
CONDOMINIUM OFFERING PLAN

**THE 349 HOYT STREET CONDOMINIUM
349 HOYT STREET
BROOKLYN, KINGS COUNTY, NEW YORK 11231**

Residential Units.....4	\$8,575,000.00
Total Amount of Offering	\$8,575,000.00

SPONSOR AND SELLING AGENT:

**349 HOYT LLC
1000 DEAN STREET, SUITE 428
BROOKLYN, NEW YORK 11238**

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.)

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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 BY-LAWS 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.

By-Laws: The By-Laws 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: 349 Hoyt LLC, 1000 Dean Street, Suite 428, Brooklyn, New York 11238.

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. A unit may be for residential use or for commercial use as designated in the Declaration. 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, they 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 Purchase Agreement canceled and lose their contract deposit. Similarly, a purchaser who fails to notify the Sponsor in the event they have 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 contract deposit 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 to the Sponsor a reimbursement fee of \$2,500.00 as partial reimbursement for the costs of preparing and filing the Offering Plan, and a reimbursement fee of \$2,250.00 for the costs associated with applying for J-51 tax abatement benefits. The \$2,250.00 fee is non-reimbursable in the event that J-51 benefits are not ultimately obtained, nor will Purchasers be offered a right of rescission if the benefits are not obtained. Sponsor will use his best efforts to obtain J-51 real estate tax benefits, will timely file all applications, and timely will comply with all procedures required to properly process and maintain such benefits once they are obtained. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee of \$2,000.00, a separate fee of \$200.00 for the preparation of transfer tax forms, 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. A fee of \$250.00 will be charged for attending a closing if the closing takes place anywhere other than at the office of Sponsor's counsel, but in New York City, and \$500.00 if the closing takes place outside of New York City. Sponsor's attorney will charge a fee of \$150.00 per adjournment for the adjournment of a scheduled closing date. A fee of \$250.00 will be charged to complete a condominium questionnaire if required by Purchaser's lender, and a \$250.00 financing fee will be charged to review Purchaser's loan documents if Purchaser is financing the purchase. 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 individuals affiliated with 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 designated by the Sponsor. There are certain limitations on actions that can be taken by the Board of

Managers while the Sponsor remains in control of the Board of Managers. Such limitations are set forth in the CONTROL BY THE SPONSOR of this Offering Plan.

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

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

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

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

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

percentage of the apartments in a building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original Sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

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

10) Prospective Purchasers are advised that all deposits and Down Payments will be held in the escrow account maintained by ELAINE GAY, ESQ. as escrow agent, at Citibank, a bank authorized to do business in the State of New York, at its branch located at 114 Seventh Avenue, Brooklyn, New York 11215 (the "Escrow Account"). The name of the account is ELAINE GAY, ESQ. IOLA Account. 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. Unless the Escrow Account is of an IOLA type, Purchaser shall be entitled to any interest earned on the sums deposited unless otherwise agreed to by the parties hereto. 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 interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account. 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 Valley National Bank, having an office at 1455 Valley Road, Wayne, New Jersey 07470 (the "Mortgage Lender"). The Mortgage Lender has agreed to subordinate its liens to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant payment as provided in the loan documents. There is a minimum release price set by the Mortgage Lender for the Mortgage Lender to release its lien from the Unit being sold. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units. See the INTRODUCTION and RIGHTS AND OBLIGATIONS OF THE SPONSOR sections in Part I of the Plan.

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

17) Unit 1 will have the rear yard measuring approximately 526 square feet allocated as a limited common element. Units 3 and Unit 4 will each have a private roof terrace measuring approximately 470 square feet and 332 square feet, respectively, allocated as limited common elements. Roof terraces surface finish shall be a non-combustible roof paver system by Outdoor 2CM, or equal or better, with a pedestal installation by Profilitex, or equal or better, and such roof covering shall be appropriate for use of the roof as a terrace and the permissible load of 110 lbs. per square foot. This floor load is in accordance with Chapter 16 of the 2014 NYC Building Code. 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. Please see SCHEDULE A and the DESCRIPTION OF PROPERTY AND SPECIFICATIONS included in Part II of this Offering Plan for a more complete explanation.

18) Unit 1 is a duplex unit occupying the first and cellar floors of the Building. Cellar is for accessory use only—Not to be used for sleeping, cooking, and/or living purposes, and is not to be rented independently. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility of the Unit Owner to correct and remove. The existence of violations on the building may result in fines and prevent the Residential Unit Owners being unable to sell or refinance their Units. Please see the sections entitled DESCRIPTION OF PROPERTY AND IMPROVEMENTS and SCHEDULE A in Part I, and DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS included in Part II of this Offering Plan for a more complete explanation.

19) Each Residential Unit will have a separate storage space located in the cellar of the building allocated as a Limited Common Element. These cellar storage spaces may not be used as a bedroom, living room, or dining room, or for any other use construed as “habitable space” as defined by the New York City Building Code, nor may this space be rented out. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility of the Unit Owner to correct and remove. The existence of violations on the building may result in fines and prevent the Residential Unit Owners being unable to sell or refinance their Units. Please see the sections entitled DESCRIPTION OF PROPERTY AND IMPROVEMENTS and SCHEDULE A in Part I, and DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS included in Part II of this Offering Plan for a more complete explanation.

20) The Sponsor will install in each residential unit a gas range, Bertazzoni model #MAST305GASXE, a range hood, Bertazzoni model #KTV30PR01 X, a refrigerator, Bosch model #B30IB800SP, a dishwasher, Bosch model #SHPM65W56N, a washer, LG model #WM3400CW, and a dryer, LG model #DLE3400W. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. The Sponsor reserves the right to provide fixtures and appliances by a variety of manufacturers of equal or better quality. "Equal or better quality" shall mean materials, appliances, equipment and/or fixtures that have substantially the same life expectancy, warranty, basic performance, and maintenance expectations. Please see the DESCRIPTION OF PROPERTY AND SPECIFICATIONS included in Part II of this Offering Plan.

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

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

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

22) The Unit Owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational. Please see the DESCRIPTION OF PROPERTY AND SPECIFICATIONS located in Part II of the Offering Plan.

23) 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 an interim lease with the Sponsor. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. 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. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. Sponsor will thereafter return the contract deposit within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind. An interim lessee assumes the risk of loss to his/her personal property that is not covered by the condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be

obligated to close the sale of the unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance. Please see the PROCEDURE TO PURCHASE section of the Offering Plan.

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

Purchasers should note that even if the first closing occurs on or before July 1, 2021 (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve month period thereafter, the closing of subsequent units may be substantially delayed beyond such dates. In such case, provided Sponsor is diligently pursuing completion of construction and the issuance of applicable DOB signoffs 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. The form PURCHASE AGREEMENT located in Part II does not contain an outside closing date. 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 estimated date of commencement of condominium operation or from the date of the fully executed Purchase Agreement, affected purchasers will be offered a right of rescission. See the PURCHASE AGREEMENT in Part II of this Offering Plan.

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

25) Sponsor pulled a work permit per Alteration Type 2 Job #321921854 filed with the New York City Department of Buildings (DOB) on April 29, 2019, as amended on May

9, 2020 and on June 15, 2020, permitting interior renovation, partition, plumbing and mechanical work. No changes in use, occupancy or egress are contemplated under this permit. As per DOB code, the construction documents submitted and all construction documents related to the filing do not require a new or amended Certificate of Occupancy as there is no change in use, occupancy or egress following completion of construction. Accordingly, Sponsor has no obligation to obtain a new Certificate of Occupancy when construction is complete. See the RIGHTS AND OBLIGATIONS OF THE SPONSOR in Part I, and the DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS in Part II of this Plan.

26) There are two (2) lot line windows located within Unit 4 at the fourth floor of the Building. Characterization of a window as a lot line window generally means that depending on the proximity and height of improvements on the adjacent property, the lot line window is required by law to be protected against fire occurring in the improvements on adjacent lots in a manner satisfactory to the Department of Buildings. Such fire protection can include sealing the window completely, sprinklering it, using glass block instead of ordinary window glass, or using windows made of steel with wire mesh. Consequently, prospective Purchasers should be aware that in the event that the adjacent property is renovated, reconstructed or enlarged at any time in the future, the lot line windows on the facade of this Building may be required to be in-filled with fire-rated construction, the costs of which would be borne by all of the Residential Unit Owners as a Residential Common Expense. If certain of these windows remain open, they may be required to have sprinkler heads installed and their surrounding walls in-filled with fire-rated construction. The current estimated cost of such work is approximately \$3,500 for each lot line window. Any repairs (and the costs thereof) to the inside surface of the walls of the Units where the windows were located shall be the responsibility of each Unit Owner affected. See the DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS in Part II of this Plan.

27) The Building is located on property within Brooklyn's Carroll Gardens Historic District designated as a Landmarked District by the New York City Landmarks Preservation Commission (LPC) and is subject to the Landmark Preservation Law (hereafter "Landmark Law"). Certain types of construction on a building within a historic district that affect its historic façade must receive a permit from the LPC prior to the start of construction. However, no alterations to the façade of the subject Building, or to the use, occupancy or egress have been undertaken under Sponsor's approved work permit. Pursuant to the Landmark Law, if the Board or any unit owner desires to make any alteration, addition, improvement, or repair in or to the building or a unit (other than certain ordinary repairs and maintenance as defined in Section 302 of the

Landmark Law) that affects any exterior architectural feature of the building, then, in addition to obtaining any necessary approval or consent under the condominium documents, such party must first obtain the approval and a Certificate of Appropriateness or a Certificate of No Effect (as applicable) from the Landmarks Preservation Commission of the City of New York (hereafter, "Commission" or "Landmarks Commission"). If the proposed alteration, addition, improvement, or repair is interior, is of sufficient scope to require a building or work permit, and will not affect any exterior architectural feature of the building, a submission to that effect to the Commission will issue a "Certificate of No Effect." The issuance of such certificate is a common occurrence and is issued on a ministerial basis. See the TERMS OF SALE, RIGHTS AND OBLIGATIONS OF THE SPONSOR and RIGHTS AND OBLIGATIONS OF UNIT OWNERS/BOARD OF MANAGERS sections in Part I, and DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS in Part II of this Plan.

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

29) 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.

30) 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/BOARD OF MANAGERS section of this Offering Plan.

31) 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.

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

33) 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.

34) In the event a Purchaser takes possession of a Unit prior to Closing pursuant to an Interim Lease, upon a non-monetary default by Purchaser under the terms of the Interim Lease which is not cured within 30 days after notice thereof, or immediately after Purchaser exercises any right of rescission with respect to the Purchase Agreement, Purchaser's right to occupy the apartment will terminate, and PURCHASER must vacate the Apartment. Purchaser shall pay to Sponsor \$500.00 per day for each day he remains in possession following the periods set forth above. If an uncured default under an Interim Lease can result in a default under the Purchase Agreement, before the Sponsor may utilize the default under the Lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the unit. Other than as set forth herein, 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 SAMPLE INTERIM LEASE set forth in Part II of the Plan.

35) 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.

36) It is anticipated that the Condominium will be self-managed by the unit owners. Therefore, no amount has been included in the projected budget for the first year of operation for a management fee. Should the Board of Managers at any time elect to employ the services of a managing agent, this will represent an additional cost of approximately 20% of the annual operating budget, which would require a concomitant increase in the common charges. In addition, no amount is budgeted for a

superintendent or custodian and, again, in the event the Board of Managers determines that it is in the best interest of the Condominium to employ a superintendent or custodian, this will result in an increase in common charges of approximately 10%. Please see FOOTNOTES 8 and 9 to SCHEDULE B for a more complete explanation, including a listing of some of the tasks that unit owners will need to perform in the event neither a superintendent nor managing agent is employed.

The activities which the Board of Managers, on behalf of Unit Owners, will need to perform since no managing agent will be employed include maintenance of checking and savings accounts for the Condominium; collection of monthly common charges; payment of all Condominium common expenses; processing of all individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the day-to-day operation of the building; compliance with all government laws and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of Condominium adopted rules and regulations, including enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual Unit Owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building will need to be dealt with by the Board of Managers. See the section in Part I of the Plan entitled FOOTNOTES TO SCHEDULE B.

37) 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.

38) The Sponsor will make and pursue an application for abatement and exemption of taxes under 11-243 (formerly J-51, and referred to as J-51) of the Administrative Code of the City of New York, and shall make all filings necessary to obtain such benefits. If obtained, a J-51 property tax exemption effectively freezes a residential building’s assessed value for real estate tax purposes, exempting the owner or owners from paying property tax on the increase in value resulting from the conversion, alteration, or

improvement of a building or structure, except insofar as the gross cubic content of the building is increased thereby. The exemption will last for a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years. The land value will not be exempt from any increase in assessed valuation. If obtained, J-51 benefits also serve to abate, and thereby reduce, the property's tax liability that would otherwise be payable. For renovation of a residential building, the abatement is calculated and determined based on 90% of the lesser of: 1) the "Certified Reasonable Cost" (CRC) of the eligible alteration or improvement as established by the NYC Dept. of Housing Preservation and Development; or 2) a maximum allowance of \$15,000 per one-bedroom apartment with a per-apartment increase of \$2,400 for each additional bedroom. Resulting abatement benefits are reduced by ineligible portions of the converted structure, if any. Upon closing, the Sponsor will make all tax benefit documents available to the Condominium for inspection and copying for the life of the benefits. The Sponsor will timely file all applications and timely comply with all procedures required to properly process and maintain the benefits. Sponsor will use its best efforts to obtain the real estate tax benefits set forth herein. Sponsor will promptly amend the Offering Plan when and if J-51 benefits are obtained or denied to disclose receipt or denial of such benefits.

PURCHASERS SHOULD NOTE THAT THE J-51 BENEFITS CONTEMPLATED HEREIN ARE UNCERTAIN AND MAY NEVER BE RECEIVED.

Upon receipt of J-51 benefits, all rental units become subject to rent stabilization or rent control for the duration of the benefits. In previously stabilized buildings, the landlord must also waive 50% of the rent increase that would otherwise be allowed under rent stabilization as a result of the construction.

This project will not receive any governmental assistance. Unit owners will be required to reimburse the Sponsor for the cost of the J-51 application at the time of closing, as disclosed in Special Risk #5, above. **Purchasers will NOT be offered a right of rescission if J-51 benefits are not ultimately obtained. Likewise, purchasers will NOT be reimbursed for the J-51 application expense if J-51 benefits are not ultimately obtained.**

The Sponsor's projection of tax due for the first year of operation is based on the figures and assumptions in accompanying expert's opinion as to real estate tax benefits. However, it is not possible to accurately determine what the increase and actual assessed valuation will be. Moreover, it is equally impossible to predict any future increases in real estate tax rates, which may affect the amount of tax due on the property. Purchasers should note that the J-51 program under 11-243 of the

Administrative Code of the City of New York was scheduled to “sunset” on June 30, 2020, which means that in order to guarantee eligibility under the current program, the Letter of Completion/Certificate of Occupancy for the property must have been obtained by June 30, 2020. However, as of April 22, 2021, the status of this deadline is currently unclear. Sponsor’s real estate tax abatement expert, Metropolitan Realty Exemptions, Inc., is currently seeking clarification and guidance from the city and state as to the current status of the J-51 program’s “sunset” deadline. Sponsor will take all necessary and appropriate steps to request an extension of the aforementioned sunset deadline, if applicable, and will continue to update the Offering Plan promptly upon receipt of any news regarding the applicability or non-applicability of the J-51 program to this property. Sponsor has filed the appropriate notice of intent to pursue a J-51 application and intends to file the J-51 application after receipt of a Letter of Completion which should be within approximately 1 month. Sponsor anticipates that the benefits, *if received*, will kick in approximately 9-12 months after submission of the J-51 application. Sponsor does not anticipate obtaining the benefits before the first closing. See REAL ESTATE TAXES AND BENEFITS and REAL ESTATE TAX PROJECTION LETTER in Part I for a more complete explanation.

39) 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.

40) The building was inspected for asbestos containing material prior to the commencement of interior demolition and construction for DOB Job # 321921854 and DOB Job # B00340554-I1. Certification form ACP5 was prepared by Xiong Wu, Certified Asbestos Investigator, certifying that the scope of work does not require related asbestos abatement as defined in the regulations of the NYC DEP (DEP ACP-5 Control

No. 3571052). However, based on the age of the building, asbestos-containing materials are likely to have been used within the units and the common elements. Purchasers/occupants contemplating alterations are advised to consult with a qualified contractor or certified asbestos investigator for the recommended protocol to perform alterations or other work that penetrates or disturbs any surfaces in order to avoid potential asbestos contamination. Sponsor certifies that there will be no asbestos made products (ACM), partially or in whole, specified for the construction of this condominium as per approved plans. See ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND SPECIFICATIONS located in Part II of this Offering Plan.

41) 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 **after** 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. See SCHEDULE A and See FOOTNOTES TO SCHEDULE A for more information regarding the projected valuation after completion of rehabilitation and construction.

42) Purchasers should be advised that there is an Easement Agreement, CRFN 2019000283241 dated 8/10/2019 and recorded 9/4/2019, between Sponsor and the owners of adjacent property located at 351 Hoyt Street allowing Sponsor to install a door or gate in the lot line fence adjoining the properties to provide a required secondary means of egress in the event of fire or other emergency, from the rear of the subject premises to the rear of the adjacent property at 351 Hoyt Street. Section 15-10 of the Rules of the City of New York (1 RCNY § 15-10) provides that in multiple dwellings where the rear yard of the premises is less than 30 feet in depth, a fireproof passageway providing egress from the rear yard to the street is required. In lieu of providing such fireproof passageway, a door or gate in a lot line fence leading to an adjacent yard or court is acceptable. The door or gate will not be secured or locked in any manner except by a readily accessible and easy to open hook or bolt. See TERMS OF SALE and GENERAL in Part I of this Plan.

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 349 Hoyt 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 349 Hoyt LLC, a New York limited liability company formed on November 14, 2018 with offices located at 1000 Dean Street, Suite 428, Brooklyn, New York 11238. The principals of the Sponsor are Stuart van Leenen, Rufina Litvak, Matthew Landau, and Jonathan Feifer, of the same address. The Sponsor acquired title to the property on March 11, 2019 from the Maryann Girard Revocable Trust. 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 4-story brick masonry structure with a rooftop bulkhead enlargement and a cellar that is undergoing alteration. It was constructed in approximately 1884. Interior renovation, partition, plumbing and mechanical work are

permitted by the New York State Department of Buildings (DOB) as per Alteration Type 2 Job #321921854 filed with the DOB on April 29, 2019, and as amended on May 9, 2020 and June 15, 2020. No changes in use, occupancy or egress are contemplated under this work permit. Accordingly, per DOB codes for an Alteration Type 2 work permit, Sponsor has no obligation to obtain a new Certificate of Occupancy when construction is complete.

When construction is complete, the premises will consist of a single four-story building with a below-grade cellar and containing, in aggregate, four (4) Residential Units. The entire interior of the Building will be new. Unit 1 is a duplex unit that will occupy the first floor and a portion of the cellar. Units 2, 3 and 4 are each floor-through units occupying the entire second, third and fourth floors of the Building, respectively. The Sponsor expects that construction will be complete on or about March 2021.

This Building is located on property in the Carroll Gardens section of Brooklyn within the Carroll Gardens Historic District, designated as a Landmarked District on September 25, 1973 by the New York City Landmarks Preservation Commission (LPC). The LPC deems such areas of the city designated historic districts to possess architectural and historical significance and a distinct "sense of place." Certain types of construction on a building within a historic district that affect its historic façade must receive a permit from the LPC prior to the start of construction. However, no alterations to the façade of the subject Building, or to the use, occupancy or egress have been undertaken under Sponsor's approved work permit. The Building is not located in an area that may be affected by Tidal Wetlands, Freshwater Wetlands, Coastal Erosion Hazard Area, or Special Flood Hazard Area.

Sponsor has obtained a mortgage from Valley National Bank, having an office at 1455 Valley Road, Wayne, New Jersey 07470 (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.

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

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

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

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

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

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

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

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

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by such unit owner(s). Thus, in this Condominium, Unit 1 will have the rear yard measuring approximately 526 square feet allocated as a limited common element. Unit 3 and Unit 4 will each have a private roof terrace measuring approximately 470 square feet and 332 square feet, respectively, allocated as limited common elements. Each Residential Unit will have a designated storage space located in the cellar of the building allocated as Limited Common Elements.

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

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

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

(6) Individual unit owners are responsible for repairs to and maintenance within their own condominium units. Individual purchasers should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments. Otherwise, unit owners will not be covered for risks such as fire and casualty losses within their apartments. The condominium Board of Managers is not obligated to repair and maintain individual apartments, nor provide casualty and/or liability insurance for occurrences that may occur in individual apartments.

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

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

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

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

While the Sponsor will endeavor in good faith to sell all units, Sponsor is not limiting the conditions under which it will rent rather than sell units. There is no commitment to sell more units than the 15% necessary to declare the plan effective, which in this Plan constitutes one (1) Residential Unit. Owner-Occupants, therefore, may never gain effective control and management of the condominium. There are no requirements or restrictions on renting imposed by a construction lender. Additionally, the By-Laws do not include a provision that after expiration of the initial Sponsor Control period, a majority of the Board of Managers must be Owner-Occupants or member of an owner occupant's household who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The structure which is the subject of this Offering Plan is a single four-story building with a below-grade cellar and containing, in aggregate, four (4) Residential Units. This project is located within the Carroll Gardens Historic District in the Carroll Gardens section of the Borough of Brooklyn, New York. The site is on the easterly side of Hoyt Street on the block between Carroll Street and 1st Street. The Property has a land area of approximately 1,800 square feet, and a street address of 349 Hoyt Street.

The Building is an existing 4-story structure with cellar that is undergoing alteration pursuant to Alteration Type 2 Job #321921854 and Job # B00340554-I1 filed with the New York State Department of Buildings (DOB). The entire interior of the Building is being renovated with the installation of partitions, new plumbing and mechanical work throughout. No changes in use, occupancy or egress are contemplated under this work permit. Accordingly, per DOB codes for Alteration Type 2 construction, Sponsor has no obligation to obtain a new Certificate of Occupancy when construction is complete. Renovation is expected to be substantially completed on or about March 2021, and the Building will contain four (4) Residential Units when complete.

Unit 1 is a duplex unit that will occupy the first floor and a portion of the cellar. The Residential Units 2, 3 and 4 are each floor-through units occupying the entire second, third and fourth floors of the Building, respectively. The Residential Units will also have individual storage spaces located in the cellar of the Building. The remaining cellar areas will be comprised of boiler, mechanical and meter rooms serving the premises. There is no refuse room in the Building. Refuse storage is located at the exterior front of the Building for collection by the Department of Sanitation as scheduled. All Residential Unit Owners will have access to the exterior rooftop area of the Building as a Common Element. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

All cabinetry and fixtures in kitchens and baths in the units will be new. The Sponsor will install in each residential unit a gas range, Bertazzoni model #MAST305GASXE, a range hood, Bertazzoni model #KTV30PR01 X, a refrigerator, Bosch model #B30IB800SP, a dishwasher, Bosch model #SHPM65W56N, a washer, LG model #WM3400CW, and a dryer, LG model #DLE3400. There will be no common laundry facility. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. The Sponsor reserves the right to provide fixtures and appliances by a variety of manufacturers of equal or better quality. "Equal

or better quality" shall mean materials, appliances, equipment and/or fixtures that have substantially the same life expectancy, warranty, basic performance, and maintenance expectations. Please see ARCHITECT'S REPORT/DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

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

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

Subject to the conditions set forth in the Plan, 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

These premises are located on property in the Carroll Gardens section of Brooklyn within the Carroll Gardens Historic District, designated as a Landmarked District on September 25, 1973 by the New York City Landmarks Preservation Commission. However, the Building, situated on the east side of Hoyt Street between Carroll Street and 1st Street, is not itself landmarked. Carroll Gardens is adjacent to Cobble Hill to the northwest, Boerum Hill to the northeast, Gowanus to the east, Red Hook to the south, and the Columbia Street Waterfront District to the west. The historic district includes houses located in a rough rectangle bounded by Carroll, President, Smith, and Hoyt Streets, as well as the western ends of the two blocks between President Street and 1st Street. The historic district includes examples of brownstone homes set farther back from the street than is common in Brooklyn, and large front yards and gardens.

The nearest retail shopping and commercial establishments can be found on Court Street and Smith Street a few blocks to the west of the premises in Cobble Hill. Both streets feature family-run stores and businesses such as Italian meat markets and barber shops, side-by-side with new stores, restaurants and cafes. The northern part of Smith Street is known as Brooklyn's "Restaurant Row" due to the large number of bars and cafes that opened on the street during the late 1990s and early 2000s. Atlantic Avenue to the north features one of New York City's largest collections of Middle-Eastern shops.

The premises are served principally by the F and G subway lines at the Carroll Street station, and by the Smith-9th Street and Bergen Street stations nearly one-half mile from the premises. The D, N and R subway lines stop at the Union Street station one-half mile away. Local bus service is provided by the B57 bus running south along Court Street and north along Smith Street, and the B37 along 3rd Avenue.

The property is situated in City Council District 39 and Community District 306. The designated school district for the subject premises is District 15. Students living at the subject premises will be eligible to attend elementary school PS 032, Samuel Mills Sproule, located one-quarter mile from the premises, which serves pre-K through elementary grades, and/or other District 15 schools, or students may choose among the area's independent schools. The Carroll Gardens Branch of the Brooklyn Public Library is located at 396 Clinton Street one-half mile from the premises. The post office servicing the property is the Red Hook Station located at 615 Clinton Street, Brooklyn, New York 11231.

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 76th Police Precinct located at 191 Union Street, Brooklyn, New York 11231, approximately one-half mile from the premises. The property is equidistant from Engine 239 located at 395 4th Avenue, Brooklyn, NY 11215 and Engine 279, Ladder 131 located at 252 Lorraine Street, Brooklyn, NY 11231. Each fire house is slightly more than one-half mile from the premises. Nearby local medical centers include the New York Methodist Hospital located at 506 6th Street in Park Slope Brooklyn and the Brooklyn Hospital Center – Downtown Campus located at 121 Dekalb Avenue, both approximately one mile from the premises. There are houses of worship of most major denominations within walking distance of the premises, a few of which include St. Agnes Roman Catholic Church, St. Paul’s Episcopal Church and St. Nicholas Antiochian Orthodox Cathedral.

The Building is located in Zoning District R6B which permits residential use as-of-right. R6B districts are often traditional row house districts, which preserve the scale and harmonious streetscape of neighborhoods of four-story attached buildings developed during the 19th century. Many of these houses are set back from the street with stoops and small front yards that are typical of Brooklyn’s “brownstone” neighborhoods, such as Park Slope, Boerum Hill and Bedford Stuyvesant ne. The subject building complies with all zoning and use requirements for residential uses.

Neither the Sponsor nor principals of the Sponsor own any undeveloped areas adjacent to or directly across the street from the property. Any change in this information that occurs while sales are continuing must be disclosed in an amendment within 30 days after the information becomes known to Sponsor.

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

349 Hoyt Street, Brooklyn, New York

First Year of Operation

July 1, 2021 - June 30, 2022

Unit	Habitable Sq. Ftg. (1A)	Additional Sq. Ftg. (1B)	Bdms/ Bths (2)	% of Common Interest (3)	Offering Price (4)	Estimated Monthly Common Charges (5)	Est.	Est.	Post-Constr.	Post-Constr.	Post-Constr.	Post-Constr.		Post-Constr.	Post-Constr.
							1st Year	1st Year	With J-51	With J-51	Without J-51	Without J-51	Est.	With J-51	Without J-51
							Monthly	Monthly	Tax Ben.	Tax Ben.	Tax Ben.	Tax Ben.	1st Year	Tax Ben.	Tax Ben.
							Real Estate	Carrying	Real Estate	Carrying	Real Estate	Carrying	Real Estate	Real Estate	Real Estate
							<u>Taxes</u>	<u>Charges</u>	<u>Taxes</u>	<u>Charges</u>	<u>Taxes</u>	<u>Charges</u>	<u>Taxes</u>	<u>Taxes</u>	<u>Taxes</u>
							(6A)	(6B)	(7A)	(7B)	(8A)	(8B)	(9)	(10)	(11)
1	1,055.00	1,320.00	2/2.5	27.65%	\$2,525,000.00	\$448.72	\$229.85	\$678.57	\$247.90	\$696.61	\$574.83	\$1,023.55	\$2,758.22	\$2,974.76	\$6,897.97
2	1,132.00	46.00	3/2	22.83%	\$1,950,000.00	\$370.47	\$189.77	\$560.25	\$204.67	\$575.15	\$474.60	\$845.07	\$2,277.28	\$2,456.06	\$5,695.18
3	1,127.00	521.00	3/2	25.10%	\$2,050,000.00	\$407.33	\$208.65	\$615.98	\$225.03	\$632.36	\$521.81	\$929.14	\$2,503.81	\$2,700.37	\$6,261.71
4	1,127.00	384.00	3/2	24.42%	\$2,050,000.00	\$396.23	\$202.97	\$599.20	\$218.90	\$615.13	\$507.59	\$903.83	\$2,435.60	\$2,626.81	\$6,091.13
TOTALS	4,441.00	2,271.00		100.00%	\$8,575,000.00	\$1,622.75	\$831.24	\$2,453.99	\$896.50	\$2,519.25	\$2,078.83	\$3,701.58	\$9,974.91	\$10,758.00	\$24,946.00

Notes:

- Unit 1 includes recreational space of approximately 794 sf at the cellar of the building as part of the unit, which is included in the "Additional Square Footage" column listed above. This space may not be used as a bedroom, living room, or dining room, or for any other use construed as "habitable space" as defined by the New York City Building Code, nor may this space be rented out. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility of the Unit Owner to correct and remove.
- As part of the Additional Square Footages column listed above, Unit 1 will have the rear yard measuring approximately 526 square feet allocated as a limited common element. Units 2, 3 and 4 will each have a cellar storage area measuring approximately 46 square feet, 51 square feet and 52 square feet, respectively, allocated as limited common elements. Units 3 and 4 will each have a rooftop terrace of approximately 470 square feet and 332 square feet, respectively, allocated as limited common elements.
- 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, J-51 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.
- The projected real estate taxes for the first year of condominium operation in SCHEDULE A are based on the Notice of Property Value for the building issued by the NYC Dept. of Finance on January 1, 2021 which is based on a pre-construction assessed value. Taxes are anticipated to increase following completion of construction due to an increase in post-construction assessed value. Thus, the Sponsor has also included estimates of real estate taxes both with and without J-51 benefits that are based on an estimate of post-construction assessed value. **J-51 BENEFITS ARE NOT GUARANTEED AND MAY NEVER BE RECEIVED.** See Footnotes to Schedule

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 horizontally from the outside face of the glass window and/or exterior walls to the center line of the partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, and other mechanical equipment spaces that are not a part of the unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. All dimensions are approximate. The estimated square footage of each unit is based on the FLOOR PLANS and DESCRIPTION OF PROPERTY AND SPECIFICATIONS 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 SPECIFICATIONS, 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.

6A. 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 March of 2021.

Projected real estate taxes for the first year of operation are based on the Notice of Property Value ("NOPV") for the building issued by the New York City Department of Finance on January 5, 2021, available at <https://www1.nyc.gov/site/finance/taxes/property-bills-and-payments.page>. This NOPV projects a taxable value of the property of \$81,315 and a tax rate of 12.267%, resulting in an annual estimated property tax of \$9,974.91 for the whole building for the tax year running from July 1, 2021 through June 30, 2022, which coincides with the projected first year of condominium operation. Column 6A shows the breakdown of anticipated monthly real estate taxes for each unit for the first year of operation.

Schedule A allocates real estate taxes in direct proportion to the allocation of common interest. The City of New York is not bound by the allocation of Common Interests and may allocate on a different basis. All figures are estimates.

6B. Monthly carrying charges for the first year of operation 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.

7A. The Sponsor will apply for Real Estate Tax Exemption Benefits pursuant to Section 11-243 of the New York City Administrative Code (known as the "J-51 Program"). The benefits provided pursuant to this section are stated in more particularity in the letter included in this Offering Plan from Metropolitan Realty Exemptions, Inc. Briefly stated, however, the program provides an exemption from physical increase in assessed value of the property for real estate tax purposes for a period of fourteen (14) years after granting of the exemption, with ten years full exemption and, thereafter, a reduction of 20% per year until, after the fourteenth (14th) year, real estate taxes will be based on the full assessed value of the property. The program also provides an abatement against taxes based upon the Certified Reasonable Cost of the improvements, as would be indicated on the Certificate of Eligibility. The abatement would be applied at a rate of 8.333% of the Certified Reasonable Cost per year until 90% has been used to lower the property's taxes. The letter from Metropolitan Realty Exemptions, Inc., anticipates a maximum abatement of \$76,800 based upon Certified Reasonable Cost. The letter from Metropolitan Realty Exemptions, Inc. also provides an estimate of an assessed post-completion value with J-51 Exemption of \$85,296; utilizing the rate of 12.612%, the annual tax liability for the building with J-51 Exemption would be \$10,758. The letter from Metropolitan Realty Exemptions, Inc. anticipates that, in the event J-51 real estate tax benefits are obtained, the real estate taxes for the building with Certified Reasonable Cost (CRC) Benefits would be \$4,360 annually. Therefore, with CRC Benefits implemented, it is possible that the building's real estate tax burden will be even lower than that in SCHEDULE A. Prospective purchasers are urged to review the letter from Metropolitan Realty Exemptions, Inc. and consult with their attorneys regarding the possible effects of J-51 benefits.

PURCHASERS SHOULD NOTE THAT THE J-51 BENEFITS CONTEMPLATED HEREIN ARE UNCERTAIN AND MAY NEVER BE RECEIVED.

The J-51 program under 11-243 of the Administrative Code of the City of New York was scheduled to “sunset” on June 30, 2020, which means that in order to guarantee eligibility under the current program, the Letter of Completion/Certificate of Occupancy for the property must have been obtained by June 30, 2020. However, as of March 3, 2021, the status of this deadline is currently unclear. Sponsor’s real estate tax abatement expert, Metropolitan Realty Exemptions, Inc., is currently seeking clarification and guidance from the city and state as to the current status of the J-51 program’s “sunset” deadline. Sponsor will take all necessary and appropriate steps to request an extension of the aforementioned sunset deadline, if applicable, and will continue to update the Offering Plan promptly upon receipt of any news regarding the applicability or non-applicability of the J-51 program to this property.

While Sponsor is applying for J-51 real estate tax benefits, no guarantee can be, or is made, that said benefits will be obtained, or will continue to be available. Therefore, Sponsor has projected in Schedule A the real estate taxes in the event no such benefits are obtained.

The projected post-construction real estate taxes 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.

7B. 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.

8A. Metropolitan Realty Exemptions, Inc., 118 Middleton Street, Brooklyn, NY projects an annual post-construction assessed valuation for real estate tax purposes of \$197,796 and anticipates a tax rate of 12.612%. As a result, Sponsor is projecting a total annual post-construction real estate tax **without benefits** of \$24,946 for the tax projections in SCHEDULE A in the event benefits are not obtained. Column 8A shows the breakdown of anticipated monthly real estate taxes for each unit after completion of construction and **without benefits**. Unit owners shall generally be entitled to deduct real property taxes paid on the unit for income tax purposes. See COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

8B. Monthly carrying charges following completion of construction 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.

9. Estimated annual real estate taxes for the first year of condominium operation based on the NOPV issued by the New York City Dept. of Finance on January 5, 2021 are provided in Column 9.

10. Estimated annual post-construction real estate taxes **with** J-51 benefits are provided in Column 10.

11. Estimated annual post-construction real estate taxes **without** J-51 benefits are provided in Column 11.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
THE 349 HOYT STREET CONDOMINIUM
July 1, 2021 – June 30, 2022

INCOME

Common Charges	\$ 19,473
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EXPENSES

Heat and Hot Water (1)	\$ -0-
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Electricity (2)	\$ 714
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Water and Sewer (3)	\$ 4,354
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Repairs and Maintenance (4)	\$ 2,000
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Services and Supplies (5)	\$ 2,000
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Insurance (6)	\$ 3,253
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Legal and Accounting Fees (78)	\$ 2,500
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Labor (8)	\$ -0-
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Management (9)	\$ -0-
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Miscellaneous Reserve (10)	\$ 2,652
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Capital Reserve Fund (11)	<u>\$ 2,000</u>
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Total	\$ 19,473
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Note: All figures are rounded to the nearest dollar.

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

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

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

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

FOOTNOTES TO SCHEDULE B

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

2. Electricity: The Sponsor has obtained an estimate from Ilya Veldshteyn, P.E., principal of I.V. Consulting Engineers, 3815 Siena Circle, Wellington, FL 33414, of approximately 2,468 kilowatt hours per year of electrical usage for the common areas. The projection in SCHEDULE B is based on a rate of approximately 26.9 cents per kilowatt hour plus minimum meter charge, and includes the cost of all applicable state and local taxes and fuel adjustments, and a 10% allowance for inflation. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water and Sewer: Water is supplied to the building by the City of New York through a single water meter serving the entire building. The Sponsor has obtained an estimate from Ilya Veldshteyn, P.E., principal of I.V. Consulting Engineers, 3815 Siena Circle, Wellington, FL 33414, estimating total water consumption for the building at 292,000 gallons per year. The annual cost is based on the combined water and sewer rate of \$10.10 per 100 cubic feet of water consumed, and is estimated to be \$3,958.00 for the Building. The projected figure in SCHEDULE B includes a 10% allowance for inflation.

4. Repairs and Maintenance: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. Insofar as this is a newly renovated building it is not anticipated that any major repairs will be required. The budget includes items of regular maintenance, such as cleaning, painting and minor mechanical, carpentry, or electrical work, which are budgeted, in aggregate, at \$2,000.

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

5. Services and Supplies: Sponsor anticipates the following additional maintenance services will be provided to the building:

Fire alarm monitoring	\$1,000
Sprinkler monthly inspection contract	\$ 500
Supplies	\$ 500

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

6. Insurance: Sponsor has received a letter dated January 13, 2021 from Tuttle, Pendleton and Gelston, Inc., 509 Forest Avenue, Staten Island, New York 10310, estimating the cost of coverage for the building in the amount of \$3,253.00 via a package policy in the following coverage amounts:

Building.....	\$1,500,000 All Risk, Replacement Cost
Liability.....	\$1,000,000 Per Occurrence
	\$2,000,000 Aggregate
Business Income.....	Actual Loss up to 12 Months
Deductible.....	\$5,000

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

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

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

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

87 Legal and Accounting Fees: This figure is based on the estimate dated April 6, 2020 from Brian Elgart Accounting and Tax Services, 107 82nd Street, Brooklyn, New York 11209, a certified public accountant, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$2,500.00. No contingency has been budgeted for the performance of legal services. If the condominium decides to hire an attorney, additional costs will be incurred.

8. Due to the size of the building, it is expected that no superintendent will be employed. Should the Board of Managers elect at any time to employ the services of a superintendent, this will represent an additional cost, which would require a concomitant increase in the common charges of approximately 10%. Activities which the unit owners will need to perform in the event no superintendent is employed include cleaning, painting, bulb replacement, and minor repairs.

9. Due to the size of the building, it is expected that the building will be self-managing. Should the Board of Managers elect at any time to employ the services of a managing agent, this will represent an additional cost of approximately 20% of the annual operating budget, which would require a concomitant increase in the common charges.

Activities which the unit owners will need to perform in the event no managing agent is employed include maintenance of checking and savings accounts for the condominium; collection of monthly common charges; payment of all condominium common charges;

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

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

11. The projected item represents a reserve for 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 the major building systems and components are newly renovated, it is anticipated that there will be no needed capital expenditures within the five (5) years immediately following the first closing of a condominium unit under the Offering Plan.

SCHEDULE B1
July 1, 2021 – June 30, 2022

Heat and hot water are provided to each individual unit by separate boilers and hot water heaters serving each such unit. The attached Exhibit A includes annual estimates from Ilya Veldshteyn, P.E., principal of I.V. Consulting Engineers, 3815 Siena Circle, Wellington, FL 33414, for the costs of providing electricity for air conditioning, lighting and appliance operation, and gas for space heating and cooking for each residential unit. The estimates for gas usage include the costs of domestic hot water provided by the individual hot water heaters in each unit.

The estimate assumes the following:

- (a) Electricity estimates are based on a rate of approximately 26.9 cents per kilowatt hour plus minimum meter charge, and include the cost of all applicable state and local taxes and fuel adjustments.
- (b) Gas estimates are based on a rate of approximately \$1.33 per therm, including delivery charge and the cost of all applicable state and local taxes and fuel adjustments.

The attached Exhibit A includes annual estimates for the cost of providing electricity and gas for each residential unit. Taxes are included and are based on current New York City and New York State sales taxes applicable to the sale of natural gas and electricity for residential use. A 10% inflation factor has also been included.

The costs shown in Exhibit A are merely estimates. Utility 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

<u>Unit</u>	Annual Gas Therms <u>Estimate</u>	Annual Gas Cost <u>Estimate</u>	Annual Elec. KWH <u>Estimate</u>	Annual Electricity Cost Estimate	<u>Taxes</u>	<u>Inflation</u>	Annual <u>Total</u>
1	1,991	\$2,638.00	12,717	\$3,344.00	\$517.44	\$598.20	\$7,097.64
2	1,654	\$2,190.00	9,347	\$2,458.00	\$402.05	\$464.80	\$5,514.85
3	1,654	\$2,190.00	9,347	\$2,458.00	\$402.05	\$464.80	\$5,514.85
4	1,738	\$2,301.00	9,547	\$2,510.00	\$416.15	\$481.10	\$5,708.25

CHANGES IN PRICES AND UNITS

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

No change will be made in the size or number of units, and/or their respective percentage of common interest, and no material change will be made in the size or quality of common elements except by amendment to the Plan and, when applicable, to the Declaration. If a Purchase Agreement has been executed and delivered to the Sponsor for that unit and the Purchaser is not in default beyond applicable grace and cure periods, 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.



January 4th, 2021

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

349 Hoyt LLC

1000 Dean Street, Suite 428
Brooklyn, NY 11238

Dear Sir or Madam:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at **349 Hoyt Street**, Brooklyn, New York, with Section 339-(i)(1) of the New York Real Property Law. You have informed us that the method of allocation chosen is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339(i)(1)(iv) of the New York State Real Property Law.

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

Sincerely,



Hal Lehman
Licensed Real Estate Broker

INTERIM LEASE

The Sponsor may, at Sponsor's option, extend an interim lease to any purchaser who has executed a contract of sale for a unit at the subject premises and is not in default thereon. It shall be in the Sponsor's sole and exclusive discretion as to whether or not to offer an interim lease. The Sponsor may, for any or for no reason, refuse to offer an interim lease to any purchaser. The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status, or any other grounds prohibited by law. Interim leases or short term leases shall not be offered to any party who has not executed a Purchase Agreement for a unit. The interim lease shall not create a landlord-tenant relationship 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 as an interim lessee assumes the risk of losses not covered by insurance. Such interim lessee is strongly advised to consult with an insurance advisor with regard to insurance for the unit. 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 attorney for the Sponsor, together with a check in the amount of 10% of the purchase price as a contract deposit, drawn to the order of ELAINE GAY, ESQ., As Attorney. The Sponsor is not obligated to negotiate with the Purchaser. Sponsor reserves the right to accept a lesser contract deposit to accommodate Purchasers, but in no case will the contract deposit 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 contract deposit, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart or reject the Purchase Agreement and refund in full any contract deposit 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 contract deposits 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. All funds paid by purchasers shall be handled in accordance with said statutes and regulations.

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 Office of Elaine Gay, Esq., with an address at 177 Seventh Avenue, Brooklyn, NY 11215, telephone number (718) 832-2669, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Elaine Gay, Esq. All designated signatories are admitted to practice law in the state of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Agent has established the escrow account at Citibank, N.A., located at 114 Seventh Avenue, Brooklyn, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled ELAINE GAY, ESQ. IOLA ACCOUNT ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured. If purchasers have accounts at JP Morgan Chase Bank, N.A., the purchaser's funds that are held in the escrow account factor into the \$250,000.00 insurance limit.

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 ELAINE GAY, ESQ., as Escrow Agent.

All deposits made by Purchaser prior to closing will be placed, within five (5) business days after the Agreement is signed by all necessary parties, in a segregated special Escrow Account. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the Escrow Agreement. If deposits are to be transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan must be amended beforehand to provide the same full disclosure with respect to the new account, the Escrow Agent, and the Escrow Agreement as was originally provided.

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.

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 a fully executed Purchase Agreement or the performance or non-performance of Escrow Agent's duties under any fully executed Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of any fully executed Purchase Agreement or involving gross negligence of Escrow Agent. Please see the section entitled, ESCROW AGREEMENT FOR CONTRACT DEPOSIT located in Part II of this Offering Plan.

The Sponsor can discharge Escrow Agent of its obligations by 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 Offering 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. Any and all purchasers shall be deemed to have consented to such cancellation. In addition, Sponsor can discharge the Escrow Agent of its obligations upon 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 any and all purchasers 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. Upon termination of the duties of Escrow Agent as described in the foregoing, 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. Please see the section entitled, ESCROW AGREEMENT FOR CONTRACT DEPOSIT located in Part II of this Offering Plan.

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. All funds, including funds for upgrades and/or extras, will be returned in the event that the Plan is abandoned, but such funds will not be returned in the event of rescission.

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. Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each purchaser pursuant to GBL section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL sections 352-e(2-b) and 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon bankruptcy, incapacity or death.

The escrow agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Escrow Agreement and Purchase Agreement upon closing of title to the unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or

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

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

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

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

Prior to release of the Deposit, the 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. If any provision of an executed Purchase Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of the executed Purchase 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.

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. Upon the dissolution of any law firm which was the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

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. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs, so long as such longer period of time is reasonable. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. Sponsor will thereafter return the contract deposit within 10 days of Sponsor's receipt of Purchaser's notification of exercise of 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 contract deposit, 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 contract deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution. However, in the event Purchaser has made such good faith effort to extend the commitment and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, Sponsor will return the contract deposit 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 their right to complete the purchase and forfeiting their contract deposit 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 their contract deposit; 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 contract deposit 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.

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

However, if the first closing occurs before July 1, 2021, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH 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.

If a purchaser fails to close on the date set for first closing or adjourns a scheduled closing date on less than three (3) days' notice, there shall be a late closing adjournment fee of \$250.00 added to the purchaser's closing costs. Any and all rates of interest for penalties incurred by a purchaser in connection with purchaser's delay in closing shall not exceed New York State usury laws.

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

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

EFFECTIVE DATE

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

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

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

The Plan must be declared effective upon the execution of Purchase Agreements for 80% (in number, not common interest) of the units, which, in the case of this Plan means four (4) 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.

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 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, Sponsor must re-declare the Plan effective.

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 has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs, so long as such longer period of time is reasonable. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. Sponsor will thereafter return the contract deposit within 10 days of Sponsor's receipt of Purchaser's notification of exercise of 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.

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 Agreement between Vincent Laino, Joseph Laino, and Andrew Patti, Grantor/Seller, and 349 Hoyt LLC, Grantee/Buyer dated 8/10/2019 and recorded 9/4/2019 as CRFN 2019000283241, affects Block 451, Lot 7.
 - B. Landmark Designation by the Landmarks Preservation Commission of the City of New York dated 12/19/1973 and recorded on 12/9/1973 in Reel 679, Page 889, affects Block 451, Lot 7.
 - C. Landmark Designation by the Landmarks Preservation Commission of the City of New York dated 5/14/1973 and recorded on 5/14/1973 in Reel 632, Page 910, affects Block 451, Lot 7.
6. The following Mortgages and Agreements affect the property:
 - A. Mortgage between Valley National Bank as Mortgagee and 349 Hoyt LLC as Mortgagor, dated 3/11/2019 and recorded 3/27/2019 in CRFN 2019000098117 in the amount of \$3,150,000.00.
7. The following collateral Assignments of Leases and Rents affect the property:
 - A. Assignments of Leases and Rents between between Valley National Bank as Mortgagee and 349 Hoyt LLC as Mortgagor, dated 3/11/2019 and recorded 3/27/2019 in CRFN 2019000098118 in the amount of

\$3,150,000.00.

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

A. UCC-1 Financing Statement between and Valley National Bank as Secured Party and 349 Hoyt LLC as Debtor, dated 3/11/2019 and recorded 3/25/219 in CRFN 2019000095067.

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 \$3,155.00 on a Purchase Price of \$1,000,000.00 and approximately \$2.57 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently \$445.00 on a mortgage of \$500,001.00 and \$0.70 for each additional thousand dollars or fraction thereof. Where mortgage and fee title are obtained simultaneously the charge for mortgage insurance is reduced to 30% of the usual applicable rate, up to the amount of the fee insurance; the amounts provided reflect this.

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

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

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

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

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

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

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

(i) All closings will occur at the office of the Sponsor's Attorney. Under no circumstances will Sponsor be required to close at any place other than the office of the Sponsor's Attorney. In the event that the Purchaser requests and the Sponsor consents to a closing at a different location, there will be an attendance fee of \$250.00 charged for attending a closing if the closing takes place anywhere within New York City, and \$500.00 if the closing takes place outside of New York City. Sponsor's attorney will charge a fee of \$200.00 for the preparation of ACRIS transfer tax forms, and will charge a fee of \$150.00 per adjournment for the adjournment of a scheduled closing date. A fee of \$250.00 will be charged to complete a

condominium questionnaire if required by Purchaser's lender, and a \$250.00 financing fee will be charged to review Purchaser's loan documents if Purchaser is financing the purchase.

(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 \$2,000.00 for the preparation of closing documents. In the event that the closing date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative): (i) all adjustments shall be made as of the original closing date and (ii) Purchaser shall pay interest on the unpaid balance of the total Purchase Price to Sponsor from the originally scheduled closing date until the actual date of closing at the rate of 10% per annum. Notwithstanding the foregoing, the amount of interest charges will not exceed New York State usury laws or any other applicable laws. 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 amount of the real estate tax escrow, if applicable, will be disclosed in the post-closing amendment until the Units are separately assessed. 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, and a reimbursement fee of \$2,250.00 for the costs associated with applying for J-51 tax abatement benefits. The \$2,250.00 fee is non-reimbursable in the event that J-51 benefits are not ultimately obtained, nor will Purchasers be offered a right of rescission if the benefits are not obtained.

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

\$1,755,000.00 Purchase Price

\$1,404,000.00 Mortgage

Mortgage and Fee Title Insurance	\$ 6,173.00
Deed and Unit Power of Attorney Recording	\$ 1,663.00
Mortgage Recording Fee	\$ 350.00
Mortgage Recording Tax	\$ 26,997.00
New York City Transfer Tax	\$ 25,465.00
New York State Documentary Stamp Tax	\$ 7,148.00
"Mansion" Tax	\$ 17,870.00
Working Capital Fund Contribution	\$ 815.00
ACRIS Preparation Fee	\$ 200.00
Financing Fee	\$ 250.00
Reimbursement Fee	\$ 2,500.00
J-51 Reimbursement Fee	\$ 2,250.00
Document Preparation Fee	<u>\$ 2,000.00</u>
TOTAL:	\$ 93,681.00

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 renovated building which was not occupied during construction, 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 affect the percentage of common interests or adversely affect the value of any unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected unit owners and contract vendees consent in writing to such change. 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.

Sponsor pulled a work permit per Alteration Type 2 Job #321921854 filed with the New York State Department of Buildings (DOB) on April 29, 2019, as amended on May 9, 2020 and on June 15, 2020, permitting interior renovation, partition, plumbing and mechanical work. No changes in use, occupancy or egress are contemplated under this permit. As per DOB code, the construction documents submitted and all construction documents related to the filing do not require a new or amended Certificate of Occupancy as there is no change in use, occupancy or egress following completion of construction. Accordingly, Sponsor has no obligation to obtain a new Certificate of Occupancy when construction is complete.

This Building is located within the Carroll Gardens Historic District, designated as a Landmarked District on September 25, 1973 by the New York City Landmarks Preservation Commission (LPC). The LPC deems such areas of the city designated historic districts to possess architectural and historical significance and a distinct “sense of place.” Certain types of construction on a building within a historic district that affect its historic façade must receive a permit from the LPC prior to the start of construction.

However, no alterations to the façade of the subject Building, or to the use, occupancy or egress have been undertaken under Sponsor's approved work permit.

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

The Housing Merchant Implied Warranty (General Business Law Article 36-B) does not apply to this offering because that statute applies only to newly constructed homes. The building which is the subject of this offering is an existing structure undergoing a complete renovation of the interior of the building, and thus is not covered by the Housing Merchant Implied Warranty. The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit. Sponsor has the obligation nevertheless to construct the Building in accordance with applicable Law, NYC Building Code requirements, regulations, filed plans and specifications, and locally accepted building practices for items which are not covered by codes. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. All representations under this Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan that are specifically to be performed subsequent to the closing date, shall survive delivery of the deed.

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

Unless the Plan has been abandoned pursuant to the EFFECTIVE DATE section of this Offering Plan, Sponsor will repair any damage from casualty or other cause that occurs

prior to the closing of a unit. A Purchaser is under the obligation to inspect the unit prior to closing. Sponsor will have no liability of any kind for any damage to a unit not reported prior to closing. 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 has financial resources sufficient to meet the requirements of the New York General Business Law Section 352-k, and all of the unsecured obligations Sponsor assumes in the Offering Plan. 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, 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.

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.

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.

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 would 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 designated by the Sponsor or holders of unsold units, the Board:

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

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

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations, remedy any notice of a violation, remedy any work order from an insurer, or over any matter affecting the health and safety of the occupants of the building. 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 Stuart van Leenen and Rufina Litvak, who are principals of the Sponsor, and Elayne Landau, who is a business associate of the above-named Principals of the Sponsor and the wife of principal Matthew Landau. 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) designated by the Holder(s) of Unsold Units can be removed only for cause by vote of a majority of the Unit Owners or without cause by the Holders of the Unsold Units.

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

The principal officers of the Condominium shall be the President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by the Board of Managers. The President and Vice-President (but no other officers) need be members of the Board of Managers. All officers shall serve without compensation or remuneration. The officers

shall be elected annually by the Board of Managers, and each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed with or without cause.

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

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

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

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

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

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

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

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

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

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

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

Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. If there are non-Sponsor members of the board, and there is a vote on whether to sue the Sponsor, the Sponsor's representatives cannot lawfully vote on that issue.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

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

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

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

2. No right of first refusal.

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

3. Common charges and assessments.

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

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

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

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

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

4. Repairs and Maintenance.

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

5. Additions, alterations, and improvements.

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

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

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

The Building is located on property within the Carroll Gardens Historic District designated as a Landmarked District by the New York City Landmarks Preservation Commission (LPC), and is subject to the Landmark Preservation Law (hereafter "Landmark Law"). Pursuant to the Landmark Law, if the Board or any unit owner desires to make any alteration, addition, improvement, or repair in or to the building or a unit (other than certain ordinary repairs and maintenance as defined in Section 302 of the Landmark Law) that affects any exterior architectural feature of the building, then, in addition to obtaining any necessary approval or consent under the condominium documents, such party must first obtain the approval and a Certificate of Appropriateness or a Certificate of No Effect (as applicable) from the Landmarks Preservation Commission of the City of New York (hereafter, "Commission" or "Landmarks Commission"). If the proposed alteration, addition, improvement, or repair is interior, is of sufficient scope to require a building or work permit, and will not affect any exterior architectural feature of the building, a submission to that effect to the Commission will issue a "Certificate of No Effect." The issuance of such certificate is a common occurrence and is issued on a ministerial basis.

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 unit shall be used for private residence only, or any home occupation use permitted under applicable zoning law, ordinances, building codes, or other governmental regulations. 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 AND BENEFITS

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

The Property is taxed by the City of New York through the Department of Finance, which is the assessing authority. Projected real estate taxes for the first year of operation are based on the Notice of Property Value ("NOPV") for the building issued by the New York City Department of Finance on January 5, 2021, available at <https://www1.nyc.gov/site/finance/taxes/property-bills-and-payments.page>. This NOPV projects a taxable value of the property of \$81,315 and a tax rate of 12.267%, resulting in an annual estimated property tax of \$9,974.91 for the whole building for the tax year running from July 1, 2021 through June 30, 2022, which coincides with the projected first year of condominium operation.

Schedule A allocates real estate taxes in direct proportion to the allocation of common interest. The City of New York is not bound by the allocation of Common Interests and may allocate on a different basis. All figures are estimates.

The Sponsor has obtained a letter from Metropolitan Realty Exemptions, Inc., 118 Middleton Street, Brooklyn, NY projecting a post-completion assessed valuation for real estate tax purposes of \$197,796 and anticipates a tax rate of 12.612%. As a result, Sponsor is projecting a total annual post-construction real estate tax of \$24,946 for the tax projections in SCHEDULE A in the event benefits are not obtained. The City of New York is not bound by the allocation of Common Interests and may allocate on a different basis. All figures are estimates.

The Sponsor will apply for Real Estate Tax Exemption Benefits pursuant to Section 11-243 of the New York City Administrative Code (known as the “J-51 Program”). The benefits provided pursuant to this section are stated in more particularity in the letter included in this Offering Plan from Metropolitan Realty Exemptions, Inc. Briefly stated, however, the program provides an exemption from physical increase in assessed value of the property for real estate tax purposes for a period of fourteen (14) years after granting of the exemption, with ten years full exemption and, thereafter, a reduction of 20% per year until, after the fourteenth (14th) year, real estate taxes will be based on the full assessed value of the property. The program also provides an abatement against taxes based upon the Certified Reasonable Cost of the improvements, as would be indicated on the Certificate of Eligibility. The abatement would be applied at a rate of 8.333% of the Certified Reasonable Cost per year, up to a maximum of 20 years, until 90% has been used to lower the property’s taxes. The letter from Metropolitan Realty Exemptions, Inc., anticipates a maximum abatement of \$76,800 based upon Certified Reasonable Cost. The letter from Metropolitan Realty Exemptions, Inc. also provides an estimate of an assessed post-construction value with J-51 Exemption of \$85,296; utilizing the rate of 12.612%, the annual tax liability for the building following construction completion with J-51 Exemption would be \$10,758. The letter from Metropolitan Realty Exemptions, Inc. anticipates that, in the event J-51 real estate tax benefits are obtained, the real estate taxes for the building with Certified Reasonable Cost (CRC) Benefits would be only \$4,360.00 annually. Therefore, with CRC Benefits implemented, it is possible that the building’s real estate tax burden will be even lower than that in SCHEDULE A. Prospective purchasers are urged to review the letter from Metropolitan Realty Exemptions, Inc. and consult with their attorneys regarding the possible effects of J-51 benefits.

PURCHASERS SHOULD NOTE THAT THE J-51 BENEFITS CONTEMPLATED HEREIN ARE UNCERTAIN AND MAY NEVER BE RECEIVED.

Sponsor will use best efforts to obtain the aforementioned real estate tax exemption benefits and will make all filings necessary to obtain such benefits, including a timely filing of all applications, and timely compliance with all procedures required to properly process and maintain the benefits. However, **THERE IS NO GUARANTEE THAT THE BENEFITS PROJECTED WILL BE OBTAINED. ADDITIONALLY, PLEASE NOTE THAT THE J-51 PROGRAM UNDER 11-243 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK WAS SCHEDULED TO “SUNSET” ON JUNE 30, 2020. IN ORDER TO BE ELIGIBLE FOR BENEFITS UNDER THE CURRENT PROGRAM, THE PROPERTY’S LETTER OF COMPLETION OF CONSTRUCTION MUST HAVE BEEN OBTAINED BY THE AFOREMENTIONED DATE.** However, as of March 3, 2021, the status of this

deadline is currently unclear. Sponsor's real estate tax abatement expert, Metropolitan Realty Exemptions, Inc., is currently seeking clarification and guidance from the city and state as to the current status of the J-51 program's "sunset" deadline. Sponsor will take all necessary and appropriate steps to request an extension of the aforementioned sunset deadline, if applicable, and will continue to update the Offering Plan promptly upon receipt of any news regarding the applicability or non-applicability of the J-51 program to this property. **Purchasers will NOT be offered a right of rescission if J-51 benefits are not ultimately obtained.** Sponsor has filed the appropriate notice of intent to pursue a J-51 application and intends to file the application after receipt of a Letter of Completion which should be within approximately 1 month. Sponsor anticipates that the benefits, if received, will kick in approximately 9-12 months after submission of the J-51 application. Sponsor does not anticipate obtaining the benefits before the first closing. Sponsor will amend the Offering Plan when and if J-51 benefits are obtained or denied to disclose receipt or denial of such benefits. Upon receipt of J-51 benefits, all rental units become subject to rent stabilization or rent control for the duration of the benefits. In previously stabilized buildings, the landlord must also waive 50% of the rent increase that would otherwise be allowed under rent stabilization as a result of the construction.

There are no tax certiorari proceedings currently pending. Individual owners may challenge the assessment of their property by filing a tax protest in accordance 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 and 1805 of the Real Property Tax Law.

Upon closing, the Sponsor will make all documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits that can result in the reduction or revocation of benefits if proper documentation is not provided.

The explanation and projection prepared by the Sponsor's tax abatement expert is expressly adopted by the Sponsor and included as part of this Offering Plan.



METROPOLITAN
Realty Exemptions

Prepared By:
Miriam Weisz
718-387-3004 Ext. 105
info@mretax.com

J-51 Tax Opinion Letter



Prepared For:
349 Hoyt LLC
1000 Dean Street
Brooklyn NY 11238

Metropolitan Realty Exemptions, Inc.

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

Tel: (718) 387-3004 | Fax: (718) 228-3503 | martin@mretax.com | www.mretax.com



March 30, 2020

RE: 349 Hoyt Street
Brooklyn, NY 11231
Block & Lot: 451 – 7

Dear Sir:

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

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

Tax Exemption

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

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

Tax Abatement

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

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

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

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

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In the instant application, we were advised that the sponsor intends to renovate/ convert a 4-family residential building, into a 4-unit residential condo building. You have further advised us that the renovation is being performed pursuant to an Alteration Type 2, according to the NYC DOB Codes, and it will be signed off with the Department of Buildings upon completion of the renovation.

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

Eligibility Requirements

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

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

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

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

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

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

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J51 Abatement Benefit Value (CRC)

According to the NYC Department of Housing Preservation and Development calculations of the allowed Certified Reasonable Cost (CRC) and based on the number of bedrooms and units which the property is comprised, the maximum J-51 abatement value allowed will be \$76,800. The aforesaid amount will be applied at the rate of 8 1/3% per annum, until 90% is granted, up to a maximum of twenty years.

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

Real Estate Tax Estimate

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction, is estimated to be approximately \$197,796. Using the foregoing assessed value, assuming a Class 2 tax rate of 12.612% (i.e., \$12.612 per \$100 of assessed value, the final 2018/2019 tax rates), the total real estate tax liabilities due, will be as follows.

Tax liability without J-51 benefits	
Assessed Value	\$197,796
Tax Liability	\$24,946
Tax liability with J-51 benefits	
Assessed Value with J-51 Exemption	\$85,296
Tax Liability with J-51 Exemption	\$10,758
Tax Liability including CRC Benefits	\$4,360

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

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

Very truly yours,

Martin Joseph

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DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

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

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.



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OPINION OF COUNSEL REGARDING TAX STATUS OF THE 349 HOYT 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 349 Hoyt 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 four (4) 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,

Claudia V. Murdoch

Claudia V. Murdoch

July 14, 2020

MANAGEMENT AGREEMENT, CONTRACTS & LEASES

Sponsor is not entering into any service contracts that will be binding on the condominium. Sponsor is not entering into any management agreement with a managing agent. While Sponsor controls the Board of Managers, the Sponsor will de facto manage the condominium. Thereafter it is anticipated that the building will be self-managing. Should the Board of Managers decide at any point to retain the services of a managing agent, same will represent an additional cost to the condominium that would result in a concomitant increase in Common Charges.

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

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 the 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 project is 349 Hoyt LLC, a New York limited liability company formed on November 14, 2018 with offices located at 1000 Dean Street, Suite 428, Brooklyn, New York 11238. The Principals of the Sponsor are Stuart van Leenen, Rufina Litvak, Matthew Landau, and Jonathan Feifer. Stuart van Leenen and Rufina Litvak been buying, improving, renovating, and managing multi-family buildings since 1999. Matthew Landau is an owner and manager of real estate properties through LS Property Group LLC. Jonathan Feifer is an investor in real estate holdings through KMIT Capital I LLC. Neither the Sponsor nor the Principals of the Sponsor have been the Sponsor or Principals of the Sponsor of an Offering Plan in the State of New York during the preceding five years, except as discussed below.

Stuart van Leenen and Rufina Litvak have previously been the principals of the sponsor of the following Offering Plan during the preceding five years:

- A. 337 Chauncey Street, Brooklyn, NY 11233 (CD18-0352)
(ACCEPTED FOR FILING JUNE 14, 2019)

The sponsor and the principals of the sponsor of the above Plan are current on their financial obligations to the above Condominiums, including but not limited to payment of common charges, taxes, reserve or working capital fund payments, assessments, payments for repairs and improvements promised in the Plans, and payments of underlying mortgages and loans for which units have been pledged or mortgaged.

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 Elaine Gay, Esq., with an address at 177 Seventh Avenue, Brooklyn, New York 11215, to represent it in the conversion of the premises to condominium ownership. Ms. Gay will act as the Sponsor's closing attorney, and will be the escrow agent for Purchasers' down payments. Ms. Murdoch and Mr. Wong represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT: The architect, Eric Safyan, R.A., Principal of Eric Safyan / Architect P.C., 540 President Street, Brooklyn, New York 11215, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. Mr. Safyan, a registered architect in New York State since 2006, is

a registered Special Inspection Agency in New York City and a member of the New York Landmarks Conservancy. His firm is a general architectural practice that offers a full scope of architectural services. The range of projects includes residential and commercial projects, home additions and renovations, new construction multi-family development, passive house construction, restaurant and boutique design, and office interiors. Mr. Safyan has previous experience preparing narrative reports for condominium offering plans. The architect has no financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction, except for his fee for services rendered in connection with his report.

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

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.

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.

Purchasers should be advised that there is an Easement Agreement between Sponsor and the owners of adjacent property located at 351 Hoyt Street allowing Sponsor to install a door or gate in the lot line fence adjoining the properties to provide a required secondary means of egress in the event of fire or other emergency from the rear of the subject premises through the rear of the adjacent property located at 351 Hoyt Street to

the street. The door or gate will not be secured or locked in any manner except by a readily accessible and easy to open hook or bolt.

The Building is located on property within the Carroll Gardens Historic District designated as a Landmarked District by the New York City Landmarks Preservation Commission (LPC), and is subject to the Landmark Preservation Law (hereafter "Landmark Law"). Pursuant to the Landmark Law, if the Board or any unit owner desires to make any alteration, addition, improvement, or repair in or to the building or a unit (other than certain ordinary repairs and maintenance as defined in Section 302 of the Landmark Law) that affects any exterior architectural feature of the building, then, in addition to obtaining any necessary approval or consent under the condominium documents, such party must first obtain the approval and a Certificate of Appropriateness or a Certificate of No Effect (as applicable) from the Landmarks Preservation Commission of the City of New York (hereafter, "Commission" or "Landmarks Commission"). If the proposed alteration, addition, improvement, or repair is interior, is of sufficient scope to require a building or work permit, and will not affect any exterior architectural feature of the building, a submission to that effect to the Commission will issue a "Certificate of No Effect." The issuance of such certificate is a common occurrence and is issued on a ministerial basis.

Sponsor is unaware of any circumstances which may affect the use or enjoyment of the property and appurtenances, such as reciprocal covenants or easements, impending adjacent high-rise construction, usage restrictions by statute, ordinance, or zoning resolution such as a specified occupancy percentage by certified artists, unless disclosed elsewhere in the plan.

If there is a material amendment to the Offering Plan that adversely affects a Purchaser, such Purchaser shall have the right to rescind their purchase agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by trackable overnight courier or CERTIFIED MAIL - RETURN RECEIPT REQUESTED, and shall be deemed made on the date when notice of rescission is deposited with the courier or 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 Sponsor's office as set forth in this Offering Plan, or at the office of the Sponsor's attorney, for a period of six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers of the Condominium a copy of all documents filed with the appropriate recording office at the time of the first closing of a condominium unit.

REPORT TO UNIT OWNERS

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

- 1) Within four (4) months from the end of each fiscal year a financial statement. During the period the Sponsor is in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant or public accountant.
- 2) Prior notice of the annual Unit Owners meeting, which shall occur in March, and which notice shall be no less than thirty (30) days prior to the scheduled meeting.
- 3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption thereof by the Board of Managers. During the time the Board is controlled by the 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 Principals will have any obligation to make repairs or improvements except to the extent that the building or its systems do not conform to the conditions as described in the Plan. The Sponsor will cure, or cause to be cured, all violations of record against the Property on the closing date, eliminate all known dangerous or hazardous conditions, and comply with all work orders from mortgagees.

PART II

PURCHASE AGREEMENT

349 Hoyt Street, Unit ____, Brooklyn, New York 11231

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 \$ _____

Contract Deposit (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 349 Hoyt 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 apartment and ____ percent of undivided appurtenant interest in the Common Elements of the Condominium in said premises.

3. CONTRACT DEPOSIT AND BALANCE. Submitted herewith is my check to the order of "ELAINE GAY, ESQ. AS ESCROW AGENT" for the amount of the above stated contract deposit. 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 apartment, as provided herein, and shall not be in default hereunder, I am to receive a Deed for the apartment, at the Closing to this apartment. 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 apartment. At the time the deed is delivered, I shall execute the Power of Attorney to the Board of Managers of the Condominium in the form contained in the Plan and whatever other documents are reasonably necessary to convey the Unit to me, such as real property transfer tax forms.

5. PAYMENTS HELD IN TRUST AT NAMED BANK. The Seller will hold all monies received by it directly or through its agents, employees or escrow agent, in trust, in compliance with the trust fund provisions of section 352-h and section 352-e(2)b of the General Business Law, until actually employed in connection with the consummation to the Offering Plan. All such monies will be deposited with Citibank, N.A., 114 Seventh Avenue, Brooklyn, New York. The name of the account is ELAINE GAY, ESQ. IOLA ACCOUNT. The funds so deposited will be released by the escrow agent, an attorney at law, only for the purposes of, and in conformity with the consummation of this Plan, or returned to me as herein provided. The escrow account is of an IOLA type and no interest shall accrue to the benefit of either the Sponsor or the

Purchaser.

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. ACCEPTANCE OF CONDITION. My signing of this Purchase Agreement shall constitute my acceptance of said apartment "As Is," except for those matters which are the responsibility of the Sponsor as stated in the Plan.

7. AGREEMENT CONTINGENT ON EFFECTIVENESS. 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 contract deposit 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 apartment 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 apartment 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 apartment, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be 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 Apartment. 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. 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. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

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.
- (c) Sponsor has projected in the Offering Plan the date of commencement of condominium operation. If the First Unit Closing is delayed twelve (12) months or more from the estimated date of commencement of condominium operation or from the date of the fully executed Purchase Agreement, then Purchaser will be offered a right to rescind the Purchase Agreement. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites described in the Plan. In such case, provided Sponsor is diligently pursuing completion of construction and the issuance of applicable DOB signoffs 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.

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 Apartment 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 contract deposit shall be returned to the Purchaser. If the financing commitment lapses or expires prior to closing and the Purchaser has made a good faith effort to extend the commitment but has been unable to do so, then so long as the Purchaser notifies the Sponsor within five (5) business days of the lending institution's refusal to extend the commitment, the Sponsor shall grant to the Purchaser a right of rescission. **IN THE EVENT THAT SPONSOR'S ATTORNEY DOES NOT RECEIVE SUCH NOTICE OF FAILURE TO OBTAIN FINANCING WITHIN FIVE BUSINESS DAYS AFTER EXPIRATION OF THE FORTY-DAY-PERIOD SET**

FORTH ABOVE (OR ANY EXTENSION THERETO), PURCHASER SHALL BE REQUIRED TO CLOSE WHETHER OR NOT PURCHASER RECEIVES FINANCING.

23. AMENDMENTS. After acceptance of my Purchase Agreement and so long as I am not in default hereunder, there shall be no change in the amount of the Cash Purchase Price, size or layout of the apartment 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 contract deposit 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. 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. 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 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 conditions 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 apartment 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 contract deposit 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 in the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit are for display purposes only and are not included in this sale. Residential Units will be offered with surface treatments as are specified in the DESCRIPTION OF PROPERTY AND BUILDING CONDITION set for the in the Offering Plan. Purchaser will be responsible for any repainting and touch-ups necessitated from moving in. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Units dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

B. 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.

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
349 HOYT LLC
by:

ESCROW AGENT

EXHIBIT A
PRE-CLOSING INSPECTION STATEMENT

We/I, the named purchaser/s in a contract for Unit _____ at 349 Hoyt 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
349 HOYT LLC

By:

EXHIBIT B
ESCROW AGREEMENT FOR CONTRACT DEPOSIT

ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), 349 HOYT LLC ("SPONSOR") as Sponsor of the Offering Plan, and ELAINE GAY, 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 349 Hoyt 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 349 Hoyt Street, Brooklyn, New York at Citibank, N.A., a bank authorized to do business in the State of New York, at its branch located at 114 Seventh Avenue, Brooklyn, New York. The name of the account is ELAINE GAY, ESQ. IOLA ACCOUNT.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: ELAINE GAY, 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 177 Seventh Avenue, Brooklyn, NY 11215, and telephone number (718) 832-2669.

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 ELAINE GAY, ESQ. AS ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby and which cannot be deposited into such Escrow Account shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall not be deemed to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and initial interest rate 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:
ELAINE GAY, ESQ.

By: _____
Name: Elaine Gay, Esq.
Title: Escrow Agent

SPONSOR:
349 HOYT LLC

By: _____
Name: Stuart van Leenen
Title: Principal of the Sponsor

PURCHASER:
[INSERT NAME]

By: _____
Name: _____
Title: _____

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

THIS INDENTURE made the _____ day of _____, 20____, between 349 HOYT LLC, 1000 Dean Street, Suite 428, Brooklyn, New York 11238 (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 349 HOYT 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.

349 HOYT LLC

By:

Name:

Title: Authorized Signatory

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 349 HOYT 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 349 HOYT 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

SAMPLE INTERIM LEASE

AGREEMENT made this day of , 20 , between 349 HOYT LLC, (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 349 Hoyt 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
349 HOYT LLC

PURCHASER

TAX ESCROW AGREEMENT

AGREEMENT made this 5th day of August, 2020, by and between 349 HOYT LLC (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 349 HOYT 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 349 Hoyt 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.

349 HOYT LLC

By:  _____
Name: Stuart van Leenen
Title: Authorized Signatory

THE BOARD OF MANAGERS OF THE
349 HOYT STREET CONDOMINIUM

By:  _____
Name: Stuart van Leenen
Title: Authorized Signatory

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

Premises known as

349 HOYT STREET CONDOMINIUM

**349 Hoyt Street
Brooklyn, New York, 11231**

Tax Block Number: 451

Tax Lot Number: 07

Prepared By:

Eric Safyan, R.A.

Eric Safyan/ Architect P.C.

540 President Street

Brooklyn, NY, 11215

tel. 718-938-8806

fax. 718-596-4697



May 20, 2020

Revised November 02, 2020

(a) *Location and use of property:*

This property and proposed use will comply with all zoning and use requirements at closing.

(1) Address;

349 Hoyt Street, Brooklyn, New York, 11231.

(2) Block and lot number;

Block 451, Lot 07

(3) Zoning;

The building lies within R6B residential zoning district.
Map 16C of the New York City Zoning Resolution

(4) Permissible use;

Use Group 2 and Occupancy Group R-2 – Residential.

(5) Handicapped Access;

This project is designed 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.

(6) The site is located within the Carroll Gardens Historic District, designated as a Landmarked District on September 25, 1973, as per the NYC Landmarks Preservation Commission.

(7) Easement;

The owners of 351 Hoyt Street, the building adjacent to the South property line of the property, granted an easement to the owner of 349 Hoyt street and any future owners, permitting the installation of a fence along the lot line with a gate, and permitting access to the rear yard of 351 Hoyt Street by occupants of 349 Hoyt Street, as may be necessary for egress in the event of a fire or other emergency occurring at 349 Hoyt Street.

(b) *Status of construction:*

(1) Year built;

The building was constructed in approximately 1884.

Construction for the DOB Job No. **321921854**, “ INTERIOR RENOVATION OF 4 FAMILY DWELLING. PARTITION, PLUMBING AND MECHANICAL WORK.” commenced on January 06, 2020. The projected date of substantial completion of construction is on or about March 31, 2021, subject to construction delays and other delays by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions, approvals or preemption, damages by fire or the elements or any other cause over which the Sponsor has no control.

(2) Class of construction;

This building will comply with the 1938 New York City Building Code for Class 3 – Non- Fireproof Construction.

(3) Certificate of Occupancy:

No Certificate of Occupancy has been issued according to NYC Department of Buildings Records. The Department of Housing Preservation and Development records (I-cards) indicate the use of the building as 4 family residential use. The building was erected prior to enforcement of Certificate of Occupancy regulations.

(4) Alteration permit numbers and description of work:

DOB Job no. **321921854**, Alteration Type 2:

Job Description: “INTERIOR RENOVATION OF 4 FAMILY DWELLING. PARTITION, PLUMBING AND MECHANICAL WORK. NO CHANGE TO USE, OCCUPANCY OR EGRESS”

Permit Type:

Issue Date:

321921854-01-EW MH

In Process

321921854-01-EW OT

01/06/2020

321921854-01- PL

10/16/2020

DOB Job no. **B00340554-I1**, Alteration Type 2:

Job Description: "STRUCTURAL WORK FILED IN CONJUNCTION WITH #321921854. WORK INCLUDES SISTERING OF SOME JOISTS; FRAMING FOR STAIR OPENINGS AT 1ST AND 4TH FLS; LOAD-BEARING STUD WALLS AT THE 2ND AND 3RD FLS; STEEL SUPPORT FOR ROOFTOP AC UNITS; AND, FRAMING FOR BULKHEAD"

Permit Type:
B00340554-I1-ST

Issue Date:
08/06/2020

(5) Quality Housing Program:

The building does utilize the Quality Housing Program as per the NYC Zoning Resolution.

(c) *Site:*

The land and premises is located on the interior lot at 349 Hoyt Street between Carroll Street and 1st Street.

(1) Size (Block 451/ Lot 07);

BEGINNING at a point on the Easterly side of Hoyt Street, distant Southerly 19 feet from the Southeasterly corner of Hoyt and Carroll Streets;

RUNNING THENCE Easterly, and parallel with Carroll Street, and part of the distance through a party wall, 90 feet;

THENCE Southerly and parallel with Hoyt Street, 20 feet;

THENCE Westerly, and parallel with Carroll Street, 90 feet to the easterly side of Hoyt Street and

THENCE Northerly along the easterly side of Hoyt Street, 20 feet, to the point or place of BEGINNING.

The area of the subject property is 1,800 square feet or approximately .04 acres.

(2) Number of buildings and use;

There is one (1) building for residential use. The building will contain four residential units.

(3) Streets owned or maintained by the project;

(i) Paving;

The street pavement is composed of asphalt in good condition. The street pavement will be maintained by Department of Transportation (DOT) of New York City.

(ii) Curbing;

Existing curbing is in concrete and will be repaired as needed.

(iii) Catch basins, drainage;

Catch basins are located in the roadway to drain the storm water run-off into the existing New York City Sewer System.

(iv) Street lighting;

Street lighting is provided by the City of New York.

(v) These items from (i) to (iv) are in conformity with local fire district and municipal codes.

(4) Drives, Sidewalks and ramps;

There are no drives or ramps.

(i) Paving;

The sidewalk paving is concrete and is in fair condition and will not be repaired. The sidewalks providing access to the building shall be new, free of tripping hazard and ponding, and the condominium shall be responsible for maintaining the sidewalks as per the requirement of DOT of New York City.

(ii) Curbing;

The curbing is a 6" stone curb with metal edging and is in fair condition

(iii) Catch basins, drainage;

The sidewalk slopes away from the buildings providing positive drainage without ponding.

(iv) Street lighting;

Street lighting is provided by the City of New York.

(v) These items from (i) to (iv) are in conformity with local fire district and municipal codes.

(d) *Utilities;*

(1) Water:

Domestic and sprinkler water services are provided by the City of New York.

One (1) water meter is provided for domestic water and water consumption will be metered and billed as a common charge by the Condominium Board.

(2) Sewer / Storm water:

Sewer and storm water is disposed of via a combined system to the City of New York. The billing for sewer charges is part of water charges noted above and billed as a common charge by the condominium board.

(3) Gas:

Gas for heat, hot water and cooking purposes is supplied by National Grid Gas Company.

Four (4) gas meters are provided. Each unit is separately metered for Natural gas and directly billed by the utility provider. All natural gas usage for a unit (Heat, hot water and cooking gas) is paid for by each unit.

(4) Electric;

Electric service is provided by the Consolidated Edison Company of New York. Five (5) electric meters are provided, one (1) for each of the 4 units and one (1) for the common areas of the building. Each unit is separately metered for electric for the unit and directly billed by the utility provider. The amount billed for common area usage will be in addition to electric fees used by each unit and billed as a common charge by the condominium board.

(5) Telephone:

Telephone service will be provided by Spectrum, or other telephone service provider to be selected by the Condominium Board, and each unit will be billed directly by the provider.

(6) Cable:

Cable service will be provided by Spectrum, or other telephone service provider to be selected by the Condominium Board, and each unit will be billed directly by the provider. Units are pre-wired and provided with a cable line in the living room and master bedroom of each unit.

(e) *Sub-soil conditions;*

(1) There is no visible evidence of any uneven foundation movement or settling at the premises.

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

(3) There is little if any potential flood damage, either due to water table in area or overflow from other bodies of water.

(4) There is no evidence of land subsidence, expansive soils, hazardous materials, and/or environmental restrictions being present on the property.

(f) *Landscaping and enclosures;*

(1) Grass cover;

There will be no grass cover at the premises.

(2) Plantings;

The rear yard will be landscaped, and may include materials such as IPE decking, bluestone tiles, gravel cover and planting areas.

(3) Trees;

There is one existing trees to remain located in the rear yard.

(4) Fencing;

There will be a 6 ft high wood fence at the rear of the premises, along the South property line.

- (5) Gates;
There is an existing approximately 36" high iron gate to remain at the premises that has frontage along Hoyt Street that is in good condition. There will be a gate in the wood fence along the South property line.
- (6) Garden walls;
There is an existing concrete block wall to remain at the rear of the premises, along the North property line that is in good condition.
- (7) Retaining walls;
There will be no retaining walls at the premises.
- (8) Display pools and fountains;
There will be no display pools and fountains at the premises.

(g) *Building size.*

- (1) Total height;
The approximate total number of feet from ground level to roof top is 46 feet in height above the curb level. There is an additional approximately 8 ft of height for the rooftop bulkhead and parapet, for a total of approximately 54 feet in building height.
- (2) Floor to Ceiling Height and Crawl spaces;

Cellar:	7'-10" / 8'-6" +/-
1st Floor:	9'-11" +/-
2nd Floor:	9'-7" +/-
3rd Floor:	9'-2" +/-
4th Floor:	9'-0" +/-
Stair Bulkhead	7'-6" +/-

There are no crawl spaces at the premises.
- (3) Number of sub-cellars and cellars;
There is no sub-cellar. There is one cellar.
- (4) Number of floors;
In addition to a cellar, there are four (4) floors in the premises consisting of the first, second, third, and fourth floors. There is also a stair bulkhead providing access to the roof.
- (5) Equipment rooms;
There is a mechanical equipment room containing water meter, gas meters, and hot water heaters, located in the cellar. There is an enclosed hall containing electrical meters and equipment, located in the cellar.
- (6) Parapet
Roof parapets are approximately 6" high above the existing roof. Railings above the parapets shall be a minimum of 3'-6" above the finished roof.

(h) *Structural system.*

General: The building is a renovated 4 story brick masonry structure with a rooftop bulkhead enlargement. The foundation walls consist of brick masonry. The existing structure consists of existing wood joists that are sistered with light gage steel supporting joists, stone lintels and sills for existing front and rear window and door openings; steel lintels for new window and door openings. The bulkhead enlargement structures consist of light gage metal framing.

Typical floor construction consists of finish wood floor; over existing plywood subfloor; over existing wood joists sistered with light gage metal joists; over 1 layer of sheetrock hung on resilient channels or furring strips.

Sound insulation of R-19 batt insulation and quiet batt soundproofing insulation, or similar, installed between all floors will provide a minimum of 50 STC Rating for the floor-ceiling assembly. This complies with floor impact noise compliance requirements as per NYC BC 1207 .3.

A portion of the cellar contained with the residential unit has a lowered floor that consists of a 4" concrete slab on grade; over waterproof membrane; over R-10 rigid insulation; over 4" of gravel.

Roof framing will consist of existing roof joists and new light gage and steel framing.

Roof will be finished with a rubber type, built up membrane.

(1) Exterior of buildings;

(i) Walls;

This building is less than six (6) stories and Local Law 11/98 is inapplicable.

The existing brick building consists of exterior walls along Hoyt Street that are constructed as existing brick masonry walls, with an existing wood stud wall at the interior of the brick masonry, with R-13 batt insulation and 1 layer of 5/8" gypsum board interior.

The stair bulkhead walls shall be constructed with an exterior finish of a zinc cladding system, consisting of an exterior layer of standing seam zinc cladding; R7.5 continuous rigid insulation; 2 layers of exterior sheathing; 3-5/8 metal stud wall with R-13 batt insulation and 2 layers of 5/8" gypsum board interior. The insulation is in compliance with the Energy Conservation Construction Code of New York State.

(ii) Windows;

Windows at the front façade of the building shall be wood insulated double hung windows manufactured by Jeldwen, Sitaline Series. Windows at the rear façade of the building shall be aluminum clad wood insulated double hung windows manufactured by Jeldwen, Sitaline Series. The exterior finish shall be of "Black" color wood or aluminum. All windows are furnished with screens and the manufacturer's standard hardware.

All joints and penetrations are caulked, gasketed or covered with a moisture vapor permeable wrapping material installed in accordance with the manufacturer's installation instructions. Exterior silicone caulking will be provided around all windows. Manufacturer shall provide a warranty for Twenty (20) years. Contractor's warranty shall also be for (1) one year on workmanship and installation.

Child guards for the windows shall be the responsibility of the unit owners who will be required to install such protection in the event that the occupant of the unit has a child or children.

The window "U" value is in compliance with the Energy Conservation Construction Code of New York State. Component U-factors will be labeled as certified.

(i) There are two (2) lot line windows located within Unit #4 at the 4th floor, as shown on the floor plans, that are not necessary for legal light and air. The windows are fixed insulated glass picture windows with a 90 minute fire rating by Optimum Windows FR7650 Series.

Purchasers should note that lot line windows may have to be sealed if a building or structure is built on the property neighboring the lot line windows and such building or structure blocks the lot line windows. If the lot line windows are blocked, the Board of Managers will seal the lot line windows and the costs thereof shall be a Common Expense, but any repairs (and the costs thereof) to the inside surface of the walls of the Units where the windows were located shall be the responsibility of each Unit Owner affected.

(iii) Landmark status;

The site is located within the Carroll Gardens Historic District, designated as a Landmarked District on September 25, 1973, as per the NYC Landmarks Preservation Commission.

All proposed interior and exterior work and rooftop bulkhead were approved by the NYC Landmarks Preservation Commission, as per the following LPC Permits:

Permit Type:	LPC Docket No.:	Date Issued:
Certificate of No Effect	LPC-19-37456	04/01/2019
Certificate of No Effect	LPC-20-07109	04/16/2020
Certificate of Appropriateness	LPC-20-08392	06/09/2020

- (2) Parapets and copings;
On the roof, a 3'-6" high metal railing shall be provided; existing coping will remain, not affecting structural integrity. The existing masonry parapets are in good conditions and copings are in compliance with local laws and code requirements. The metal railings and fasteners are corrosion resistant.
- (3) Chimneys and caps;
There is one active double walled, metal chimney at the front of the building. The chimney is used to vent the hot water heaters.
- (4) Balconies and terraces;
- (i) Deck finish;
The building does not have balconies.
Roof terraces surface finish shall be a non-combustible roof paver system by Outdoor 2CM or equal or better with a pedestal installation by Profilitec or equal or better.
 - (ii) Balustrade;
There will be no Balustrade.
 - (iii) Railings and parapet;
There will be a 3'-6" high metal railing around the roof terrace.
 - (iv) Copings;
Existing stone copings to remain.
 - (v) Soffits;
There will be no soffits.
 - (vi) Doors to balconies and terraces:
Roof terrace access door at bulkhead is a fire proof self-closing metal door with a polystyrene insulated core and glass insert, by "USA Fire Door" or similar, and will have corrosion resistant hardware and corrosion resistant locks.
 - (vii) All exterior metals including fasteners shall be corrosion resistant.
- (5) Exterior entrances.
- (i) Exterior doors and frames;
First floor main entry door into the building at the Hoyt Street facade is an existing wood double door with a glass transom above in good condition. Doors are self-closing type with continuous hinges and 12" offset handle and mechanical lock keyed on the exterior of the building and passive from the interior.
 - (ii) Vestibule doors and frames;
Interior vestibule door is an existing wood and glass door with a glass transom above.
 - (iii) Exterior stairs;
There is an exterior front stoop stair with an existing decorative cast iron railing in good condition.
 - (iv) Railings;
There is an existing iron railing and fence at the front of the building in good condition. There is also an existing iron guardrail and handrail at the steps to the cellar under the stoop in good condition.
 - (v) Mail boxes;
Mail Boxes shall be U.S. Postal Service approved type. Mailboxes will be located in the 1st floor common vestibule. There will be a USPS Approved key keeper outside of the 1st floor front entrance. There will be 4 separate keyed boxes within the mailbox.
 - (vi) Lighting;
Exterior lighting at all main entrances shall be provided. Lighting will be provided in the lobby and public corridors. Exterior lights will be exterior wall sconces. Exterior lights shall be installed and maintained at or near the outside of the front entranceway of the building which shall in the aggregate provide not less than fifty watts incandescent illumination for a building with a frontage up to twenty-two feet and one hundred watts incandescent.
All lighting, (exterior lighting and night) in public parts of the building shall comply with the New York State Multiple Dwelling Law and New York City Housing and Maintenance Code.
- (6) Service entrance.
There is a steel service access door to the cellar service area located under the front stoop accessed by a concrete stairway from street level.
There is no access hatch.

(7) Roof and roof structure.

(i) Type roofs for all areas;

(a) Material;

Roof terrace construction shall be roofing finish with a rubber type, built up membrane topped with one-ply of Firestone APP 160 rubberized roof, or similar, over plywood decking or structural cement board or similar, over wood joists sistered with light gage steel joists.

(b) Insulation;

Minimum R-38 batt insulation between joists on the interior side.

(c) Surface finish;

Roof pavers shall be installed above the roof surface finish and shall be a non-combustible roof paver system by Outdoor 2CM, or equal or better, with a pedestal installation by Profilitec, or equal or better.

(d) Bond or guarantee;

The installer, Kamco Restoration, will provide a 1 year labor and materials warranty from the date of installation.

(e) Flashing materials including counter flashing;

The perimeter of the roof areas will be provided with a flashing cement.

Penetrations of ducts, pipes, etc. shall be properly finished and waterproofed.

(ii) Drains;

(a) Location, material and type;

There are no roof drains

(b) Gutters and leaders;

There is an existing metal gutter and leader at the rear of the roof.

(iii) Skylights;

One (1) Skylight is located at the top of the roof bulkhead. Skylight shall be an insulated glass Velux brand, Model 3046 with energy efficient, LoE3, Argon gas injected dual glass panes, fixed curb mount skylight, or equal or better. The skylight has a 10 year warranty.

(iv) Bulkheads;

Roof bulkhead shall be constructed with an exterior finish of a metal cladding system, consisting of an exterior layer of standing seam metal cladding; R7.5 continuous rigid insulation; 2 layers of exterior sheathing; 3-5/8 metal stud wall with R-13 batt insulation and 2 layers of 5/8" gypsum board interior. Stairway access to the roof complies with FC Chapter 10.

No elevator is provided.

(v) All exterior metals including fasteners, gooseneck, railings to roof shall be corrosion resistant. Four (4) rooftop mounted condensing units sit on top of a non-combustible roof decking with steel framing below. There is no steel dunnage. Vibration isolator will be provided between equipment and roof surface.

(vi) Rooftop facilities;

There is paved roof deck system at the roof level with two (2) limited common areas; "roof terraces".

Limited common areas are permitted and in compliance with the Zoning and Building code.

The roof space is allocated as an accessory to residential units and is classified as "Roof Terrace" on the NYC Building Dept. approved plans (DOB Job No. 321921854).

The "roof terrace" paving consists of porcelain pavers by Outdoor 2CM brand over Profilitec brand pedestals, or better or equal and are used in both the common and limited common areas.

A minimum of a 6'-0" unobstructed path for FDNY access as per NYC Fire Code Section 504.4.2. shall be maintained.

(8) Fire Escapes.

(i) Location;

There is an existing fire escape located on the rear facade of the building.

(ii) The fire escape covers from grade level (At rear yard) to the fourth floor, and roof level.

(iii) There is a drop ladder from the 1st floor fire escape platform to the rear yard level.

(iv) The fire escape complies with the NYC Building Code and NYC Multiple Dwelling Law.

(v) The fire escape is constructed of metal with metal iron railings and is painted.

(9) Yard and courts.

The building has an existing 26'-4" rear yard that is landscaped. There is adequacy of lighting at the rear yard. The rear yard can be accessed through cellar and is a limited common element for Unit #1.

Paved areas shall be properly pitched to provide storm water runoff.
Landscaping and Enclosures are in conformity with Part 20 of Title 13 NYCRR, Section 20.7
Front yard consists of existing paved area, without any sodded areas.
There are no interior courts.

(10) Interior stairs.

- (i) Number of stairs of each type;
There shall be one (1) existing interior common egress stair from cellar to 4th floor that is in good condition; one (1) new interior common egress stair from the 4th floor to the rooftop bulkhead; and one (1) private accessory stair from 1st floor to cellar floor within Dwelling Unit #1. All interior stairs comply with the NYC Building code.
- (ii) Enclosure;
Stair shall be enclosed with minimum one hour fire-resistant rating, minimum one layer of 5/8" type "X" gypsum wall board on other side of shaft enclosure.
- (iii) Stair construction;
The existing common egress stair is constructed of wood and metal with a metal vertical balustrade railing. The new common egress stair is constructed of steel with concrete treads and landings filled with concrete. Accessory stairs located within Dwelling Units #1 is constructed of wood stringers, and wood risers, treads, balusters and handrails.
- (iv) Stringers;
Existing stair has wood and metal clad stringer in good condition.
New stair has steel channel stringers.
- (v) Treads;
Existing stair has wood treads in good condition. New stair has concrete filled steel pan treads.
- (vi) Risers;
Existing stair has wood risers in good condition. New stair has steel risers integral with pans.
- (vii) Guard rails;
Public stair has a continuous steel vertical balustrade railing and handrail.
- (viii) Balustrade;
There will be 1/2" steel balustrades at 4" maximum clear spacing.

(11) Interior doors and frames;

- (i) Unit entrance
Unit entrances are fireproof and self closing (FPSC) metal doors with hollow metal frames with MEA number for 3/4 hour fire rating. Each Unit door has a Unit number, interview peephole, deadbolt and lever lock. The knob lock shall be passive from the inside apartment. The deadbolt has a thumb turn type release. All hardware is installed as per local law 58/76 and the Multiple Dwelling Law.
- (ii) Corridor doors and frames;
These doors and frames are fireproof and self closing (FPSC) metal doors with hollow metal frames with MEA number for 3/4 hour fire rating. The knob latch set is passive from both sides.
- (iii) Mechanical room doors and frames;
These doors and frames are fireproof and self closing (FPSC) metal doors with hollow metal frames with MEA number for 1-1/2" hour fire rating. The mechanical rooms are keyed from outside and passive from inside.
- (iv) Roof doors, basement doors and frames:
These doors and frames shall be hollow-metal and will meet the New York City Building Code requirements. 1-1/2 hr. rated Fireproof Self-Closing (FPSC)
- (v) Interior Doors and Frames:
Interior doors are non-rated solid core wood with knock-down type metal bucks. Saddles will be installed only at bathroom door locations: Bathroom and bedroom doors have a knob lock with panic release and a button or thumb turn release on the inside. Closet doors are passive from both sides.

(12) Elevators.

There is no elevator in the building.

- (13) Elevator cabs.
N/A.

(i) *Auxiliary facilities.*

(1) Laundry rooms;

(i) Location and number of rooms;

There is one laundry room in the cellar accessory space to first floor Dwelling Units #1.
Laundry closets will be installed within each unit from second floor to fourth floor.

(ii) Clothes washers, number and type;

Four (4) washers shall be provided. LG , Model # WM3400CW, or equal or better.

(iii) Clothes dryers, number and type;

Four (4) dryers shall be provided. Dryers are electric and vented type.
LG, Model # DLE3400W, or equal or better.

(iv) Room ventilation;

Room ventilation is not required and not provided.

(v) Dryer ventilation;

Electric clothes dryer does require external vent and is provided as per manufacturer's specification.

(2) Refuse disposal;

There is no refuse chute.

Each unit owner would be responsible for refuse removal, and placement on the (curbside) for New York City Department of Sanitation pick-up as per their refuse and recycling schedule.

(3) Storages;

There are three storage spaces provided at the cellar level.

The storage spaces are finished in painted gypsum board and accessed by metal doors with keyed locks.

Units #2, #3, and #4, will each have their own storage unit in the cellar. Units range from 46-52 41-48 sq. ft.

Storage Space A is approximately 46 sq. ft. and is deeded to Unit #2.

Storage Space B is approximately 51 sq. ft. and is deeded to Unit #3.

Storage Space C is approximately 52 sq. ft. and is deeded to Unit #4.

(j) *Plumbing and drainage.*

Plumbing and Drainage Description:

(1) Water Supply.

Water supplied by a domestic water service from NYC water main located on the front of Hoyt Street.

The building relies on the city water pressure.

Size: An existing 1" building domestic cold water is provided from the existing street main. It is copper piping, sodded not exposed.

Material: All domestic hot and cold-water piping shall be of copper.

The piping shall be insulated throughout with R5, 2" Styron foam

There is no backflow preventer provided. Water pressure is adequate at the highest level.

The main water shut-off valve is located in the Gas Meter Room, located at the Cellar Floor.

Piping is insulated as per min code requirements of the NYC Building Code and the 2016 NYC Energy Conservation Code. 1" thick insulation on hot and cold water pipes either fiberglass or foam insulation.

(2) Fire Protection system:

There are no standpipes, hose racks, Siamese connections or sprinkler system in the Building.

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

(Not provided and not required)

(4) Water pressure is maintained from street pressure and not boosted or pumped.

(5) Sanitary sewage system.

Sanitary sewage system gravity drains via pitched pipes to NYC Sewer System

(i) Cast iron pipes are connected to existing city combined sewer line.

(ii) Sewage ejector pump: Sewage is gravity drained no pumps are used.

(iii) Sewage disposal: Sewage is processed by NYC DEP

(6) Permits:

The New York City Building Department has approved the installation of the plumbing work under DOB application no. 321921854, Alteration Type 2; Job Description: "INTERIOR RENOVATION OF 4 FAMILY DWELLING. PARTITION, PLUMBING AND MECHANICAL WORK. NO CHANGE TO USE, OCCUPANCY OR EGRESS"

(7) Storm drainage system;

The storm drainage system carries storm water from the roof and the yard drains are carried by the gravity into the combined local city sewers. The roof storm drainage is adequate to carry runoff without ponding.

Water is disposed of by drains located from all of the building's paved areas to the NYC storm sewer.

The storm drainage system will consist of a total of two (2) drains connected to piping, terminating into a 4" storm house trap to combined sewer on the street.

All underground storm pipes are extra heavy cast iron. The storm system is approved by the NYC-DEP.

(i) Catch basins;

There are no catch basins within the property

(ii) Yard and roof drains;

There is one yard drain, Roof drains are noted in section (7).

(iii) Piping;

cast iron.

(iv) Sump pump;

No sump pumps

(v) Sewage ejector:

No sewage ejector pumps

(k) *Heating.*

Heating and domestic hot water heating:

Gas fired furnaces shall provide heating to Units 1 and 4. The furnace for Unit 1 is located in the cellar accessory area within Unit 1. The furnace for Unit 2 is located in the mechanical closet in Unit 2. The furnace for Unit 3 is located in the mechanical closet in Unit 3. The furnace for Unit 4 is located in the mechanical closet in Unit 4. The hot water heaters for Units 1 through 4 are located in the mechanical closet at the cellar.

Winter design criteria: Outdoor temperature of 15 degrees Fahrenheit and indoor temperature of 68 degrees Fahrenheit, when the outside temperature drops below 55 degrees Fahrenheit. Units are capable of providing peak required services.

The mechanical room in where the furnaces and hot water heaters are located is constructed of a two (2) hour fire rated wall enclosure that consists of 3-5/8" nominal metal studs at sixteen (16") inches on center with two (2) layers of 5/8" thick sheet rock (F.C. #60) on both sides (B.S.A. cal# 301 -60-SM). The ceiling shall also be made of two (2) hour fire rated construction, which shall be of two (2) layers of 5/8" thick sheet rock (F.C. #60). In addition, the enclosure shall be properly ventilated with a mechanical vent that has a gravity-operated vent with fire damper and fusible links.

Heating System: Gas-fired furnaces are manufactured by York or equivalent, Model number TM8E100C16MP11. 100 MBH capacity, 1600 Airflow CFM, distributed through ducts.

Warranty: 20-year limited warranty on the heat exchanger, 5-year limited parts warranty.

The energy efficiency rating is 80% AFUE. Supply and return ducts are insulated with R-6 insulation.

Hot Water Heater Manufacturer(s):

Hot Water Heater: Gas fired hot water heaters are 50 gallon tanks manufactured by AOSmith, Model#XCG-50 or approved equal, with 0.60 energy factor.

The units shall have a 7-8 years useful life expectancy. They have a 10-year warranty for the tank, and 6-year warranty for the parts.

The heating system shall be thermostatically controlled manufactured by Honeywell or equal.

There are no instant hot water devices provided.

(l) Gas Supply:

Gas brought into the building via an existing 2" gas main of black iron pipe. Natural gas will be used for the HVAC, hot water heaters, and kitchen ranges.

(1) Type of gas: low pressure natural gas is provided.

- (2) Meters: 4 gas meters are provided (one per apartment)
- (3) Piping: All gas piping is threaded black iron.

(m) *Air conditioning*

The air conditioning system is designed to maintain an indoor temperature of 75 degrees F at outdoor temperatures of 92 degrees F.

- (1) Each unit is equipped with central air for cooling. The system consists of an outdoor compressor mounted on the roof (Manufacturer: York, Model: YFD42B21S or similar) and a refrigerator coil installed in the mechanical closet of each unit (Manufacturer: York, Model: CM42CXA1 or similar), and it is a ducted system. Temperature is controlled by programmable thermostats at the hallway of each unit. The air conditioning units have an energy efficiency rating of SEER 13. Outdoor HVAC piping has a ½" insulation. Rooftop units will be installed on a Dragonboard platform, with a sound dampening rubber layered padding to minimize noise and vibration. All exterior metals including fasteners will be corrosion resistant. Each York unit has a 10-year limited parts warranty. Unit owner is responsible for costs of maintenance and replacement of individual air conditioning units.

- (2) Manufacturer, Model and capacity (noted in 1 above).
- (3) Condensers: One compressor (condenser) per apartment locations noted in (1) above.
- (4) All apartments are provided with air conditioning.
- (5) The O & M manuals shall be provided to the condominium management.
The recent balancing report for the Heating System shall be provided to the condominium management.

(n) *Ventilation.*

Bathrooms: All interior bathrooms will be ventilated by ceiling exhaust fans connected to galvanized metal vent ducts. The venting system for the toilets is provided with Panasonic FV-08-11Vf5, 80 cfm, or equal or better.

Kitchens: Kitchens will be ventilated by a vent hood located above the range, connected to outside of the building with galvanized duct. The hood that will be provided is 600 cfm, manufactured by Bertazonnni, or equal or better.

Building Corridor (stairs). At top of staircase 40 square inches of ventilation is proved in compliance with Multiple Dwelling law section 36.

Laundry: Laundry within apartments are electric vented style machines with exhaust provided as per manufacturer's specifications.

Cellar: Cellar level has operable windows for natural ventilation at rear of building.

Cellar bathroom within the apartment is ventilated via bathroom exhaust as noted above. This ventilation meets code requirements. Noise level rating for ventilation system from Panasonic FV-08-11Vf5, at 80 cfm is .3 Sones.

(o) *Electrical system.*

(1) *Service;*

The electrical service is provided by the Consolidated Edison Company of NY at the front of the cellar into a panel adjacent to the point of entry. Five (5) electrical meters located on the interior cellar wall: Four (4) are for the residential units and one (1) for common usage. The main service to the building is 200 amperes /208 volts. There are no backup generators provided.

(2) *Unit service;*

Each unit is provided with 100A, 120/208V metered service. In each apartment there is a 100A/208V/120V/1phase, distribution panel with branch circuit breakers, as required.

(3) The main circuit breakers for each apartment are located in the cellar common area. The cellar common area also contains the distribution panel for common area usage.

(4) The panels will contain 15 and 20 ampere breakers (number of circuits to vary with apartment size) for lighting and duplex outlets. These circuits include kitchen appliances. Separate circuits for refrigerator, microwave, washing machine system, air conditioning and other appliances. All bathrooms shall be provided with a ground fault interrupter outlet. Bedroom duplex outlets have arc-fault protectors in accordance with NYC Electric Code.

(5) Adequacy:

- (i) Circuiting for each apartment has been designed as per NEC requirements. Number of circuits per apartment varies approximately 24 circuits. Service to apartments has been designed to handle air-conditioning, Laundry washer drier, dishwasher appliances that are provided with the apartment.
- (ii) Service to each apartment is designed to handle lighting provided at each apartment.
- (iii) Service to each apartment is designed to handle convenience outlets and appliance outlets provided with the apartment.

(p) *Intercommunication system.*

The building will be equipped with a video intercom system at the main residential entrance connected to panels within each residential unit, which will permit visual and voice contact between the residential units and the entrance lobby at the first floor level. An electric door release in the first floor entry door activated by the unit occupant will release the door for entrance into the building. The make and model of said system is "Aiphone GT-1C7 7 Hands Free Video Tenant Station", and "Aiphone GT4V7 4-Apartment Multi-Tenant 7" Video Intercom System, or equal or better. A limited warranty of 2 or 3 years is provided by the manufacturer as per manufacturer's specifications.

There are no security systems.

(q) *Public area lighting.*

All lighting fixtures shall be provided with fluorescent, LED, or similar, bulbs in the common areas, stairways, and hallways. Each lighting fixture shall be provided with one or more lights, of a total of not less than sixty (60) watts equivalent. All lighting fixtures shall be installed by a NY State licensed electrician and shall comply with the NYC Electrical Code and the NYC Housing Maintenance Code and Multiple Dwelling Law.

Architectural type fluorescent, LED, or similar, fixtures are provided for the main entrance vestibule and the common interior stair. All common cellar areas and mechanical rooms are provided with fluorescent type, LED, or similar lighting.

(r) *Garages and parking areas.*

There are no garages and/or parking areas

(s) *Swimming pool.*

There is no swimming pool.

(t) *Recreation facilities.*

There is no recreation facility.

(u) *Permits and certificates.*

The approved plans require that the building be made to conform to all applicable codes including the NYC administrative building code, NYC Zoning resolution, NYC Housing Maintenance Code, the NYS Multiple Dwelling Law, the provisions and standards of the New York City Department of Buildings, New York City Fire Department and all other governmental authorities having jurisdiction.

Before commencing construction, the builder shall obtain all necessary work permits and certifications from the City of New York, Department of Buildings, and other governmental agencies if applicable.

The following applicable permit applications shall be obtained from the City of New York Department of Buildings: Alteration Type 2 permit (OT), Mechanical Permit (MH), Plumbing Permit (PL), Structural Permit (ST), Sidewalk Shed Permit (SH), Supported Scaffold Permit (SF).

The following Technical Reports, "Controlled Inspections" and "Special Inspections" will be performed by the architect and/or engineer in order to obtain a sign-off from the City of New York, Department of Buildings: Mechanical Systems, Structural Stability - Existing Buildings, Fire Resistant Penetration and Joints, Fire-Resistive Rated Construction, Footings and Foundation, Post-installed Anchors, Structural Cold-Formed Steel, Structural Steel – Details, Structural Steel - High Strength Bolting, Structural Steel – Welding, Energy Code Compliance Inspections, and 'Final' Inspections.

The building is required to inspect or test the systems as noted below after the building is in operation:
 (Inspection requirements are subject to change as regulations change)
 - Periodic gas piping inspections as per LL-152.

(v) *Violations.*

There are no open violations as of the date of this report. Any Building Code Violations will be corrected prior to the issuance of the Certificate of Occupancy or Sign Off of the associated Alteration Type 2 filings with the NYC Dept. of Buildings.

(w) *Unit information.*

There are four (4) residential units within the Building.

Residential units will be designated as Unit #1, Unit #2, Unit #3, and Unit #4.

A residential "Unit" as herein after referred to shall be defined and calculated as following:

Each unit consists of the area measured horizontally from the outside face of the glass window and/or exterior walls to the center line of the partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, and other mechanical equipment spaces that are not a part of the unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling.

All dimensions are approximate.

Unit #1 Consists of:

1st floor: Living room, kitchen, dining area, two (2) bedrooms, two (2) full baths;

Cellar level: Open accessory use, half bath, laundry room.

Access to exterior private rear yard.

Unit #2 Consists of:

2nd floor: Living room, kitchen, dining area, three (3) bedrooms, two (2) full baths, laundry closet;

Unit #3 Consists of:

3rd floor: Living room, kitchen, dining area, three (3) bedrooms, two (2) full baths, laundry closet;

Access to exterior private roof terrace.

Unit #4 Consists of:

4th floor: Living room, kitchen, dining area, three (3) bedrooms, two (2) full baths, laundry closet;

Access to exterior private roof terrace.

(1) *Finishes;*

Type and Grade of finish material used in each unit is provided in the table below.

Unit Finish Schedule

Room	Floor	Wall	Ceiling	Doors
Living room	Wood	Painted GWB	Painted GWB	
Bedrooms	Wood	Painted GWB	Painted GWB	Painted
Kitchen	Wood	Painted GWB	Painted GWB	
Bathroom (hall)	Marble tile	Marble tile/ Ptd. GWB	Painted GWB	Painted
Bathroom (bedroom)	Marble tile	Porcelain tile	Painted GWB	Painted
Laundry closets	Porcelain tile	Painted GWB	Painted GWB	Painted
Closets	Wood	Painted GWB	Painted GWB	Painted
Cellar	Wood	Painted GWB	Painted GWB	Painted
Cellar Bathroom	Marble tile	Marble tile/ Ptd. GWB	Painted GWB	Painted
Cellar Laundry Rm.	Porcelain tile	Painted GWB	Painted GWB	Painted
Cellar Closets	Wood	Painted GWB	Painted GWB	Painted

Interior finish Notes:

Wood Floor: wide plank white oak wood floor, or equal,
 finished with 2 layers of water-borne urethane.

Painted GWB: 5/8" gypsum wall board, painted with 1 coat of primer, two coats of latex paint, Benjamin Moore, or equal or better.

Painted GWB at Wet locations and Bathrooms:

5/8" moisture resistant gypsum wall board, "Greenboard" sheetrock or equal, and/or Durock, or equal, cement board painted with 1 coat of primer, two coats of latex paint, or prepared for tile Benjamin Moore, or equal or better; or specified tile.

(2) Type and condition of all bathroom fixtures;

Bathrooms shall be equipped with a wash basin, water closet, and a bathtub or shower.

Bathroom Fixtures: (hallway location)

<u>Item</u>	<u>Brand Name and Model</u>
Water closets:	Toto toilet
Vanity:	Custom wood veneer vanity with composite stone countertops and Kohler undermount sinks
Tub/ Shower:	Duravit tub
Bath hardware:	Hansgrohe plumbing fixtures

Bathroom Fixtures: (bedroom location)

<u>Item</u>	<u>Brand Name and Model</u>
Water closets:	Toto toilet
Vanity:	Custom wood veneer vanity with composite stone countertops and Kohler undermount sinks
Tub/ Shower:	Shower provided with tile floor
Bath hardware:	Kohler plumbing fixtures

Bathroom Finish Notes:

Floor tile: Marble mosaic tile, or equal

Wall Tile: Dolomite Marble tile, or equal

The Sponsor reserves the right to substitute equipment or materials, equal or better.

(3) Type and condition of kitchen and laundry equipment;

Kitchen Fixtures:

<u>Item</u>	<u>Location/ Unit #</u>	<u>Brand Name</u>	<u>Model No.</u>	<u>Description</u>
Refrigerator	All Units	Bosch	B30IB800SP	30" wide, panel ready
Range	All Units	Bertazonni	MAST305GASXE	30" gas range
Range Hood	All Units	Bertazonni	KTV30PR01 X	30" wall mount hood, 600 cfm
Dishwasher	All Units	Bosch	SHPM65W56N	24" built-in dishwasher
Kitchen sink	All Units	Kraus	KHU 23	stainless steel bowl
Kitchen faucet	All Units	Moen	7565BL Align	Pull down spray facet

Kitchen Finish notes:

Cabinets: Plywood cabinet boxes, with painted mdf or wood veneer plywood panel door construction, with soft-close hardware.

Countertops: 'White Quartz' composite stone countertops by Caesarstone, or better or equal.

Backsplash: 'White Quartz' Composite stone backsplash by Caesarstone, or better or equal.

Laundry Fixtures:

<u>Item</u>	<u>Brand Name and Model</u>
Washer	LG, Model # WM3400CW, or equal or better.

Dryer (electric + vented) LG, Model # DLE3400W, or equal or better.

Where materials, appliances, equipment, fixtures and other construction and design materials and details are specified in this report, the Plan and/or construction related documents, the Sponsor reserves the right, in all cases, to substitute in their place similar materials, appliances, equipment and/or fixtures of equivalent or better quality.

(x) *Finish schedule of spaces other than units.*

Finish Schedule for Spaces Other Than Units:

Room	Floor	Wall	Ceiling	Doors
Cellar Mechanical Room/Hall	Conc. Slab	Painted GWB, 1 Hr.	Painted GWB, 1 Hr.	Ptd. FPSC
Cellar Storage Closet	Conc. Slab	Painted GWB, 1 Hr.	Painted GWB, 1 Hr.	Ptd. FPSC
Foyer/Hall (all floors)	Porcelain tile	Painted GWB, 1 Hr.	Painted GWB, 1 Hr.	Ptd. FPSC

Notes/Abbreviations:

Conc. Slab: Concrete Slab

GWB: Gypsum Board

2-Hr : two hour fire rated floor/ceiling assembly

FPSC: Fire Proof Self Closing Door

Ptd. : Painted

(y) *Safety and warning devices.*

A combined smoke and carbon monoxide detector manufactured by Kidde, model No. 900-0114E or approved equal shall be installed in each of the residential unit as per Local Law 62/81 and R.S. 17 of the New York City Building Code. The detectors shall be of AC wire-in type with interconnecting capabilities and shall use only 120 volts of electricity. Smoke and carbon monoxide detectors shall be located on or near the ceiling, and within fifteen feet of all bedrooms. If ceiling mounted, the closest edge of the detector shall be a minimum of four inches from any wall. If wall mounted, the closest edge of the detector shall be a minimum of four inches and a maximum of twelve inches from the ceiling. The device will have a dual voice and alarm warning activation that will announce "Fire Fire!" or "Warning!" "Carbon Monoxide!" and a low battery indicator. The detectors shall have a 5-year limited warranty. Note: all detectors shall have an approval from the Board of Standards and Appeals.

There is no FA central station installed.

All safety and warning devices noted above are mandatory and required by NYC code. All devices must be maintained as necessary.

(z) *Additional information.*

Unit Sizes:

The approximate finished floor to finished ceiling heights are as follows (height is in feet/inches):

	<u>Unit #1</u> <u>(1st floor/cellar)</u>	<u>Unit #2</u> <u>(2nd floor)</u>	<u>Unit#3</u> <u>(3rd floor)</u>	<u>Unit #4</u> <u>(4th floor)</u>
Kitchen/living/bedrooms	9'-11" +/-	9'-7" +/-	9'-2" +/-	9'-0" +/-
Bathrooms	9'-11" +/-	9'-7" +/-	9'-2" +/-	9'-0" +/-
Hallway	9'-11" +/-	9'-7" +/-	9'-2" +/-	9'-0" +/-
Cellar Level	8'-6" +/-	n/a	n/a	n/a

The approximate floor area of each unit is measured as described in section (w).

The floor area occupied by any common elements bordering or within a unit (such as Building walls, vents, chase walls or areas, conduits, ducts, shafts, or pipes) have been included in the calculation of the floor area of the unit. Therefore, the gross square footage shown here exceeds the usable interior floor area.

The approximate gross square footage for each unit is as follows:

Residential Unit #1	Cellar Floor:	approx. 794 sq. ft.
	First Floor:	approx. 1,055 sq. ft.
	Interior Unit Total:	approx. 1,849 sq. ft.
	Rear Yard:	
	Outdoor Total:	approx. 526 sq. ft.
Residential Unit #2	Second Floor:	approx. 1,132 sq. ft.
	Interior Unit Total:	approx. 1,132 sq. ft.
	Cellar Storage Space A:	approx. 46 sq. ft.
	No Outdoor Area:	
	Outdoor Total:	approx. 0 sq. ft.
Residential Unit #3	Third Floor:	approx. 1,127 sq. ft.
	Interior Unit Total:	approx. 1,127 sq. ft.
	Cellar Storage Space B:	approx. 51 sq. ft.
	Private Roof Terrace:	approx. 470 sq. ft.
	Outdoor Total:	approx. 470 sq. ft.
Residential Unit #4	Fourth Floor:	approx. 1,127 sq. ft.
	Interior Unit Total:	approx. 1,127 sq. ft.
	Cellar Storage Space C:	approx. 52 sq. ft.
	Private Roof Terrace:	approx. 332 sq. ft.
	Outdoor Total:	approx. 332 sq. ft.

At the first Unit Closing, the Sponsor shall, without any representation or warranty by, or recourse against, the Sponsor, assign to the Board of Managers any assignable manufacturers' warranties with respect to the Sponsor-installed equipment in or serving the Building. At the Closing of a Unit, the Sponsor shall, without any representation or warranty by, or recourse against, the Sponsor, assign to the Purchaser any assignable manufacturers' warranties with respect to the equipment and appliances in the Unit. Upon transfer of control of the Board of Managers from the Sponsor to the Unit Owners, the Sponsor shall also provide the Board with copies of any manuals in Sponsor's possession for the operation and maintenance of the Building's equipment and systems, as well as the Building's "as-built" drawings (as maintained during construction).

(aa) In the event that certain conditions in the building cannot adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting or structural steel, adequacy of concrete cover, fire-stopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

(bb) *Further Development;*
n/a

(cc) *Asbestos;*
The building was inspected for asbestos containing material prior to the commencement of interior and exterior demolition and construction for DOB Job # 321921854 and DOB Job # B00340554-I1. A certification (form ACP5) dated April 22, 2019, prepared by Xiong Wu, Certified Asbestos Investigator, is attached to this report. An additional

certification (form ACP5) dated January 16, 2020, prepared by Xiong Wu, Certified Asbestos Investigator, is attached to this report.

Based on the age of the building, asbestos-containing materials are likely to have been used within the units and the common elements, Purchasers/ occupants contemplating alterations are advised to consult with a qualified contractor or certified asbestos investigator for the recommended protocol to perform alterations or other work that penetrates or disturbs any surfaces in order to avoid potential asbestos contamination.

This statement is to disclose that there will be no asbestos made products (ACM), partially or in whole, specified for the construction of this condominium as per approved plans.

Drywall materials;

This statement is to disclose that there will be no drywall materials that contain "Sulfide", partially or in whole, specified for the construction of this condominium as per approved plans.

(dd) Lead based paint:

n/a/

CERTIFICATION:

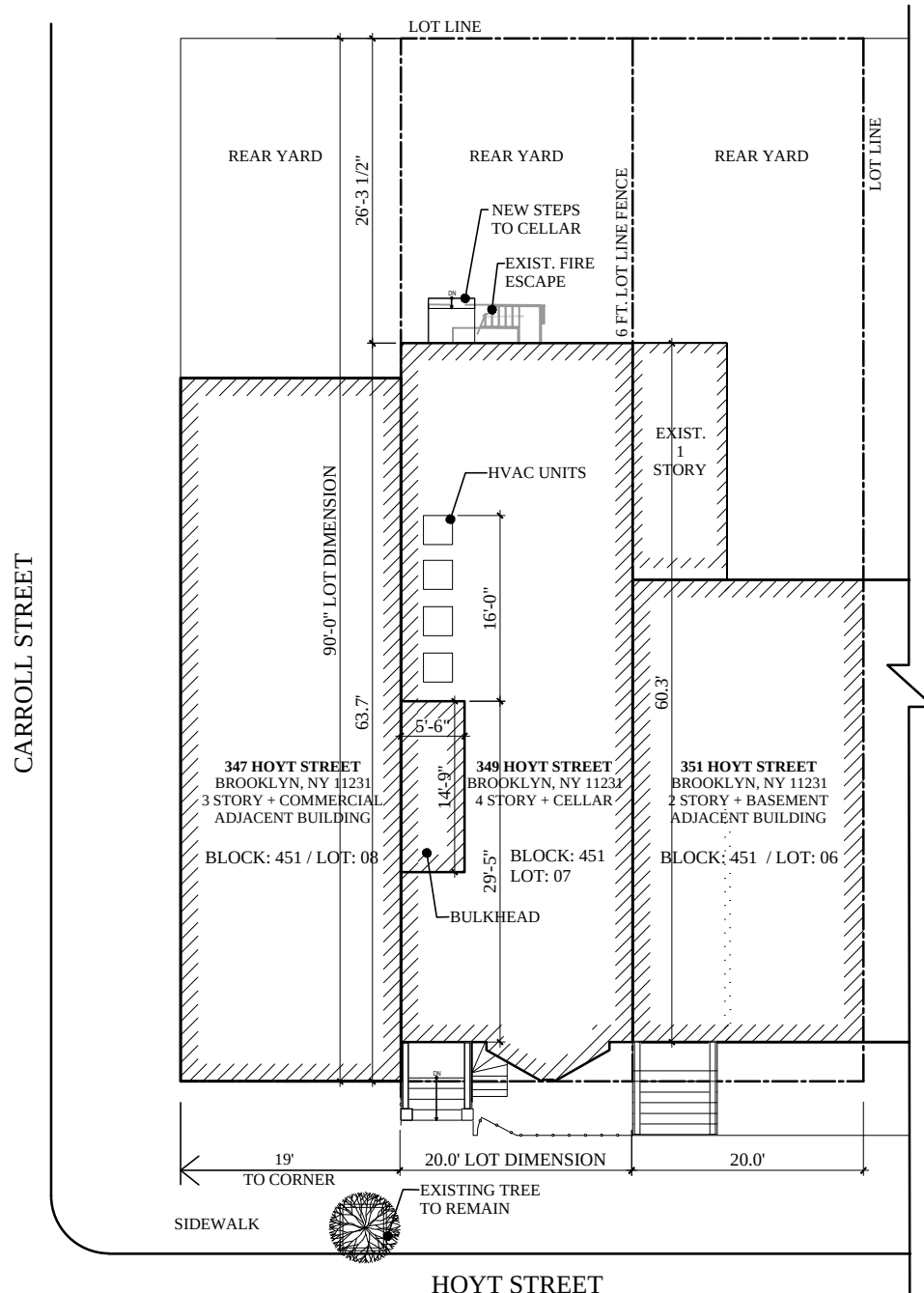
I have examined the building records at the New York City Department of Buildings and personally inspected the premises. To the best of my knowledge and belief, this report contains an accurate description of the building. Except as noted in this report, no representation is made as to the condition or legality of those elements of the building that cannot be seen. Many of the components of the building are concealed, obstructed or are not available for inspection, and no representation can be made as to the length of time components and systems currently in working order will remain so.

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Construction Code of New York State, using chapter 8.

SPONSOR RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REPLACE ANY OR ALL MATERIALS, FIXTURES, APPLIANCES, OR OTHER ITEMS STATED IN THIS REPORT WITH THOSE OF EQUAL OR BETTER QUALITY.

SPONSOR MAKES NO REPRESENTATION AS TO ANY MATTER IN THIS ARCHITECT'S REPORT EXCEPT AS EXPRESSLY CONTAINED HEREIN AND NO REPRESENTATION SHALL BE IMPLIED.

349 Hoyt Street, Brooklyn, NY 11231



HOYT STREET

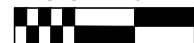
SITE PLAN

LEGEND:

- . — . — PROPERTY
LINE
- ▨ BUILDING
FOOTPRINT



01 234 5 10' 15'



SCALE 1/16" = 1'-0"

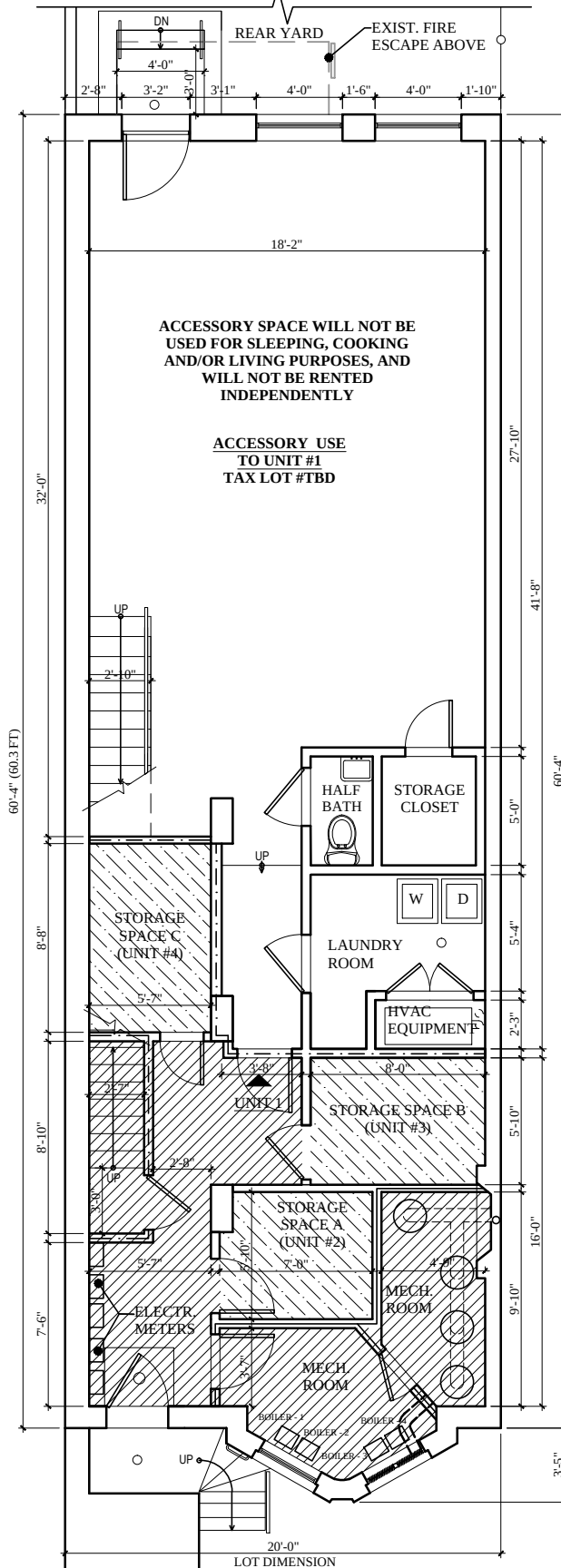
FP1

All Dimensions are approximate and subject to normal construction variances and tolerances.

Dimensions are maximum overall, subtract cutouts. We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.

349 Hoyt Street Condominium

349 Hoyt Street, Brooklyn, NY 11231



UNIT # 1

CELLAR FLOOR

794 SQ. FT.

STORAGE SPACE A:

(FOR UNIT #2)

46 SQ. FT.

STORAGE SPACE B:

(FOR UNIT #3)

51 SQ. FT.

STORAGE SPACE C:

(FOR UNIT #4)

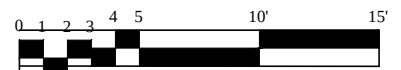
52 SQ. FT.



COMMON ELEMENT



LIMITED
COMMON ELEMENT



SCALE 1/8" = 1'-0"

HOYT STREET

CELLAR PLAN

REAR YARD

EXIST. FIRE ESCAPE

PROPERTY LINE

13'-10"

8'-0"

10'-1"

BEDROOM

BEDROOM

CL.

2'-10"

2'-10"

1'-10"

1'-6"

1'-6"

5'-0"

3'-0"

5'-4"

ADA BATH ROOM

3'-6"

1'-11"

2'-0"

3'-0"

2'-0"

CL.

5'-3"

2'-10"

9'-0"

BATH ROOM

2'-10"

1'-6"

5'-6"

2'-0"

5'-0"

3'-0"

30'-0"

20'-2"

8'-8"

3'-0"

2'-0"

3'-0"

6'-4"

4'-0"

3'-0"

2'-0"

UNIT 1

HALL

FOYER

UNIT 1

KITCHEN/
LIVING/
DINING ROOM

REF.

DW

SINK

2'-6"

8'-3"

12'-3"

3'-8"

3'-8"

3'-1"

3'-1"

PROPERTY LINE

20'-0"

20'-0"

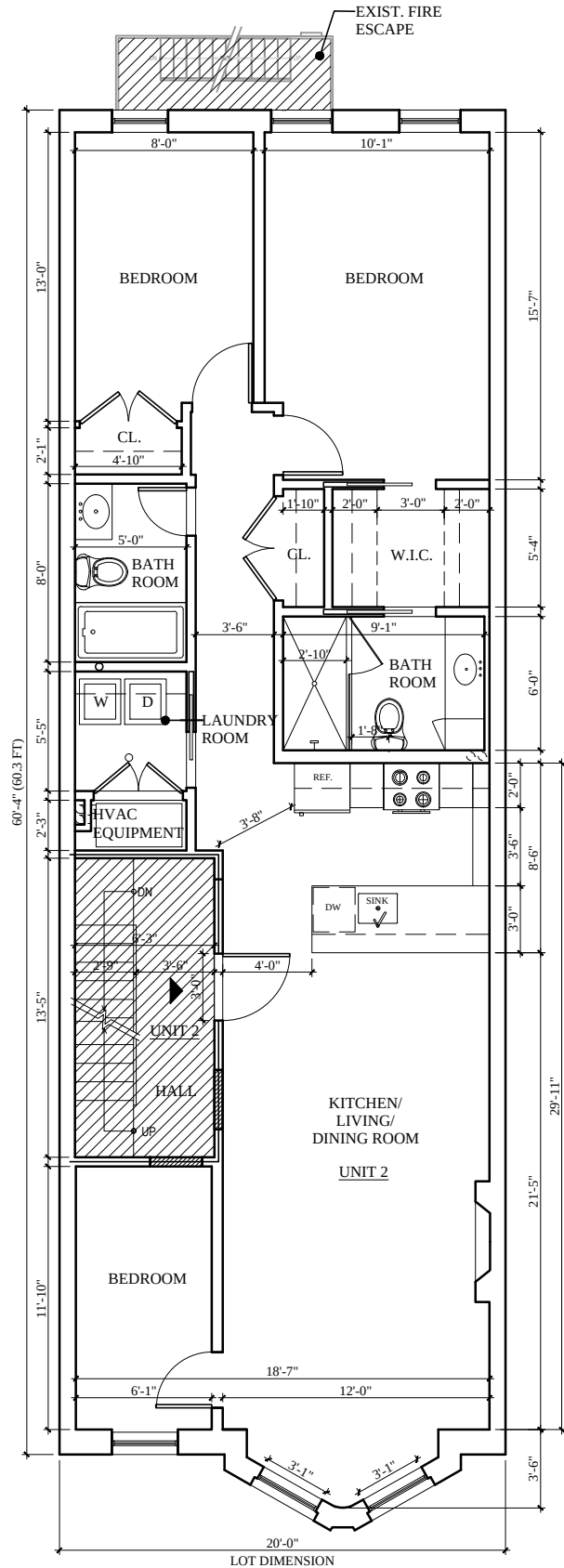
20'-0"

LOT DIMENSION

60'-4" (60.3 FT)

349 Hoyt Street Condominium

349 Hoyt Street, Brooklyn, NY 11231



UNIT # 2

SECOND FLOOR

1,132 SQ. FT.



COMMON ELEMENT



LIMITED COMMON ELEMENT



SCALE 1/8" = 1'-0"

HOYT STREET

SECOND FLOOR PLAN

349 Hoyt Street, Brooklyn, NY 11231



LIMITED
COMMON ELEMENT

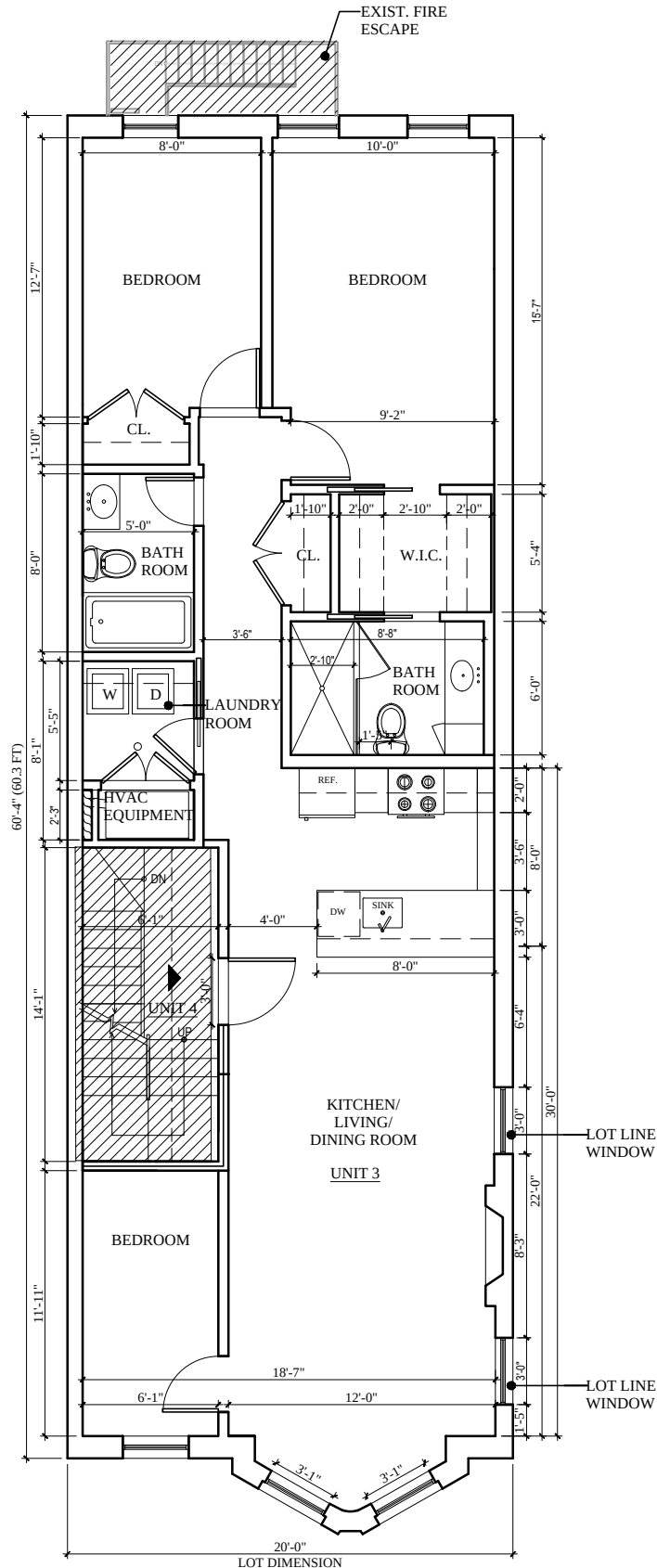


SCALE 1/8" = 1'-0"

All Dimensions are approximate and subject to normal construction variances and tolerances.
Dimensions are maximum overall, subtract cutouts. We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.

349 Hoyt Street Condominium

349 Hoyt Street, Brooklyn, NY 11231



UNIT # 4

FOURTH FLOOR

1,127 SQ. FT.



COMMON ELEMENT



LIMITED COMMON ELEMENT

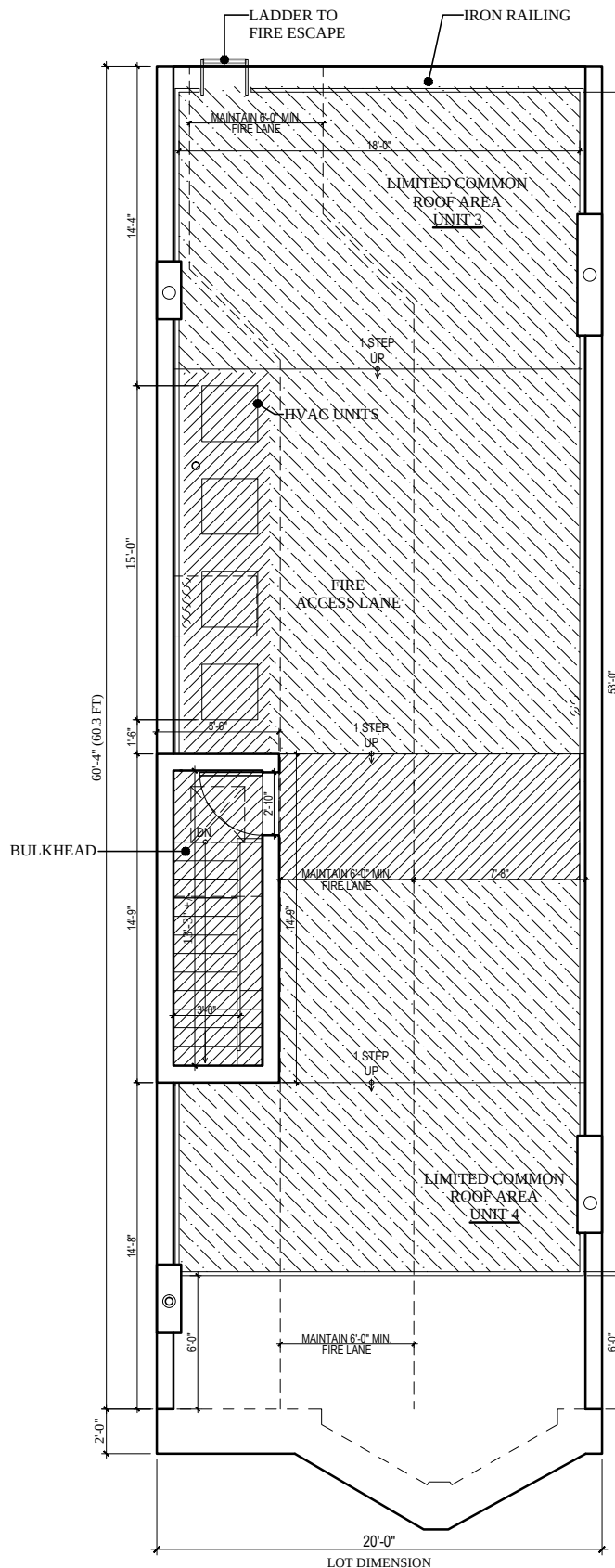


SCALE 1/8" = 1'-0"

FOURTH FLOOR PLAN

349 Hoyt Street Condominium

349 Hoyt Street, Brooklyn, NY 11231



UNIT # 3

LIMITED COMMON ROOF AREA

470 SQ. FT.

UNIT # 4

LIMITED COMMON ROOF AREA

332 SQ. FT.



COMMON ELEMENT



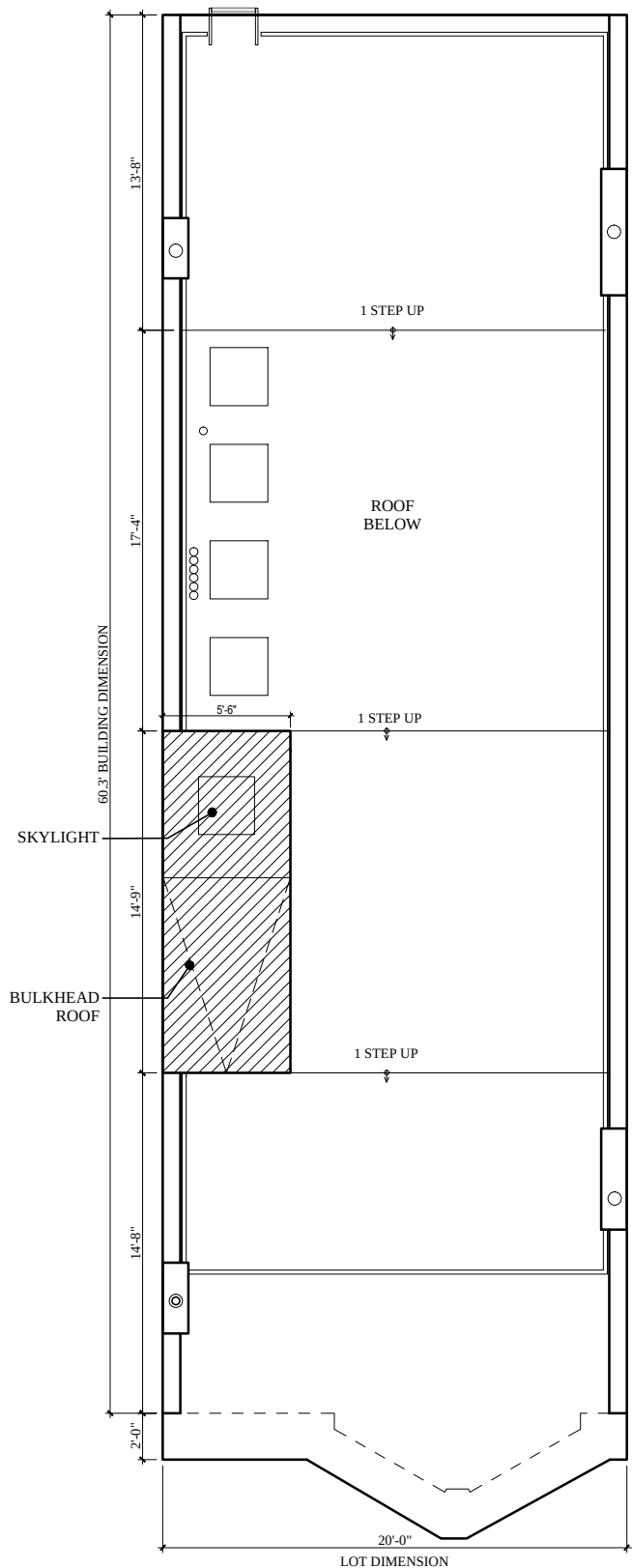
LIMITED
COMMON ELEMENT



SCALE 1/8" = 1'-0"

ROOF PLAN

349 Hoyt Street Condominium
349 Hoyt Street, Brooklyn, NY 11231



ROOF BULKHEAD

- COMMON ELEMENT
- LIMITED COMMON ELEMENT

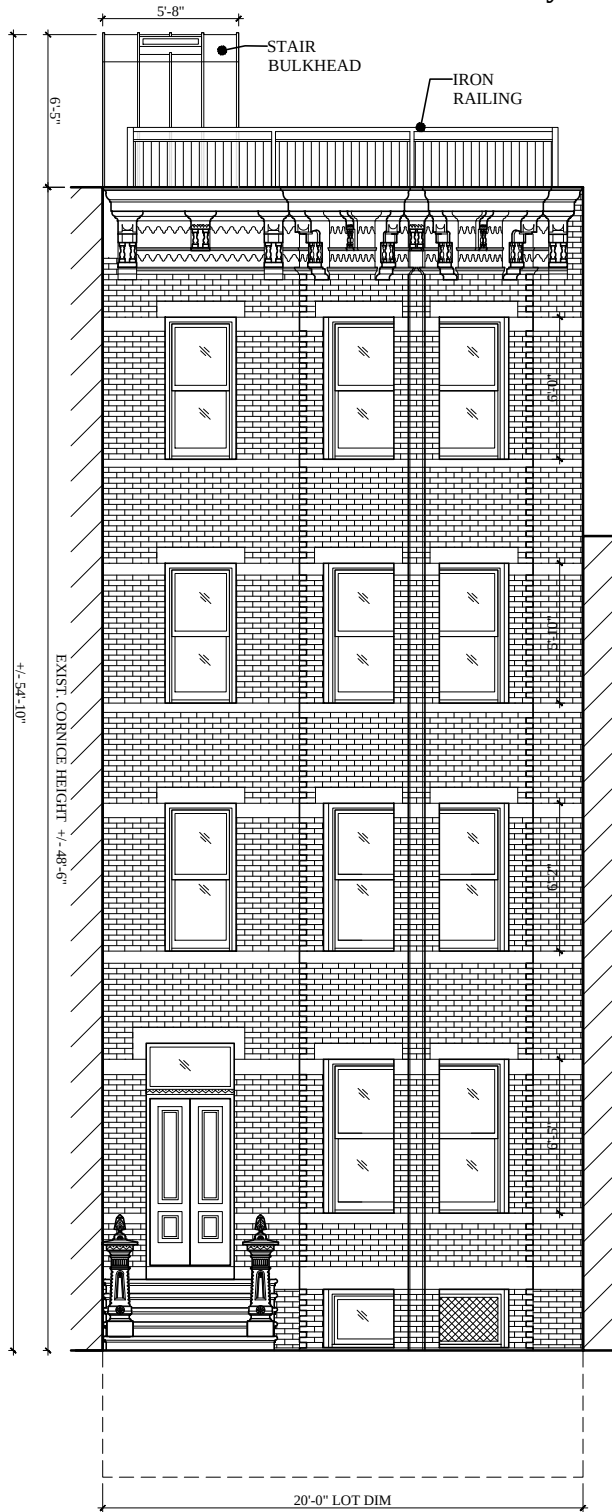


SCALE 1/8" = 1'-0"

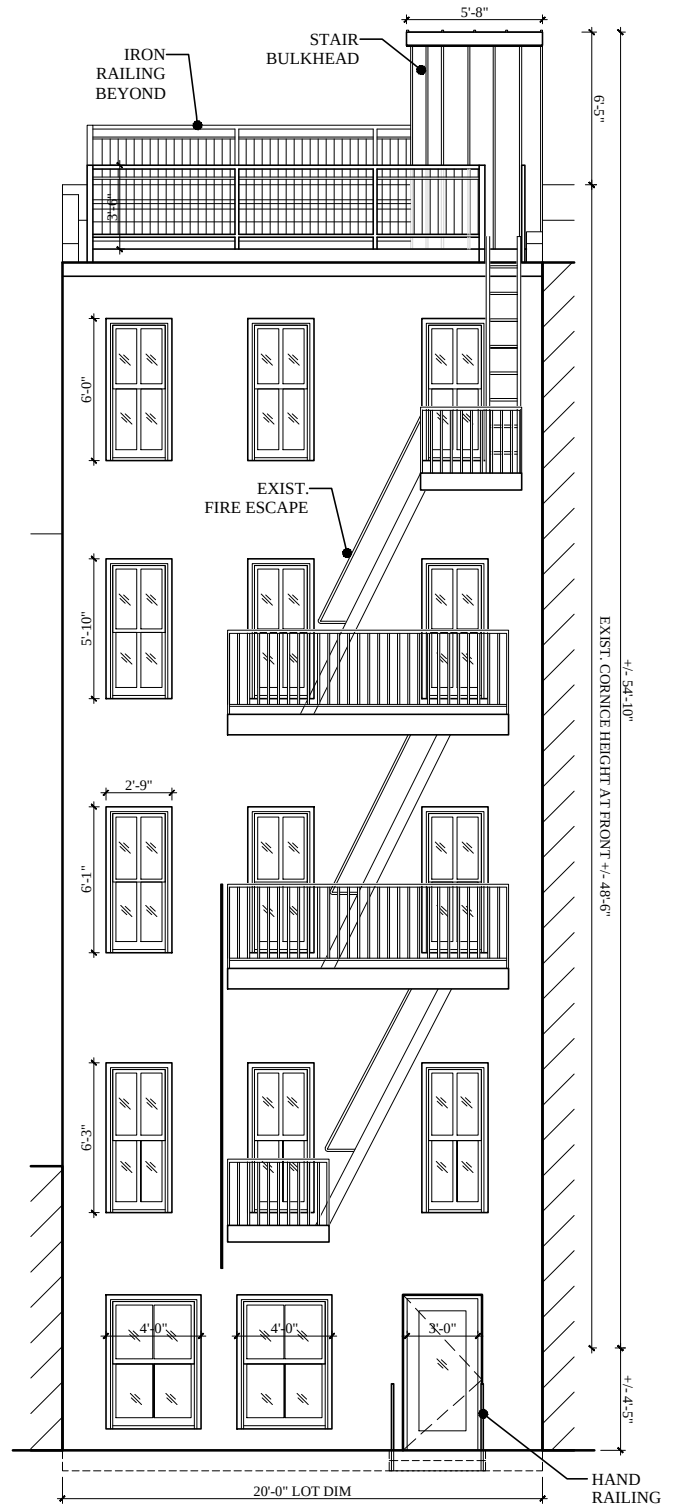
HOYT STREET
BULKHEAD PLAN

349 Hoyt Street Condominium

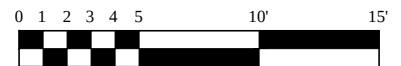
349 Hoyt Street, Brooklyn, NY 11231



FRONT ELEVATION



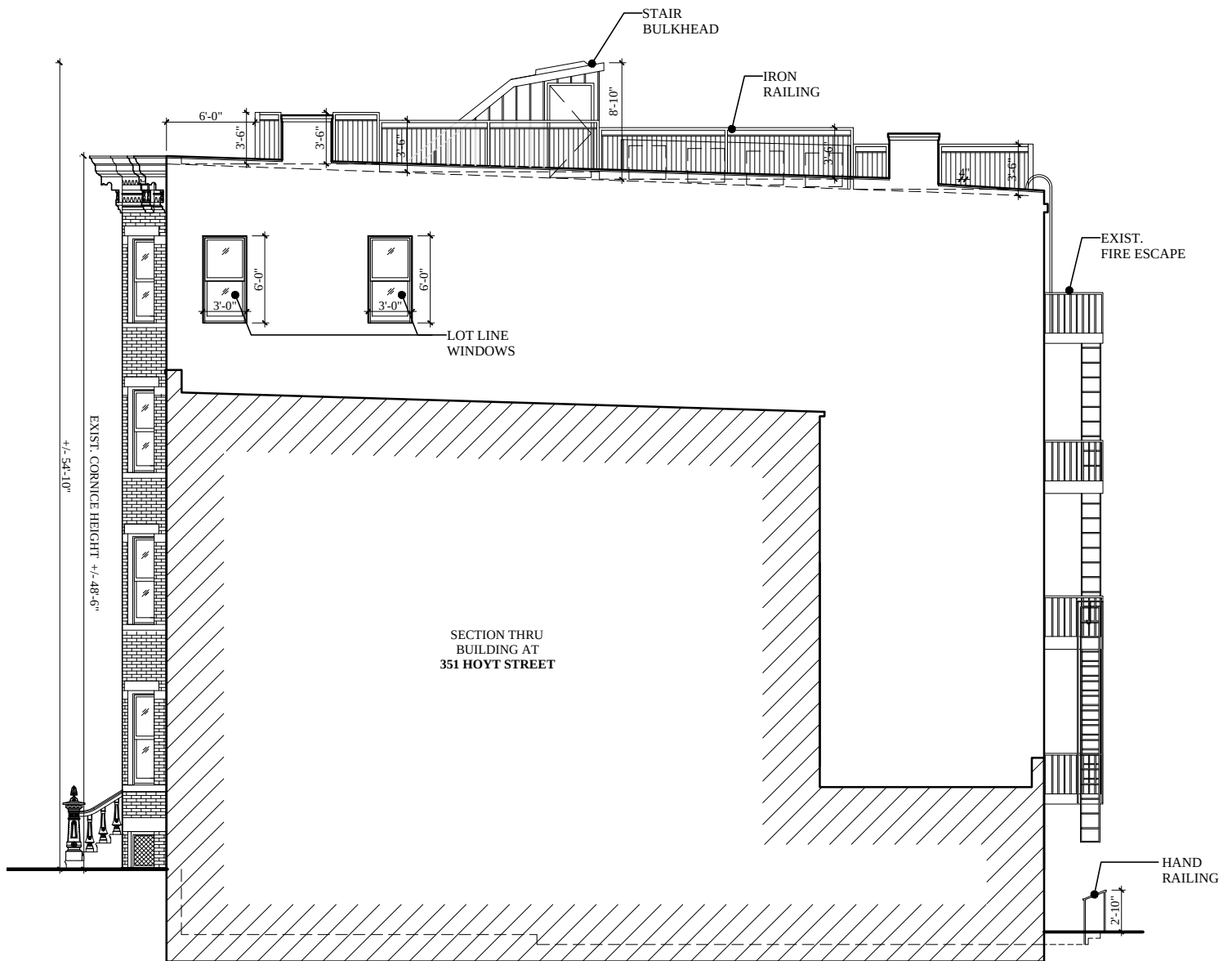
REAR ELEVATION



SCALE 1/8" = 1'-0"

349 Hoyt Street Condominium

349 Hoyt Street, Brooklyn, NY 11231



SIDE ELEVATION

0 1 2 3 4 5 10' 15'



SCALE 3/32" = 1'-0"

New York Real Property Law, Article 9-B.

§339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to

the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 349 Hoyt 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 349 HOYT STREET CONDOMINIUM

**DECLARANT: 349 HOYT LLC
1000 Dean Street, Suite 428
Brooklyn, New York 11238**

DATE OF DECLARATION:

The land affected by the within instrument lies in Block 451 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

**F/k/a: Lot(s) 07
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 349 HOYT STREET CONDOMINIUM, located at 349 Hoyt 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.

349 HOYT LLC, located at 1000 Dean Street, Suite 428, Brooklyn, New York 11238, 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 349 HOYT STREET CONDOMINIUM.
4. DESCRIPTION OF THE BUILDING: The condominium consists of a single building composed of a cellar and four stories, and containing, in aggregate, four (4) residential units. The legal occupancy will match the proposed occupancy hereunder. The building complies with the 1938 New York City Building Code for Class 3 Non-Fireproof 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. The boundaries of the Units consist of the area measured horizontally between the outside face of the exterior walls to the non-unit side of the walls and partitions dividing the units from corridors, stairs and mechanical spaces. Areas are measured to the centerline when a partition divides two units. Areas may vary within reasonable tolerances from the "as-built" square footage. Common elements located within Unit shall not be considered part of such Unit.

The square footage of each unit is based upon a "gross" square footage calculation using the approximate distance measured horizontally from the outside face of the glass window and/or exterior walls to the center line of the partitions separating one unit from another unit or to the center line of the partitions separating a unit from corridors, stairs, and other mechanical equipment spaces that are not a part of the unit. Each unit consists of the area measured vertically from the top of the floor to the underside of the ceiling. All dimensions are approximate.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Eric Safyan, R.A. of Eric Safyan / Architect PC, 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. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinance, and provided further that prior written consent of the Board of Managers for such professional use is obtained. 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, 349 Hoyt LLC, 1000 Dean Street, Suite 428, Brooklyn, New York 11238, 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 349 Hoyt 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 Register of Kings County.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

16. INVALIDITY:

a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included;

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with

every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

17. THIS PARAGRAPH HAS BEEN INTENTIONALLY OMITTED.

18. TERMINATION OF CONDOMINIUM: The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in Common Interest of the Units. The Declarant or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Declarant may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided however, that no payment shall be made to a Unit Owner until all lienors have first been paid off out of his share of such proceeds.

19. COMMON EXPENSE: Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. Common expenses shall be charged to unit owners according to their respective common interests, except that such expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common profits and expenses for one (1) or more non-residential units. Additionally, common expenses may be specially allocated and apportioned to residential or non-residential units, or a combination thereof, based on special or exclusive use or availability, or exclusive control, of particular units or common areas by particular unit owners.

20. DEFINITION OF "DECLARANT-DESIGNEE": The term "Declarant- Designee" as used in this Declaration shall mean any person or entity designated by the Declarant to acquire title to a Unit, other than a good faith Purchaser for value purchasing pursuant to a validly executed Purchase Agreement. A "Declarant-Designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Declarant-Designee."

21. WAIVER: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration, nor the intent of any provision thereof.

23. GENDER: The use of the masculine gender in this Declaration shall be deemed to refer to 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 .

349 HOYT LLC
BY:

STUART VAN LEENEN

STATE OF NEW YORK)
COUNTY OF) SS.:

On the day of , 20 , before me, the undersigned, personally appeared STUART VAN LEENEN, 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 349 HOYT 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 349 Hoyt Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as THE 349 HOYT 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. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .01% of common interest in the condominium appurtenant to such Owner's Unit, which may be cast all for one nominated manager or divided among any number of candidates. Their term of office shall be until their respective successors are elected and qualify.

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

Section 5. Vacancies: Vacancies in the Board of Managers resulting from death, resignation or otherwise may be filled without notice to any of the Unit Owners by a vote of a majority of the remaining Managers present at the meeting at which such election is held for that purpose promptly after the occurrence of any such vacancy even though no quorum is present. Each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of Unit Owners to serve the remaining term. In the event of the failure to hold any election of Managers at the time designated for the annual election of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a Special Meeting of Unit Owners shall be called to elect a new Board of Managers. Any vacancy created by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of Managers by amendment of these By-Laws, the Manager, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 6. Meetings: The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the Condominium or upon the written request of any three Managers then holding office, upon notice given to each Manager, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine. Any meeting of the Board at which all the Managers shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further

limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal: Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective. Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate vote is at least 51% of the votes of the Condominium at a Unit Owners' meeting duly called for that purpose; provided, however, that the Manager(s) elected by the Holders of "Unsold Units" can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Holders of Unsold Units.

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Manager shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) the fifth anniversary of the First Closing or (ii) such time as the Holders of Unsold Units hold less than 50% of the outstanding votes of the Residential Units, the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- a) Increase the number or change the type of employees from that described in the FOOTNOTES TO SCHEDULE B of the Offering Plan;
- b) Provide for new or additional services from those indicated in the FOOTNOTES TO SCHEDULE B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;
- c) Establish any reserve other than the Reserve and/or Working Capital Funds set forth in the Offering Plan.

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

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

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: casualty 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 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 gender and the use of singular shall be deemed to include the plural, whenever the context requires.

Section 4. Waiver: No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, respective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of two (2) or more Unit first 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: 349 Hoyt Street
 Brooklyn, New York**

We, 349 HOYT LLC, STUART VAN LEENEN, RUFINA LITVAK, MATTHEW LANDAU, and JONATHAN FEIFER, 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.

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August 5, 2020.

349 HOYT LLC

by:



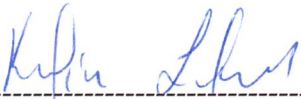
STUART VAN LEENEN

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August 5, 2020.



STUART VAN LEENEN

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August 5, 2020.



RUFINA LITVAK

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August 6 2020.


MATTHEW LANDAU

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August 2020.

JONATHAN FEIFER

CRT3

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August ____, 2020.

MATTHEW LANDAU

I declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. Executed on August 6th, 2020.



JONATHAN FEIFER

Eric Safyan / Architect PC

540 President Street / 3rd Fl

Brooklyn NY 11215

tel. 718-938-8806

email. eric@es-architect.com

web. es-architect.com

Date 11.02.2020

**CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO
PART 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED**

Re: The 349 Hoyt Street Condominium
349 Hoyt Street
Brooklyn, NY, 11231

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). I/we visually inspected existing portions of the renovated property, if any, on July 07, 2020, and we examined the building plans and specifications that were prepared by Eric Safyan Architect P.C., dated 06.26.20, also prepared the Report dated 05.20.2020, and revised on 11.02.2020, a copy(ies) of which is/are intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am/we are a registered architect/licensed engineer in the state in which the property is located.

I/we understand that I am/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 this Report.

I/we have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I/we certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I/we examined;

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

I/We further certify that I am/we are not owned or controlled by, and have no beneficial interest in, the Sponsor, and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on November 02, 2020.



Eric Safyan, R.A.
NYS License No. 030913



August 7, 2020

**CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20
OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23A, AS
AMENDED**

RE: 349 Hoyt Street, Brooklyn, New York

The Sponsor of the condominium Offering Plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B1, 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 in excess of twenty years, the management of approximately eleven total buildings over ten years, and the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B1. 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 B1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules do:

1. Set forth in detail the projected income and expenses for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;



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5. Not contain any fraud, deception, concealment, or suppression;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort, could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or;
 - d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses of the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of American that the foregoing is true and correct. Executed on August 7, 2020.

Hal Lehrman
Licensed Real Estate Broker