
CONDOMINIUM OFFERING PLAN

**THE 317 WINTHROP STREET CONDOMINIUM
317 WINTHROP STREET
BROOKLYN, KINGS COUNTY, NEW YORK 11225**

Residential Units.....6	\$3,175,000.00
Total Amount of Offering	\$3,175,000.00

SPONSOR:

**WINTHROP APART LLC
58-09 82ND STREET
MIDDLE VILLAGE, NEW YORK 11379**

SELLING AGENT:

**BOLD NEW YORK
632 BROADWAY, 6TH FL.
NEW YORK, NY 10012**

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

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DEFINITIONS

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

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

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

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

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

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

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

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

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

Declaration of Condominium: The instrument creating the Condominium, the form

of which is set forth in Part II of this Plan.

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

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

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

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

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

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

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

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

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

Sponsor: Winthrop Apart LLC, 58-09 82nd Street, Middle Village, NY 11379.

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

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

SPECIAL RISKS

1) 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 \$2,600.00, 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 the closing takes place anywhere other than at the office of Sponsor's counsel, an additional travel fee of \$500.00 will be charged for attending the closing. Sponsor's attorney will charge \$150.00 fee for the preparation of ACRIS New York City and State transfer tax forms. In the event that a scheduled closing must be adjourned, Sponsor's attorney will charge Purchaser a \$500.00 fee per adjournment. 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 residential units in the building, which in the case of this Plan is one (1) unit. If the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a condominium even though there is no guarantee that all of the purchasers counted towards effectiveness will ultimately purchase their units. The Plan would have to be re-declared effective in the event that 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 KENNETH GOLDEN, ESQ. as escrow agent, at Bank of America, a bank authorized to do business in the State of New York, at its branch located at 101 West 33rd Street, New York, New York 10001 (the "Escrow Account"). The name of the account is NEW YORK IOLA ATTORNEY TRUST ACCOUNTS KENNETH GOLDEN, ESQ. 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 Loan Trust LLC, having an office at 40 Middle Neck Road, Great Neck, New York 11021 (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 thec. 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. Under New York law, when a financing commitment is not fulfilled through no fault of a Purchaser, and the financing commitment lapses or 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 performance is excused. Sponsor, therefore, must grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right. 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 is a duplex unit occupying the first and cellar floors of the building. Unit 4 is a duplex unit occupying the fourth floor and penthouse of the building. Unit 1 will have the rear yard measuring approximately 555 square feet, and an areaway located at the cellar level and measuring approximately 112 square feet, allocated as limited common elements. Unit and 3B will have a balcony of approximately 61 square feet allocated as a limited common element. Unit 4 will have one balcony of approximately 61 square feet and one terrace located at the penthouse level measuring approximately 206 square feet allocated as limited common elements. No structures of any kind may be built in or on these limited common elements except for temporary structures such as fencing, screen tents, tool sheds, sukkots, etc. 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. The cellar floor level of the subject premises is for accessory use only, and is not to be used for sleeping, cooking, and/or living purposes, or to be rented independently. 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 residential unit a refrigerator, GE model GTS21FGKWW or equivalent, and an electric range, Frigidaire model FFEH3054US range or equivalent. In Units 1 and 4 only the Sponsor will install a dishwasher, Amana model ADB1400PY or equivalent. The Sponsor will not install a dishwasher in units 3A or 3B; the purchasers of those units will be responsible for purchasing and installing dishwashers themselves if they wish to do so. Sponsor will provide hook-ups for the installation of stackable electric washer and ventless dryer units in all residential units, but will not provide such washer/dryers. To the extent the Purchaser elects to install these any other appliances in the unit, same will represent an additional cost of purchasing the unit. Unit owners will therefore be responsible for purchasing stackable electric ventless laundry equipment at their own cost and expense. Please see the

ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

19) 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. The roof shall be allocated as a common element but shall only be used for emergencies and shall not be used for recreation. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in this Offering Plan.

20) The unit owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational. Please see the ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of the Offering Plan.

21) The Sponsor anticipates that the first closing of a unit will occur by April 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 March 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

Purchasers should note that even if the first closing occurs on or before April 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.

22) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building, but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the "property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued." All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for Sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof and ultimately for obtaining a FCO covering the entire building within two

years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

23) 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.

24) The property is located in a FEMA non-flood hazard zone. The topography is slightly pitched and drainage conditions are all satisfactory to the standards of the NYC Buildings Department. There is no danger from flooding either due to the water table in the area or due to the overflow of other bodies of water. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

25) 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.

26) 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.

27) 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 yearly 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 yearly 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.

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

substantive amendment to the Offering Plan as a benefit to subsequent Purchasers. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.

29) 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.

30) 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 unit. 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.

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

32) On November 15, 2018, the Financial Crimes Enforcement Network ("FinCEN") announced the issuance of a revised Geographic Targeting Order ("GTO"). This revised GTO requires U.S. title insurance companies to identify and report to FinCEN the natural persons behind companies making certain "all-cash" purchases of residential real property located within New York City where the purchase price exceeds

\$300,000.00. Virtual currency, as well as other forms of payment aside from “all-cash,” are also governed by this order. The subject premises are located within this GTO. All-cash purchasers closing after November 17, 2018 will be subject to the reporting requirements of this GTO. Purchasers are advised to confer with their own counsel regarding the effects of the GTO on their real estate purchases. Please see CLOSING COSTS & ADJUSTMENTS section of this offering plan.

33) On March 31, 2019, New York State announced additions to the base real estate transfer tax (“transfer tax”) and established a new supplemental tax (“supplemental tax”) on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is \$3 million or more, and conveyances of any other property when the consideration for the conveyance is \$2 million or more. The new supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is \$2 million or more. Purchasers shall be responsible for paying the base transfer tax and supplemental tax. The purchaser’s payment of the base transfer tax will itself be deemed additional consideration, resulting in a “tax on a tax” effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs. Please see CLOSING COSTS AND ADJUSTMENTS section of the Offering Plan for a more complete explanation.

34) The roof shall have a total of three 4” diameter control flow drains—one on the front penthouse roof, one at the rear penthouse terrace, and one at the roof. There is no secondary roof drainage. Consequently, persons using the roof will need to clean and maintain the diameter control flow drains on a regular basis in order to prevent flooding and leaks. Please see ARCHITECT’S REPORT included in Part II.

35) 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 to certain exceptions and limitations as disclosed in 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. 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. See DEDUCTIONS TO UNIT OWNERS/CONDOMINIUM TAX STATUS and COUNSEL'S TAX OPINION LETTER in Part I for a more complete explanation.

36) No change will be made in the size or number or layout 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. A decrease in a unit's area of less than 5% or less will not affect a Purchaser's obligations unless such decrease is a material change, and thus could trigger a right of rescission. However, there is a rebuttable presumption that an area that is diminished by 5% or less is not material. Please see CHANGES IN PRICES OF UNITS section of the Offering Plan for a more complete explanation.

37) 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. Regardless of any limitations in the warranty or in this Offering Plan, the Sponsor's obligation is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. 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.

38) The projected real estate taxes for the first year of condominium operation in SCHEDULE A are based on an estimate of the assessed valuation of the building following the completion of rehabilitation and construction. Purchasers should be aware that assessed valuations, when made, may be lesser or greater based on the

interpretation of the administrative code and the applicable rules and regulations of the City of New York. Thus, actual real estate taxes may vary from the calculations included herein. Please see SCHEDULE A and REAL ESTATE TAXES sections of the Offering Plan for a more complete explanation.

39) The Condominium Board of Managers will enter into a management agreement with You're Home Management Corp., 79-34 210th Street, Oakland Gardens, New York 11364, as Managing Agent, upon closing of title to the first unit for an initial two-year period. The Managing Agent will receive annual compensation of \$10,800.00 per year (\$900.00 per month) as specified in SCHEDULE B. The Management Agreement will provide that it shall thereafter continue in force and effect on a year-to-year basis, upon the same terms and conditions; except that the management fee shall be increased by twenty (20%) percent per annum for the subsequent three (3) years and then five (5%) percent thereafter, resulting in a concomitant increase in common charges. The budgeted fee is comparable to the fees charged for comparable properties. Either the Board of Managers or the Managing Agent may elect to terminate the agreement upon at least thirty (30) days' prior written notice provided, however, that upon that in the event of a default by the Managing Agent under the Management Agreement, then the Board of Managers shall have the right to terminate the Management Agreement without prior notice. The Board of Managers thereafter may elect to employ the services of a managing agent of the Board's own choosing. Please see SCHEDULE B and FOOTNOTES TO SCHEDULE B, and MANAGEMENT AGREEMENT, CONTRACTS & LEASES sections.

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 317 Winthrop 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 Winthrop Apart LLC, a New York limited liability company formed on January 8, 2018 with offices located at 58-09 82nd Street, Middle Village, New York 11379. The principal of the Sponsor is Hadas Morgenstern, of the same address. The Sponsor acquired title to the property on February 14, 2018 from Winthrop Condos LLC. 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 is an existing 2-story structure with cellar that is undergoing alteration to add a vertical extension consisting of two additional floors and a penthouse. Construction is permitted under Alteration Type 1, Application #321269337 filed with

the New York State Department of Buildings on November 9, 2015. When construction is complete, the premises will consist of a single four-story building with a penthouse, and a below-grade cellar and containing, in aggregate, six (6) residential units. The entire interior of the Building will be new. Sponsor expects that construction will be complete on or before October 2020. 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. The property is located in the Prospect Lefferts Gardens section of Brooklyn.

Sponsor has obtained a mortgage from Loan Trust LLC, having an office at 40 Middle Neck Road, Great Neck, New York 11021 (hereinafter "Mortgagee"), to construct the Building. 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. 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. 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 construction 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 consummated (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, 21st Floor, 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 the rear yard measuring approximately 555 square feet, and an areaway located at the cellar level and measuring approximately 112 square feet, allocated as limited common elements. Unit 3B will have a balcony of approximately 61 square feet allocated as a limited common element. Unit 4 will have a balcony of approximately 61 square feet and a terrace located at the penthouse level measuring approximately 206 square feet allocated as limited common elements. Unit 1 is a duplex unit occupying the first and cellar floors of the Building. Unit 4 is a duplex unit occupying the fourth floor and penthouse of the Building.

(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 unit. 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, and to Limited Common Elements assigned to the unit whether located appurtenant to the unit or elsewhere in the building. The Condominium Board of Managers is responsible for maintenance and repairs to the Common Elements of the building.

(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.

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) unit. 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 will consist of a single building composed of a cellar and four stories with a penthouse, and containing, in aggregate, six (6) residential units. This project is located in the Prospect Lefferts Gardens section of the Borough of Brooklyn, New York. The property is located on the north side of Winthrop Street between Nostrand Avenue and New York Avenue, and has a land area of approximately 2,000 square feet. The street address of the Property is 317 Winthrop Street. The entrance to the Building is through the ground floor fronting on Winthrop Street. The Building is not a designated landmark nor is it in a landmark district.

The Building is an existing 2-story structure with cellar that is undergoing alteration to add a vertical extension consisting of two additional floors and a penthouse. When construction is complete, the premises will consist of a single four-story building with a penthouse, and a below-grade cellar and containing, in aggregate, six (6) residential units. The entire interior of the Building will be new. The Building will not contain an elevator. 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. The Building is expected to be substantially completed on or before October of 2020.

All cabinetry and fixtures in kitchens and baths in the units will be new. Sponsor will install in each residential unit a refrigerator, GE model GTS21FGKWW or equivalent, and an electric range, Frigidaire model FFEH3054US range or equivalent. In Units 1 and 4 only the Sponsor will install a dishwasher, Amana model ADB1400PY or equivalent. The Sponsor will not install a dishwasher in units 3A or 3B; the purchasers of those units will be responsible for purchasing and installing dishwashers themselves if they wish to do so. 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. There will be no common laundry. Sponsor will provide hook-ups for the installation of stackable electric washer and ventless dryer units in all residential units but will not provide such washer/dryers. Unit owners will therefore be responsible for purchasing stackable electric ventless laundry equipment at their own cost and expense. To the extent the

Purchaser elects to install these any other appliances in the unit, same will represent an additional cost of purchasing the unit. There will be no common storage space or recreational facilities. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

Unit Owners, subject to any rules which the Board may promulgate, will have use of the rooftop penthouse terrace located at the front of the Building as a Common Element, as well as the front yard of the Building. 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.

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 the residential neighborhood of Prospect Lefferts Gardens in the Flatbush section of Brooklyn. The Building is on the north side of Winthrop Street between Nostrand Avenue and New York Avenue. The neighborhood is bounded by Empire Boulevard to the north, Clarkson Avenue to the south, New York Avenue to the east, and Ocean Avenue and Prospect Park to the west. Prospect Lefferts Gardens is a combination of the names of three nearby locations: Prospect Park, Lefferts Manor and the Brooklyn Botanic Garden. Several sections of the neighborhood have been designated New York City landmark areas by the New York City Landmarks Preservation Commission beginning in 1979. However, the subject premises are not located within one of these designated areas, and the building itself is not landmarked. The neighborhood is known for its well-preserved late 19th and early 20th-century architecture, a low-rise mix that includes Romanesque Revival, neo-Georgian and neo-Tudor styles, in addition to larger apartment buildings along major roadways. The main commercial corridors are Nostrand and Flatbush Avenues, both of which provide shopping, cafes and restaurants, specialty shops and food markets. There are also nearby recreational, medical, religious, and educational facilities, as well as a network of streets, roads, and urban transportation.

The premises are served by the 2 and 5 subway lines. The Winthrop Street station is located a block from the premises, and the Sterling Street and Church Avenue stations are less than one-half mile away. The Parkside Avenue station of the Q subway line is approximately one-half mile away from the premises. Local bus service is provided by the B44 bus, which runs south along Nostrand Avenue and north along New York Avenue, and the B12 bus running east and west along Clarkson Avenue.

Prospect Park serves as the western boundary for the neighborhood. With an area of 526 acres, it is the second largest public park in Brooklyn, and a popular destination for sunbathing, dog-walking and running. Recreation facilities include the Prospect Park Tennis Center, basketball courts, baseball and soccer fields. The Prospect Park bandshell hosts free outdoor concerts in the summertime. Prospect Park has been designated both a New York City scenic landmark and listed on the National Register of Historic Places. The park is adjacent to the Brooklyn Museum, Grand Army Plaza, and the Brooklyn Botanic Garden.

The property is situated in City Council District 40 and Community District 309. The designated school district for the subject premises is District 17. Students living at the subject premises will be eligible to attend elementary school PS 397, Foster-Laurie

School, located one-quarter mile from the premises, which serves pre-K through elementary grades, and/or other District 17 schools, or students may choose among the area's independent schools. The Crown Heights Branch of the Brooklyn Public Library is located at 560 New York Avenue near Maple Street one-quarter mile from the premises. The post office servicing the property is located at 315 Empire Boulevard, Brooklyn, New York 11225.

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 71st Police Precinct located at 421 Empire Boulevard, Brooklyn, New York 11225. The closest fire station is Engine 249, Ladder 113 located at 491 Rogers Avenue, Brooklyn, New York 11225. Nearby local medical centers include the Kings County Hospital Center and the University Hospital of Brooklyn, SUNY Health Science Center at Brooklyn, each located at 451 Clarkson Avenue approximately one-quarter mile from the premises, and the Kingsbrook Jewish Medical Center one mile from the premises at 585 Schenectady Avenue. There are houses of worship of most major denominations within walking distance of the premises, a few of which include Lenox Road Baptist Church, Fennimore Street United Methodist Church and St. Gabriel's Episcopal Church.

The building is located in Zoning District R6 which permits residential use as-of-right. 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 for residential uses.

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

317 Winthrop Street, Brooklyn, New York

First Year of Operation

April 1, 2021 - March 31, 2022

<u>Unit</u>	Habitable Sq. <u>Ftg.</u> (1A)	Uninhab. Sq. <u>Ftg.</u> (1B)	Bdms/ <u>Bths</u> (2)	% of Common <u>Interest</u> (3)	Offering <u>Price</u> (4)	Estimated Monthly Common <u>Charges</u> (5)	Estimated Annual Common <u>Charges</u> (6)	Estimated Monthly Real Estate <u>Taxes</u> (7)	Estimated Annual Real Estate <u>Taxes</u> (8)	Estimated Monthly Carrying <u>Charges</u> (9)
1	828.00	1,329.00	2/1.5	26.95%	\$850,000.00	\$660.27	\$7,923.20	\$433.75	\$5,205.06	\$1,094.02
2A	483.00		1/1	11.22%	\$390,000.00	\$274.86	\$3,298.35	\$180.57	\$2,166.81	\$455.43
2B	455.00		1/1	10.57%	\$385,000.00	\$258.93	\$3,107.14	\$170.10	\$2,041.20	\$429.03
3A	483.00		1/1	11.22%	\$350,000.00	\$274.86	\$3,298.35	\$180.57	\$2,166.81	\$455.43
3B	466.00	61.00	1/1	11.18%	\$350,000.00	\$273.87	\$3,286.39	\$179.91	\$2,158.96	\$453.78
4	1,176.00	267.00	3/2	28.86%	\$850,000.00	\$707.07	\$8,484.84	\$464.50	\$5,574.02	\$1,171.57
TOTALS	3,891.00	1,657.00		100.00%	\$3,175,000.00	\$2,450.00	\$29,400.00	\$1,609.40	\$19,314.00	\$4,059.26

Notes:

- 1) As part of the Uninhabitable Square Footages listed above, Unit 1 will have a cellar area of approximately 662 square feet as part of the unit and will be allocated the rear yard measuring approximately 555 square feet and an areaway at the cellar level measuring approximately 112 square feet as limited common elements. Unit 3B will have a balcony of approximately 61 square feet allocated as a limited common element. Unit 4 will have one balcony of approximately 61 square feet and one terrace of approximately 206 square feet allocated as limited common elements.
- 2) 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.
- 3) 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.
- 4) The projected real estate taxes for the first year of condominium operation in SCHEDULE A are based on an estimate of the assessed valuation of the building following the completion of rehabilitation and construction. Purchasers should be aware that assessed valuations, when made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York. Thus, actual real estate taxes may vary from the calculations included herein.

FOOTNOTES TO SCHEDULE A

1. The square footage in SCHEDULE A is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area and adding together for each apartment all of the areas contained therein. The square footage of each unit is based upon a “gross” square footage calculation using the approximate distance measured from exterior face of exterior walls (perimeter and mechanical pipes are not deducted); the centerline of demising walls, non unit side of any wall or partition separating the unit from any common areas, stairs, elevators, and other mechanical equipment spaces or any common elements. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan and may vary within reasonable tolerances from the “as-built” square footage as subsequently described in the condominium Declaration.
2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths that do not include a tub or shower are counted as half baths. See the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.
3. The determination of percentages of Common Interest allocated to each unit is based upon 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.

The anticipated date of completion of construction is October of 2020.

Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. Sponsor has obtained an estimate of post-completion assessed value of the property for real estate tax purposes from Metropolitan Realty Exemptions, Inc. ("MRE"), 118 Middleton Street, Brooklyn, New York 11206, who has rendered an opinion letter included in this Plan. MRE is of the opinion that the property will be designated by the New York City Department of Finance as a Tax Class 2 property upon completion of construction, and will pay taxes based on the Tax Class 2 tax rate. Accordingly, MRE 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. For Tax Class 2, the post-completion assessed value set forth by Sponsor's expert and used for calculations is the \$153,144.00, resulting in an estimated tax liability of \$19,314.00. The tax rate used for the calculation is 12.612%, which is the current tax rate for Class 2 properties. 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 with regard to deductibility of their real estate taxes and mortgage interest. See REAL ESTATE TAX PROJECTION LETTER hereinafter set forth for a more complete discussion.

The projected real estate taxes for the first year of condominium operation in SCHEDULE A are based on an estimate of the assessed valuation of the building following the completion of rehabilitation and construction. Purchasers should be aware that assessed valuations, when made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York. Thus, actual real estate taxes may vary from the calculations included in SCHEDULE A.

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.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

April 1, 2021 – March 31, 2022

INCOME (1)

Common Charges	\$ 30,670
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EXPENSES

Heat and Hot Water (1)	\$ -0-
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Electricity (2)	\$ 1,686
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Water and Sewer (3)	\$ 4,899
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Insurance (4)	\$ 6,375
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Legal and Accounting Fees (5)	\$ 1,400
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Management (6)	\$ 12,960
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Labor (7)	\$ -0-
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Repairs, Maintenance, Services, Supplies (8)	\$ -0-
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Miscellaneous Reserve (9)	\$ 250
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Capital Reserve Fund (10)	<u>\$ 3,100</u>
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Total	\$ 30,670
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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 SPONSORS 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. SPONSORS MUST RETURN ANY DEPOSIT OR DOWN-PAYMENT TO A PURCHASER WHO RESCINDS WITHIN 10 DAYS AFTER RECEIPT OF NOTICE OF RESCISSION.

THE SPONSORS 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 NOTE THAT EVEN IF THE FIRST UNIT CLOSING OCCURS ON OR BEFORE THE 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 THAT 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. 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.

FOOTNOTES TO SCHEDULE B

1. Heat and hot water for each unit are provided by separate systems serving each unit. Each purchaser will pay separately for the heat and hot water supplied to his/her unit. No gas 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 November 11, 2019, from Demerara Engineering, PLLC, 37-24 24th Street, Suite 231, Long Island City, New York 11101, of approximately 4,200 kilowatt hours per year of electrical usage for the common areas. The projection in SCHEDULE B is based on a rate of approximately 0.30 cents per kilowatt hour, and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water and Sewer: Water is supplied to the building by the City of New York through a single water meter serving the entire building. Demerara Engineering, PLLC projects annual water and sewer costs based on estimated usage of 900 gallons of water consumed in the building, or 440,094 hundred cubic feet per year, at rates of \$3.90 per 100 cubic feet of water and sewer charges of \$6.20 per 100 cubic feet of water consumed. The projected annual cost for water and sewer service in SCHEDULE B includes a 10% allowance for inflation.

4. Insurance: Sponsor has received a letter dated October 23, 2019 from LHB Insurance Brokerage, Inc., 176 North Main Street, Route 45, Spring Valley, New York 10977 estimating the cost of coverage for the building via a package policy through Erie Insurance Co. in the following coverage amounts:

Building.....	\$906,350 "All Risk" agreed amount Replacement Value
Liability.....	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
Officers & Directors Liability.....	\$1,000,000

Deductible.....\$2,500

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. Such insurance coverage meets the requirements of the Sponsor's mortgage lender. 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:

- (i) provide that each unit owner will be an additional insured;
- (ii) provide that 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; and
- (v) will waive pro rata reduction if individual unit owners obtain additional individual coverage.

The policy does not include fidelity bond or flood insurance, 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.

5. Legal and Accounting Fees: This figure is based on an estimate dated November 11, 2019 from Mozes Guttman, Certified Public Accountant, 2 Skillman Street, # 217, Brooklyn, New York 11205, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$1,400.00. No legal services are anticipated during the first year of operation. In the event legal services are required, same will represent an additional cost that would result in a concomitant increase in common charges.

6. Management: The management fee is based on the proposal Sponsor received from You're Home Management Corp., having an address at 79-34 210th Street, Oakland Gardens, New York 11364, to serve as managing agent for the first year of condominium operation for the annual cost specified in SCHEDULE B. The Management Agreement will provide that it shall thereafter continue in force and effect on a year-to-year basis, upon the same terms and conditions; except that the management fee shall be increased by twenty (20%) percent per annum for the subsequent three (3) years and then five (5%) percent thereafter. The budgeted fee is comparable to the fees charged for comparable properties. In addition, the managing agent shall have the right to establish reasonable fees for the processing of lease or sale applications, review of requests for permission to make improvements on individual units, and any other activity outside the normal course of building management.

The managing agent will be responsible for hiring, supervision and payment of building employees; interior and exterior building maintenance, including but not limited to electrical, plumbing, steam fitting, carpentry, masonry, decorating and such other incidental alterations; purchase of supplies necessary to properly maintain and operate the premises; 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; review and resolution of any problems arising in the day-to-day operation of the building; compliance with all government laws and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of condominium-adopted rules and regulations including enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual unit owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building, will need to be dealt with by the Board of Managers.

7. Labor: Sponsor anticipates hiring a managing agent whose staff will provide superintendent services at no separate additional cost to the Building. The budgeted cost for Management in SCHEDULE B includes such labor costs. Please see Management section #6 above.

8. Repairs, Maintenance, Services and Supplies: Sponsor anticipates hiring a managing agent whose staff will provide all interior and exterior building maintenance, repairs and services as needed, and will purchase necessary supplies. Such services will be at no separate additional cost to the Building. The budgeted figure for Management in SCHEDULE B includes such costs. Please see Management section #6 above.

9. 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.

10. The projected item represents a reserve for capital expenditures 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, 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 Sponsors' 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.

SCHEDULE B1
April 1, 2021 – March 31, 2022

Electricity is individually metered to each residential unit for heat, hot water, and cooking, as well as for the operation of kitchen appliances, home electronics, lighting, air conditioning and laundry equipment. The attached Exhibit A includes annual estimates obtained on November 11, 2019, from Demerara Engineering, PLLC, 37-24 24th Street, Suite 231, Long Island City, New York 11101, for the cost of providing electricity for each residential unit. Electricity costs are based upon a rate of approximately \$0.30 per kilowatt hour.

The attached Exhibit A includes annual estimates for the cost of providing electricity for each residential unit. A 10% inflation factor has been included in these numbers. Taxes have also been included in the attached Exhibit A.

There will be no gas consumption in the building.

The cost of providing electricity is merely an estimate. Electricity usage is highly variable, and is dependent both on the number of people located in the apartment and their pattern of usage.

SCHEDULE B1 - EXHIBIT A
Annual Utility Estimates
317 Winthrop Street, Brooklyn, New York
April 1, 2021 - March 31, 2022

<u>Unit</u>	<u>Estimated Total Kwh</u>	<u>Cost Per Kwh</u>	<u>Monthly Estimate</u>	<u>Annual Estimate</u>
1	15,585	\$0.30	\$429.00	\$5,148.00
2A	7,783	\$0.30	\$214.00	\$2,568.00
2B	7,573	\$0.30	\$208.00	\$2,496.00
3A	7,783	\$0.30	\$214.00	\$2,568.00
3B	7,573	\$0.30	\$208.00	\$2,496.00
4	13,578	\$0.30	\$373.00	\$4,476.00

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. A decrease in a unit's area of less than 5% or less will not affect a Purchaser's obligations unless such decrease is a material change, and thus could trigger a right of rescission.. However, there is a rebuttable presumption that an area that is diminished by 5% or less is not material. 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.

Complete Condo Service Inc.
Licensed Real Estate Broker
610 Broadway
Brooklyn, N.Y. 11206
Tel. (718) 875-9100 Fax. (718) 228-7090

04/06/2020

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

RE: 317 Winthrop Avenue, Brooklyn, New York

Dear Sirs:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium 317 Winthrop Avenue, Brooklyn, New York, with Section 339-i (1) (iv) of the New York Real Property Law. You have informed us that common interest is allocated based on 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 shared or exclusive 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 Real Property Law.

I have been a Licensed Real Estate Broker for in excess of Ten Months and have managed approximately Ten buildings in this area with experience in the sale, management, and rental of condominium units in Kings County. We have previously assisted 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



Simon Neustein
Licensed Real Estate Broker

MANAGEMENT AGREEMENT, CONTRACTS, AND LEASES

Upon closing of title to the first unit, the condominium Board of Managers will enter into a management agreement with You're Home Management Corp., 79-34 210th Street, Oakland Gardens, New York 11364, as Managing Agent, for an initial period of two years from the date of first closing (the "Management Agreement"). The Management Agreement will provide that it shall thereafter continue in force and effect on a year-to-year basis, upon the same terms and conditions (except that the management fee shall be increased by twenty (20%) percent per annum for the subsequent three (3) years and then five (5%) percent thereafter) unless either party shall elect to terminate the agreement upon at least thirty (30) days' prior written notice, provided, however, that upon that in the event of a default by the Managing Agent under the Management Agreement, then the Board of Managers shall have the right to terminate the Management Agreement without prior notice. Upon termination of the Management Agreement by either party, for any reason whatsoever, the Managing Agent shall be required to transfer all books and records in its possession to the condominium Board of Managers or to any successor managing agent named by the condominium Board of Managers. The Management Agreement does not include a provision that the managing agent may assign the Agreement.

In consideration of managing the premises, the Managing Agent shall receive monthly compensation of \$900.00 for a total of \$10,800.00 per year. This fee is comparable to the fees charged for comparable properties. In addition, the managing agent shall have the right to establish reasonable fees for the processing of lease or sale applications, review of requests for permission to make improvements on individual units, and any other activity outside the normal course of building management. In addition, the managing agent shall be entitled to provide services (such as repair and maintenance) to individual unit owners where requested, and shall be entitled to charge such individual unit owners (but not the condominium) for such services.

The major duties to be provided by the managing agent shall include, but not be limited to maintenance of all condominium books and records; collection of monthly common charges and any special assessments levied by the condominium; payment of all condominium expenses from condominium funds; maintenance of condominium checking accounts; bookkeeping, payroll and tax reporting functions; inspections and

inspection compliance; repair and maintenance of common elements; and the hiring and firing of condominium employees, if any. The Managing Agent shall cause the premises to be maintained and operated in a manner and condition as a first-class condominium residence, and will arrange for interior (hallways/stairs) and exterior (front of building) cleaning and shall cause repairs and incidental alterations to the common elements of the condominium to be made, including, but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, and decorating. The Managing Agent shall purchase all supplies which shall be necessary to properly maintain and operate the premises.

In addition, the managing agent shall be entitled to, where in its sole and exclusive discretion such is needed, retain the services of outside professionals such as accountants, attorneys, etc., which expense shall be borne by the condominium. Additionally, where required items of repair or maintenance exceed the capabilities of building employees, the managing agent shall be entitled to contract for such services, which shall be paid for from condominium funds.

In addition to the compensation set forth above, the managing agent shall be entitled to reimbursement for expenses incurred in the normal course of its functions, such as messenger and delivery charges, travel expenses, etc. The Board of Managers on behalf of the unit owners will be the party responsible for reimbursing the managing agent for expenses incurred by the managing agent. Such expenses will be paid out of common charges and, if necessary, special assessments. In addition, the condominium shall indemnify the managing agent against any liability or obligation incurred for acts properly performed by it pursuant to the management agreement and name the managing agent as an additional insured under its insurance policy. The Managing Agent will indemnify the Board of Managers against and hold the Board harmless from any claims, liabilities, damages, costs, and expenses arising from or attributable or relating to the bad faith, negligence or willful misconduct of the Managing Agent, its representatives or employees.

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 KENNETH GOLDEN, ESQ., AS ATTORNEY. 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 Kenneth Golden, Esq., with an address at 148-55 Hillside Avenue, Jamaica, New York 11435, telephone number 718-739-2000, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Kenneth Golden. 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 Bank of America, located at 101 West 33rd Street, New York, New York 10001, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled NEW YORK IOLA ATTORNEY TRUST ACCOUNTS KENNETH GOLDEN, ESQ. ("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 KENNETH GOLDEN, ESQ., AS ATTORNEY.

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

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

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

which incorporates all of the provision of the Escrow Agreement set forth in Part II of this Offering Plan. The Purchase Agreement must be executed by the Purchaser, Seller, and the Escrow Agent.

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

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

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

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

The escrow agent shall release the Deposit if so directed:

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (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.

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, in such case Sponsor cannot require the purchaser to close and Purchaser 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 5 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. In addition, under New York law, when a mortgage commitment is not fulfilled through no fault of a Purchaser, performance is excused. Therefore, if the Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the Sponsor must grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right.

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 April 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 March 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, Purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs on or before April 1, 2021, or within the twelve month period thereafter, 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. The Purchase Agreement in Part II and the Offering Plan are in compliance with Section 71-a(3) of the Lien Law and other applicable provisions of law. Section 71-a(3) of the Lien Law provides protections for Purchasers where the contract of sale by its terms provides for or is incidental to a contract providing for the construction of the condominium that is the subject of this Offering Plan, or where a Deposit pursuant to a contract of sale is not deposited or kept in an escrow account as mandated by law.

Sponsor will not use any Deposit towards the construction of the Building and will deposit and maintain all Deposits in the Escrow Account as described above in this Procedure to Purchase section. Therefore, to the extent applicable, Sponsor will be in compliance with Section 71a(3) of the Lien Law and any other provision of law applicable to Purchasers' Deposits.

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 stating that the Plan is declared effective. 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) 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.

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 five (5) 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 permanent 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. Easement and Right of Way Agreement between Glendora Harvey, Grantor/Seller, and Heather Hayles, Grantee/Buyer dated 4/16/2009 and recorded 3/14/2011 as CRFN 2011000091802, affects Block 4819, Lot 72.
- B. Certification pursuant to Zoning Lot Subdivision by Barristers Title Agency dated 1/15/2016 and recorded on 2/2/2016 as CRFN 2016000035855, affects Block 4819, Lot 72.
- C. Zoning Lot Description and Ownership Statement made by Winthrop Condos LLC dated 1/8/2016 and recorded on 2/2/2016 as CRFN 2016000035856, affects Block 4819, Lot 72.

6. The following Mortgages and Agreements affect the property:

- A. Mortgage between Loan Trust LLC as Mortgagee and Winthrop Apart LLC as Mortgagor, dated 1/8/2020 and recorded 1/30/2020 in CRFN 2020000039290 in the amount of \$795,000.00.
- B. Agreement between Loan Trust LLC as Mortgagee and Winthrop Apart LLC as Mortgagor, dated 1/8/2020 and recorded 1/30/2020 in CRFN 2020000039291 in the amount of \$2,375,000.00

7. The following collateral Assignments of Leases and Rents affect the property:

- A. None

8. The following UCC-1 Financing Statements affect the property:

- A. UCC-1 Financing Statement between and Loan Trust LLC as Secured Party and Winthrop Apart LLC as Debtor, dated 1/8/2020 and recorded 1/30/2020 in CRFN 2020000039292.

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

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

CLOSING COSTS AND ADJUSTMENTS

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

(a) If a purchaser elects to obtain fee title insurance, the purchaser will pay the premium thereof which will vary depending upon the Purchase Price of the Unit. Purchasers are free to utilize the title insurance company of their choice without incurring any Sponsor-imposed additional fees. Rates set by the New York Board of Title Underwriters are currently \$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 statutorily obligated to pay the New York City Real Property transfer tax; however, the Purchaser will be obligated here to pay the New York City Real Property transfer tax, and therefore such payment by the Purchaser is deemed an additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(f) New York State Documentary Stamp taxes, presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage, will be the sole responsibility of the purchaser. Sellers in general are statutorily 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 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 the closing takes place anywhere other than at the office of Sponsor's counsel, an additional travel fee of \$500.00 will be charged for attending the closing. Sponsor's attorney will charge \$150.00 fee for the preparation of ACRIS New York City and State transfer tax forms. In the event that a scheduled closing must be adjourned, Seller's attorney will charge Purchaser a \$500.00 fee per adjournment.

(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 \$2,600.00 for the preparation of closing documents. 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 for doing so. 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. 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

\$390,000.00 Purchase Price

\$312,000.00 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	\$ 5,586.00
New York City Transfer Tax	\$ 3,900.00
New York State Documentary Stamp Tax	\$ 1,560.00
Working Capital Fund Contribution	\$ 572.00
Document Preparation Fee	\$ 2,600.00
ACRIS Preparation Fee	\$ 150.00
<u>Reimbursement Fee</u>	<u>\$ 2,500.00</u>
TOTAL:	\$ 19,415.00

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

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor will complete the work set forth in this Plan relating to the building and the apartments contained therein in conformity with and in accordance with the Building Plans and Specifications, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits required, if any. 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 and its Principals shall obtain a Temporary or Final Certificate of Occupancy prior to the closing of the first unit. If Temporary, the Sponsor and its Principals shall continue to renew the Temporary Certificate of Occupancy until it procures the Final Certificate of Occupancy. If the first unit closing takes place prior to issuance of the Final Certificate of Occupancy, the Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL section 352-e(2-b) unless the Sponsor's engineer, architect, or other qualified expert certifies that a lesser amount will reasonably be necessary to complete the work needed to obtain a Final Certificate of Occupancy, in which case the sum exceeding the amount so certified by the Sponsor's engineer, architect, or other qualified expert may be released from the special escrow account. Alternatively, the Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

While the Sponsor will endeavor in good faith to sell all units, 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. 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, in such case Sponsor cannot require the Purchaser to close and Purchaser would have the right to rescind. 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. 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.

The Sponsor agrees to pay all common charges, special assessments, and real estate taxes with regards to unsold units, and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor. No bond or other security has been furnished to secure Sponsor's obligations. In the event of dissolution or liquidation of the Sponsor, or transfer of 10 or more units or 20% or more of the total number of residential units in the condominium, whichever is less, 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 a mortgage from Loan Trust LLC, having an office at 40 Middle Neck Road, Great Neck, New York 11021 (hereinafter "Mortgagee"), to construct the Building. 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 construction 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.

In the event the work on the building as set forth herein is not fully completed at the time the building becomes occupied, the Sponsor will have the right to enter the

premises to complete its obligations under this Plan. Such entry shall be conducted in such a manner so as to produce a minimum of discomfort to those purchasers already in possession.

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

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO

typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor and its Principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its Principals make no representations or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

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

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have an FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. Please see the ARCHITECT'S REPORT located in Part II of this Offering Plan.

CONTROL BY THE SPONSOR

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

The By-Laws are reproduced in Part II, beginning on page CBL1. A summary of certain pertinent provisions of these By-Laws is set forth below. The By-Laws limit the number of Managers on the Board of Managers (hereinafter called "Managers") to not less than three (3). 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. Purchasers for their own occupancy may never gain control of the Board of Managers. Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the condominium. Because sponsor is not limiting conditions under which it will rent rather than sell units, there is no commitment to sell more units than the 15% necessary to declare the plan effective, and owner-occupants may never gain effective control and management of the Condominium.

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. The first Board of Managers shall consist of three (3) members designated by the Sponsor. They will be Hadas Morgenstern, who is the principal of the Sponsor, and David Avgi and Yosef Greenbert, who are business associates of the principal of 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.

Managers shall be elected by a plurality of the votes at a meeting at which a quorum shall be present. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .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 1 of each calendar year.

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

Each Unit Owner and each mortgagee of a Unit shall, upon prior request 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. Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. Sponsor has obtained an estimate of post-completion assessed value of the property for real estate tax purposes from Metropolitan Realty Exemptions, Inc. ("MRE"), 118 Middleton Street, Brooklyn, New York 11206, who has rendered an opinion letter included in this Plan. MRE is of the opinion that the property designated by the New York City Department of Finance as a Tax Class 2 property upon completion of construction, and will pay taxes based on the Tax Class 2 tax rate. Accordingly, MRE 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. For Tax Class 2, the post-completion assessed value set forth by Sponsor's expert and used for calculations is the \$153,144.00, resulting in an estimated tax liability of \$19,314.00. The tax rate used for the calculation is 12.612%, which is the current tax rate for Class 2 properties. 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.

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.

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 projected real estate taxes for the first year of condominium operation in SCHEDULE A are based on an estimate of the assessed valuation of the building following the completion of rehabilitation and construction. Purchasers should be aware that assessed valuations, when made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York. 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. Thus, actual real estate taxes may vary from the calculations included in SCHEDULE A.



Office: 381 South 5th Street, Brooklyn, NY 11211
Mailing: 118 Middleton Street, Brooklyn, NY 11206
Phone: (718) 387-3004 | **Fax:** (718) 228-3503
Email: martin@mretax.com | **Web:** www.mretax.com

October 30, 2019

Winthrop Apart LLC
88-09 82nd Avenue
Glendale, NY 11385

RE: 317 Winthrop Street
Brooklyn, NY
Block & Lot: 4819 - 72

Letter of Opinion regarding proposed real estate tax liabilities for the project located at
317 Winthrop Street, Brooklyn, NY

Project Details: Six (6) Residential Condominium Units

To Whom It May Concern;

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, to be included in the Condominium Offering Plan.

In order to prepare this letter and the opinion set forth herein, you have supplied us with the following information upon which we have relied:

1. The subject property is located at 317 Winthrop Street, Brooklyn, NY 11225, and is known as Block: 4819, Lot 72 with the New York City Department of Finance ("DOF").
2. The proposed is to do vertical and horizontal enlargement to existing two story building, pursuant to Department of Buildings job number **321269337** with a job type "A1 – Alteration type 1". The renovated building will include six (6) residential condo units.
3. According to the information provided to our firm, the approximate gross square footage of the entire building will be **4,917 SF**.

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4. There will be separate condominium tax lots filed with the DOF for each residential unit.
5. Based on assessment guidelines, the DOF Surveyor's Office shall class the condominium units as a tax class two (2) and thus levy the assessed value on a 45% rate of the market value.

You have also supplied us with architectural drawings of the proposed building prepared by Mohammad Baalbaki of Baalbaki & Associates Engin. PC. The data contained in the architectural drawings indicates that the building will have 4 (four) main levels and cellar.

DOF Assessment Guidelines

The New York City Department of Finance assesses the values regarding all New York City residential and commercial properties annually. Based on the assessor's determination of the assessment on taxable status date January 5th, the Department of Finance releases tentative assessments of the property value in January of every year and final assessments every May, prior to the beginning of each tax year. 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 property tax assessment process commences when the city's assessors determine the market value of the property. Property tax is only levied on a portion of the market value. This portion is called the assessed value. Regarding 1-3 family homes and condominiums with no more than three (3) stories, provided such property was previous classified as class one (1), the assessed values are levied on 6% of the market value. Regarding all other properties, taxes are levied on 45% of the market value.

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 2C property and will pay on the class 2 tax rate. Real Property tax rates set each year by the City Council are applied to these property values, to determine each homeowner's annual tax liability. The current 2018/19 class 2 tax rate is 12.612% of assessed valuation.

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

We believe there will be a substantial increase in value for 2021/22 as a result of the renovation, and that such increase will be placed on the assessment roll immediately and not subject to the limitation on increases described above.

METROPOLITAN Realty Exemptions, Inc.

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

Proposed Real Estate Tax Liabilities

We have taken the following factors in account when 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 condominium projects in Brooklyn (specifically, in Prospect Lefferts Gardens and Crown Heights neighborhoods) which have been recently constructed; (d) market conditions in the general area; (e) proposed estimate of the cost of construction; and (f) calculation of the gross floor area mentioned above.

2021/22 Projected Assessed Value and Tax Liability

Considering the aforementioned factors and taking into account that DOF will classify the property as Tax Class 2C and your building is subject to adjustments (8-30% limitation), we are estimating that total **Taxable Assessed Value will be approximately: \$153,144.**

Assuming the 2018/2019 tax rates of 12.612% for tax class 2 (i.e., \$12.612 per \$100 of AV), the projected tax liability will be **\$19,314** annually.

These projected assessed valuations were made based on the assumption that the Cap (AV limitation) from Tax Class 1 will remain when the property is converted to Tax Class 2A/2B.

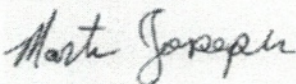
In determining the assessed values for the individual units, the Department of Finance may use the common interest percentages set forth in the condominium declaration if such percentages are rationally and fairly determined.

Disclaimer

Though the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York.

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

Sincerely yours,



Martin Joseph
Metropolitan Realty Exemptions, Inc.

DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the COUNSEL'S TAX OPINION LETTER, including the Tax Cuts and Jobs Act of 2017. 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. While there is presently no direct authority as to the tax status of the Condominium for Federal Income Tax purposes, Sponsor's Counsel is of the opinion that the Condominium will not be treated as an association taxable as a corporation, due to the fact that it will qualify as an exempt homeowner's association under section 528(c)(1) of the IRS code. As a result, the Condominium may not be subject to Federal corporate income tax on its taxable income, if any.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code") and modified by the Tax Cuts and Jobs Act of 2017, 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. No warranty is or can be made by Sponsor or any other person that the United States Treasury Department or the New York State Department of Taxation will allow the

aforementioned deductions and no representation or warranty is or can be made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor its counsel shall be liable if it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid due to changes in applicable law, regulation or decisional law. Neither counsel nor Sponsor shall have any liability should Unit Owners not be entitled to deductions if facts represented by Sponsor are not true.

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 317 WINTHROP 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 317 Winthrop 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 six (6) residential units.

1. Availability of Tax Deductions

A. Tax Deductions for Real Estate Taxes

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

Given that this condominium consists solely of residential units and contains no commercial units, it is my opinion that this condominium as managed by its Board of Managers will qualify as a homeowners association within the meaning of I.R.C. § 528 and will therefore be exempt from income taxes, provided, of course, that the Board of Managers properly elects to file under § 528.

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

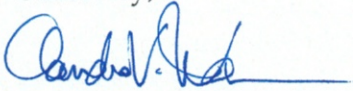
Real Property Law § 339-(i) governs allocation of common interest and provides four acceptable methods for allocating common interest among condominium units. The allocation of common interest to the units in this condominium has been made pursuant to Real Property Law § 339-(i)(1)(iv), which allows 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).

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,

A handwritten signature in blue ink, appearing to read "Claudia V. Murdoch", with a horizontal line extending to the right.

Claudia V. Murdoch

March 11, 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 yearly 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 yearly 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.

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this offering is Winthrop Apart LLC, a New York limited liability company formed on January 8, 2018, with offices located at 58-09 82nd Street, Middle Village, New York 11379. The Principal of the Sponsor is Hadas Morgenstern, of the same address. The Sponsor acquired title to the property on February 14, 2018. Ms. Morgenstern is a real estate developer and an owner and investor in real estate. She also manages the design and administrative operations of a remodeling company. She has not previously been the Sponsor or Principal of the Sponsor in any prior condominium or cooperative offerings in the state of New York during the preceding five years. There have been no convictions, felony convictions, bankruptcies, injunctions or judgments against the Sponsor or Principals that may be material to the offering plan or to an offering of securities generally that occurred within the 15 years prior to submission of the proposed Offering Plan.

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 Kenneth Golden, Esq., with an address at 148-55 Hillside Avenue, Jamaica, New York 11435, telephone number 718-739-2000, to represent it in the conversion of the premises to condominium ownership. Mr. Golden will act as the Sponsor's closing attorney, and will be the escrow agent for Purchasers' down payments. Ms. Murdoch and Mr. Golden represent the Sponsor, not the Condominium, which is not represented by counsel. Neither Ms. Murdoch nor Mr. Golden has any relationship to the Sponsor or Principal of the Sponsor other than fees for services rendered as stated herein.

ARCHITECT: The architect, Oscar Waters, Jr., P.E., of Demerara Engineering, PLLC, with offices at 37-24 24th Street, Suite 231, Long Island City, New York 11101, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. Mr. Waters founded Demerara Engineering in 1991, and serves as Principal. He has over 30 years of structural engineering experience, primarily in the New York City area. Prior to founding Demerara Engineering, Mr. Walters worked in senior engineering positions with prominent New York City area firms. He has extensive experience in preparing reports for new construction condominiums, as well as renovations of existing structures. Under his supervision, Demerara Engineering has been responsible for the structural engineering design of new and rehabilitated industrial, commercial, and residential buildings, and also for several community facilities primarily comprised of churches. The architect has no

relationship with or financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction except for his fee for services rendered in connection with his report.

SELLING AGENT: Sponsor has designated Dor David Avgi of Bold New York, 632 Broadway, 6th Floor, New York, NY 10012, as the Selling Agent. Bold New York is a New York State-licensed real estate broker. Neither Dor David Avgi nor Bold New York has any relationship to the Sponsor or principal of the Sponsor other than services rendered in an official capacity as Selling Agent.

MANAGING AGENT: Upon closing of title to the first unit, the condominium Board of Managers will enter into a management agreement with You're Home Management Corp., 79-34 210th Street, Oakland Gardens, New York 11364, as Managing Agent, for an initial period of two years from the date of first closing. You're Home Management Corp. has been in business for two years and manages several other properties. Representative properties include 351 Prospect Place, 926 Pacific Street, and 377 Quincy Street in Brooklyn. There have been no convictions, felony convictions, bankruptcies, injunctions or judgments against the Managing Agent or any principal of the Managing Agent that may be material to the offering plan or to an offering of securities generally that occurred within the 15 years prior to submission of the proposed Offering Plan. The Managing Agent has no relationship to the Sponsor or Principal of the Sponsor other than services to be rendered to the Board of Managers in an official capacity as Managing Agent for the Condominium.

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 disclosed in this Offering 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

Sponsor shall keep copies of the Offering Plan, all documents referred to in the Offering Plan, and all exhibits submitted to the Department of Law in connection with the Offering Plan on file and available for inspection without charge, and for copying at a reasonable charge, at the 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 Sponsor shall deliver to the Board of Managers of the Condominium a copy of all documents filed with the appropriate recording office at the time of the first closing of a condominium unit.

REPORT TO UNIT OWNERS

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

- 1) 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 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. Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. 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

317 Winthrop Street, Brooklyn, New York 11225

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 317 Winthrop 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 "KENNETH GOLDEN, ESQ. AS ATTORNEY" 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 Bank of America, a bank authorized to do business in the State of New York, at its branch located at 101 West 33rd Street, New York, New York 10001. The name of the account is NEW YORK IOLA ATTORNEY TRUST ACCOUNTS KENNETH GOLDEN, ESQ. 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. I shall be entitled to any interest earned on the sums deposited by

me. Unless the escrow account is of an IOLA type, I shall be entitled to any interest earned on the sums deposited by me unless otherwise agreed to by the parties hereto. However, it is not anticipated that any interest will be earned.

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. Under New York law, when a financing commitment is not fulfilled through no fault of a Purchaser, and the financing commitment lapses or expires prior to closing, and if the Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused. Sponsor, therefore, must grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right. 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 or layout of the Unit I intend to purchase, without my written consent first being obtained. If there is a material change in the size 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 fax, 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 forth 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 presumptive 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. Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

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
WINTHROP APART LLC

By: _____

Name:

Title:

ESCROW AGENT:

By: _____

Name: Kenneth Golden

EXHIBIT A
PRE-CLOSING INSPECTION STATEMENT

We/I, the named purchaser/s in a contract for Unit _____ at 317 Winthrop 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
WINTHROP APART LLC

By:

EXHIBIT B
ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), WINTHROP APART LLC ("SPONSOR") as Sponsor of the Offering Plan, and KENNETH GOLDEN, ESQ. ("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 317 Winthrop 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 317 Winthrop Street, Brooklyn, New York at Bank of America, a bank authorized to do business in the State of New York, at its branch located at 101 West 33rd Street, New York, New York 10001. The name of the account is NEW YORK IOLA ATTORNEY TRUST ACCOUNTS KENNETH GOLDEN, ESQ.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: KENNETH GOLDEN, 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 148-55 Hillside Avenue, Jamaica, New York 11435, and a telephone number of (718) 739-2000.

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 KENNETH GOLDEN, ESQ. AS ATTORNEY, 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:
KENNETH GOLDEN, ESQ.

By: _____
Name: Kenneth Golden
Title: Escrow Agent

SPONSOR:
WINTHROP APART LLC

By: _____
Name:
Title: Principal of the Sponsor

PURCHASER:

By: _____
Name:

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

THIS INDENTURE made the day of , 20 , between WINTHROP APART LLC, 58-09 82nd Street, Middle Village, New York 11379 (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 317 WINTHROP STREET 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.

WINTHROP APART 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 317 WINTHROP 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 317 WINTHROP 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 WINTHROP APART LLC, (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 317 Winthrop 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
WINTHROP APART LLC

PURCHASER

TAX ESCROW AGREEMENT

AGREEMENT made this 30th day of March, 2020, by and between WINTHROP APART LLC (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 317 WINTHROP 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 317 Winthrop Street, Brooklyn, New York; and,

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

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

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

NOW, THEREFORE, the parties agree as follows:

1. On the first closing of a unit at the premises, Sponsor will deposit in escrow with The Board in a special segregated escrow account to be maintained by The Board in The Board's own name, an amount equal to real estate taxes attributable to the unsold units for the six month period immediately following such closing.
2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.
3. The funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

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

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

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

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

WINTHROP APART LLC

By: 
Name: Hadas Morgenstern

THE BOARD OF MANAGERS OF THE
317 WINTHROP STREET CONDOMINIUM

By: 
Name: Hadas Morgenstern

**DEMERARA ENGINEERING, PLLC
37-24 24TH STREET, SUITE 231
LONG ISLAND CITY, NEW YORK 11101
1212.383.4897**

ENGINEER'S DESCRIPTION OF PROPERTY
Premises known as
317 Winthrop Street
Brooklyn, New York 11225

Date: August 3, 2020



a) Location and use of property:

(1) Address:

317 Winthrop Street Brooklyn, NY 11225

(2) Block and lot number:

Block: 4819

Lot: 72

(3) Zoning:

The site is located in a R6 Zone, which is a general residence district.

(4) Permissible use.

The New York City Zoning Resolution permits Use Group 2 Residential Use as a matter of right. This property and proposed use will comply with all zoning and use requirements at closing.

(b) Status of construction:

(1) Year built:

The building was originally built prior to year 1968. This is an existing 2 story building currently undergoing an alteration; there shall be a vertical extension by means of adding a 3rd floor, 4th floor and penthouse. The existing exterior walls shall remain. The entire interior shall be new. Construction began approximately in June 2019. The anticipated completion date is in October 2020.

(2) Class of construction:

This building will comply with the Prior to 1968 NYC Building Code for Construction Class II-B. Construction Class II-B includes building and spaces in which the exterior walls, fire walls, and shaft enclosures are of noncombustible materials having the required fire-resistance ratings; and in which the floors, roofs, and interior framing are wholly or partly of wood or are of other combustible or non-combustible materials, having the required fire resistance ratings.

(3) Certificate of Occupancy, type and number:

Sponsor shall obtain a new Certificate of Occupancy prior to the first closing.

(4) Alteration permit numbers and description of work done:

Construction is permitted under an Alteration Type 1, application number # 321269337 filed on 11/09/2015.

(c) Site:

(1) Size:

The lot is 20' x 100'. The lot has an approximate area of 2,000 square feet.

(2) Number of buildings and use:

There shall be one building on the site. There shall be a total of 6 dwelling units.

(3) Streets owned or maintained by the project:

There are no streets owned or maintained by the project. The streets are owned by the NYC.

(4) Drives, sidewalks and ramps:

(i) Paving:

The streets adjacent to the site are paved with asphalt topping.

(ii) Curbing:

The sidewalks shall be new poured concrete.

(iii) Catch basins, drainage:

There are no catch basins inside the property.

(iv) Street lighting:

Street lighting is provided by the City of New York and is adequate for all safety public needs.

(v) The aforementioned items are in conformity with local fire district, town or municipal building codes.

(d) Utilities:

Water and Sewer

Water supply and combined sewer servicing the building will be provided by the City of New York and shall be paid by the condominium unit owners as part of the common charges. There will be one water meter serving the entire building.

Gas

None.

Electricity

Electricity is provided by Consolidated Edison. There shall be individual meters for electric consumption serving each apartment. Electricity utilized within the units shall be billed directly to the condominium unit owner. There shall be a separate meter for the common elements. The electricity utilized for the common elements shall be paid by the condominium unit owners as part of the common charges.

Telephone

Telephone service is provided on an individual basis to each unit by local providers. Each condominium unit owner will be billed directly by provider.

Cable Service and TV

A cable service provider will provide TV and internet service to the building. Each condominium unit owner will be billed directly by provider.

(e) Sub-soil conditions:

- (1) No uneven foundation movement or settling has occurred.
The building foundation system is accurately sized to support the calculated load.
- (2) There is no evidence of moisture or seepage or ground water infiltration.
- (3) There is no danger from flooding either due the water table in the area or due to the overflow of other bodies of water. The property is not located in a flood zone.
- (4) There is no land subsidence, expansive soils, hazardous materials, and/or environmental restrictions are present on the property.

(f) Landscaping and enclosures:

(1) Grass cover:

There shall be no grass covers.

(2) Plantings:

There shall be no plantings.

(3) Trees:

There shall be no on-site trees. Sponsor will pay for one tree into the tree fund.

(4) Fencing

There shall be a 6' high wood fence enclosing the rear yard. There shall be a 3'-6" high iron fence above the retaining wall at the 1st floor. There shall be no horizontal railings.

(5) Gates:

There shall be no gates at the premises.

(6) Garden walls:

There shall be no garden walls at the premises.

(7) Retaining walls:

There shall be a new, 10" thick, concrete wall enclosing the rear areaway.

(8) Display pools and fountains:

There shall be no display pools and fountains at the premises.

(g) Building size:

(1) Total height:

The building shall have an approximate height of 56'-4" measured from the adjoining grade to the top of the roof parapet.

(2) Crawl spaces:

There shall be no crawl spaces.

(3) Number of sub-cellars and cellars:

There shall be one cellar to the building.

(4) Number of floors:

The building shall be comprised of 4 stories and a penthouse.

(5) Equipment rooms:

There shall be a mechanical room and a designated area electric area at the cellar.

(6) Parapet:

The parapet shall have a minimum height of 3'-6".

(h) Structural system:

(1) Exterior of buildings:

The existing foundation footings and wall is a combination of rubble stone and concrete and is in fair condition. There shall be no new foundations. The foundation walls have a new closed cell spray foam insulation waterproofing membrane. There is no waterproofing for the foundation floors.

(i) Walls and Floors:

- The existing walls at the 1st and 2nd floors shall remain. Existing walls are 8" brick comprised of 2 wythes of brick. Walls are in fair condition. Existing walls shall have new R11 foamspray insulation.
- There shall be new walls at the 3rd through penthouse floors. New walls shall be light gauge metal studs, dens glass, R11 foamspray insulation, finished with stucco.
- Local Law 11 of 1998 does not apply since this building shall be less than 6 stories
- Cellar floor is existing concrete slab and is in fair condition.
- All floors shall be new and shall be ½" metal furring channels @ 16 o.c. with 5" open cell spray foam insulation covered with 8" thick concrete slab. Floor construction provides a Sound Transmission Class (STC) rating of 50 and an Impact Insulation Class (IIC) rating of 50 in compliance with the Code.

(ii) Windows:

Windows shall be casement type as manufactured by Pella with a 2-year manufacturer's warranty. Windows shall be double glazed. Windows shall have thermal break; U Factor 0.28, SHGC 0.27. Sills and lintels shall be aluminum. No screens or window guards shall be provided. Light and air is provided in each unit in compliance with all applicable codes. There shall be no lot line windows.

(iii) Landmark status:

This building does not have Landmark status.

(2) Parapets and copings:

Parapets shall be light gauge metal studs, dens glass, finished with stucco. Copings shall be aluminum.

(3) Chimneys and caps:

There shall be no chimney.

(4) Balconies:

(i) Deck finish:

Deck shall be concrete.

(ii) Railings:

Railings shall be 3'-6" high, aluminum. There shall be no horizontal railings.

(i) Copings:

Copings shall be aluminum.

(iv) Soffits:

Soffits shall be stucco.

(v) Doors:

Doors shall be sliding type, glass, manufactured by Pella. Doors shall have thermal break.

(v) Drainage

Balconies shall be pitched to facilitate drainage.

(5) Exterior entrances:

(i) Exterior doors and frames:

There shall be one main exterior entrance serving the building. Door shall glass with aluminum frame as manufactured by Pella. Door shall have thermal break. Door shall be self-closing and shall be equipped with a self-locking device.

(ii) Vestibule doors and frames:

None.

(iii) Exterior stairs:

There are stairs leading from grade level to the main entry. Stairs shall be new, iron.

(iv) Railings:

Stair railings shall be iron.

(v) Mail boxes:

Mailboxes shall be in the common lobby on the 1st floor. Mailboxes shall be USPS approved type.

(vi) Lighting:

There shall be a wall mounted fixture at each side the main entrance by E2T Lighting, model # E41344/6/8. Lighting shall be adequate.

(6) Service entrances:

There shall be a service entrance leading from grade level to the cellar mechanical room.

(i) Door:

Door shall glass with aluminum frame as manufactured by Pella. Door shall have thermal break. Door shall be self-closing and shall be equipped with a self-locking device.

(ii) Ramp:

Ramp shall be concrete.

(iii) Railings:

Ramp railing shall be iron.

(7) Roof and roof structures:

(i) Type of roofs for all areas:

The roof of the building shall be a flat type roof.

(a) Material:

The roofs and terrace(s) material shall be 4" thick concrete over metal decking.

(b) Insulation:

The roof insulation shall have an R-30 Value. The R-30 Value shall be achieved via 4" foam spray insulation, tapered insulation and the DensDeck prime roof board.

(c) Surface finish:

The roof and terraces shall be 2 layers of rubber roofing by Firestone APP 160 over the DensDeck prime roof board. The DensDeck prime roof board makes the surface firm so it is appropriate for daily foot traffic. This is acceptable by the manufacturer to retain the roof warranty.

(d) Bond or guarantee:

There shall be a 5-year manufacturer's warranty on material and a 5-year contractor warranty on labor. The warranty period shall begin on the date of installation.

(e) Flashing materials including counter flashing:

The roof flashing and counter flashing shall be rubber roofing.

(ii) Drains:

(a) Location, material and type:

There shall be a total of three (3), 4" diameter control flow roof drains; one (1) on the front penthouse roof; one (1) at the rear penthouse terrace and; one (1) at the roof. There is no secondary roof drainage. This fact shall be disclosed as a Special Risk in the Offering Plan.

(b) Gutters and leaders:

There shall be no gutters or leaders.

(iii) Skylights:

There shall be no skylights.

(iv) Bulkheads:

(a) Stairs:

Bulkhead/penthouse walls shall be light gauge metal studs, dens glass, R11 foamspray insulation, finished with stucco.

Stairway access to roof shall comply with FC Chapter 10.

(b) Elevator:

None.

(c) Other:

None.

(v) Metal work at roof levels:

(a) Exterior, metal stairs:

None.

(b) Vertical ladders, including gooseneck:

There shall be a two (2) gooseneck ladders; one (1) leading from the front penthouse terrace to the roof and; one (1) leading from the rear penthouse terrace to the roof. Ladders shall be steel.

(c) Railings:

None.

(d) Hatches to roof:

None.

(e) Other:

Metal work at the roof shall include the drains and vents.

(vi) Rooftop facilities:

The front penthouse roof and the rooftop shall be allocated as a common element but shall not be for the use of the occupants.

The rear penthouse terrace shall be allocated as a limited common element to Unit 4 and shall be shown as an accessory to residential space of on the Certificate of Occupancy. The max occupancy permitted on said terrace shall be 13 persons.

(8) Fire escapes:

None.

(9) Yard and courts:

There shall be a front yard, rear yard and areaway. Front yard shall be a common element. Rear yard and areaway shall be allocated as a common element to Unit 1.

(i) Paving:

Front shall be concrete. Rear yard shall be compressed soil. Areaway shall be concrete.

(ii) Drainage:

Front yard shall be pitched to drain the water away from the building. Rear yard shall absorb the storm drain. Areaway shall have 2 drains.

(iii) Stairs:

There are stairs leading from grade level to the main entry. There are stairs leading from the 1st floor to the rear yard. Both stairs shall be new, iron.

(iv) Railings:

Stair railings shall be new, iron.

(v) Fencing:

There shall be a 6' high wood fence enclosing the rear yard.

There shall be a 3'-6" high iron fence above the retaining wall at the 1st floor at the rear and westerly side. There shall be no horizontal railings. There is a 4'-1" high brick wall enclosing the easterly side of the areaway at the 1st floor level.

There is also an iron grate walkway over the areaway which leads to the rear yard.

(v) Retaining walls:

There shall be a new, 10 thick, concrete retaining wall enclosing the rear areaway.

(10) Interior stair:

Egress stairs is in compliance with applicable codes.

Interior convenience stairs comply with applicable codes.

Interior stairs within Unit 1 and 4 shall be wood construction.

(i) Number of stairs of each type:

There shall be two common stairwells. One (1) leading from the 1st floor to the cellar and one (1) leading from the 1st floor to the penthouse.

(ii) Enclosure:

The enclosure shall be 2-hour fire rated.

(iii) Stair construction:

The stairs shall be constructed of steel.

(iv) Stringers:

The stringers shall be steel.

(v) Treads:

The treads shall be steel pan filled with concrete.

(vi) Risers:

The risers shall be steel.

(vii) Guard rails:

The guard rails shall be steel.

(viii) Balustrade:

The balustrade shall be steel.

(11) Interior doors and frames:

(i) Unit entrance and interior doors and frames:

Unit entry doors shall be 1.5 hour fire-rated, self-closing, steel doors with keyed locks. Interior doors and frames in the apartments shall be wood with passage, privacy and dummy locks, as appropriate.

(ii) Corridor doors and frames:

None.

(iii) Stair hall doors and frames:

Stair hall doors shall be 1.5 hour fire-rated, self-closing steel.

(iv) Cellar and roof doors and frames:

Cellar and roof doors shall be 1.5 hour fire-rated, self-closing steel.

(12) Elevators:

There shall be no elevator.

(i) Auxiliary facilities:

(1) Laundry rooms:

(i) Location and number of rooms:

Each Unit shall have hook-ups for a stackable washer/dryer in the kitchen.

(ii) Clothes washers, number and type:

Sponsor will provide hookups for a clothes washer.

(ii) Clothes dryers, number and type:

Sponsor will provide hookups for a clothes dryer.

(iii) Room ventilation:

Inapplicable.

(iv) Dryer ventilation:

Dryers shall be electric ventless.

(2) Refuse disposal:

(i) Incinerator(s):

There shall be no incinerators.

(ii) Compactor(s):

There shall be no compactors.

(iii) Approvals by authority having jurisdiction:

Not applicable.

(iv) Initial storage location:

Not applicable.

(v) Pick-up schedule, and whether public or private provider:

Refuse will be the responsibility of the condominium unit owners. Refuse shall be picked up on Tuesday, Thursday and Saturday. Recycling shall be picked up on Tuesday. Pick-up will be by public provider. Refuse should be put on the curb not earlier than the night before the scheduled collection day listed above.

(3) Package rooms, storage rooms and/or bicycle rooms:

None.

(j) Plumbing and drainage:

(1) Water supply.

The building is provided with a domestic water service connected to the City of New York Water Distribution System. Service shall be a new, copper, 4" diameter combined domestic water and fire service. The hot and cold water piping shall be insulated with 1½" of approved type insulation with an R8 insulating value in compliance with code. Main shut off valve shall be located at the cellar.

(2) Fire protection system:

This building will be fully sprinklered. A wet sprinkler system shall be installed.

(i) Standpipes:

None.

(ii) Hose racks, hoses and nozzles:

There shall be a 3" sprinkler riser at the stair landing at the cellar through penthouse floors.

(iii) Sprinkler heads:

There will be sprinklers installed in the common stair halls and within the units in living rooms, bedrooms, kitchenettes, hallways, and miscellaneous other spaces, in accordance with NYC Building Code. Sprinkler heads will be of upright, pendant, concealed, or sidewall types, depending on the locations and installation conditions.

(iv) Siamese connection:

There shall be a 4"x3"x3" Siamese automatic sprinkler connection in front of the building.

(3) Water storage tank(s) and enclosures:

There shall be no water storage tanks.

(4) Water pressure and how maintained:

This building relies on normal NYC water pressure for raising the water to all floors. There shall be no pumps.

(5) Sanitary sewage system:

There is a combined sanitary and storm drainage system. The sanitary and storm drainage shall be collected from the building and discharged by gravity to the public combined sanitary and storm drainage system

(i) Sewage piping:

Service outside the building is an existing, combined, 6" diameter cast iron pipe and is in fair condition. Service inside the building shall be a new, combined, 6" diameter cast iron pipe for sewage and storm.

(ii) Sewage pumps:

There shall be an eject pump for the cellar sewage. Pump shall be manufactured by Everbilt model #THD1075, 1/2 HP. There shall be a 1-year manufacturer warranty. Warranty period shall begin on the date of purchase.

(iii) Sewage disposal:

The sewage system carries both waste and sanitary sewage from each unit

(6) Permit(s) required:

All required permits shall be obtained through the course of work.

This is an existing building and it already has 6" combined sewage and storm pipe. We are only connecting to existing, therefore no Site Connection Permit is required.

The Plumbing Permit has been obtained on June 29, 2020.

(7) Storm drainage system:

The storm water run-off of the site will be collected in the drains which are connected to the combined sanitary and storm drainage system.

(i) Catch basins:

There shall be no catch basins inside the property.

(ii) Yard and roof drains:

There are 2 drains in the areaway and a total of 3 roof drains.

(iii) Piping:

Service outside the building is an existing, combined, 6" diameter cast iron pipe and is in fair condition. Service inside the building shall be a new, combined, 6" diameter cast iron pipe for sewage and storm.

(iv) Eject or sump pumps:

None.

(k) Hot water:

Each unit shall be provided with an electric hot water heater. The hot water heaters shall be manufactured by GE, model # GE40M06AAG with a capacity of 40 gallons, and an energy efficiency rating of 4,622 KWH per year, which is adequate for the projected usage within the units. System shall have 2-year labor warranty and a 6-year parts warranty by the manufacturer.

(l) Gas supply:

There shall be no gas provided.

(m) Air conditioning and heating:

The heating system's adequacy is to maintain a temperature of 68 degrees from 6 a.m. to 10 p.m. and 55 degrees from 10 p.m. to 6 a.m.

The cooling system's adequacy is to maintain a 72 degree temperature when the heat temperature outside is 93 degree.

Heating and cooling shall be achieved via a ductless, split-type air conditioner (hyper heat) by Mitsubishi.

Each Unit shall have one condenser. There shall also be one condenser for the common lobby.

Unit	Model #	Cooling Capacity MBH/Heating Capacity MBH	SEER/HSPF
1	MXZ8C48NAHZU1	48,000/54,000	18.90/11.00
2A, 2B, 3A, 3B	MXZ3C24NAHZ2	23,600/25,500	19.00/10.00
4	MXZ4C36NAHZU1	36,000/45,000	19.10/11.30
Common lobby	MUZGL15NAU1	14,000/18,000	21.60/11.70

The condenser serving Unit 1 shall be in the rear yard.

All other condensers shall sit on the roof.

Condensers on the roof each have a capacity of 3 Tons (45,000 MBH) or less, which does not require any vibration isolators. There are no other large roof top equipment.

Rooftop piping shall be pre-insulated.

Exterior metals, including fasteners, shall be corrosion resistant

Each unit shall have multiple air handlers. Air handlers in the bedrooms shall be model # MSZGL06NAU1 with a cooling capacity of 6,000 MBH and Heating Capacity of 7,200 MBH. Air handlers in the living rooms shall be model # MSZGL12NAU1 with a cooling capacity of 12,000 MBH and Heating Capacity of 14,400 MBH or model # MSZGL15NAU1 with a cooling capacity of 14,000 MBH and Heating Capacity of 18,000 MBH. Air handlers shall be wall mounted. Air handlers in the cellar shall be model # MSZGL12NAU1 with a cooling capacity of 12,000 MBH and Heating Capacity of 14,400 MBH. See floor plans for exact locations.

There shall be remote controller thermostats provided for each unit.

The common lobby shall have one air handler, model # MSZGL15NAU1 with a cooling capacity of 14,000 MBH and Heating Capacity of 18,000 MBH.

System shall have 1-year labor and parts warranty by the manufacturer.

(n) Ventilation:

- The interior bathrooms and kitchens shall be properly ventilated by exhaust fans through vent ducts. The kitchens and bathrooms shall have 50 CFM.
- The noise emission rating for the mechanical equipment shall typically be 3 sones or less.
- The cellar space allocated to Unit 1 shall be an auxiliary space not to be used for cooking, living or sleeping and shall be adequately vented through the windows and the HVAC system.
- All areas requiring ventilation shall be vented in compliance with all applicable codes.

(o) Electrical System:

No generators shall be provided.

(1) Service from main service switchgear:

Electrical Service to the building shall be provided by Con Edison Company and shall be 500 mcm BX cable enclosed in copper wiring, single phase, 208 Volts.

(2) Service to individual units:

Each unit is supplied with 2/3 BX cable enclosed in copper wiring, single phase, 208 Volts, 100 amps.

(3) Compartment switchgear:

The compartment switchgear is located at the cellar.

(4) Unit service:

The electrical service is adequate for a full complement of modern appliances.

(5) Adequacy:

Average number of circuits per apartment and capacity to handle modern appliances, specifically air conditioners, dishwashers, and electric dryers shall be compliant with all applicable codes.

(i) Service:

There is an average of 15-20 circuits per apartment.

(ii) Lighting and fixtures:

There shall be lighting fixtures in each living room, bedroom, kitchen, bathroom, hallway and all other miscellaneous spaces in compliance with the code.

(iii) Convenience outlets, appliance outlets:

Average number of convenience and appliance outlets shall be compliant with all applicable codes.

(p) Intercommunication and/or door signal systems, security closed circuit TV.

No intercommunication and/or door signal systems and/or CCTV shall be provided.

(q) Public area lighting:

Adequate lighting as required by the NYC Building Code will be provided at the entrances, stairs, stair halls, cellar, yards and other common spaces. Public area lighting shall be 4" and 3" round down lights by LightBlue, LB Series.

(r) Garages and parking areas:

There shall be no garages or parking facilities.

(s) Swimming pools:

There shall be no swimming pool at the premises.

(t) Tennis courts, playgrounds and recreation facilities.

There shall be no tennis courts, playgrounds or other recreation facilities.

(u) Permits and Certificates:

The following permits have been obtained.

- DOB Alteration type 1 Permit
- DOB Electric Permit
- DOB Plumbing Permit
- DOB Sprinkler Permit
- DOT BPP Permit

The following permits have been obtained but already expired and in the process of being renewed.

- DOB Partial Demo Permit

The following inspections to be done.

- Construction
- Electric
- Plumbing
- Sprinkler
- BPP Permit
- Fire Alarm

The following recurring inspections shall be done after the building is in operation.

- Sprinkler has monthly inspection
- RPZ has annual inspections
- Fire alarm Semi-annual maintenance/testing will be required.

(v) Violations:

All outstanding violations, if any, shall be cured prior to the first closing. Currently there is a Partial Stop Work Order in effect and (8) related ECB violations: class-1 hazardous and class-2 major issued approximately 12/04/2019. The reason that caused the issuance of the violations is because the sponsor purchased the building with DOB approved Building Plans and then superseded architect of record. The original Partial Demolition was withdrawn; however, the superseding architect forgot to file a new Partial Demolition. Superseding architect of record is now in the process of filing the Partial Demolition and so the violation shall be resolved shortly.

(w) Unit Information:

Unit No.	Usage	Unit Location	Gross Square Feet	Number of Bedrooms/Bathrooms	Limited Common Elements	
1	Residential	Cellar 1 st floor	662 828	2/1.5	Areaway Rear yard	112 s.f. 555 s.f.
2A	Residential	2 nd floor	483	1/1	-----	-----
2B	Residential	2 nd floor	455	1/1	-----	-----
3A	Residential	3 rd floor	483	1/1	-----	-----
3B	Residential	3 rd floor	466	1/1	1 balcony	61 s.f.
4	Residential	4 th floor penthouse	961 215	3/2	1 balcony 1 terrace	61 s.f. 206 s.f.

- (a) Living/dining rooms shall have the following finishes:
 Floors: #2, red oak finished with a natural stain.
 Walls, ceilings: Gypsum board primed and painted with 2 layers of quality paint.
- (b) Bedrooms shall have the following finishes:
 Floors: #2, red oak finished with a natural stain.
 Walls, ceilings: Gypsum board primed and painted with 2 layers of quality paint.
 Closets: Closets are finished with a minimum of 1 shelf and/or rod.
- (c) Kitchens shall have the following finishes:
 Floors: #2, red oak finished with a natural stain.
 Walls, ceilings: Gypsum board primed and painted with 2 layers of quality paint.
 Cabinets: Wood.
 Countertops: Formica.
 Sink: Stainless steel.
 Appliances: Sponsor will provide the following appliances or equivalent.
 - Fridge by GE, model # GTS21FGKWW
 - Electric Range by Frigidaire, model # FFEH3054US
 - Dishwasher by Amana, model #ADB1400PY. Dishwasher shall only be provided for Unit 1 and 4.
- (d) Bathrooms shall be equipped as follows:
 Tub: American standard.
 Vanity/Sink: American Standard.
 Toilet: American Standard.
 Floors: Tiled.
 Walls: Tiled.
 Ceilings: Gypsum board primed and painted with 2 layers of quality paint.

Washer/dryer hook-ups shall be for stackable washer/dryer. Dryer hook-ups shall be for electric, ventless dryers.

(x) Finish schedule of spaces other than units:

Location	Floors	Walls and Ceilings
lobby	Finished concrete	Primed and painted gypsum board.
Stair halls		
cellar		
Mechanical room		

(y) Safety and warning devices:

Smoke and carbon monoxide detectors shall be provided for each dwelling unit. The central fire alarm station shall be located at the cellar.

(z) Additional information required:

- (1) A plot plan showing landscape features, street, and outside dimensions of the building, are herewith attached.
- (2) Floor plans for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries, are herewith attached.
- (3) The cellar shall have an approximate floor to ceiling height of 7'-1". The 1st thru penthouse floors shall have an approximate floor to ceiling height of 8'-0".

Further Development

The sponsor shall not construct any additional units or phases after completion of the structure, as per DOB approved plans.

Asbestos:

There is no asbestos. See attached Asbestos Report.

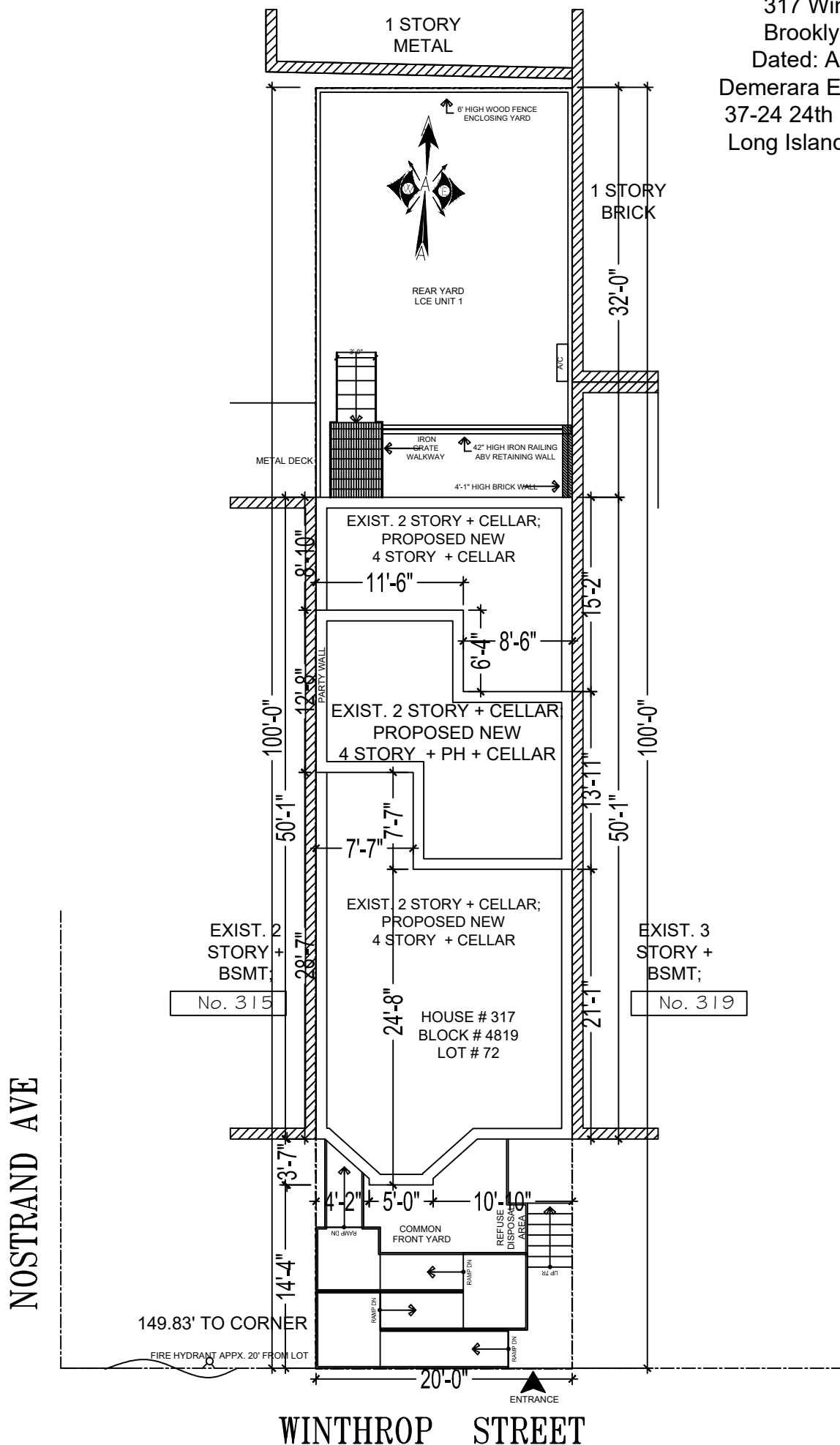
Lead-based paint:

There is no *known* lead base paint in the building. However, many buildings built around the time that the subject building was built, contain lead materials in the building.

This report may not be construed as a guarantee or warranty. The sponsor reserves the right to provide different equipment by different manufacturers, which are equal to or better, than those listed above.

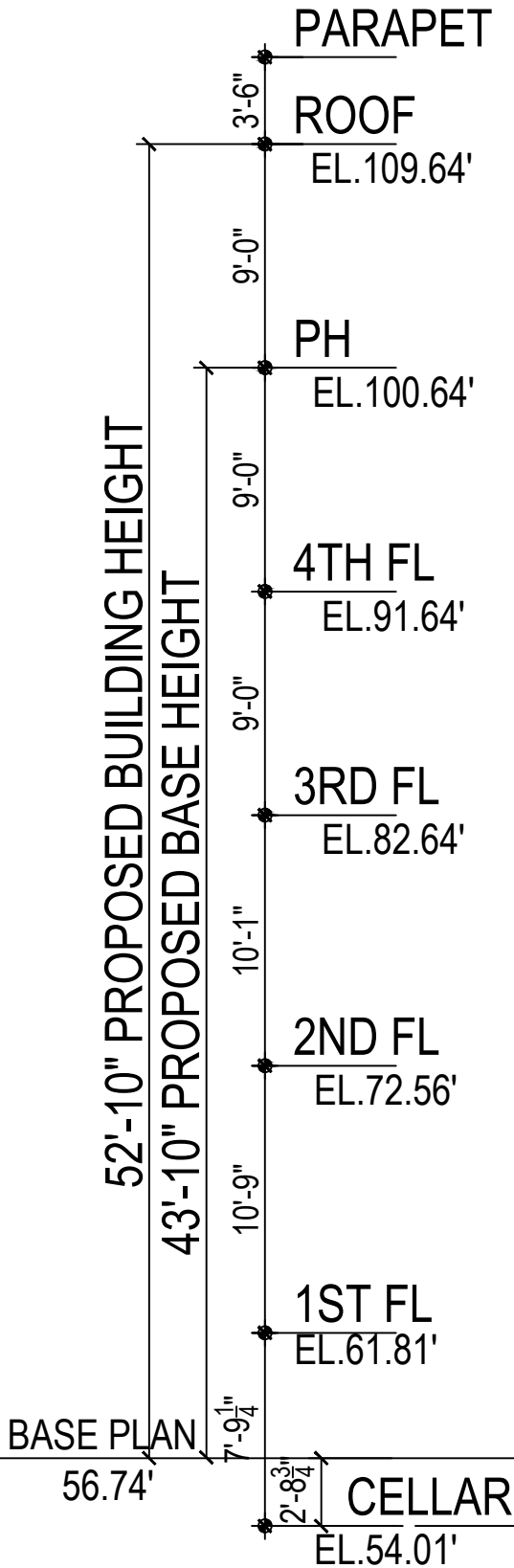


317 Winthrop Street
 Brooklyn, NY 11225
 Dated: August 3, 2020
 Demerara Engineering PLLC
 37-24 24th Street, Suite 231
 Long Island City, NY 11101



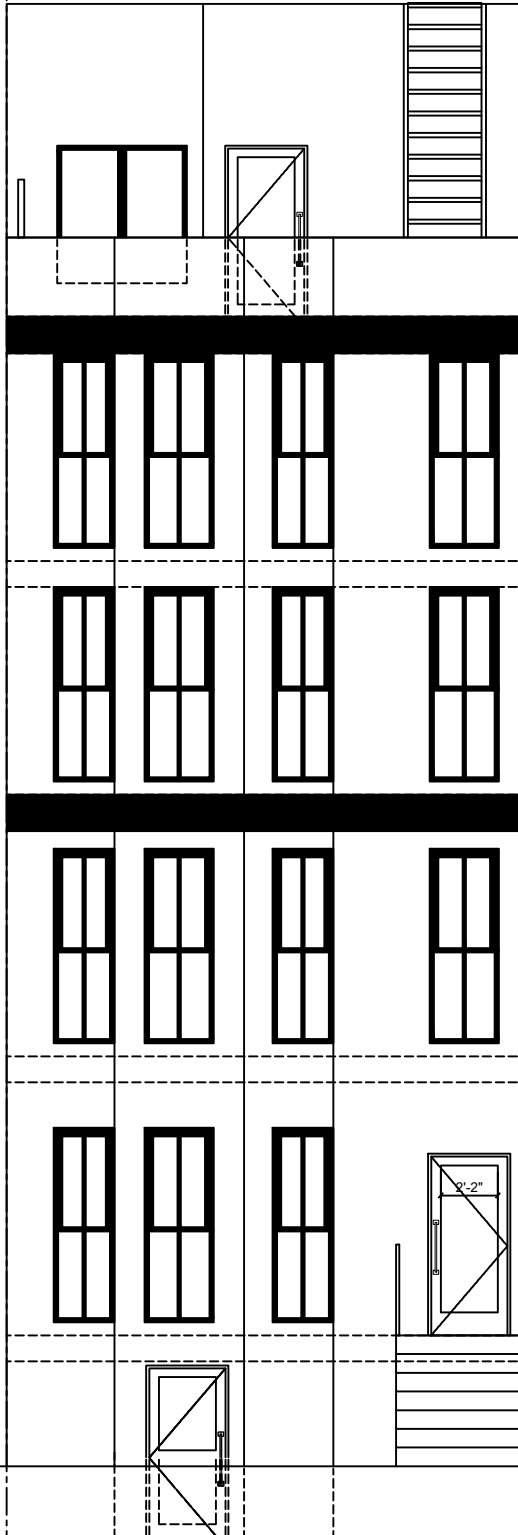
SITE PLAN

317 Winthrop Street
Brooklyn, NY 11225
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Demerara Engineering PLLC
37-24 24th Street, Suite 231
Long Island City, NY 11101



LOT LINE

LOT LINE



FRONT ELEVATION

FP2

317 Winthrop Street
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Long Island City, NY 11101

LOT LINE

LOT LINE

PARAPET

ROOF

EL.109.64'

3'-6"

9'-0"

PH

EL.100.64'

9'-0"

4TH FL

EL.91.64'

9'-0"

3RD FL

EL.82.64'

10'-1"

2ND FL

EL.72.56'

10'-9"

1ST FL

EL.61.81'

7'-9 1/4"

BASE PLAN

56.74'

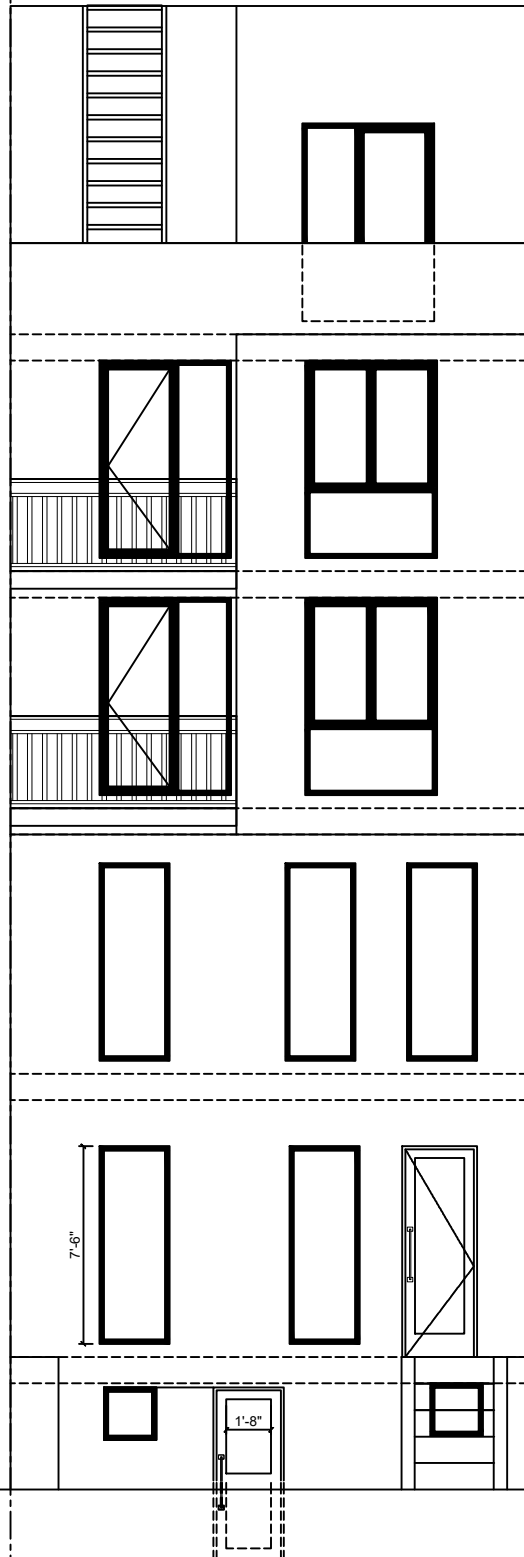
2'-8 3/4"

CELLAR

EL.54.01'

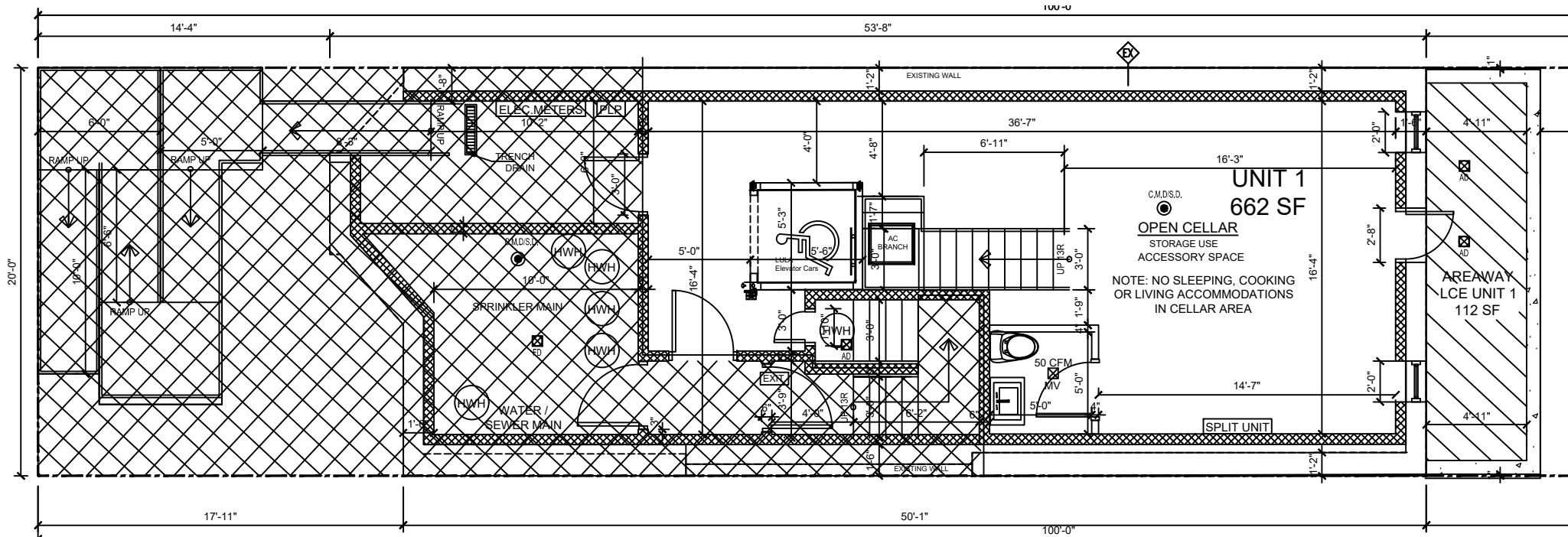
52'-10" PROPOSED BUILDING HEIGHT

43'-10" PROPOSED BASE HEIGHT



REAR ELEVATION

FP3



CELLAR FLOOR PLAN-UNIT 1



LEGEND:

COMMON ELEMENT



LIMITED COMMON ELEMENT



FRIDGE



DISHWASHER

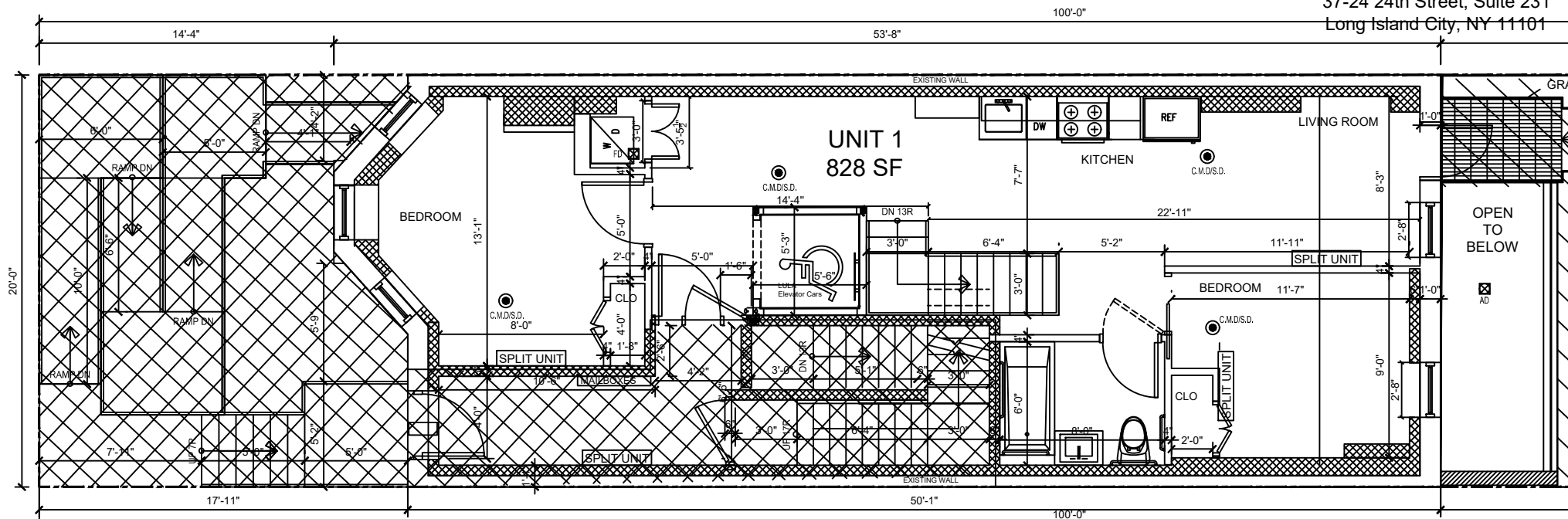


RANGE

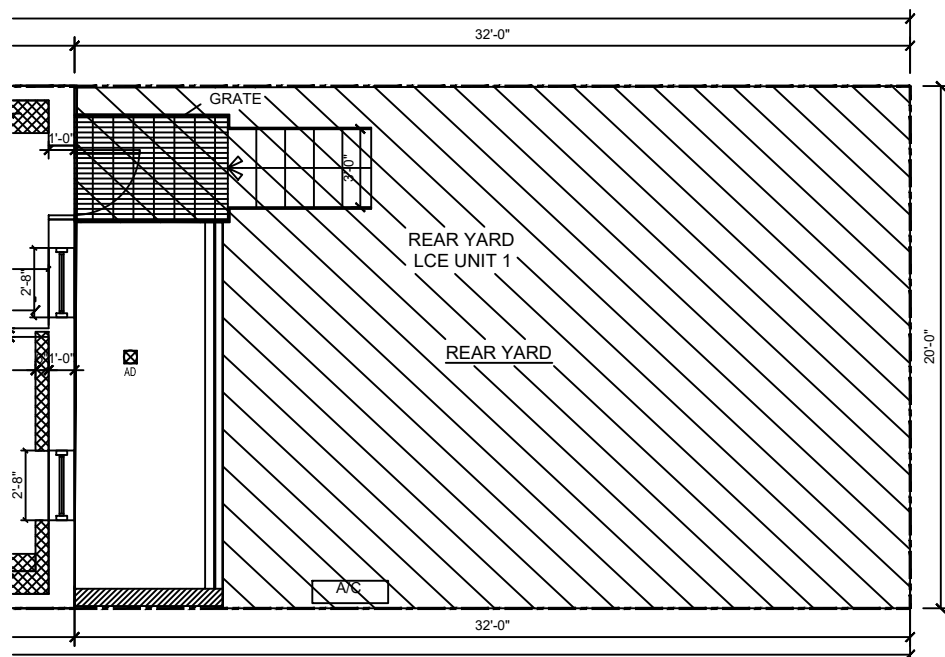


WASHER/DRYER





1ST FLOOR PLAN-UNIT 1



1ST FLOOR PLAN REAR YARD CONTINUED

LEGEND:

COMMON ELEMENT

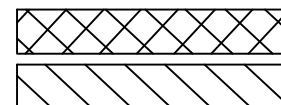
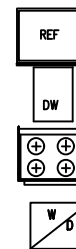
LIMITED COMMON ELEMENT

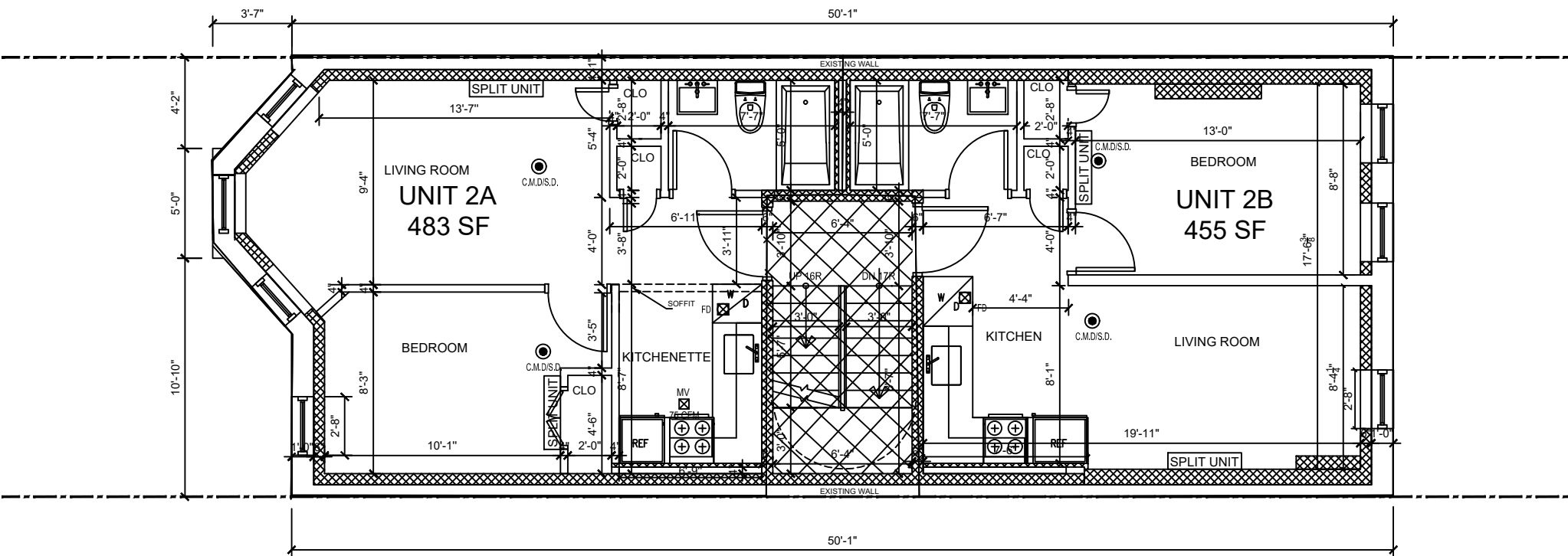
FRIDGE

DISHWASHER

RANGE

WASHER/DRYER





2ND FLOOR PLAN

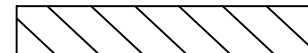


LEGEND:

COMMON ELEMENT



LIMITED COMMON ELEMENT



FRIDGE



DISHWASHER

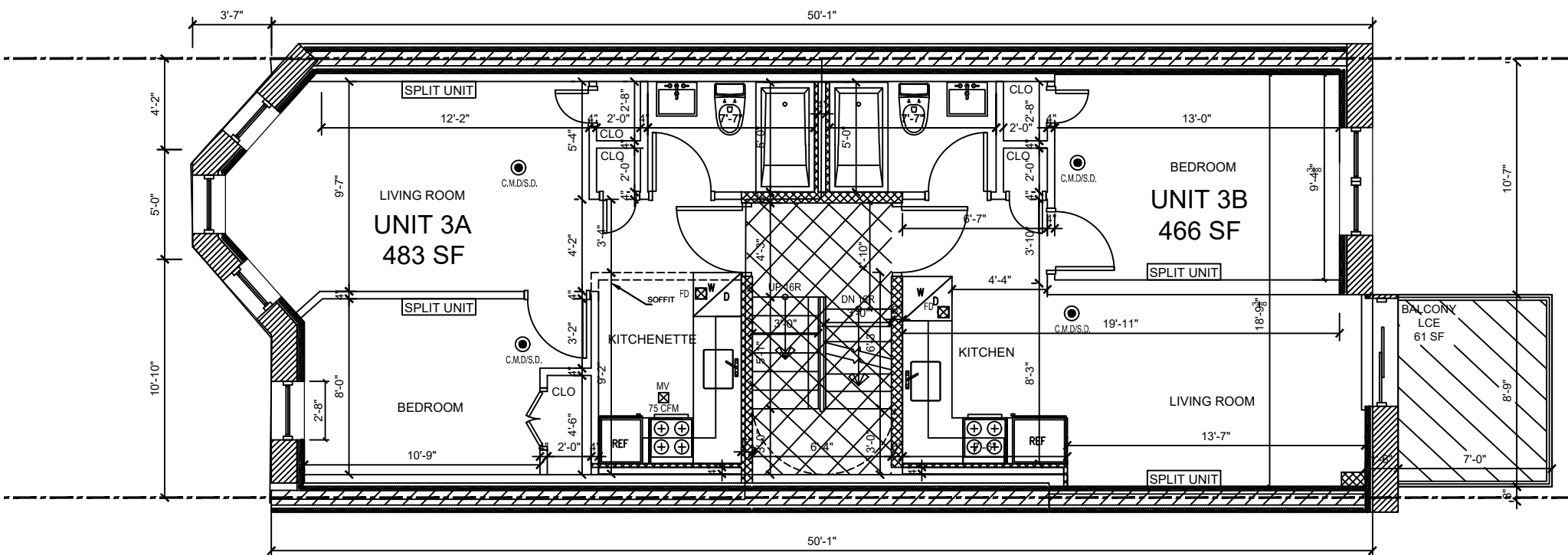


RANGE



WASHER/DRYER





3RD FLOOR PLAN



LEGEND:

COMMON ELEMENT



LIMITED COMMON ELEMENT



FRIDGE



DISHWASHER



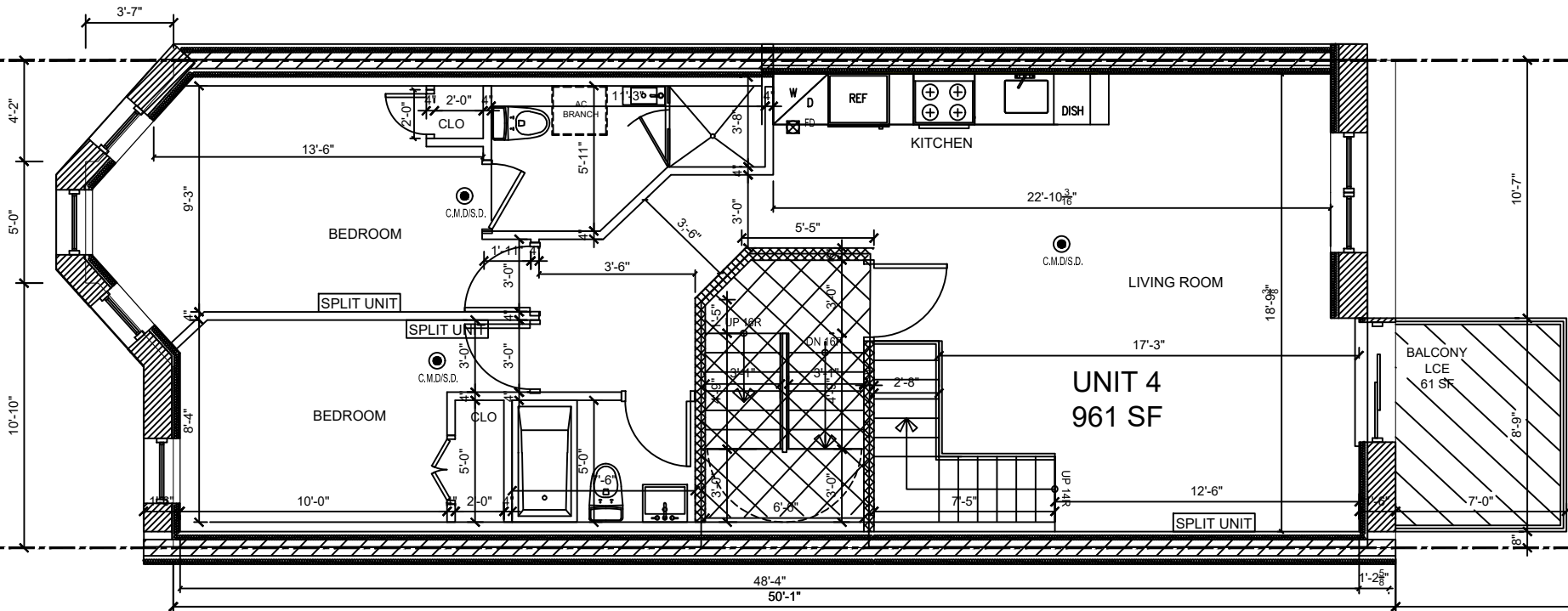
RANGE



WASHER/DRYER



317 Winthrop Street
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4TH FLOOR PLAN

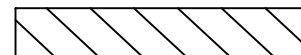


LEGEND:

COMMON ELEMENT



LIMITED COMMON ELEMENT



FRIDGE



DISHWASHER



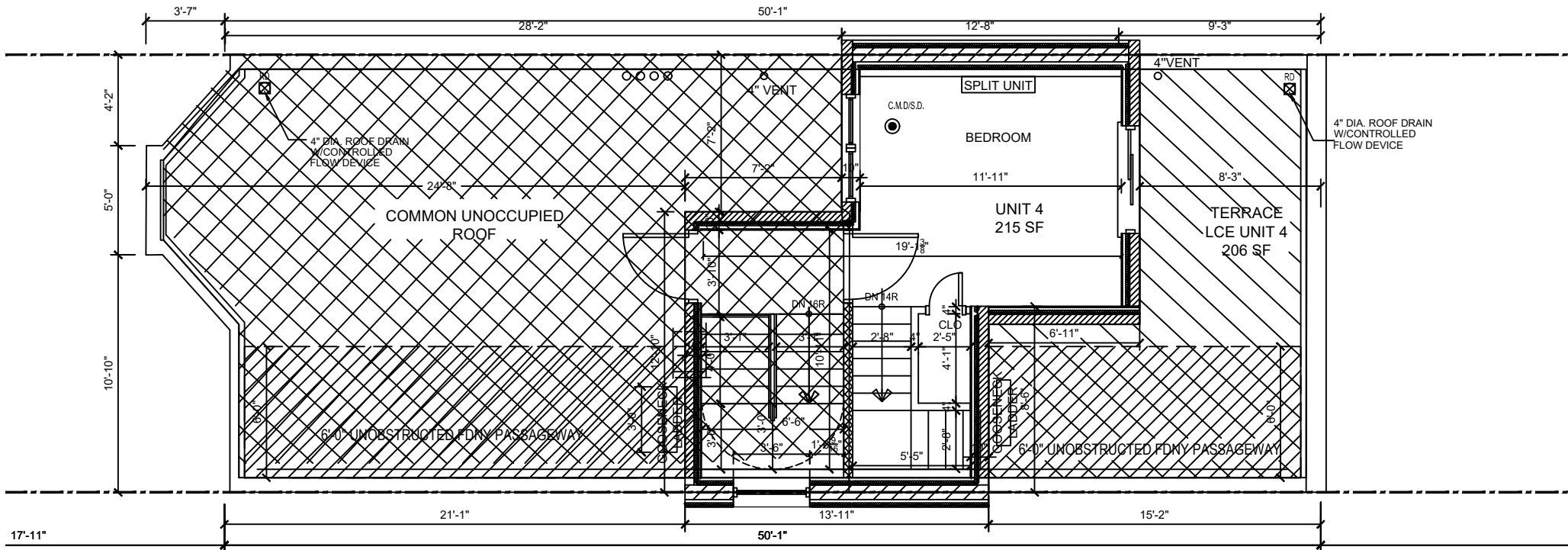
RANGE



WASHER/DRYER



FP8



LEGEND:

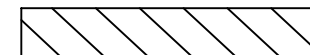
PENTHOUSE FLOOR PLAN



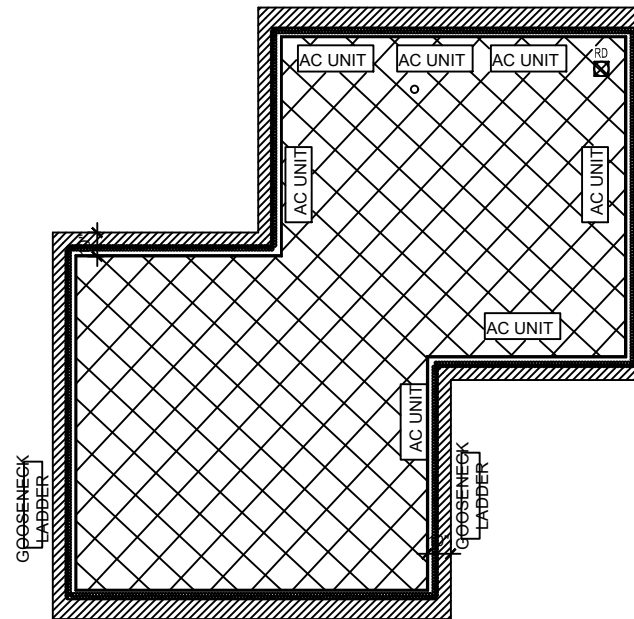
COMMON ELEMENT



LIMITED COMMON ELEMENT



THE ROOFS AND TERRACES SHALL BE FINISHED WITH RUBBER ROOFING OVER DENSDECK PRIME ROOF BOARD.
 ROOF AND TERRACES SHALL BE ENCLOSED BY 42" PARAPET WALLS.



ROOF FLOOR PLAN

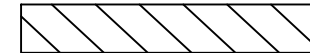


LEGEND:

COMMON ELEMENT



LIMITED COMMON ELEMENT



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 317 Winthrop 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 317 WINTHROP STREET CONDOMINIUM

**DECLARANT: WINTHROP APART LLC
58-09 82nd Street
Middle Village, New York 11379**

DATE OF DECLARATION:

The land affected by the within instrument lies in Block 4819 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

**F/k/a: Lot(s) 72
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 317 WINTHROP STREET CONDOMINIUM, located at 317 Winthrop 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.

WINTHROP APART LLC, located at 58-09 82nd Street, Middle Village, New York 11379, 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 317 WINTHROP STREET CONDOMINIUM.
4. DESCRIPTION OF THE BUILDING: The Condominium consists of a single building composed of four stories and penthouse, and a below-grade cellar, and containing, in aggregate, six (6) residential units. The legal occupancy will match the proposed occupancy hereunder. The building complies with Class II-B building 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.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Oscar P. Walters, Jr., P.E. of Demerara Engineering, PLLC, 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. 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, Winthrop Apart LLC, 58-09 82nd Street, Middle Village, New York 11379 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 317 Winthrop 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: For any Unit owned by the Declarant or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Declarant or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change in and size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Declarant or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Declarant or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of the Declarant or its designee(s). In the event of any such change in an Unsold Units, Declarant shall amend the Declaration and Floor Plans to reflect same.

In the event the Declarant or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Declarant or its designee, to reflect any such alteration, addition, improvements,

changes or reapportionments and shall record such amendment in the Office of the 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__.

WINTHROP APART 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

BY-LAWS

of

THE 317 WINTHROP 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 317 Winthrop 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 317 WINTHROP 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 the him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing to do so by Unit Owners owning at least twenty-five per cent (25%) of the votes of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the holders of all the Units of the Condominium be present thereat in person or by proxy. Except that there shall be a meeting commenced within sixty days after the closing of the First Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable, 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; he shall have charge of such books and papers as the Board of Managers may direct; and 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. 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 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. 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 terms of office shall be until their respective successors are elected and qualify.

Section 4. Quorum: A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies: 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.

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, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an

amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein within fifteen (15) days after receipt thereof.

Section 3. Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him.

Section 4. Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner that remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner that remains unpaid for more than thirty (30) days from the due date thereof.

Section 5. Default in Payment of Common Charges or Assessments: In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owners shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners. During the time that the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which the Sponsor is more than 30 days in arrears of common charges.

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his 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 Residential Units shall be used for private residences only, except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Notwithstanding the foregoing, the Sponsor or Sponsor-Designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

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

c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

d) No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e) No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit including the Limited Common Elements appurtenant thereto), may be separately rented.

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and

failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 11 that require the consent of the Board of Managers in connection with a structural addition, alteration, or improvement shall not apply to Units owned by the Sponsor or its designee. All other provisions of this Section 11 shall apply to all Units.

Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings may be made without the prior approval of the Board of Managers.

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common

facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 13, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 14. Rules of Conduct: Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. A copy of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A.

Section 15. Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the Property and in the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 16. Smoking Policy: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements.

ARTICLE VII

Mortgages

Section 1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

Section 5. Any mortgagee shall be entitled to timely written notice of:

- a. Any condemnation of casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.

- c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgagees.

Section 6. Notwithstanding anything to the contrary set forth in any portion of these By-Laws, any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such unit's unpaid regularly scheduled budgeted dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues.

Section 7. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment, modification, addition, or deletion that shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

Section 8. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by certified or registered mail, return receipt requested, said mortgagee will be conclusively presumed to have consented to the action set forth in said notice.

ARTICLE VIII

Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no

repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by 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: (a) 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, 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 mortgages, 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 mortgages, if applicable). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

Section 6. Report to Unit Owners: The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

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

2) Prior notice of the annual Unit Owners meeting at least 30 days prior to such meeting.

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

ARTICLE 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 23-A, AS AMENDED**

**RE: 317 Winthrop Street
 Brooklyn, New York**

We, WINTHROP APART LLC and HADAS MORGENSTERN, 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 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable;

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us that amend or supplement the Offering Plan will:

1. Set forth the detailed terms of the transaction and be complete, current, and accurate;
2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

7. Not contain any representation or statement which is false where we:
- a) knew the truth;
 - b) with reasonable effort could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or
 - d) did not have knowledge concerning the representation or statement made.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the Civil and Criminal penalties of the General Business Law and the Penal Law.

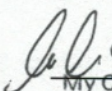
WINTHROP APART LLC

by:



HADAS MORGENSTERN

Sworn to before me this
30th day of *march*, 2020.

CHARLES D. HARKINS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01HA6217145
Qualified in Queens County

My Commission Expires 02-08-2022
Notary Public



HADAS MORGENSTERN

Sworn to before me this
30th day of *march*, 2020.

CHARLES D. HARKINS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01HA6217145
Qualified in Queens County

My Commission Expires 02-08-2022
Notary Public

DEMERARA ENGINEERING, PLLC
37-24 24TH STREET, SUITE 231
LONG ISLAND CITY, NEW YORK 11101
1212.383.4897

**CERTIFICATION BY SPONSOR'S ENGINEER/ARCHITECT
PURSUANT TO SECTION 20 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

08/03/2020

Department of law
Of the State of New York
28 Liberty Street, 21st floor
New York, New York 10005

Attn: Real Estate Financing Bureau
Re: 317 Winthrop Avenue
Town of Brooklyn



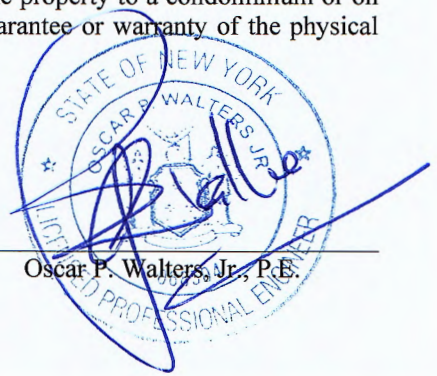
The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the renovation of the property (the report). We visually inspected the property on 07/27/2020 and examined the Building Plans and specifications that were prepared by the office of Asher Hershkowitz, R.A., License No: 014962 approved on July 07, 2019. We prepared the report dated 08/03/2020, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

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 certify that the report:

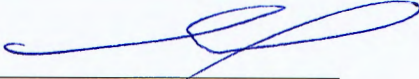
- i. Sets forth in narrative form, the description and/or physical condition of the entire property as it will exist upon completion of renovation, provided that the renovation is in accordance with the plans and specifications I examined;
- ii. In my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the description and/or physical condition of the property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specification that I examined;
- iii. Does not omit any material fact;
- iv. Does not contain any untrue statement of the material fact;
- v. Does not contain any fraud, deception, concealment, or suppression;
- vi. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. Does not contain any representation or statement which is false, where I (a) Knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I further certify that we are 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.



Oscar P. Walters, Jr., P.E.

Affirmed before me this
24 day of Sept, 2020



Notary Public

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 20 22

Complete Condo Service Inc.
Licensed Real Estate Broker
610 Broadway
Brooklyn, N.Y. 11206
Tel. (718) 875-9100 Fax. (718) 228-7090

04/06/2020

**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: 317 Winthrop Avenue, 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 over Ten Months; the management of approximately Ten buildings; 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:

1. Set forth in detail the projected income and expense for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Does not omit any material fact;
4. Does not contain any untrue statement of a material fact;
5. Does 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. Does not contain any representation or statement which is false where we:
 - a. Knew the truth;
 - b. With reasonable effort, could have known the truth;
 - c. Made no reasonable effort to ascertain the truth; or,

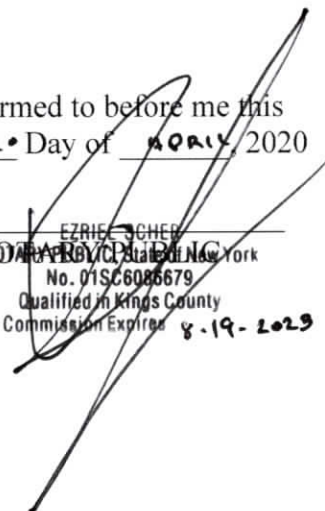
d. Did not have the knowledge concerning the representations or statements made.

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 expense 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 civil and criminal penalties of the General and Business Law and Penal Law.



Simon Neustein
Licensed Real Estate Broker

Affirmed to before me this
20 Day of APRIL 2020



EZRIE SCHER
NOTARY PUBLIC
No. 01SC6086679
Qualified in Kings County
My Commission Expires 8-19-2029