	5								

Community Facility

Floor designation	Unit number	Gross SF	Floor to ceiling ht	# of toilet	w/terrace
Cellar	Unit #1	1,174.92	8'-11"	2	-
1 st floor	Unit #2	1,366.42	9'-0"	2	-

x. FINISH SCHEDULE

Finish Schedule for Public Spaces

Room	Floor	Walls	Ceiling	Remarks
Cellar hallways	Sealer paint on concrete	Painted	Painted	
Electric meter room	Sealer paint on concrete	Painted	Painted	
Gas meter room	Sealer paint on concrete	Painted	Painted	
Community Facility	Concrete	Painted	Painted	
CF Toilet	Tile	Painted	Painted	
Main entry	Tile	Painted	Painted	
Egress stair	Sealer paint	Painted	Painted	
Public hallway	Tile	Painted	Painted	
Elevator machine rm	Sealer paint on concrete	Painted	Painted	
Sprinkler room	Sealer paint on concrete	Painted	Painted	
Elevator machine rm	Sealer paint on concrete	Painted	Painted	
CF unit	Sealer paint on concrete	Painted	Painted	

Finish Schedule for Typical Apartments

Room	Floor	Walls	Ceiling	
Apartment				
Living / dining	Wood	Painted GWB	Painted GWB	
Kitchenette	Wood	Painted GWB	Painted GWB	
Bathroom	Tile	Tile/Painted	Painted GWB	
Bedroom	Wood	Painted GWB	Painted GWB	
Closet	Wood	Painted GWB	Painted GWB	
Terrace	Pavers			
Balcony	Tile			

Note:

G.W.B. = Gypsum Wall Board

Bathroom Finishes and Fixtures

Item	Model	Manufacture	Finish	Color
Toilet	MS654114MF	TOTO AQUIA	white	white
Lavatory	KOHLER	K-2210-0	white	white
Countertop	KOHLER	K-2210-0	white	white
Vanity	KOHLER	K-2210-0	white	white
Bathtub	2504 / 2505	BRIGGS	white	white
Shower	KOHLER	K-9166-10 / K-9165-10	white	white

Kitchen Finishes and Appliances

Item	Model	Manufacture	Finish	Color
Countertop			marble	beige
Cabinet		HAMCA		grey
Cabinet handles		HAMCA		stainless steel
Sink	KHU-101-33	KRAUS		stainless steel
Gas range	JGSS66SELSS	GE		stainless steel
Refrigerator	RF-170BLPX6	FISHER & PAYKEL	easy clean	stainless steel

y. SAFETY AND WARNING DEVICES

Each dwelling unit shall be equipped with a hard-wired combination smoke/carbon monoxide detector as per NYC Local Law 62/81, 7/04, R.S.17 and as per section 28-02 of the NYC Building Code. The smoke/carbon detectors manufacturer: GRK Electronics, model no. SC6120B or equal. Smoke/carbon monoxide detector will also be installed in mechanical rooms, electrical meter room and gas meter/sprinkler room. An electric fire alarm gong will be in front of residential main entrance and to be connected to fire command panel. Sprinkler smoke alarm system shall be provided, and water flow and tamper switches are provided on standpipe riser and sprinkler branch piping. The fire alarm control panel shall be located in cellar vestibule, manufacture Notifier, model NGW-100X. The installation of the fire alarm system shall be in accordance with New York City Building Code 907 and Appendix Q. Statewide Fire Corp shall be the central monitoring station.

z. FURTHER DEVELOPMENT

There is no anticipated further development.

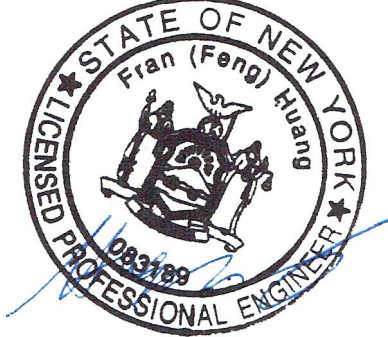
cc. ASBESTOS

There are no asbestos present as the existing building have been demolished and only the party walls remained and the enlargement of the building is new construction.

dd. LEAD-BASED PAINT

There is no lead-based paint as the existing building has been demolished and only the party walls remained and the enlargement of the building is new construction.

Fran Huang, PE



* * * * *

Certificate of Occupancy

CO Number: 321528094F

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A. Borough: Brooklyn Address: 850 57TH STREET Building Identification Number (BIN): 3140182	Block Number: 05693 Lot Number(s): 27 Building Type: Altered to comply as new	Certificate Type: Final Effective Date: 12/03/2020
This building is subject to this Building Code:		
<i>For zoning lot metes & bounds, please see BISWeb.</i>		
B. Construction classification: 1-B (2014/2008 Code) Building Occupancy Group classification: R-2 (2014/2008 Code) Multiple Dwelling Law Classification: HAEA		
No. of stories: 4 Height in feet: 55 No. of dwelling units: 5		
C. Fire Protection Equipment: Fire alarm system, Sprinkler system		
D. Type and number of open spaces: None associated with this filing.		
E. This Certificate is issued with the following legal limitations: None		
Borough Comments: None		



Borough Commissioner



Commissioner

Certificate of Occupancy

CO Number: 321528094F

Permissible Use and Occupancy						
All Building Code occupancy group designations below are 2008 designations.						
Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
CEL	30	OG	E U		3A, 3B	DAYCARE CENTER (25 CHILDREN, 2 YEARS-6 YEARS OLD; 5 STAFFS), UTILITY ROOMS.
001	36	60	E R-2	0	3A, 2B	DAY CARE CENTER (30 CHILDREN, 2 YEARS - 6 YEARS OLD; 6 STAFFS), RESIDENTIAL LOBBY
002		40	R-2	1	2A	ONE (1) CLASS "A" RESIDENTIAL DWELLING UNIT
003		40	R-2	2	2A	TWO (2) CLASS "A" RESIDENTIAL DWELLING UNITS.
004		40	R-2	1.5	2A	ONE (1) CLASS "A" RESIDENTIAL DWELLING UNIT AND LOWER PART OF ONE CLASS "A" RESIDENTIAL DWELLING UNIT
PEN		40	R-2	0.5	2A	UPPER PART OF ONE CLASS "A" RESIDENTIAL DWELLING UNIT
TOTAL: FIVE (5) RESIDENTIAL DWELLING UNITS. THESE PREMISES HAVE BEEN DECLARED TO BE SUBJECT TO THE PROVISIONS OF SECTION 12-10 ZONING RESOLUTION AS TO ZONING LOT OWNERSHIP AS PER CRFN# 2017000122416 & 2017000122415.						
END OF SECTION						



Borough Commissioner



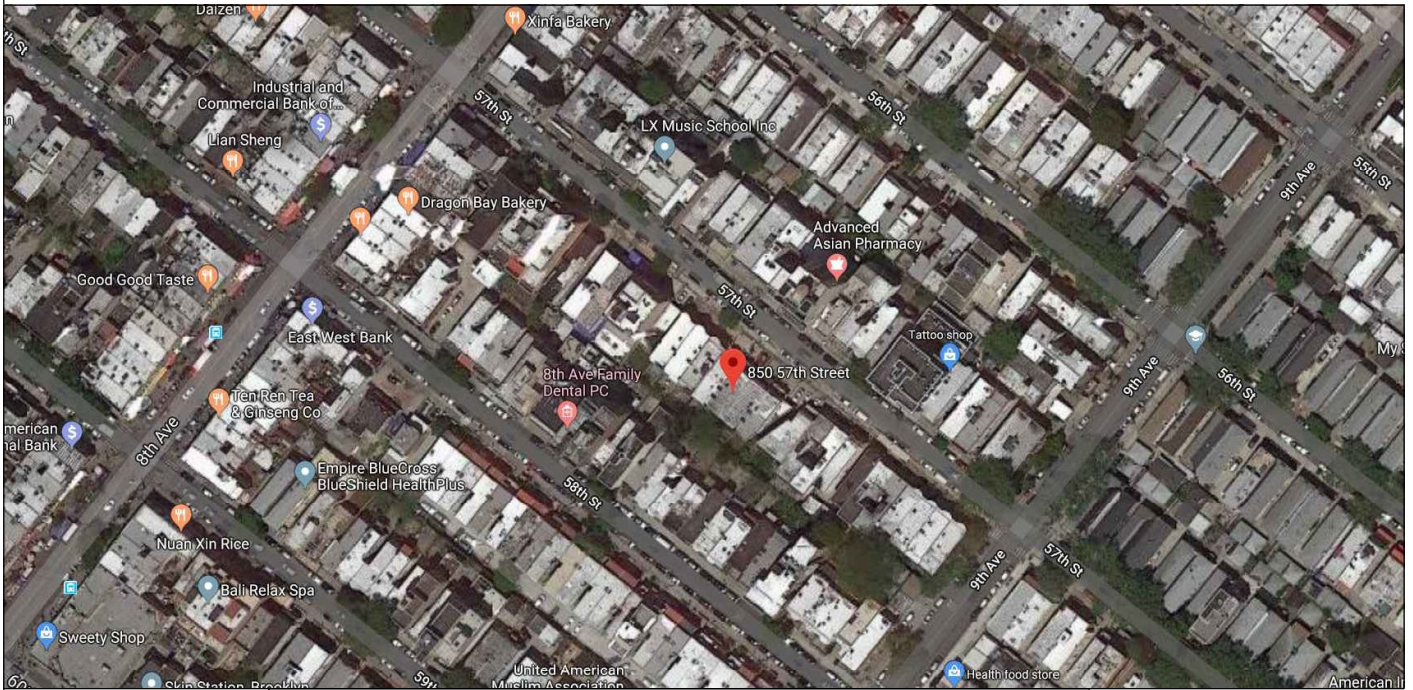
Commissioner

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THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020



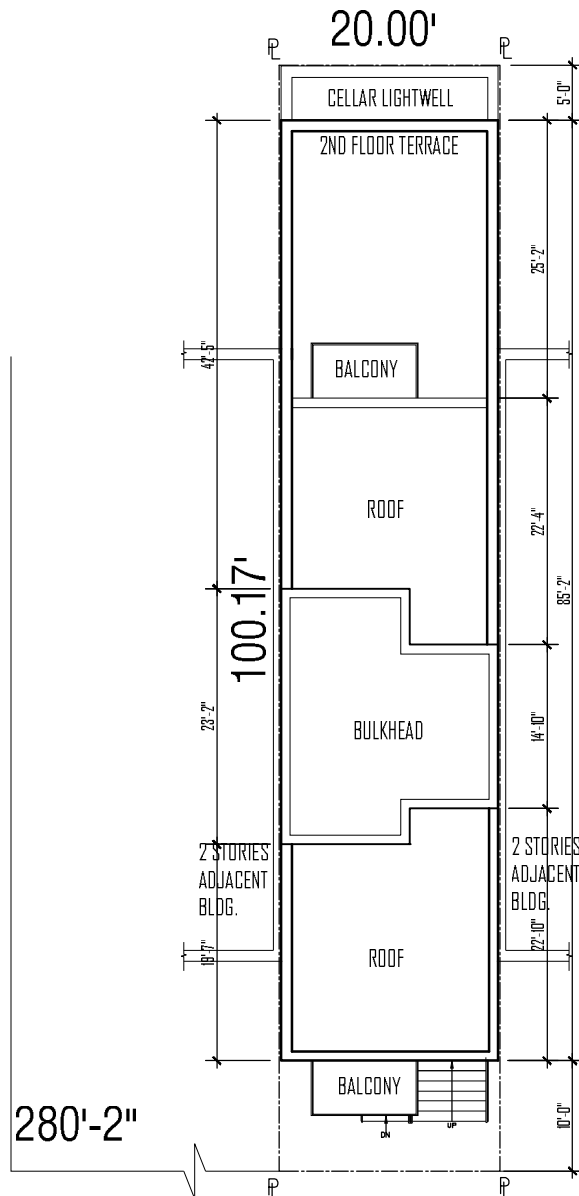
AREA MAP



THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020

ABBREVIATION	
ADJ	ADJACENT
BLDG	BUILDING
CL	CLOSET
COMM	COMMUNITY
EXIST	EXISTING
DN	DOWN
MAX	MAXIMUM
MECH	MECHANICAL
R	RANGE
REF	REFRIGERATOR
RM	ROOM
S	SINK
SPK	SPRINKLER
TYP	TYPICAL
W	WITH
W/D	WASHER & DRYER

9TH AVENUE
(80' WIDE = WIDE STREET)



57th STREET (60' WIDE = NARROW STREET)

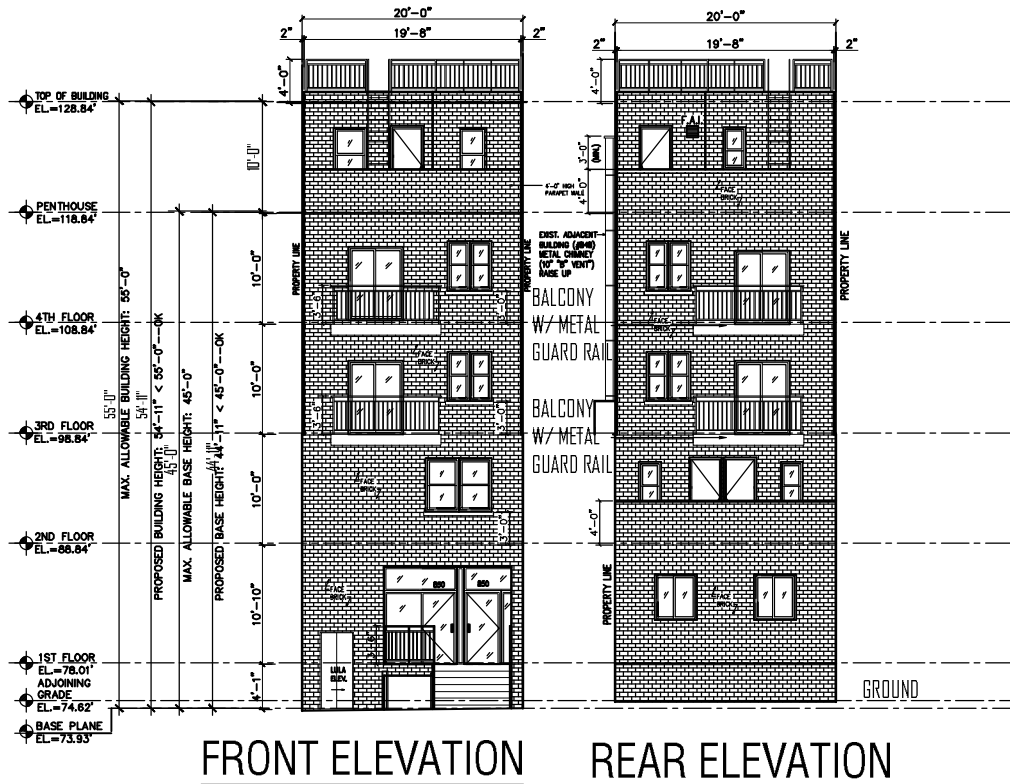


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SCALE: 1/16" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
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BROOKLYN, NEW YORK
DECEMBER 8, 2020

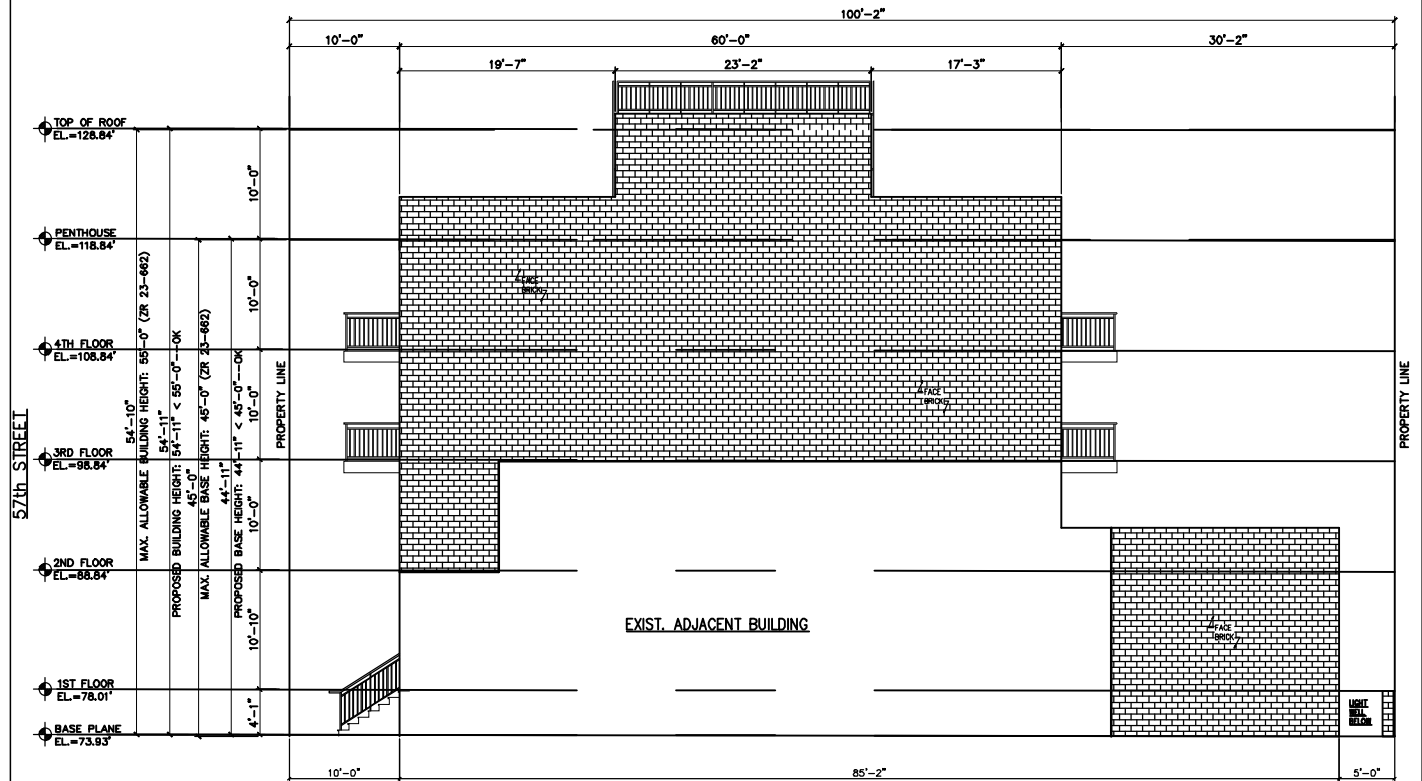


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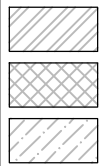
SIDE ELEVATION

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LEGEND



COMMUNITY FACILITY UNIT

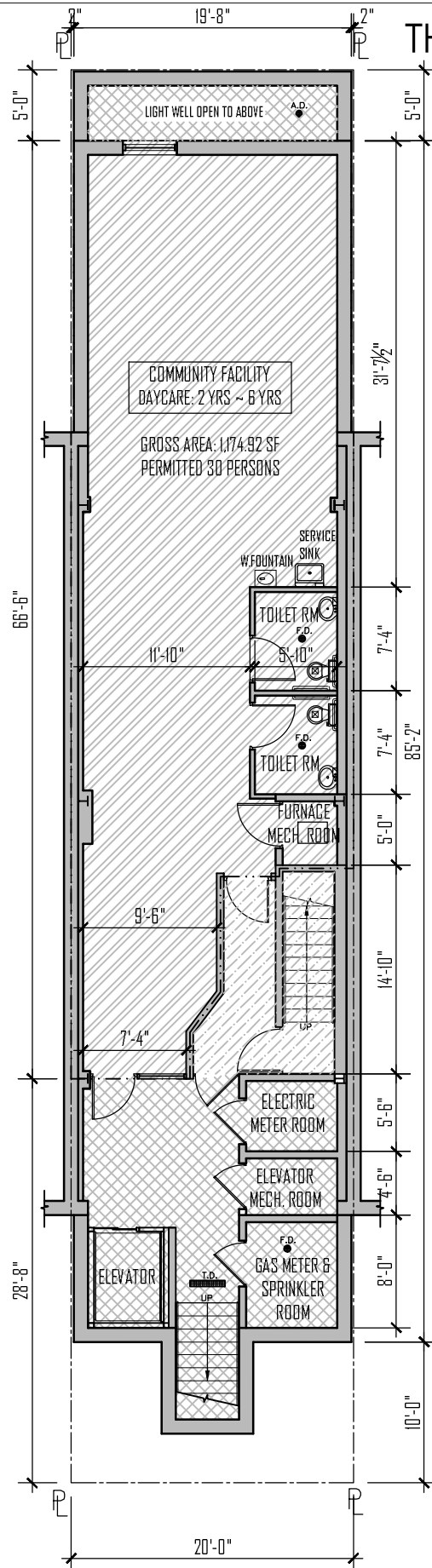
COMMON ELEMENT

LIMITED COMMON ELEMENT

UNIT BOUNDARY

PROPERTY LINE

THE 850 57th AVENUE CONDOMINIUM BROOKLYN, NEW YORK DECEMBER 8, 2020



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CELLAR
SCALE: 3/32" = 1'-0"

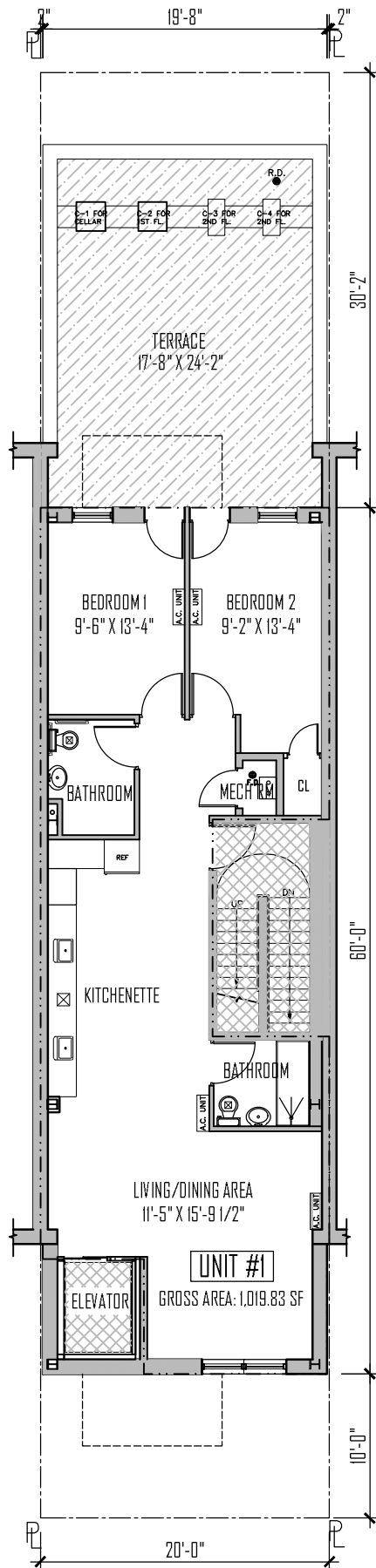
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FP6

THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020

LEGEND

-  COMMUNITY FACILITY UNIT
-  COMMON ELEMENT
-  LIMITED COMMON ELEMENT
-  UNIT BOUNDARY
-  PROPERTY LINE



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2ND FLOOR

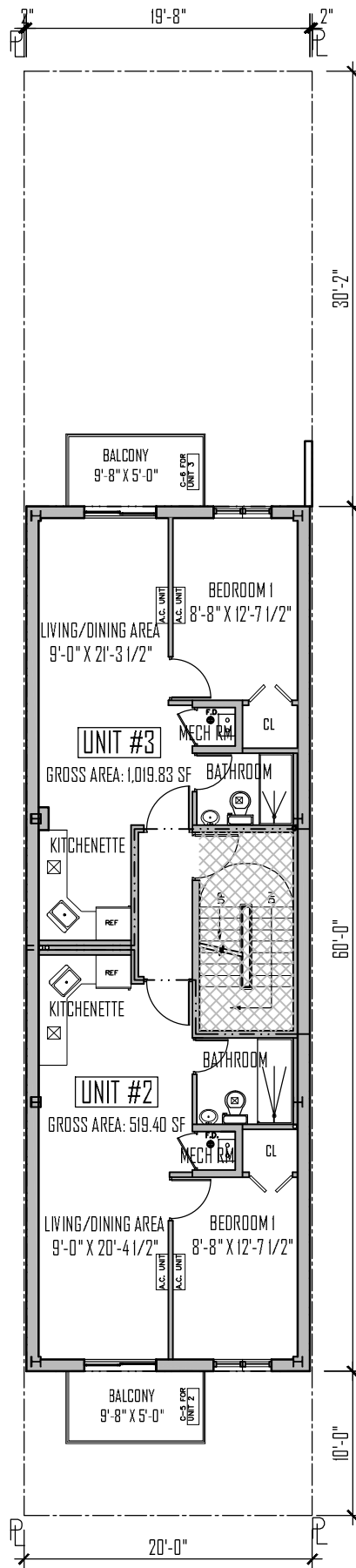
SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

LEGEND

-  COMMUNITY FACILITY UNIT
-  COMMON ELEMENT
-  LIMITED COMMON ELEMENT
-  UNIT BOUNDARY
-  PROPERTY LINE

THE 850 57th AVENUE CONDOMINIUM BROOKLYN, NEW YORK DECEMBER 8, 2020



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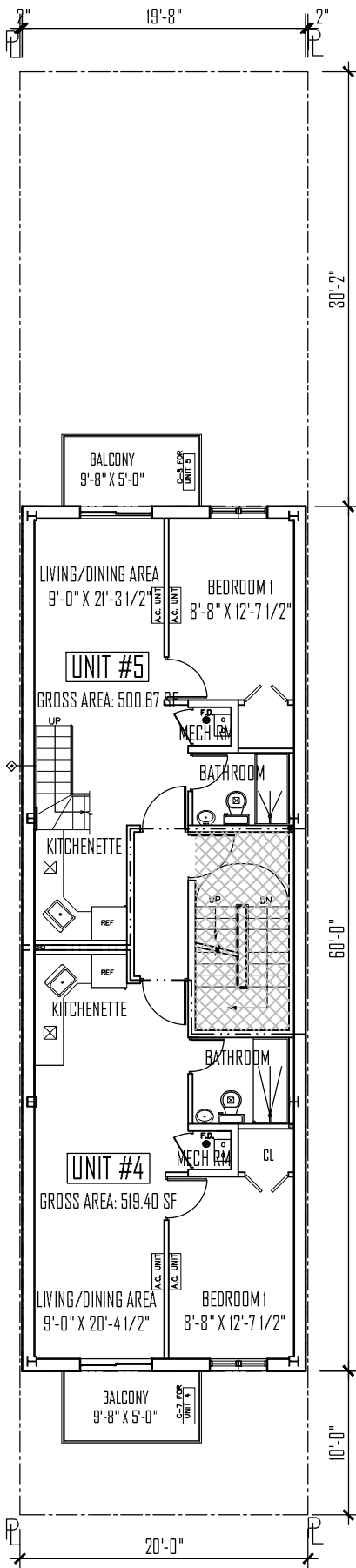
3RD FLOOR
SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020

LEGEND

-  COMMUNITY FACILITY UNIT
-  COMMON ELEMENT
-  LIMITED COMMON ELEMENT
-  UNIT BOUNDARY
-  PROPERTY LINE



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4TH FLOOR

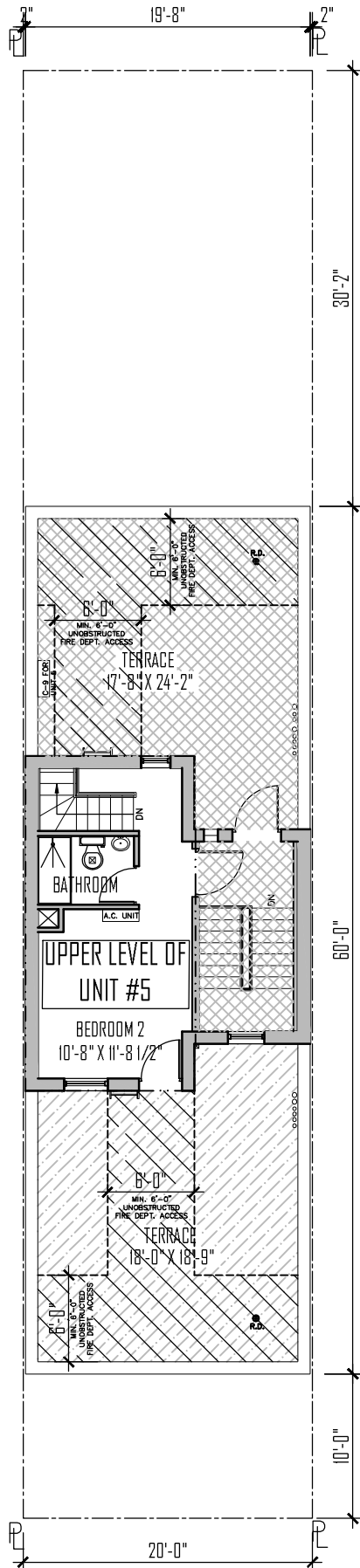
SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
CONDOMINIUM
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DECEMBER 8, 2020

LEGEND

-  COMMUNITY FACILITY UNIT
-  COMMON ELEMENT
-  LIMITED COMMON ELEMENT
-  UNIT BOUNDARY
-  PROPERTY LINE



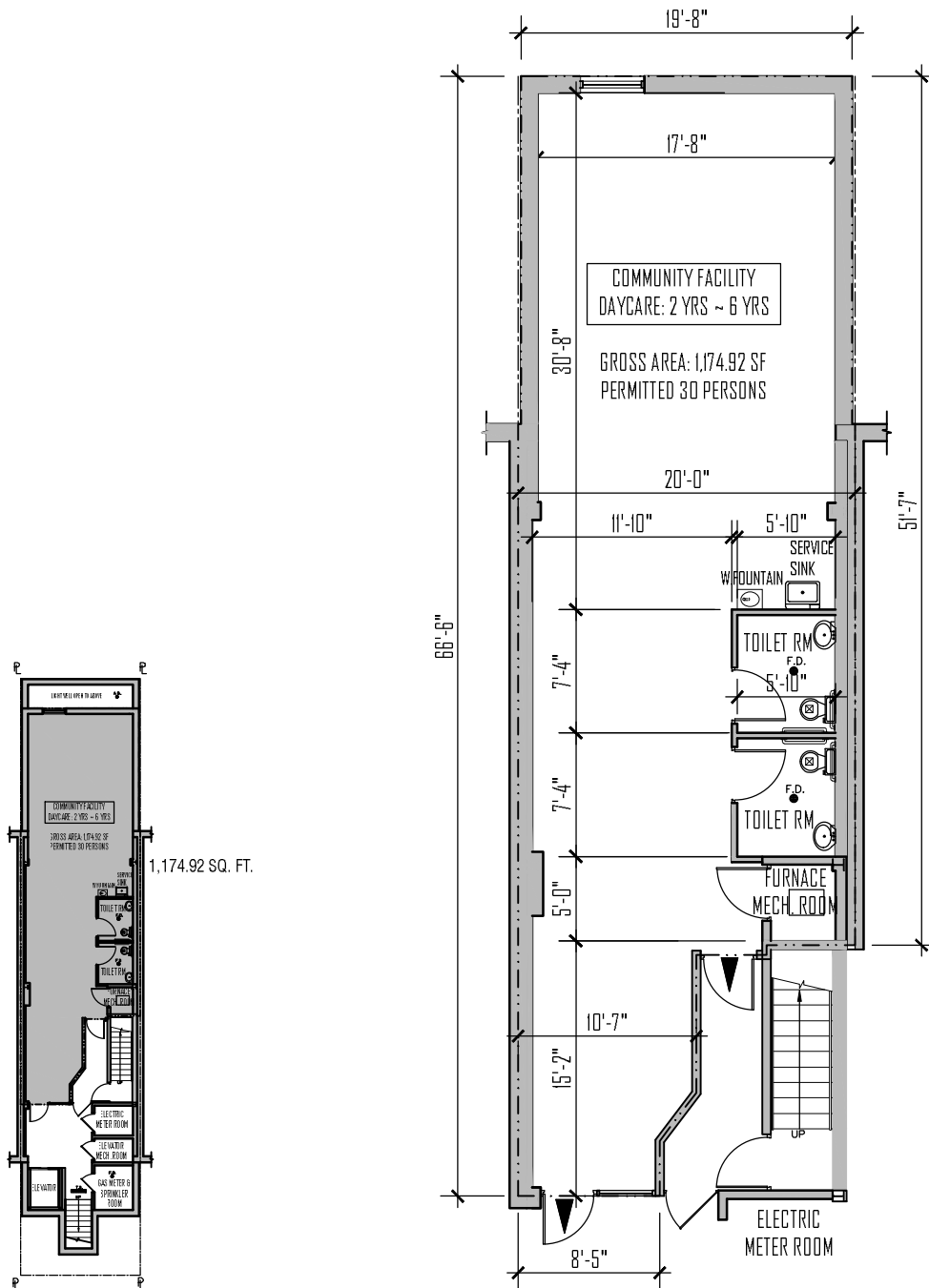
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PENTHOUSE

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020



COMMUNITY FACILITY
GROSS FLOOR AREA: 1174.92 SF
2 TOILET ROOM

FLOOR TO CEILING HEIGHT: 8'-11"

CELLAR KEYPLAN

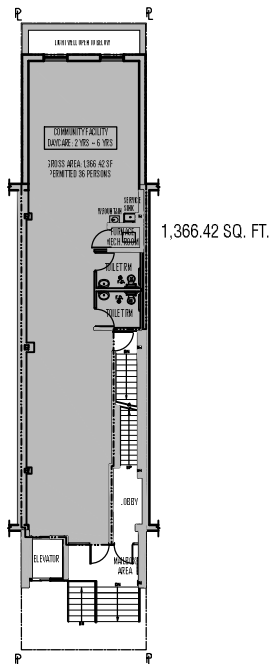
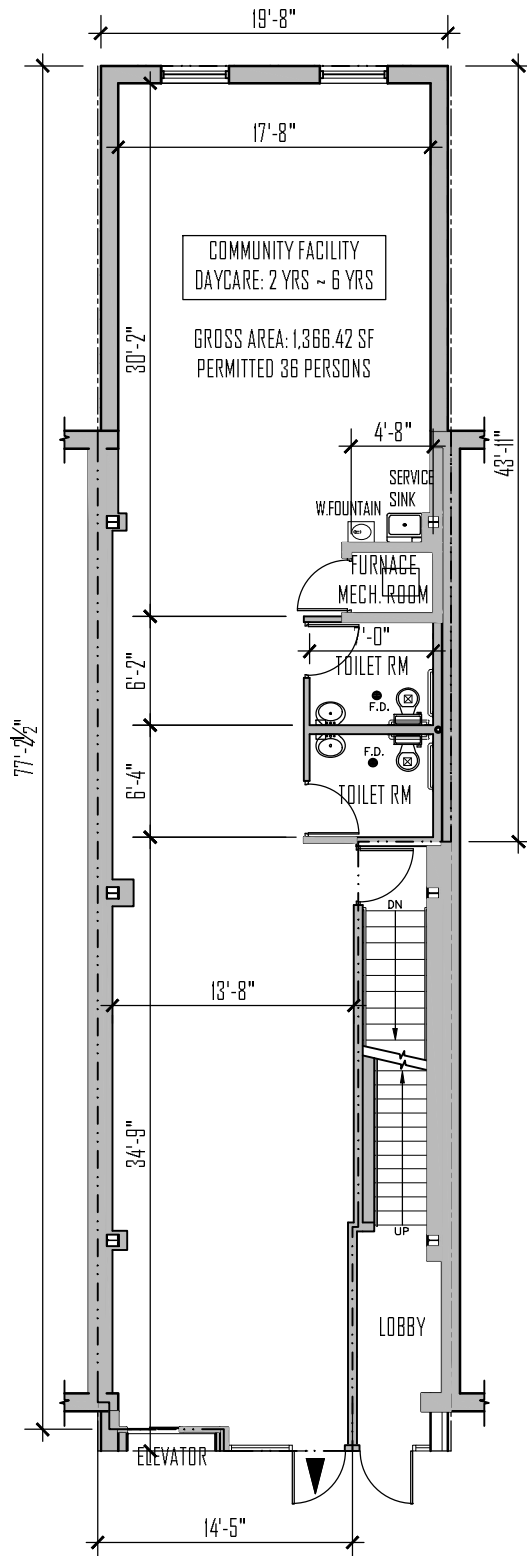


THIS ADVERTISEMENT IS NOT AN OFFERING. NO OFFERING
CAN BE MADE UNTIL AN OFFERING PLAN IS FILED WITH
THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK.

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020



1ST FL KEYPLAN



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COMMUNITY FACILITY

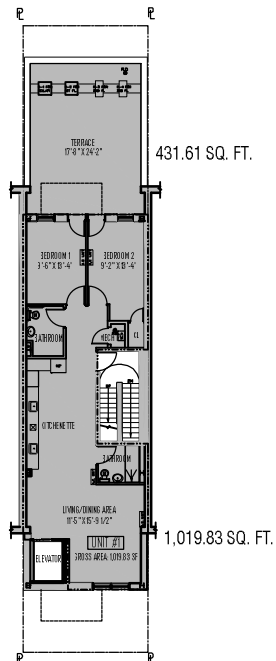
GROSS FLOOR AREA: 1366.42 SF
2 TOILET ROOM

FLOOR TO CEILING HEIGHT: 8'-10"

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

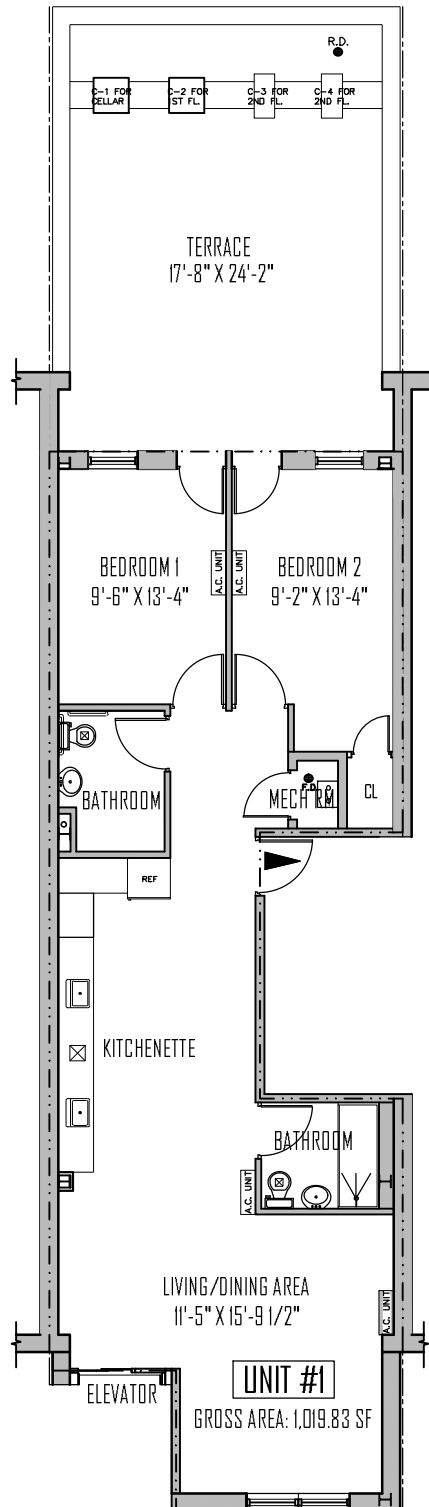
THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020



2ND FLOOR KEYPLAN



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RESIDENCE 1

UNIT: 1019.83 SF
TERRACE: 431.61 SF

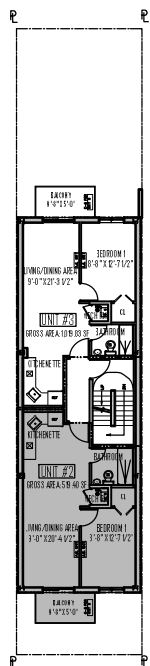
2 BEDROOM
2 BATH

FLOOR TO CEILING HEIGHT: 9'-0"

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

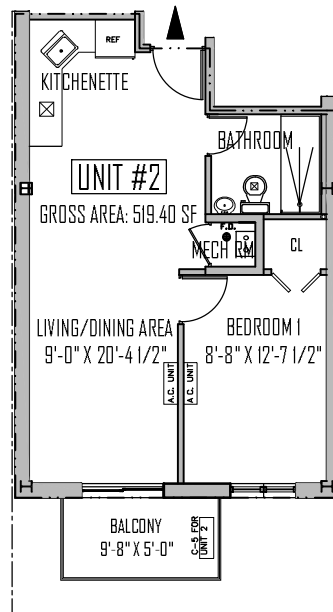
THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
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3RD FLOOR KEYPLAN



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RESIDENCE 2

UNIT: 519.40 SF
BALCONY: 48.33 SF

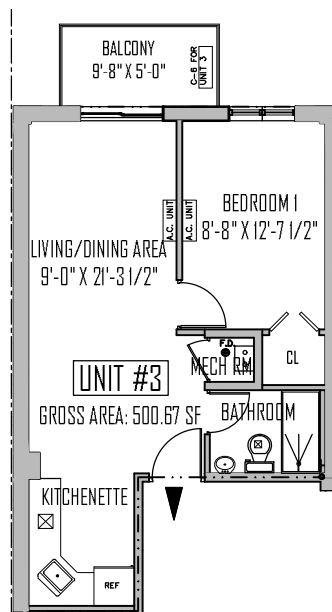
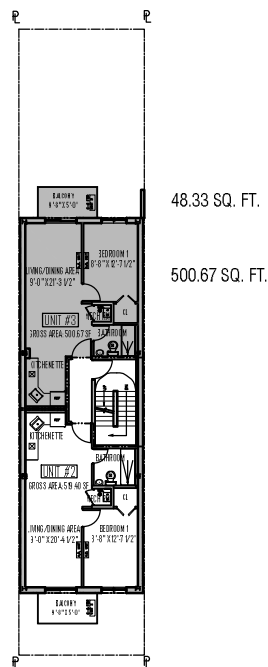
1 BEDROOM
1 BATH

FLOOR TO CEILING HEIGHT: 9'-0"

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020



RESIDENCE 3

UNIT: 500.67 SF
BALCONY: 48.33 SF

1 BEDROOM
1 BATH

FLOOR TO CEILING HEIGHT: 9'-0"

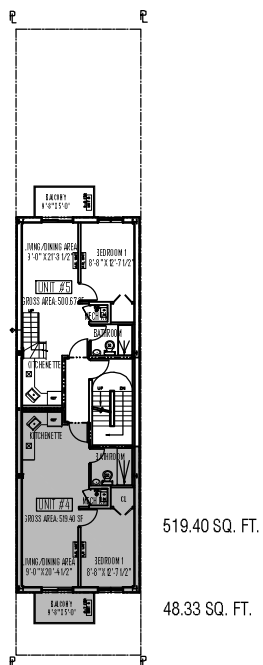
SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.



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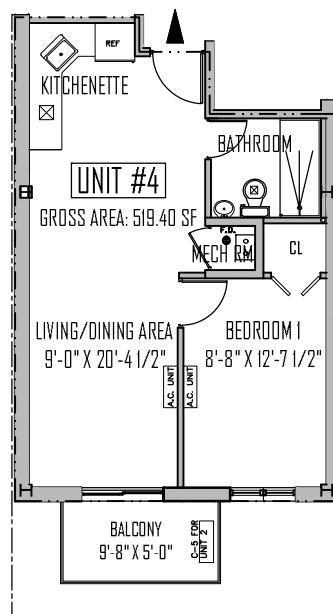
THE 850 57th AVENUE
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BROOKLYN, NEW YORK
DECEMBER 8, 2020



4TH FLOOR KEYPLAN



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RESIDENCE 4

UNIT: 519.40 SF
BALCONY: 48.33 SF

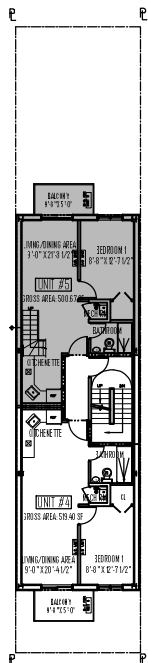
1 BEDROOM
1 BATH

FLOOR TO CEILING HEIGHT: 9'-0"

SCALE: 3/32" = 1'-0"

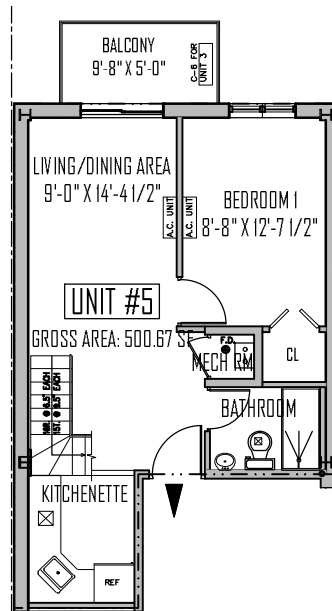
ALL DIMENSIONS ARE APPROXIMATE.

THE 850 57th AVENUE
CONDOMINIUM
BROOKLYN, NEW YORK
DECEMBER 8, 2020



48.33 SQ. FT.

500.67 SQ. FT.



4TH FLOOR KEYPLAN



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RESIDENCE 5 LOWER

LOWER LEVEL: 500.67 SF

UPPER LEVEL: 271.51 SF

UNIT TOTAL: 772.18 SF

BALCONY: 48.33 SF

2 BEDROOMS

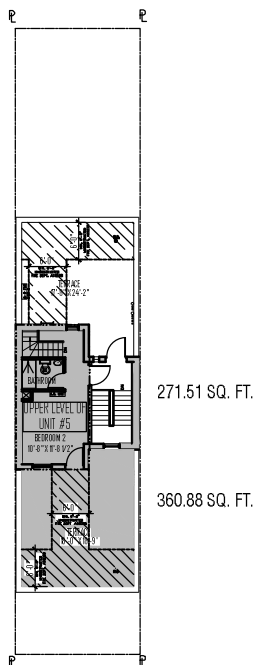
2 BATHS

FLOOR TO CEILING HEIGHT: 9'-0"

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

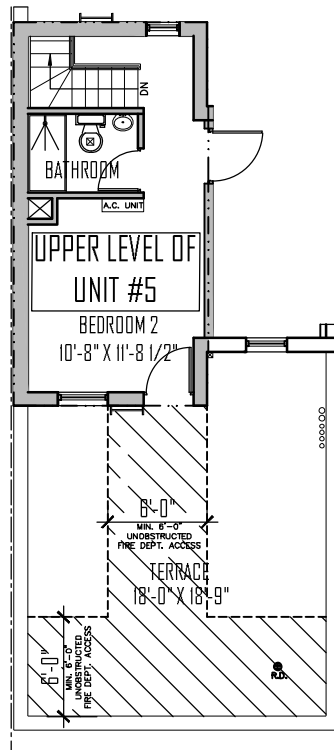
THE 850 57th AVENUE
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PENTHOUSE KEYPLAN



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RESIDENCE 5 UPPER

LOWER LEVEL: 500.67 SF
UPPER LEVEL: 271.51 SF
UNIT TOTAL: 772.18 SF
TERRACE: 360.88 SF

2 BEDROOMS
2 BATHS

FLOOR TO CEILING HEIGHT: 9'-0"

SCALE: 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE.

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

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

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

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

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

ARTICLE 36-B

§ 777. Definitions.

777-a. Housing Merchant Implied Warranty

777-b. Exclusion or modification of warranties.

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 777-a. Housing merchant implied warranty.

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

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

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

- a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or
- b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

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

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

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

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

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

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

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

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

§ 777-b. Exclusion or modification of warranties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5.
 - a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.
 - b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.
 - c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

New York Real Property Law, Article 9-B.

§339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to

the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 850 57th Street, Brooklyn, New York, County of Kings, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: THE 850 57TH STREET CONDOMINIUM

**DECLARANT: WINLE PROPERTY LLC
834 57th Street, #5A
Brooklyn, New York 11220**

DATE OF DECLARATION:

The land affected by the within instrument lies in Block 5693 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

F/k/a:	Lot(s) 27
N/k/a:	Lot(s)

Record and Return:

**LAW OFFICE OF CLAUDIA V. MURDOCH, P.C.
Attorney for Declarant
117 Seventh Avenue
Brooklyn, New York 11215**

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP of Premises to be known as the 850 57TH STREET CONDOMINIUM, located at 850 57th Street, Brooklyn, New York, Borough of Brooklyn, County of Kings, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York.

WINLE PROPERTY LLC, located at 834 57th Street, Apt. 5A, Brooklyn, New York 11220, hereinafter referred to collectively as "the Declarant," does hereby declare:

1. SUBMISSION OF PROPERTY: Declarant hereby submits the land hereinafter described, together with the Buildings and improvements thereon erected ("the Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York.
2. AREA AND LOCATION OF LAND: The land ("Land") consists of all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Declarant in fee simple absolute.
3. NAME OF CONDOMINIUM: The Condominium shall be known as the 850 57TH STREET CONDOMINIUM.
4. DESCRIPTION OF THE BUILDING: The condominium consists of a single building composed of a cellar and five stories, and containing, in aggregate, five (5) residential units and two (2) community facility units. The legal occupancy will match the proposed occupancy hereunder. The building complies with Class 1B construction requirements.
5. THE UNITS: SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit and any Limited Common Elements appurtenant thereto is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit. The boundaries of the Units consist of the area measured horizontally from the exterior side of the exterior walls or property line of any party wall to the centerline of the partitions separating one unit from another unit, or separating one unit from any common element or to the unit side of the opposite exterior walls. Each unit will consist of the area measured vertically from the lowest concrete floor of the units to the underside of the highest ceiling of the units. Areas may vary within

reasonable tolerances from the “as-built” square footage. Common elements located within Unit shall not be considered part of such Unit.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Fran Feng Huang, R.A., and intended to be filed in the Office of the City Register of the City of New York simultaneously with the recording of this Declaration, the dimensions indicated are approximate, and are incorporated by reference as if fully set forth herein.

7. COMMON ELEMENTS: The Common Elements of the Condominium consist of the entire Property, including parts of the Buildings and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, to the extent applicable, the following:

a) General Common Elements:

(i) The land on which the Buildings are physically erected, including any open areas appurtenant to the building(s);

(ii) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and installations beyond the exterior face of the Buildings; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the exposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roofs (excluding terraces), fire escapes (if any), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing the Residential Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls and the entrances to and exits from the Buildings;

(iii) All installations outside the Units for services such as gas, power, light, telephone and water;

(iv) All sewer pipes and drainage pipes outside units, including all drains and dry well on the land and those located outside the building footprint;

(v) The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans. To the extent the “as-built” condition of

the building differs from such Floor Plans, both said Floor Plans and this Declaration shall be deemed amended to conform to said as-built condition;

(vi) All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.

(vii) The foregoing are included only to the extent they are present in this building. If any of the foregoing items are hereinafter designated as limited common elements, such designation shall take priority over the listing set forth herein.

b) Limited Common Elements:

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that unit owner. Each Unit Owner, his guests, invitees, lessees and residents of his Unit shall have the exclusive right to use and possession of the limited common elements of the building indicated in the attached Exhibit B, subject to the following:

Each Unit Owner shall be solely and only responsible for repair and maintenance of the Limited Common Element appurtenant to his/her Unit including, but not limited to, painting, cleaning, patching, and surface repair. In the event a Unit Owner fails to properly maintain his/her Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium.

8. DETERMINATION OF PERCENTAGES OF COMMON INTEREST: The determination of percentages of Common Interest allocated to each unit is based upon floor space, subject to the location of such space, and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements or exclusive or shared use, and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

9. USE OF UNITS: Any Residential Unit may be used for private residential use, or for any home occupation use permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Community facility unit usage must conform to applicable zoning regulations or any variance granted thereof, and the Certificate of Occupancy for the premises or any amendment thereto. Notwithstanding the foregoing, the Declarant may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices, in connection with the sale or rental of the Units.

10. ENCROACHMENTS: If any portion of the Common Elements encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Buildings, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Buildings or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachments and for the maintenance of the same so long as the Buildings shall stand.

11. EASEMENTS:

a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right to access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

b) The Declarant and its designees, their successors, assigns, invitees, licensee, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other

utility lines, pipes, conduits, flues, ducts, wires and cables, and (iv) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

c) The Declarant, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in the access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property as same may be amended, and Declarant's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements, and (ii) reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Declarant or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or the residents of any property adjacent to the Property, or users of the Recreation Facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right to access of any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right to access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

d) The user of any easement granted by Sub-paragraphs "b" and "c" of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

12. PERSON TO RECEIVE SERVICE: For the period during which Declarant is in control of the Board of Managers, Winle Property LLC, 834 57th Street, #5A, Brooklyn, New York 11220, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Declarant relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the office of the Condominium located at 850 57th Street, Brooklyn, New York. In addition to the foregoing, the Secretary of State of

the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS:

All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws, and the Rules and Regulations (if any), as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering unto occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

14. AMENDMENT TO DECLARATION: This Declaration may be amended, modified, added to or deleted from by vote of Unit Owners representing at least 66-2/3% of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by vote of Unit Owners representing at least 66-2/3% of the Common Interest of all Unit Owners; provided however,

a) No amendment, modification, addition, or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;

b) No amendment which shall change the percentage of Common Interest allocated to any Unit or Units may be made without the written consent of such Owner;

c) No amendment, modification, addition, or deletion of or to this Declaration will be effective in any respect against the Declarant, its designee, or any Unsold Unit until the Declarant or such designee shall consent thereto in writing;

d) No amendment, modification, addition, or deletion of or to this Declaration which would in any way alter, restrict or change the use to which a Commercial Unit may be put shall be effective against any such Commercial Unit without the written consent of the Owner of such Commercial Unit.

The Declarant hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements of a vote and without the

approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances that are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p, will be filed with such amendment.

No such amendment shall be effective until recorded in the Office of the City Register of the City of New York.

15. CHANGES IN UNSOLD UNITS:

A. For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change in and size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Sponsor or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s). In the event of any such change in an Unsold Units, Sponsor shall amend the Declaration and Floor Plans to reflect same.

B. CHANGES TO A COMMERCIAL UNIT: Except to the extent prohibited by law, the Owner of a Commercial Unit shall have the right without the vote or consent of the Board of Managers to: (i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit; (ii) change the layout of, or number of rooms in the Commercial Unit; (iii) change the size and/or numbers by subdividing the Commercial Unit, into two or more separate Commercial Units, combining separate Commercial Units (including those resulting from such subdivision or otherwise) into one or more Commercial Units, altering the boundary walls between any Commercial Units, or otherwise; and (iv) if appropriate, reapportion amount the Commercial Units affected by such change in size or number pursuant to the preceding clause "c" their percentages of interest in the common element; provided, however, that the percentage of interest in the common elements of any other Commercial Units shall not be changed by reason thereof unless the Owners of such Commercial Units shall consent thereto and, provided further, that the owner filing such changes shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Commercial Units harmless from any liability arising therefrom.

Nothing contained in this Declaration shall prohibit the division or consolidation of any Commercial Units and common interest appurtenant thereto, including but not limited to a change in the number of rooms. Any such change which will affect the structural integrity of the Building requires the prior written consent of the Board of Managers. In no case, however, may such division or consolidation result in a different percentage of common interest for the total of new Commercial Units than existed for the total of the original Commercial Units before division or consolidation. An amendment to this Declaration authorized by this paragraph may be filed by the new Unit Owner(s) without notice to or consent of the Board of Managers or any other Commercial Owner(s) provided the percentage of common interest of all other existing Commercial Units is not affected thereby.

If the number of rooms in an Unsold Commercial Unit is changed, or the size and/or number of Unsold Commercial Units is changed (whether as a result of a subdivision or combination of Unsold Commercial Units, or of boundary walls between Unsold Commercial Units, or otherwise) and the appurtenant percentage interest in the common elements is reapportioned as a result thereof, all in accordance with the provisions of this Article, then the Sponsor or its designee shall have the right to execute, or (on its request) to require any other Unit Owner or the Condominium Board of Managers to execute, and record in the Office of the City Register of the City of New York, an amendment to this Declaration (together with such other documents as the Sponsor or its designee deems

appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Commercial Units any of them or in the size and/or number of Unsold Commercial Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage of interest in the common elements.

In the event the Sponsor or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Sponsor or its designee, to reflect any such alteration, addition, improvements, changes or reapportionments and shall record such amendment in the Office of the City Register of the City of New York.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

16. INVALIDITY:

a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included;

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted

under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

17. THIS PARAGRAPH HAS BEEN INTENTIONALLY OMITTED.

18. TERMINATION OF CONDOMINIUM: The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in Common Interest of the Units. The Declarant or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Declarant may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided however, that no payment shall be made to a Unit Owner until all lienors have first been paid off out of his share of such proceeds.

19. COMMON EXPENSE: Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. Common expenses shall be charged to unit owners according to their respective common interests, except that such expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common profits and expenses for one (1) or more non-residential units. Additionally, common expenses may be specially allocated and apportioned to residential or non-residential units, or a combination thereof, based on special or exclusive use or availability, or exclusive control, of particular units or common areas by particular unit owners.

20. DEFINITION OF "DECLARANT-DESIGNEE": The term "Declarant- Designee" as used in this Declaration shall mean any person or entity designated by the Declarant to acquire title to a Unit, other than a good faith Purchaser for value purchasing pursuant to a validly executed Purchase Agreement. A "Declarant-Designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Declarant-Designee."

21. WAIVER: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration, nor the intent of any provision thereof.

23. GENDER: The use of the masculine gender in this Declaration shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24. MORTGAGEES RIGHTS:

a) Notwithstanding anything to the contrary set forth in any other portion of this Declaration, amendments of a material adverse nature to the interest of the mortgagees must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes of the Condominium allocated to all units which are subject to mortgages;

b) Any action to terminate the legal status of the project after substantial destruction or condemnation, or for any other reason, must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes allocated to units which are encumbered by mortgages at the time of such termination. In the event notice of either of the foregoing is delivered to any mortgagee; and in the further event such mortgagee fails to submit a written response to such written notice within sixty (60) days after it receives such notice (and further provided that such notice was delivered by registered or certified mail with a return receipt requested); then in such case such mortgagee will be deemed to have consented to the notice to action.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by its duly authorized representatives this day of , 20 .

WINLE PROPERTY LLC
BY:

STATE OF NEW YORK)
COUNTY OF) SS.:

On the day of , 20 , before me, the undersigned, personally appeared, , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

**SCHEDULE B
TO THE DECLARATION**

**The 850 57th Street Condominium
850 57th Street
County of Kings, Brooklyn, New York 11220**

Block: 5693
F/K/A Lot: 27
N/K/A Lots: TBA

Description of Units

Unit No.	Tax Lot	Location	Usage	Approx. Sq. Ft. of Unit	% of Common Interest	Bdms/ Baths	Limited Common Elements	
							Balcony	Terrace
Cellar	TBA	Cellar Floor	Community Facility	1,174.92	19.20%	N/A	N/A	N/A
First Fl	TBA	First Floor	Community Facility	1,366.42	22.32%	N/A	N/A	N/A
1	TBA	Second Floor	Residential	1,019.83	18.43%	2/2	N/A	431.61
2	TBA	Third Floor	Residential	519.40	8.69%	1/1	48.33	N/A
3	TBA	Third Floor	Residential	500.67	8.38%	1/1	48.33	N/A
4	TBA	Fourth Floor	Residential	519.40	8.69%	1/1	48.33	N/A
5	TBA	Fourth Floor	Residential	772.18	14.29%	2/2	48.33	360
		Penthouse			100.00%			

BY-LAWS
of the
850 57TH STREET CONDOMINIUM

ARTICLE I

Purpose of Business

Section 1. Unit Ownership: The property located in the Borough of Brooklyn, County of Kings, City and State of New York at 850 57th Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Office of the City Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as the 850 57TH STREET CONDOMINIUM.

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Buildings, and all other improvements thereon (including the Units, the Common Elements and the Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. Application: All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Meetings of Unit Owners

Section 1. Annual Meeting: The Annual Meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Brooklyn, City of New York, at such time and place, each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or a Vice President or the Secretary or an Assistant Secretary. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his or her address as it appears in the records of the Condominium, unless he or she shall have filed with the Secretary of the Condominium a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing to do so by Unit Owners owning at least twenty-five per cent (25%) of the votes of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the holders of all the Units of the Condominium be present thereat in person or by proxy. Except that there shall be a meeting commenced within sixty (60) days after the closing of the First Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable, but any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of Unit Owners, except where otherwise provided by law, Unit Owners representing, in person or by proxy, 51% of the votes of the Units shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the Units represented may adjourn the meeting to some future time and place. Only those Unit Owners who, if present at the adjourned meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting: At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium. Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to his/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

Section 6. Title to Units: Title to Units may be taken in the name of an individual or in the name of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, un-incorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section.

Section 7. Number of Votes: Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to the vote at all meetings of Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. Majority of Unit Owners: As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 7 of this Article II. Two thirds of Unit Owners shall mean those Unit Owners having greater than 66-2/3% of the total authorized vote of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners. A vote of a majority of Unit Owners shall be sufficient for any action of any meeting, except where otherwise provided herein or required by statute.

Section 9. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

ARTICLE III

OFFICERS

Section 1. Designation: The principal officers of the Condominium shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; s/he shall have charge of such books and papers as the Board of Managers may direct; and s/he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. S/he shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers, and s/he shall, in general, perform all the duties incident to the

office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Compensation of Officers: No officer shall receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity.

Section 9. Liability of Officers: No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful misconduct of an officer. It is intended that each officer shall have no personal liability with respect to any contract made by him on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

ARTICLE IV

Managers

Section 1. Number: The number of Managers of the Corporation shall not be less than three (3) nor more than seven (7), as may from time to time be herein provided and, in the absence of such provision shall be three (3). Commencing with the first election of Managers by Unit Owners of the Condominium, and until changed by amendment of this By-Law provision, and hereinafter provided, the number of Managers shall be three (3). The number of Managers shall not be decreased to a number less than the number of Managers then in office except at any Annual Meeting of Unit Owners. However, during the period the Sponsor, its Successor Offeror(s) or

Designees(s) continue to own 50% or more of the Condominium the number of Managers shall remain fixed at three (3).

Section 2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners. The Board shall further have the right to employ a manager or managing agent or both, and may delegate any or all of the powers conferred by this section to such managing agent. Persons employed in the operation of the property may be designated or removed by a majority vote of the Board of Managers, or without vote by the managing agent or manager, if such a person is employed by the Board.

Section 3. Nomination and Election: The Managers shall be elected for a term of one year at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .01% of common interest in the condominium appurtenant to such Owner's Unit, which may be cast all for one nominated manager or divided among any number of candidates. Their term of office shall be until their respective successors are elected and qualify.

Section 4. Quorum: A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies: Vacancies in the Board of Managers resulting from death, resignation or otherwise may be filled without notice to any of the Unit Owners by a vote of a majority of the remaining Managers present at the meeting at which such election is held for that purpose promptly after the occurrence of any such vacancy even though no quorum is present. Each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of Unit Owners to serve the remaining term. In the event of the failure to hold any election of Managers at the time designated for the annual election of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a Special Meeting of Unit Owners shall be called to elect a new Board of Managers. Any vacancy created by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of Managers by amendment of these By-Laws, the Manager, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 6. Meetings: The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the Condominium or upon the written request of any three Managers then holding office, upon notice given to each Manager, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine. Any meeting of the Board at which all the Managers shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal: Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective. Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate vote is at least 51% of the votes of the Condominium at a Unit Owners' meeting duly called for that purpose; provided, however, that the Manager(s) elected by the Holders of "Unsold Units" can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Holders of Unsold Units.

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Manager shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) the fifth anniversary of the First

Closing or (ii) such time as the Holders of Unsold Units hold less than 50% of the outstanding votes of the Residential Units, the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- a) Increase the number or change the type of employees from that described in the FOOTNOTES TO SCHEDULE B of the Offering Plan;
- b) Provide for new or additional services from those indicated in the FOOTNOTES TO SCHEDULE B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;
- c) Establish any reserve other than the Reserve and/or Working Capital Funds set forth in the Offering Plan.

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

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner. Owners, tenants, occupants, and invitees of the community facility unit shall have the right to use the elevator located on the premises. The Board of Managers shall not be permitted to impose a rental fee upon the owner of the community facility unit, nor to prohibit owners, tenants, occupants, or invitees of the community facility unit from using the elevator located on the premises.

Section 10. Compensation: No Member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 11. Liability of the Board of Managers: The Members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, and, except as prohibited by law, the Unit Owner's interest in the Unit. Every agreement made by the Board of Managers, or the Managing Agent, or the Manager, on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements, and, except as prohibited by law, the Unit Owner's interest in the Unit.

ARTICLE V

NOTICES

Section 1. Definitions: Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in

a postpaid sealed wrapper, addressed to the Board of Managers, such Managers or Unit Owner or mortgagee in such address as appears on the books of the Condominium.

Sections 2. Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests; except that such expenses may be specifically allocated and apportioned by the Board of Managers in a manner different from common interest to one (1) or more non-residential units; or in the case of either residential or non-residential units or any combination thereof, such expenses may be specially allocated and apportioned based on special or exclusive use or availability, or exclusive control, of particular units or common areas by particular unit owners. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-Laws and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease of any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners. Any dispute relating to the expenses to be

borne by the Unit Owners shall be submitted to arbitration in accordance with these By-Laws.

Until such time as units are separately assessed for New York City real estate tax purposes, real estate taxes shall be deemed part of the common expenses of the building, and individual unit owners will be assessed their proportionate share thereof. After assessment, unit owners will be reimbursed for any overpayment of taxes or assessed for any underpayment.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance: The Board of Managers shall be required to obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein within fifteen (15) days after receipt thereof.

Section 3. Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him.

Section 4. Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner that remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner that remains unpaid for more than thirty (30) days from the due date thereof.

Section 5. Default in Payment of Common Charges or Assessments: In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owners shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners. During the time that the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which the Sponsor is more than 30 days in arrears of common charges.

Under section 339-kk of the Real Property Law, the Board of Managers has the right to require the tenant in an apartment owned by a non-occupying owner to make rental payments directly to the Board of Managers where such non-occupying owner is in default on payments of common charges, assessments, or late fees for such unit for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying owner. The procedures by which the Board of Managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned section which is recited at Page RP1 of this Offering Plan.

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws; (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

a) All maintenance, replacement, or repair to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be the responsibility of the unit owner, and the expense thereof shall be the sole responsibility of the Unit Owner, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) Each unit owner shall be solely and only responsible for repair or maintenance of any limited common element appurtenant to his/her unit, including but not limited to painting, cleaning, patching, and surface repair, and, in the case of balconies, if any, structural maintenance.

d) In the event a Unit Owner fails properly to maintain his unit or limited common element, the Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas, and the cost thereof shall be assessed against the owner of the condominium unit in question, or the owner of the unit to which such limited common elements are appurtenant.

e) To the extent that damage to a limited common element or unit is caused by a building condition or by other condition for which the condominium carries insurance, the cost of repair of such damage shall be borne by the condominium.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

a) The Units shall be used for any use permitted under applicable zoning law and ordinances, building code or other rules and regulations of

governmental authorities having jurisdiction, and the Certificate of Occupancy. Notwithstanding the foregoing, the Sponsor or Sponsor-Designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

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

c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its occupants or which interferes with the peaceful possession or proper use of the Property by its occupants.

d) No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e) In the event the Board of Managers determines, via letter from the insurance agent providing insurance for the building, that the cost of insuring the building with the Commercial Units exceeds the cost of insuring the building without Commercial Units, then the Commercial Unit Owners shall be responsible for a special assessment in the amount of such overage. Commercial Unit Owners shall be under a duty to maintain heat in their unit on a 24-hour basis, notwithstanding the operating hours of the business, so as to prevent any piping or building facilities which run through said Commercial Units from freezing or being otherwise damaged by any weather condition.

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 11 that require the consent of the Board of Managers in connection with a structural addition, alteration, or improvement shall not apply to

Units owned by the Sponsor or its designee. All other provisions of this Section 11 shall apply to all Units.

Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings may be made without the prior approval of the Board of Managers.

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 13, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 14. Rules of Conduct: Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. A copy of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A.

Section 15. Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a

frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the Property and in the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 16. Smoking Policy: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements.

ARTICLE VII

Mortgages

Section 1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

Section 5. Any mortgagee shall be entitled to timely written notice of:

- a. Any condemnation of casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
- c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgagees.

Section 6. Notwithstanding anything to the contrary set forth in any portion of these By-Laws, any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such unit's unpaid regularly scheduled budgeted dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues.

Section 7. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment, modification, addition, or deletion that shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

Section 8. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by certified or registered mail, return receipt requested, said mortgagee will be conclusively presumed to have consented to the action set forth in said notice.

ARTICLE VIII

Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be

payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by the casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off.

ARTICLE IX

Arbitration

Section 1. Procedure: Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York, in accordance with the then existing rules of the American Arbitration Association or

any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party, by the Real Estate Board of New York.

Section 2. Variation by Agreement: The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 3. Binding Effect: The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Cost and Expenses: The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by Condominium board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE X

Conflicts

Section 1. Conflicts: These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XI

Amendments to the By-Laws

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended by the vote of two-thirds (as that number is defined in these ByLaws) in number and in Common Interests of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

For as long as there are one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

ARTICLE XII

Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and/or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine and other genders and the use of singular shall be deemed to include the plural, and vice-versa, whenever the context requires.

Section 4. Waiver: No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, respective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of two (2) or more Unit first

mortgagees, if applicable). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of two (2) or more Unit first mortgagees, if applicable). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

Section 6. Report to Unit Owners: The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

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

2) Prior notice of the annual Unit Owners meeting at least 30 days prior to such meeting.

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

ARTICLE XIII

Sponsor Control

Section 1: Transfer of control of the Condominium Board of Managers shall pass to unit owners, other than the Sponsor, at the later of the following:

- Sixty (60) days after the date by which 75% of the units have been conveyed to unit purchasers;
- or
- Three (3) years after the first conveyance of a unit to a unit purchaser.

Notwithstanding the foregoing, Sponsor may vote for unit owners of its choice.

Section 2: Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any

expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer; or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or required to avoid the suspension of any necessary service to the Building.

Section 3: So long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 4: At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

Section 5: So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

1. Shall not eliminate or reduce the number of employees, insurance coverages or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit purchasers vote in favor thereof.
2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition;
3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law, or order of an insurance carrier, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of occupants of the Building or required to avoid the suspension of any necessary service to the Building.

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO
SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL
BUSINESS LAW ARTICLE 23A, AS AMENDED**

**RE: 850 57th Street
 Brooklyn, New York**

We, WINLE PROPERTY LLC, GU CHEN, and BING RU ZHENG, being the Sponsor and principals of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

We understand that we have primary responsibility for compliance with the provisions of Article 23A of the General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable;

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us that amend or supplement the Offering Plan will:

1. Set forth the detailed terms of the transaction and be complete, current, and accurate;
2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or

d) did not have knowledge concerning the representation or statement made.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the Civil and Criminal penalties of the General Business Law and the Penal Law.

WINLE PROPERTY LLC

by:



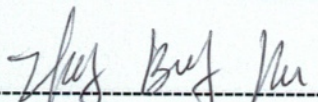
GU CHEN

Sworn to before me this 11th
day of March, 2020.



Notary Public

LI HONG HUANG
Notary Public - State of New York
No. 01HU6307123
Qualified in Kings County
My Commission Expires 6/30/2022



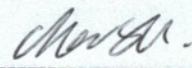
BING RU ZHENG

Sworn to before me this 11th
day of March, 2020.



Notary Public

LI HONG HUANG
Notary Public - State of New York
No. 01HU6307123
Qualified in Kings County
My Commission Expires 6/30/2022



GU CHEN

Sworn to before me this 11th
day of March, 2020.



Notary Public

LI HONG HUANG
Notary Public - State of New York
No. 01HU6307123
Qualified in Kings County
My Commission Expires 6/30/2022

HPL Engineering PC.

201 46th Street, 1st Floor,
Brooklyn, NY 11220
Tel: (718)439-6600; Fax:(718)439-6688
Email: HPLENGINEERING@GMAIL.COM

02/08/2021

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO PART 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: **The 850 57TH Street Condominium**
850 57th Street
Brooklyn NY 11220

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained me firm to prepare a report describing the gut renovation of the property (the "Report"). I visually inspected existing portions of the renovated property, if any, on 11/09, 2020, and I examined the building plans and specifications that were prepared by HPL ENGINEERING P.C, dated 10/28/2019, also prepared the Report dated 02/08/2021, 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 licensed engineer 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.

I/we 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 gut renovation ,

provided that gut renovation is in accordance with the plans and specifications that I examined;

- (ii) in my professional opinion affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of gut renovation, provided that gut renovation is in accordance with the plans and specifications that I/we 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/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.

I further certify that I am not owned or controlled by, and have no beneficial interest in, the Sponsor, and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on Feb. 8th. 2021,

Fran Huang,

A circular professional seal for the State of New York. The outer ring contains the text "STATE OF NEW YORK" at the top and "LICENSED PROFESSIONAL ENGINEER" at the bottom, separated by two stars. The inner circle features the name "FRAN (FENG) HUANG" at the top and the license number "083189" at the bottom. In the center is a crest depicting two figures holding a shield with a sun and a gear. A blue ink signature is written across the seal.

(SEAL)



BROOKLYN PROPERTIES

LICENSED REAL ESTATE BROKERAGE FIRM

LOCATIONS 113 7th Avenue | 213 7th Avenue | 85 Fort Greene Place

718.788.3888 | info@brooklynproperties.com

March 13, 2020

**CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20
OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS
AMENDED**

RE: 850 57th Street, Brooklyn, New York

The Sponsor of the condominium Offering Plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1, containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed real estate broker for twenty years, the management of approximately eleven total buildings over ten years, and the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

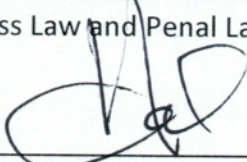
We certify that the Schedules do:

1. Set forth in detail the projected income and expenses for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

CRT5

3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, or suppression;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort, could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or;
 - d) did not have knowledge concerning the representations or statements made.

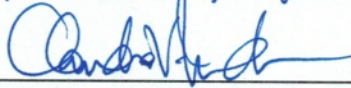
We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses of the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



Hal Lehrman
Licensed Real Estate Broker

SWORN TO BEFORE ME THIS

13th DAY OF March, 2020.



NOTARY PUBLIC

CLAUDIA V. MURDOCH
Notary Public, State of New York
No. 02MU6286339
Qualified in Kings County
My Commission Expires July 22, 2021



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April 2, 2020

**CERTIFICATION BY EXPERT ON ADEQUACY OF COMMON CHARGES PAYABLE BY THE
COMMERCIAL UNIT OWNER(S) PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23A, AS AMENDED**

RE: 850 57th Street, Brooklyn, New York

The Sponsor of the condominium Offering Plan for the above captioned property retained me to review SCHEDULE B, which includes projections of common charges payable by owners of commercial units. Our experience in the field includes being a licensed real estate broker in excess of twenty years; the management of approximately eleven total buildings over ten years; and, the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23A of the General Business Law and the regulations promulgated by the Attorney General, Part 20 thereof, insofar as they are applicable to the commercial units listed in SCHEDULE B. We have reviewed the SCHEDULE as it impacts upon commercial units and investigated the facts set forth in the SCHEDULE, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B for common charges payable by the owners of commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflect special or exclusive use or availability, or exclusive control of, particular common areas.

We certify that the estimates in SCHEDULE B for common charges payable by the owners of commercial units do:

1. Set forth in detail the projected common charges for the commercial unit for the first year of condominium operation;



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2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by owners of the commercial unit;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, or suppression;
6. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort, could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or,
 - d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on April 2, 2020.



Hal Lehrman
Licensed Real Estate Broker