
CONDOMINIUM OFFERING PLAN

**THE 1406 OCEAN PARKWAY CONDOMINIUM
1406 OCEAN PARKWAY
BROOKLYN, KINGS COUNTY, NEW YORK 11230**

Residential Units.....7	\$19,977,500.
Parking Units.....5	\$ 1,150,000.
Total Amount of Offering	\$21,127,500.

SPONSOR AND SELLING AGENT:

**1406 OCEAN PKWY LLC
2454 EAST 65TH STREET
BROOKLYN, NEW YORK 11234**

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 BYLAWS included in Part II of this Plan.

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

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

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

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

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

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

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

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

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

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

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.

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: 1406 Ocean Pkwy LLC, 2464 East 65th Street, Brooklyn, NY 11234.

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

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

SPECIAL RISKS

1) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **TIME IS OF THE ESSENCE** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, s/he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default will both have the Contract canceled and lose his/her down payment. Similarly, a purchaser who fails to notify the Sponsor in the event s/he has failed to obtain mortgage financing within forty (40) days after receipt of a fully executed Purchase Agreement will be required to proceed to closing notwithstanding the fact that purchaser has failed to obtain mortgage financing; if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Closings shall only take place at a location designated by the Sponsor's attorney and no other location. 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.

2) In general, sellers of real property are obligated to pay the New York State Transfer Tax ("NYSTT"), currently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage. However, the terms of this Offering Plan and the PURCHASE AGREEMENT included in Part II herein transfer the statutory obligation to pay the NYSTT to the Purchaser. The New York State Tax Law Section 1404(a) (the "Amended Tax Law") has been amended as of July 1, 2021 to provide that in the case of a conveyance of residential real property as defined in subdivision (a) of section fourteen hundred two-a of this article, if the tax imposed by this article is paid by the grantee pursuant to a contract between the grantor and the grantee, the amount of such tax shall be excluded from the calculation of consideration subject to tax under this article. Pursuant to the Amended Tax Law, transfer taxes shall not be payable, directly or indirectly, by the Purchaser unless the same is explicitly provided for under the Purchase Agreement between Sponsor and Purchaser. The Purchase Agreement located in Part II of this Offering Plan explicitly provides that the Purchaser shall be responsible for paying the NYSTT. Therefore, the Purchase Agreement imposes this obligation upon the Purchaser.

In general, sellers of real property are obligated to pay the New York City Real Property Transfer Tax ("NYCRPTT"), currently 1.425% of the purchase price for residential units. However, the terms of this Offering Plan and the PURCHASE AGREEMENT included in Part II herein transfer the statutory obligation to pay the NYCRPTT to the Purchaser. The amount of the NYCRPTT shall be deemed additional consideration for the unit

purchased, resulting in a “grossed up” sales price for a “tax on a tax” effect.

At closing each Purchaser shall pay a reimbursement fee of \$2,500.00 to the Sponsor as partial reimbursement for the costs of preparing and filing the Offering Plan. Additionally, the Purchasers of a unit shall pay to the Sponsor’s attorney at closing a fee of \$3,750.00 for the preparation of closing documents, plus \$600 for the preparation of ACRIS documents and \$750 to fill out and forward an appraisal and lender questionnaire and for obtaining the necessary and proper Certificates of Insurance for the purchaser and their lender. 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. The above closing fees are cumulative to the extent applicable to an individual closing. Please see the section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

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

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

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

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

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

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

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

7) The Sponsor is not limiting the conditions under which it will rent rather than sell units after consummation of the Offering Plan. There is no commitment to sell more than

two (2) residential units in this Condominium, which is the minimum necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

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

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

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

11) 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. Accordingly, the Purchaser shall be required to furnish the Escrow Agent with a Form W-9 (included herein) at the time of execution of contract. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account. The escrow account is federally insured by the FDIC at the maximum amount of \$250,000. 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. Please see the PROCEDURE TO PURCHASE and PURCHASE AGREEMENT sections of this Offering Plan.

12) All residential units will each have certain areas of the subject premises allocated to them as limited common elements. Unit 1A includes 1,636 square feet of accessory space at the cellar level allocated as a limited common element. This accessory space at the cellar level may not be legally used as a bedroom or living room. To do so may result in a building code violation being issued for the building. Unit 1A will also include a front yard at the first floor level of 680 sq. ft., a mechanical closet at the first floor level of 52 sq. feet, and a roof terrace at the second floor level of 57 sq. feet allocated as limited common elements. Unit 2A will include a roof terrace of 183 sq. feet and two mechanical closets totaling 80 sq. feet at the second floor level allocated as limited common elements. Unit 3A will include a roof terrace of 165 sq. feet and a roof terrace of 53 sq. feet, as well as a hallway area leading to the unit's entrance from the elevator with refuse closet totaling 281 sq. feet at the third floor level, allocated as limited common elements. Unit 4A will include a roof terrace of 165 sq. feet, a balcony of 53 sq. feet, and a hallway area leading to the unit's entrance from the elevator with refuse closet totaling 297 sq. feet at the fourth floor level, allocated as limited common elements. Unit 5A will include a roof terrace of 1,096 sq. feet at the fifth floor level allocated as a limited common element. Unit 5B will include a balcony of 53 sq. feet at the fifth floor level allocated as a limited common element. Unit 6A will include two storage spaces at the cellar level totaling 455 sq. feet, a roof terrace at the sixth floor level of 159 sq. feet, a hallway area leading from the elevator to the unit entrance, including enclosed mechanical closet and refuse closet, at the sixth floor level totaling 139 sq. feet, a roof terrace at the seventh floor level of 310 sq. feet, a hallway area with mechanical closet at the seventh floor level of 56 sq. feet, and a roof terrace at the roof level of 2,040 sq. feet allocated as limited common elements. With regard to the hallway areas allocated as limited common elements to units 3A, 4A, and 6A, in each instance the unit in question is the only unit located on its floor and therefore other unit owners will not generally travel through such hallways. However, other unit owners' access to such hallways is not physically restricted and these hallways each contain at least two exits for fire safety purposes and comply with New York City Building Code requirements. The refuse closets located in such hallways are also allocated as limited common elements to their adjacent units for purposes of allowing the respective unit owners to dispose of refuse using the refuse chutes located within. These hallway areas and mechanical closets are uninhabitable space and may not be used for living purposes. The square footages of these limited common elements are included in the "Other Square Footages" column in SCHEDULE A, as is disclosed in Note 1 at the

bottom of SCHEDULE A. The Board of Managers and the other unit owners will have an access agreement through Unit 6A's roof terrace in order to access the common mechanical area, which is reflected in the BY-LAWS at Article VI, Section 13. 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 the DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan for a more complete explanation.

13) Local law 11 of 1998 is applicable to the subject building. The condominium shall be responsible for having the building façade inspected every five years and filing said inspection with the New York City Department of Buildings, beginning with the first inspection taking place five years after issuance of the Final Certificate of Occupancy or the first Temporary Certificate of Occupancy. Inspection must be performed by a Qualified Exterior Wall Inspector (QEWI)—a New York State-licensed architect or engineer. Please see ARCHITECT'S REPORT located in Part II of this Offering 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 the Sponsor will transfer construction documents, including "as-built" materials, maintenance manuals, and warranties, as applicable, to the Condominium. Please see the CONTROL BY THE SPONSOR section in Part I and the ARCHITECT'S REPORT located in Part II of this Offering Plan.

15) The projected insurance coverage for the building does not include officers' and directors' liability. Officers' and directors' liability is a type of coverage which protects members of the Board of Managers or officers of the condominium from any liability engendered by performance of their functions, to the extent such activities are within the scope of their designated capacities and do not constitute criminal acts by such officer(s) or manager(s). In the event the condominium wishes to extend such insurance coverage to its directors and managers, this will represent an additional cost of approximately \$1,100 on the amount projected for insurance coverage in Schedule B. Please see SCHEDULE B and FOOTNOTES thereto for a more complete explanation.

16) The obligations of a purchaser under a purchase agreement are conditioned on the Purchaser obtaining financing. If a Purchaser intends to obtain mortgage financing, such Purchaser shall apply for said loan within five (5) days after receipt of a fully executed copy of the PURCHASE AGREEMENT and shall have forty (40) days from receipt of a

fully executed copy of said PURCHASE AGREEMENT to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the lending institution applied to, provided that the loan offered by the lending institution is for at least the amount of the loan contemplated in the PURCHASE AGREEMENT. In the event Purchaser obtains a firm written commitment for financing and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however, in the event Purchaser has made such good faith effort to extend the commitment on the same terms and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, then Sponsor will return the down payment. Under New York law, when a mortgage commitment is not fulfilled through no fault of the 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. Please see PROCEDURE TO PURCHASE in Part I, and PURCHASE AGREEMENT located in Part II of this Offering Plan.

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

18) The Sponsor will install a gas range, Frigidaire model #FGF 368, in each residential unit except for Unit 2A, which will have an electric range by Frigidaire installed, model #FFE 3016VS. In addition, the Sponsor will install in each residential unit a refrigerator, Frigidaire model #LGHT1837 LP. The Sponsor will provide within each residential unit hookups for domestic type, side by side or stackable type, electric washing machines and electric or gas fired dryers, but Sponsor will not provide the washers or dryers themselves. The laundry closets at Units 5A and 5B located at the fifth floor level will only be able to accommodate stackable type washers and dryers. The laundry closets at all other units will be able to accommodate stackable or side by side washers and dryers.

Hookups for dishwashers shall also be provided at the locations as indicated in the FLOOR PLANS located in Part II of this Offering Plan. Purchasers of residential units will have the option of installing additional appliances and equipment and/or upgrading their own appliances and equipment at their own expenses, if desired. Electrical outlets shall be provided at the kitchen areas to accommodate the installation of larger size refrigerators or additional refrigerator units. Please see the ENGINEER'S REPORT included in Part II of this Offering Plan.

19) With regard to the roof areas, no permanent structures may be built on the roof areas 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 areas other than temporary structures such as screening or sukkots. Any structural damage occurring to the roof areas shall be the sole responsibility of the Condominium and/or any such Unit Owner causing such damage, and will need to be repaired at the Condominium or such Unit Owner's sole cost and expense as determined by the Condominium Board of Managers. Any surface damage to any roof terrace area will be the sole responsibility of the owner of the unit to which the roof terrace is allocated as a limited common element. Additionally, any warranty described in Part II may be voided by improper use of the roof.. Please see SCHEDULE A and DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in this Offering Plan.

20) Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the

delivery of materials that must be ordered to complete any such repairs, so long as such longer time is reasonable. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. An interim lessee assumes the risk of loss to his/her personal property that is not covered by the condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance. Please see the PROCEDURE TO PURCHASE section of the Offering Plan.

21) The unit owner is responsible for keeping safety warning devices operational. Please see the ARCHITECT'S REPORT located in Part II of the Offering Plan.

22) The Sponsor anticipates that the first closing of a unit will occur by January 1, 2022. 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 December 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first unit closing occurs by December 31, 2022, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the Purchase Agreement, affected purchasers will be offered a right of rescission.

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

23) Upon transfer of control of the condominium, the following documents, to the extent applicable, will be transferred to the condominium management: operation and maintenance manuals for mechanical equipment, equipment warranties, major equipment start-up sheets, roof warranty, re-commissioning manual, electronic systems manual, final as-built drawings as maintained during construction (i.e., structural,

mechanical, electrical, plumbing, shop drawings), control system as-built, original test and balance report for HVAC system, post-construction indoor air quality report, post-construction asbestos report. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION located in Part II of this Offering Plan.

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

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

25) 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 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. Please see the BYLAWS located in Part II of this Offering Plan.

26) Parking spaces will be assigned their own tax lots and will be offered for sale as parking units to the purchasers of the residential units for the storage of the private passenger motor vehicles used by the occupants of such residences. Parking spaces not used by their owners may be rented for a period of not less than one week and not more than one month to persons other than the occupants of the residences to which the spaces are accessory. Parking spaces that are rented shall be made available to occupants of the residences to which they are accessory within thirty (30) days after written request is made to the owner of the space.

Parking space P1 has been designated as a handicapped parking space. The purchase of Parking Space P1 and any subsequent sales or transfers of it is subject to the following covenants and restrictions in the deed:

In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and acquires handicapped plates for his or her vehicle, and said unit owner is the owner of the parking space, said unit owner has the right to demand that the owner of Parking Space P1 trade the parking space with said handicapped owner.

In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and said unit owner does not own a parking space, said unit owner has the right to demand that the owner of Parking Space P1 sell it at its then current, fair market value to said handicapped owner. All costs

and expenses entailed in the transfer of title to the parking space, including, without limitation, title abstracts, title insurance, transfer taxes, and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

The owner of Parking Space P1 must comply with the aforementioned demand upon thirty (30) days written notice.

If the parties cannot agree on the fair market value of Parking Space P1, then the parties agree to submit the matter to binding arbitration in accordance with Article IX of the By-Laws of the Condominium. Please see the BYLAWS located in Part II of this Offering Plan.

27) The budget for the first year of condominium operation in SCHEDULE B includes a budgeted yearly Capital Reserve Fund for repair and replacement of major systems or structural elements of the building. This budgeted item will start the gradual creation of a reserve fund. Unit owners will therefore be contributing to the yearly Capital Reserve Fund through their common charges, beginning with common charge adjustments paid at the closings of their individual condominium units. (Unit owners will also, at closing, pay their contributions to the building's Working Capital Fund.) In the event a need arises for capital expenditures such as renewal or replacement of building components or systems, or to remedy major building defects, and the reserve fund is inadequate to pay for those expenditures, it will be necessary to raise needed capital either by assessing individual units or owners for the cost of such expenditures. See the RESERVE FUND section of this Offering Plan.

28) 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 one month's common charges. 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. See the WORKING CAPITAL FUND section of this Offering Plan.

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

prohibits smoking or using electronic cigarettes in common indoor areas of the building. Smoking and electronic cigarette usage is permitted in private apartments, outdoor common areas, and outdoor limited common elements. Please see the RIGHTS AND OBLIGATIONS OF UNIT OWNERS section of this Offering Plan.

30) Units will not be separately assessed for the first year of condominium operation. On closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of the 2021/2022 tax year. As each subsequent individual condominium Unit is sold, the purchasers thereof, as a standard closing adjustment, shall reimburse the Sponsor for the portion of their tax liability paid by the Sponsor from the date of closing through the end of the 2021/2022 tax year. The amount of the taxes deposited with the Board of the condominium will be disclosed in the post-closing amendments until the units are separately assessed. The Board shall be authorized to pay such taxes as and when due from such escrow fund.

Although the Sponsor anticipates that construction of the subject premises will be completed by the first year of condominium operation, **THE SPONSOR DOES NOT ANTICIPATE THAT THE REAL ESTATE TAXES FOR THE FIRST YEAR OF OPERATION WILL REFLECT THE FULL POST-COMPLETION ASSESSED VALUE OF THE PROPERTY. PURCHASERS ARE ADVISED THAT THEIR REAL ESTATE TAXES ARE LIKELY TO INCREASE IN THE SECOND YEAR OF CONDOMINIUM OPERATION TO REFLECT THE FULL POST-COMPLETION ASSESSED VALUE.** The anticipated first year of condominium operation encompasses a blended year consisting of two tax years (2021/2022 and 2022/2023) and does not reflect the full post-completion assessed value of the building after completion of construction. Column 6a of the attached SCHEDULE A reflects the projected tax burden on the unit owners for the blended tax year, which includes the pre-completion tax liability for the first half of the first year of operation and the post-completion tax liability for the latter half of the first year of operation. 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 Column 6b of the attached SCHEDULE A. After the units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other unit. Please see SCHEDULE A and REAL ESTATE TAXES located in Part I of this Offering Plan.

31) 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. 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.

32) There will be an enclosed bicycle storage area located at the second floor level of the building with five double-height bicycle storage racks capable of storing a total of ten bicycles, which will be allocated on a first-come-first-served by request basis by Sponsor. In addition, there will be a common enclosed recreation room and outdoor roof terrace located at the second floor level. There will also be a smaller recreation room located at the cellar floor level. There will be no furnishing provided in the enclosed recreation space by the Sponsor. The furnishing of the space and the activities that will be allowed shall be decided by the Condominium Board. The times of access to the common enclosed recreation area, the eventual furnishings, maintenance and the rules and regulations governing the use of the space shall be decided by the Condominium Board. Sponsor anticipates that all building common facilities as described in the ARCHITECT'S REPORT and all construction of the building will be fully completed and operational as of the date of commencement of condominium operation.

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

34) The right to occupy a unit by a Purchaser who is an interim lessee shall terminate if said Purchaser/interim lessee is found in default of the PURCHASE AGREEMENT and the default is not cured within 15 days after notice thereof. Additionally, any default under the INTERIM LEASE shall be a default under the PURCHASE AGREEMENT, and any default under the PURCHASE AGREEMENT shall be a default under the INTERIM LEASE. Any such default will terminate the Purchaser's right to use and occupancy, and will also terminate the Purchaser's right to purchase the apartment, and may result in loss of the down payment. Please see the SAMPLE INTERIM LEASE section located in Part II of this Offering Plan.

35) The subject premises are located in the Midwood section of Brooklyn within the Ocean Parkway Special District, the strip of Ocean Parkway between Church Avenue to the north and Sea Breeze Avenue to the south on which the subject premises are situated. The Ocean Parkway Special District is designated as a scenic landmark by the New York City Landmarks Preservation Commission (LPC). The land within said district is owned of record by the City of New York. The land owned by the City of New York within this special district is bounded on the west by the western curb line of the western side road of Ocean Parkway and on the east by the eastern curb line of the eastern side road of Ocean Parkway. The subject premises themselves are not designated with landmark status by LPC and therefore do not require any special approvals associated with landmark status. There are no costs, use or construction of the building associated with landmark designation, and unit owners are not bound by any LPC restrictions. Please see the INTRODUCTION, LOCATION AND AREA INFORMATION and TERMS OF SALE sections of the Offering Plan for more details.

36) Unit boundaries are calculated using a “gross” square footage method that incorporates as part of the unit exterior walls. The dimensions are calculated as follows: horizontally, approximately to the outside face of the exterior walls of the building and approximately to the non-unit side of the walls and partitions (dividing the units from corridors, stairs, and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units. As a result, the usable floor area of the unit will be significantly smaller than the square footage projected in SCHEDULE A. 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.

37) The condominium budget for the first year of operation anticipates one part-time superintendent/porter performing ordinary cleaning and maintenance and working approximately 10 hours per month at an hourly rate of \$15.00. The budgeted figure also includes FICA, New York State Unemployment Insurance, Federal Unemployment Insurance, Workers Compensation and Disability Insurance, and also meets state minimum wage laws. Superintendent services are available on a 24-hour a day basis for an additional charge. The budgeted figure does not anticipate use of union personnel, which would result in a higher annual cost, and would require a concomitant increase in common charges. The anticipated level of staffing complies with all applicable housing and labor statutes. The porter/superintendent will be able to provide regular maintenance services such as replacement of light bulbs, trash removal, common area cleaning, snow removal, etc. Plumbing, heating, electrical, mechanical or carpentry work will require the

engagement of personnel for those purposes. To the extent that janitorial work for the building exceeds 10 hours per month, such work shall be the responsibility of the unit owners, who may either perform the work themselves, or elect to pay for additional janitorial hours after the Sponsor control period. Please see SCHEDULE B and FOOTNOTES TO SCHEDULE B located in Part I of the Offering Plan.

38) The Sponsor will manage the condominium via its control of the Board during the control period. No funds have been budgeted for a managing agent for the first year of condominium operation. Due to the size of the building, it is expected that the building will be self-managing. Should the Board of Managers elect at any time to employ the services of a managing agent, this will represent an additional cost of approximately 6%-10% of the annual operating budget, which would require a concomitant increase in the common charges.

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

39) The Sponsor is currently the selling agent for the Plan. The Sponsor has not previously been the selling agent for any offering of condominium or cooperative interests in real property in or from the State of New York. 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. If Purchaser has dealt with any broker other than the Selling Agent (i.e, Sponsor) in connection with his or her purchase, then purchaser will be required to pay any commission due to such broker. Please see the IDENTITY OF PARTIES section located in Part I and the PURCHASE AGREEMENT section located in Part II of this Offering Plan.

40) There will be double-height, open-to-below spaces within Units 1A, 5A, and 6A and at the lobby of the building. These double-height, open-to-below spaces may not be infilled and must remain open as built as will be noted on the Certificate of Occupancy. Please see the ENGINEER'S REPORT and FLOOR PLANS included in Part II of this Offering Plan.

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 1406 Ocean Parkway, 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 1406 Ocean Pkwy LLC, a New York limited liability company formed on September 7, 2017, with offices located at 2454 East 65th Street, Brooklyn, New York. The principal of the Sponsor is Michael Mishal. The Sponsor acquired title to the property on February 20, 2018. 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, New York, New York, without charge, and for copying, at a reasonable charge.

The subject premises are located in the Midwood section of Brooklyn within the Ocean Parkway Special District, the strip of Ocean Parkway between Church Avenue to the north and Sea Breeze Avenue to the south on which the subject premises are situated. The Ocean Parkway Special District is designated as a scenic landmark by the New York City Landmarks Preservation Commission (LPC). The land within said district is owned

of record by the City of New York. The land owned by the City of New York within this special district is bounded on the west by the western curb line of the western side road of Ocean Parkway and on the east by the eastern curb line of the eastern side road of Ocean Parkway. The subject premises themselves are not designated with landmark status by LPC and therefore do not require any special approvals associated with landmark status. There are no costs, use or construction of the building associated with landmark designation, and unit owners are not bound by any LPC restrictions.

The premises consist of a single building composed of a cellar and seven stories, and containing, in aggregate, seven (7) residential units and five (5) parking spaces. Parking spaces will be assigned their own tax lots and will be offered for sale as parking units to the purchasers of the residential units for the storage of the private passenger motor vehicles used by the occupants of such residences. Parking spaces not used by their owners may be rented for a period of not less than one week and not more than one month to persons other than the occupants of the residences to which the spaces are accessory. Parking spaces that are rented shall be made available to occupants of the residences to which they are accessory within thirty (30) days after written request is made to the owner of the space.

Each residential unit will have laundry hook-ups for domestic type, side by side or stackable type, electric washing machines and electric or gas fired dryers, but Sponsor will not provide the washers or dryers themselves. The laundry closets at Units 5A and 5B located at the fifth floor level will only be able to accommodate stackable type washers and dryers. The laundry closets at all other units will be able to accommodate stackable or side by side washers and dryers. There will be no common laundry facilities. The Sponsor will install a gas range, Frigidaire model #FGF 368, in each residential unit except for Unit 2A, which will have an electric range by Frigidaire installed, model #FFEF 3016VS. In addition, the Sponsor will install in each residential unit a refrigerator, Frigidaire model #LGHT1837 LP. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

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

In accordance with the provisions of the Laws of the City of New York, the Sponsor represents that neither the Sponsor, nor the Condominium, nor the Selling Agent, will discriminate against any person because of his race, creed, color, sex, sexual orientation, national origin, ancestry, or any other reason prohibited by civil rights law in the sale of

apartments offered by this Plan, or in the leasing of any apartment in the Building. Unit owners have an unrestricted right to lease, sell or mortgage units. Use of units is limited to residential use and appurtenant home office use.

This is a new building that does not involve the renovation of existing structures. The Sponsor has not obtained construction financing. Work on the building is scheduled for completion in December of 2021. No closing to a unit will occur prior to procuring at least a temporary Certificate of Occupancy for such unit.

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

- (1) Each purchaser owns his/her unit outright and is entitled to exclusive possession of such unit. Each purchaser also has an interest in, and a right to use, common elements and 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. In this condominium there will be a common recreation room of approximately 460 square feet and a common open terrace of approximately 230 square feet located at the second floor level, as well as a common recreation room of approximately 200 square feet located at the cellar level.

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, all residential units will each have certain areas of the subject premises allocated to them as limited common elements. Unit 1A includes 1,636 square feet of accessory space at the cellar level allocated as a limited common element. Unit 1A will also include a front yard of 680 sq. ft., a roof terrace of 57 sq. feet, and a miscellaneous mechanical area of 52 sq. feet, allocated as limited common elements. Unit 2A will include a roof terrace of 183 sq. feet and a miscellaneous mechanical area of 80 sq. feet allocated as limited common elements. Unit 3A will include a roof terrace of 165 sq. feet and a roof terrace of 53 sq. feet, as well as a miscellaneous mechanical area of 281 sq. feet allocated as limited common elements. Unit 4A will include a roof terrace of 165 sq. feet, a balcony of 53

sq. feet, and miscellaneous mechanical area of 297 sq. feet allocated as limited common elements. Unit 5A will include a roof terrace of 1,096 sq. feet allocated as a limited common element. Unit 5B will include a balcony of 53 sq. feet allocated as a limited common element. Unit 6A will include two storage spaces at the cellar level totaling 455 sq. feet, a roof terrace at the 7th floor level of 310 sq. feet, a roof terrace at the roof level of 2,040 sq. feet, and a miscellaneous mechanical area of 56 sq. feet, 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 Offering Plan includes all material terms of the offering. 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 two (2) residential units. Owner-Occupants, therefore, may never gain effective control and management of the condominium. Additionally, the By-Laws do not include a provision that after expiration of the initial Sponsor Control period, a majority of the Board of Managers must be Owner-Occupants or 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. If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor is bound by Sponsor's representation regarding its commitment to sell units.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The structure which is the subject of this Offering Plan will consist of a single building composed of a cellar and seven stories, and will contain, in aggregate, seven (7) residential units and five (5) parking spaces. Parking spaces will be assigned their own tax lots and will be offered for sale as parking units to the purchasers of the residential units for the storage of the private passenger motor vehicles used by the occupants of such residences. Parking spaces not used by their owners may be rented for a period of not less than one week and not more than one month to persons other than the occupants of the residences to which the spaces are accessory. Parking spaces that are rented shall be made available to occupants of the residences to which they are accessory within thirty (30) days after written request is made to the owner of the space.

The property is located in the Midwood section of Brooklyn within the Ocean Parkway Special District, the strip of Ocean Parkway between Church Avenue to the north and Sea Breeze Avenue to the south on which the subject premises is situated. The Ocean Parkway Special District is designated as a scenic landmark by the New York City Landmarks Preservation Commission (LPC). The land within said district is owned of record by the City of New York.

There will be no common laundry facilities. Individual apartments will have laundry hook-ups for domestic type, side by side or stackable type, electric washing machines and electric or gas fired dryers, but Sponsor will not provide the washers or dryers themselves. The laundry closets at Units 5A and 5B located at the fifth floor level will only be able to accommodate stackable type washers and dryers. The laundry closets at all other units will be able to accommodate stackable or side by side washers and dryers. All cabinetry and fixtures in kitchens and baths will be new. The Sponsor will install a gas range, Frigidaire model #FGF 368, in each residential unit except for Unit 2A, which will have an electric range by Frigidaire installed, model #FFEF 3016VS. In addition, the Sponsor will install in each residential unit a refrigerator, Frigidaire model #LGHT1837 LP. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit.

Certain units will have the right to exclusive use of portions of the common elements of the property. These areas are called limited common elements. Unit 1A includes 1,636 square feet of accessory space at the cellar level allocated as a limited common element. Unit 1A will also include a front yard at the first floor level of 680 sq. ft., a mechanical closet at the first floor level of 52 sq. feet, and a roof terrace at the second floor level of 57 sq. feet allocated as limited common elements. Unit 2A will include a roof terrace of 183

sq. feet and two mechanical closets totaling 80 sq. feet at the second floor level allocated as limited common elements. Unit 3A will include a roof terrace of 165 sq. feet and a roof terrace of 53 sq. feet, as well as a hallway area leading to the unit's entrance from the elevator with refuse closet totaling 281 sq. feet at the third floor level allocated as limited common elements. Unit 4A will include a roof terrace of 165 sq. feet, a balcony of 53 sq. feet, and a hallway area leading to the unit's entrance from the elevator with refuse closet totaling 297 sq. feet at the fourth floor level allocated as limited common elements. Unit 5A will include a roof terrace of 1,096 sq. feet at the fifth floor level allocated as a limited common element. Unit 5B will include a balcony of 53 sq. feet at the fifth floor level allocated as a limited common element. Unit 6A will include two storage spaces at the cellar level totaling 455 sq. feet, a roof terrace at the sixth floor level of 159 sq. feet, a hallway area leading from the elevator to the unit entrance, including enclosed mechanical closet and refuse closet, at the sixth floor level totaling 190 sq. feet, a roof terrace at the seventh floor level of 310 sq. feet, a hallway area with mechanical closet at the seventh floor level of 56 sq. feet, and a roof terrace at the roof level of 2,040 sq. feet allocated as limited common elements. With regard to the hallway areas allocated as limited common elements to units 3A, 4A, and 6A, in each instance the unit in question is the only unit located on its floor and therefore other unit owners will not generally travel through such hallways. However, other unit owners' access to such hallways is not physically restricted and these hallways each contain at least two exits for fire safety purposes and comply with New York City Building Code requirements. The refuse closets located in such hallways are also allocated as limited common elements to their adjacent units for purposes of allowing the respective unit owners to dispose of refuse using the refuse chutes located within. These hallway areas and mechanical closets are uninhabitable space and may not be used for living purposes. The square footages of these limited common elements are included in the "Other Square Footages" column in SCHEDULE A, as is disclosed in Note 1 at the bottom of SCHEDULE A.

In this condominium there will be a common recreation room of approximately 460 square feet and a common open terrace of approximately 230 square feet located at the second floor level, as well as a common recreation room of approximately 200 square feet located at the cellar level.

This is a new building that does not involve the renovation of existing structures. It is anticipated that construction will be completed in December of 2021. No closing to a unit will occur prior to procuring at least a temporary Certificate of Occupancy for such unit.

Parking space P1 has been designated as a handicapped parking space. The purchase of Parking Space P1 and any subsequent sales or transfers of P1 is subject to the following

covenants and restrictions in the deed:

In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and acquires handicapped plates for his or her vehicle, and said unit owner is the owner of a parking space, said unit owner has the right to demand that the owner of the Parking Space P1 trade the handicapped parking space he/she owns with said handicapped owner.

In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and said unit owner does not own a parking space, said unit owner has the right to demand that the owner(s) of Parking Space P1 sell it at its then current, fair market value to said handicapped owner. All costs and expenses entailed in the transfer of title to the parking space, including, without limitation, title abstracts, title insurance, transfer taxes, and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

The owner of Parking Space P1 must comply with the aforementioned demand upon thirty (30) days written notice.

If the parties cannot agree on the fair market value of Parking Space P1, then the parties agree to submit the matter to binding arbitration in accordance with Article IX of the By-Laws of the Condominium.

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

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

LOCATION AND AREA INFORMATION

The premises are located in the Midwood section of Brooklyn. This is a highly developed area essentially residential in character but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network of streets, roads, and urban transportation.

The premises are in the vicinity of the Avenue N subway station for the F train. The B9 bus serves the area. A variety of places of worship are also located nearby including Saint Athenasius Catholic Church and Congregation Bnai Israel. The local public elementary school is P.S. 226; James Madison High School is also near the premises. Students may also choose among private secular or religious schools. Local medical centers include New York Community Hospital of Brooklyn.

Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York. The subject premises is located in an R6A Zone in the Ocean Parkway Special District, which permits residential use as-of-right. The strip of Ocean Parkway between Church Avenue to the north and Sea Breeze Avenue to the south, on which the subject premises is situated, is designated as a scenic landmark by the New York City Landmarks Preservation Commission (LPC). The land within said district is owned of record by the City of New York.

The immediate vicinity of the condominium is residential. The Sponsor a) has no other projects in the immediate vicinity (i.e., within one block of the property) and b) is not aware of any development projects that have been publicly announced that will be adjacent to or directly across the street from the property.

SCHEDULE A
PURCHASE PRICES AND ALLOCATION OF COMMON INTEREST
1406 Ocean Parkway Condominium
First Year of Operation
January 1, 2022 - December 31, 2022

Unit	Habitable Square Ftg. 1A	Other Square Ftg. 1B	Bdms/Bths 2	% of Common Interest 3	Offering Price 4	Monthly Common Charges 5	1st Yr. Monthly Real Est. Taxes 6a	Est. Post- Construction Monthly Real Est. Taxes 6b	1st Yr. Monthly Carrying Charges 7	Annual Common Charges	1st Yr. Annual Real Est. Taxes	Est. Post- Construction Annual Real Est. Taxes	1st Yr. Annual Carrying Charges
1A	1,887	2,425	3/2f1h	16.27%	\$2,900,000.00	\$1,014.34	\$675.62	\$1,252.37	\$1,689.96	\$12,172.12	\$8,107.43	\$15,028.41	\$20,279.55
2A	558	263	1/1	4.07%	\$625,000.00	\$253.76	\$169.02	\$313.31	\$422.79	\$3,045.17	\$2,028.28	\$3,759.74	\$5,073.44
3A	2,875	499	4/3.5	19.58%	\$3,540,000.00	\$1,220.41	\$812.87	\$1,506.78	\$2,033.28	\$14,644.87	\$9,754.44	\$18,081.40	\$24,399.30
4A	2,796	515	4/3.5	19.09%	\$3,540,000.00	\$1,189.89	\$792.55	\$1,469.11	\$1,982.44	\$14,278.72	\$9,510.56	\$17,629.33	\$23,789.27
5A	527	1,096	0/1.5	5.23%	\$582,500.00	\$325.88	\$217.05	\$402.34	\$542.93	\$3,910.51	\$2,604.65	\$4,828.14	\$6,515.16
5B	1,519	53	3/3	10.00%	\$1,890,000.00	\$623.37	\$415.21	\$769.65	\$1,038.58	\$7,480.49	\$4,982.49	\$9,235.85	\$12,462.98
6A	2,929	3,159	3/3.5	24.26%	\$6,900,000.00	\$1,512.43	\$1,007.38	\$1,867.33	\$2,519.81	\$18,149.15	\$12,088.52	\$22,407.99	\$30,237.66
P1	0	198	parking	0.32%	\$200,000.00	\$20.14	\$13.41	\$24.86	\$33.55	\$241.66	\$160.96	\$298.37	\$402.62
P2	0	153	parking	0.25%	\$200,000.00	\$15.56	\$10.36	\$19.21	\$25.93	\$186.74	\$124.38	\$230.56	\$311.12
P3	0	153	parking	0.25%	\$200,000.00	\$15.56	\$10.36	\$19.21	\$25.93	\$186.74	\$124.38	\$230.56	\$311.12
P4	0	153	parking	0.25%	\$200,000.00	\$15.56	\$10.36	\$19.21	\$25.93	\$186.74	\$124.38	\$230.56	\$311.12
P5	0	264	parking	0.43%	\$350,000.00	\$26.85	\$17.88	\$33.15	\$44.74	\$322.21	\$214.62	\$397.82	\$536.83
TOTALS				100%	\$21,127,500.00	\$6,233.76	\$4,152.09	\$7,696.56	\$10,385.85	\$74,811.00	\$49,829.00	\$92,366.00	\$124,630.17

Notes:

1) As part of the Other Square Footage listed above, all residential units will each have certain areas of the subject premises allocated to them as limited common elements. Unit 1A includes 1,636 square feet of accessory space at the cellar level allocated as a limited common element. This accessory space at the cellar level may not be legally used as a bedroom or living room. To do so may result in a building code violation being issued for the building. Unit 1A will also include a front yard at the first floor level of 680 sq. ft., a mechanical closet at the first floor level of 52 sq. feet, and a roof terrace at the second floor level of 57 sq. feet allocated as limited common elements. Unit 2A will include a roof terrace of 183 sq. feet and two mechanical closets totaling 80 sq. feet at the second floor level allocated as limited common elements. Unit 3A will include a roof terrace of 165 sq. feet and a roof terrace of 53 sq. feet, as well as a hallway area leading to the unit's entrance from the elevator with refuse closet totaling 281 sq. feet at the third floor level allocated as limited common elements. Unit 4A will include a roof terrace of 165 sq. feet, a balcony of 53 sq. feet, and a hallway area leading to the unit's entrance from the elevator with refuse closet totaling 297 sq. feet at the fourth floor level allocated as limited common elements. Unit 5A will include a roof terrace of 1,096 sq. feet at the fifth floor level allocated as a limited common element. Unit 5B will include a balcony of 53 sq. feet at the fifth floor level allocated as a limited common element. Unit 6A will include two storage spaces at the cellar level totaling 455 sq. feet, a roof terrace at the sixth floor level of 159 sq. feet, a hallway area leading from the elevator to the unit's entrance, including enclosed mechanical closet and refuse closet, at the sixth floor level totaling 139 sq. feet, a roof terrace at the seventh floor level of 310 sq. feet, a hallway area with mechanical closet at the seventh floor level of 56 sq. feet, and a roof terrace at the roof level of 2,040 sq. feet allocated as limited common elements. With regard to the hallway areas allocated as limited common elements to units 3A, 4A, and 6A, in each instance the unit in question is the only unit located on its floor and therefore other unit owners will not generally travel through such hallways. However, other unit owners' access to such hallways is not physically restricted and these hallways each contain at least two exits for fire safety purposes and comply with New York City Building Code requirements. The refuse closets located in such hallways are also allocated as limited common elements to their adjacent units for purposes of allowing the respective unit owners to dispose of refuse using the refuse chutes located within. These hallway areas and mechanical

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

FOOTNOTES TO SCHEDULE A

1. The square footage in SCHEDULE A is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area and adding together for each apartment all of the areas contained therein. The dimensions are calculated as follows: horizontally, approximately to the outside face of the exterior walls of the building and approximately to the non-unit side of the walls and partitions (dividing the units from corridors, stairs, and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units. As a result, the usable floor area of the unit will be significantly smaller than the square footage projected in SCHEDULE A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan, and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration. As part of "Other Square Footage" listed in Column 1B, all residential units will each have certain areas of the subject premises allocated to them as limited common elements. For a more detailed explanation of limited common elements allocated to the respective units, please see SPECIAL RISK #12 and NOTE 1 on the face of SCHEDULE A of the Offering Plan.
2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths that do not include a tub or shower are counted as half baths. See the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.
3. The determination of percentages of Common Interest allocated to each unit is based upon floor area, subject to such other items of relative value as the location of the apartment within the building; uniqueness of the apartment; the availability of common elements for exclusive or shared use; and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

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

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

6. After the condominium is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the nonpayment of taxes on other units.

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

Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. The taxing authority in the case of this offering is New York City Department of Finance ("DOF"). The first year of condominium operation is estimated to commence January 1, 2022. Although the Sponsor anticipates that construction of the subject premises will be completed by the first year of condominium operation, **THE SPONSOR DOES NOT ANTICIPATE THAT THE REAL ESTATE TAXES FOR THE FIRST YEAR OF OPERATION WILL REFLECT THE FULL POST-COMPLETION ASSESSED VALUE OF THE PROPERTY. PURCHASERS ARE ADVISED THAT THEIR REAL ESTATE TAXES ARE LIKELY TO INCREASE IN THE SECOND YEAR OF CONDOMINIUM OPERATION TO REFLECT THE FULL POST-COMPLETION ASSESSED VALUE.**

As the first year of condominium operation is expected to commence on January 1, 2022 and the NYC property tax year commences on July 1st each year, the anticipated first year of condominium operation therefore encompasses a blended year consisting of two tax years (2021/2022 and 2022/2023) and does not reflect the full post-completion assessed value of the building after completion of construction. Sponsor has received an estimate from MGNYS Consulting, 18 Bridge Street, Ste. 2D, Brooklyn, NY 11201, of an estimated tax liability of the entire building for the first year of condominium operation. The tax liability of the building for the 2021/2022 tax year is \$7,292, which is based on the Tax Class 2 tax rate of 12.267% on the building's 2021/2022 assessed value of \$59,445. In addition, MGNYS Consulting projects a post-completion assessed value for the entire building of \$752,960.00. This estimate assumes a tax rate of 12.267% for Tax Class 2 properties, and therefore projects a total tax burden for the entire building of \$92,366 for the 2022/2023 tax year.

The commencement of the first year of condominium operation, January 1, 2022, coincides with the commencement of the latter half of the 2021/2022 tax year. The tax due for the first half of the first year of condominium operation is \$3,646, which is half of the annual tax liability on the building for the 2021/2022 tax year. The remainder of the first year of condominium operation, July 1, 2022 through December 31, 2022, coincides with the first half of the 2022/2023 tax year, which is anticipated to reflect the post-completion assessed value for the property. The tax due for the remainder of the first year of operation is estimated to be \$46,183, based on one-half of the value of the estimated post-completion value of the taxes for the entire 2022/2023 tax year of \$92,366. Therefore, the tax burden for the entire building for the first year of condominium operation is estimated to be \$49,829, which reflects the sum of the tax burden for the latter half of 2021/2022 tax year, plus the tax burden for the first half of 2022/2023 tax year. Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year. The status of the building on January 5th of each year is the basis of the assessment for the fiscal year beginning that July 1st.

Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes. Income tax deductions 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, the tax rate or the method of assessing real property. See the REAL ESTATE TAXES section of this Offering Plan, ASSESSED VALUE LETTER FOR REAL

ESTATE TAXES and COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

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

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

January 1, 2022 – December 31, 2022

INCOME (1)

Common Charges	\$ 74,811
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EXPENSES

Gas (1)	\$ 360
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Electricity (2)	\$ 34,459
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Water and Sewer (3)	\$ 8,799
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Repairs, Maintenance, Services, Supplies (4)	\$ 3,000
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Insurance (5)	\$ 7,800
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Legal and Accounting Fees (6)	\$ 4,000
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Service Contracts (7)	\$ 5,093
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Labor (8)	\$ 2,300
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Management (9)	\$ -0-
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Miscellaneous Reserve (10)	\$ 1,500
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Capital Reserve Fund (11)	<u>\$ 7,500</u>
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Total	\$ 74,811
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Note: All figures are rounded to the nearest dollar.

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

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

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

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

FOOTNOTES TO SCHEDULE B

1. Gas for heat and hot water for each unit are provided by separate systems serving each unit. Each purchaser will pay separately for the heat and hot water supplied to their unit. The Sponsor has obtained an estimate, dated December 15, 2020, from Engineering Solutions, 150 West 30th Street, Ste. 402, New York, NY 10001, of \$304 in annual gas expenditures for common area space heating. A 10% allowance for inflation and the cost of all applicable state and local taxes has been added to the estimate. See SCHEDULE B1 hereinafter set forth for an estimate of individual heat and hot water charges.

2. The Sponsor has obtained an estimate, dated December 15, 2020, from Engineering Solutions, 150 West 30th Street, Ste. 402, New York, NY 10001, of electrical usage for the common areas. The projection in SCHEDULE B is based on a rate of approximately 0.20 cents per kilowatt hour for a total annual cost of approximately \$28,988. A 10% allowance for inflation and the cost of all applicable state and local taxes has been added to the estimate. Purchasers shall be responsible for individual utility costs for their own apartments.

3. The Sponsor has obtained an estimate, dated December 15, 2020, from Engineering Solutions, 150 West 30th Street, Ste. 402, New York, NY 10001, for the cost of providing water and sewer services to the building. Water is supplied to the building by the City of New York through a single water meter serving the entire building. Projected water and sewer costs are based on a combined rate of approximately \$10.33 per 100 cubic feet (HCF) of water usage for a total annual cost of approximately \$7,347. A 10% allowance for inflation and the cost of all applicable state and local taxes has been added to the estimate.

4. Repairs, maintenance, services, supplies: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment, and includes items such as landscaping, garbage and recycling, snow removal, sprinkler inspection, fire alarm monitoring, inspections and testing. Insofar as this is a new building it is not anticipated that any major repairs will be required. Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances.

5. Insurance: Sponsor has received a letter, dated August 26, 2020, estimating the cost of coverage for the building by Serhey Davidson Corp, 160 Broadway, Ste. 1106, New York, NY 10038, in the following coverage amounts:

Building	\$5,000,000 special form with full replacement cost
Liability	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
Deductible	\$2,500

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:

- (i) provide that each Unit Owner will be an additional insured;
- (ii) provide that there will be no cancellation without notice to the Board of Managers and individual Unit Owners;
- (iii) waive subrogation;
- (iv) waive invalidity because of the acts of the insured and individual Unit Owners; and
- (v) will waive pro rata reduction if individual Unit Owners obtain additional individual coverage.

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

6. Legal and Accounting Fees: This figure is based on an estimate dated August 26, 2020 from Fred E. Nussbaum, Certified Public Accountant, 1324 Avenue J, Brooklyn, NY 11230, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$1,000.00 for preparation and filing of tax returns and \$2,500 for preparation of financial statements. The balance of the budgeted figure, \$500.00, anticipates minor legal services during the first year of operation, but would be insufficient to cover any substantial litigation.

7. The budget amount for service contracts is for the projected annualized cost for service and maintenance of the building's elevator and sprinkler system. The budgeted amount is based on a quote provided by Millennium Elevator Enterprises, Inc., 2618 Avenue Z, Brooklyn, NY 11235, of \$275 per month obtained by the Sponsor for such service. City and State sales tax has been added to the projected figure. An additional \$1,500 is included in the budgeted amount for the estimated annual cost of service and maintenance of the sprinkler system.

8. Labor: The budgeted figure anticipates one part-time superintendent/porter performing ordinary cleaning and maintenance and working approximately 10 hours per month at an hourly rate of \$15.00.

The budgeted figure also includes FICA, New York State Unemployment Insurance, Federal Unemployment Insurance, Workers Compensation and Disability Insurance, and also meets state minimum wage laws. Superintendent services are available on a 24-hour a day basis for an additional charge. The budgeted figure does not anticipate use of union personnel, which would result in a higher annual cost, and would require a concomitant increase in common charges. The anticipated level of staffing complies with all applicable housing and labor statutes. The porter/superintendent will be able to provide regular maintenance services such as replacement of light bulbs, trash removal, common area cleaning, snow removal, etc. Plumbing, heating, electrical, mechanical or carpentry work will require the engagement of personnel for those purposes. To the extent that janitorial work for the building exceeds 10 hours per month, such work shall be the responsibility of the unit owners, who may either perform the work themselves, or elect to pay for additional janitorial hours after the Sponsor control period.

9. The Sponsor will manage the condominium via its control of the Board during the control period. Due to the size of the building, it is expected that the building will be self-managing. Should the Board of Managers elect at any time to employ the services of a

managing agent, this will represent an additional cost of approximately 6%-10% of the annual operating budget, which would require a concomitant increase in the common charges.

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

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

11. The projected item represents a reserve for repair or replacement of major mechanical systems or structural elements of the building. The yearly Reserve Fund may not be used for regular operating expenses or to reduce the monthly common charges. There can be no assurance that the reserve fund will be sufficient to pay for all of the aforesaid expenses. If additional funds are required over and above these funds, it may be necessary to increase common charges or separately assess all unit owners. The cost of this budget item will be borne by all unit owners in accordance with the respective common interests allocated to their respective units.

SCHEDULE B1
January 1, 2022 – December 31, 2022

Natural gas is individually metered to each residential unit for heat and cooking. The attached Exhibit A includes annual estimates obtained on December 15, 2020, from Engineering Solutions, 150 West 30th Street, Ste. 402, New York, NY 10001, for the cost of providing gas for heat, hot water, and cooking for each residential unit. Gas costs are based upon an average rate of \$1.20 per therm.

Electricity costs are based upon a rate of \$0.20 per kilowatt hour. The attached Exhibit A includes annual estimates obtained on December 15, 2020, from Engineering Solutions, 150 West 30th Street, Ste. 402, New York, NY 10001, for the cost of providing electricity for each residential unit.

The attached Exhibit A also includes a 10% inflation factor and applicable taxes.

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

SCHEDULE B1 - EXHIBIT A

<u>Unit</u>	Annual Gas Cost <u>Estimate</u>	Annual Electricity <u>Cost Estimate</u>	<u>Taxes</u>	<u>Inflation</u>	<u>Total</u>
1A	\$1,510.67	\$3,702.57	\$462.68	\$521.32	\$6,197.24
2A	\$346.46	\$1,142.30	\$132.13	\$148.88	\$1,769.76
3A	\$670.52	\$3,557.69	\$375.25	\$422.82	\$5,026.28
4A	\$2,180.04	\$3,461.97	\$500.73	\$564.20	\$6,706.94
5A	\$611.80	\$872.56	\$131.74	\$148.44	\$1,764.53
5B	\$864.88	\$2,028.59	\$256.80	\$289.35	\$3,439.61
6A	\$2,164.59	\$3,860.56	\$534.73	\$602.52	\$7,162.40



March 23rd, 2021

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

1406 Ocean Pkwy LLC

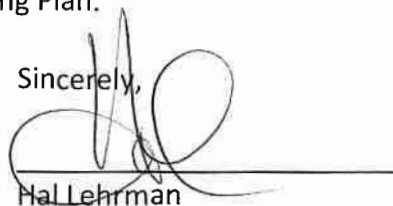
2454 East 65th Street
Brooklyn, NY 11234

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 **1406 Ocean Parkway**, Brooklyn, New York, with Section 339-(i)(1) of the New York Real Property Law. You have informed us that the method of allocation chosen is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339(i)(1)(iv) of the New York State Real Property Law.

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

Sincerely,



Hal Lehrman

Licensed Real Estate Broker

CHANGES IN PRICES AND UNITS

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

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

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. Interim lessee has 30 days to vacate the unit after receipt of written notice of a default, after delivery to the Sponsor of written notice of exercise of right of rescission, or after delivery to the purchaser of written notice that the Plan has been abandoned. A person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. Any conflict between the Plan and the Interim Lease will be resolved in favor of the Plan. A SAMPLE INTERIM LEASE is located in Part II of this Offering Plan.

PROCEDURE TO PURCHASE

Persons desiring to purchase condominium units will be required to execute a Purchase Agreement in the form contained in Part II of this Plan and return it to the selling agent, together with a check in the amount of 10% of the purchase price as a down-payment, drawn to the order of KISHNER MILLER HIMES, P.C., as Escrow Agent. Sponsor reserves the right to accept a lesser down payment to accommodate Purchasers, but in no case will the down payment be less than 5% of the purchase price.

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 down payment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart or reject the Purchase Agreement and refund in full any down payment taken. If the Sponsor takes no action, the Purchase Agreement will be deemed rejected. This Offering Plan will expire twelve (12) months from the date on which it is accepted by the New York State Department of Law, unless extended by a duly filed amendment hereto.

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

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

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any purchase. Purchasers shall not be obligated to pay any legal or other expenses of the Sponsor in connection with the

establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

Kishner Miller Himes, P.C., with an address at 40 Fulton Street, 12th Fl., New York, NY 10038, telephone number (212) 585-3425, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Ryan O. Miller, Esq., Bryan W. Kishner, 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 First Republic Bank, located at 443 Park Avenue South, New York, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled KISHNER MILLER HIMES P.C. IOLTA ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All Deposits made by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of KISHNER MILLER HIMES, P.C., as Escrow Agent.

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

The 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. Accordingly, the Purchaser shall be required to furnish the Escrow Agent with a Form W-9 (included herein with the PURCHASE AGREEMENT) at the time of execution of contract. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

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

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

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

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

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

The escrow agent shall release the Deposit if so directed:

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

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

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

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

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations. The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. Set forth in Part II of this Offering Plan is a copy of the Escrow Agreement between the Sponsor and the Escrowee which incorporates the terms of the Attorney General's regulations.

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

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

Purchase Agreements will be contingent on Purchaser obtaining a firm written commitment for financing. Purchaser shall have 40 days from the date on which a signed

and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for financing within such 40 day period and fails to notify Sponsor's attorney within five days thereafter, **TIME BEING OF THE ESSENCE THERETO**, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his/her down payment, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the down payment or deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution. However, in the event Purchaser has made such good faith effort to extend the commitment and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, Sponsor will return the down payment within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind. Under New York law, when a mortgage commitment is not fulfilled through no fault of the purchaser, performance is excused. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right.

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

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such purchaser's closing date. Such notice will be served in compliance with the Attorney General's rules no less than 30 days prior to the closing date set therein. Sponsor will permit Purchasers to waive this 30-day provision by delivering to Sponsor's attorney written notice that Purchaser wishes to close prior to the expiration of the 30 day notice period. While no such waiver is included herein, Sponsor reserves the right to include such waiver in a subsequent amendment.

The first closing of a Unit is expected to occur on or about January 1, 2022. If such closing is delayed more than twelve (12) months beyond the originally scheduled date, purchaser will be offered the right to rescind this contract. 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 Purchaser must sign the Power of Attorney contemporaneously with the closing. If Purchaser refuses at closing to sign such a Power of Attorney, the Purchase Agreement shall be deemed canceled and all rights of the parties thereunder shall terminate except that the amount of the purchaser's down payment shall be paid over to the Sponsor as liquidated damages.

The Sponsor anticipates that the first closing of a unit will occur by January 1, 2022. 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 December 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs by December 31, 2022, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.** In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months

from the date of the purchase agreement, affected purchasers will be offered a right of rescission.

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

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

EFFECTIVE DATE

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

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

The Plan may be declared effective upon the execution of Purchase Agreements for 15% (in number, not common interest) of the residential units in the building to bona fide purchasers, including investors. A minimum of two (2) residential units must be sold to declare the Plan effective. The count of Purchase Agreements towards the minimum number for effectiveness shall not include those: signed by Purchasers granted a right of rescission which has neither expired nor been waived; a Purchaser who has not had at least three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement or had less than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded immediately; with any Purchaser who is the Sponsor, the selling agent, or the managing agent, or is a principal for the Sponsor, the selling agent, or the managing agent, or is related to the Sponsor, the selling agent, or the managing agent, or to any principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage, or adoption, or as a business associate, employee, shareholder, or a limited partner; except that such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. Parking and storage units are deemed accessory and shall not count towards the minimum number of units required to declare the plan effective; however, residential units purchased by an investor or for the purpose of resale shall be counted.

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

closing, regardless of whether the condominium declaration has been recorded, then Sponsor must re-declare the Offering Plan effective.

The Plan must be declared effective upon the execution of Purchase Agreements for 80% (in number, not common interest) of the residential units, which, in the case of this Plan means six (6) residential units. Prior to the sale of 80% of such Units, or prior to being declared effective, the Plan may be abandoned by the Sponsor at its option. The Sponsor cannot abandon the plan for any judgments or liens against the property resulting from acts of the Sponsor or any of its principals or which are known to the Sponsor on the date of the plan. If the Sponsor abandons the plan, the Sponsor will return all monies paid by Purchasers, including down payments and the cost of custom work, if any, together with interest earned, if any, within ten business days. The Sponsor will also file with the New York State Department of Law an amendment abandoning the Plan and form RS-3, detailing why the Plan was abandoned, and explaining all disbursements of funds. If payments under Purchase Agreements have been received, the amount of such funds and the manner and time when these funds will be returned to purchasers must be disclosed. The funds must be returned within five (5) days after the amendment abandoning the Plan has been accepted for filing.

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

TERMS OF SALE

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

Permitted Exceptions

1. Standard exceptions contained in the title report;
2. AS TO THE BUILDING: Any statement of facts which a subsequent survey would disclose, provided that such additional statement of facts does 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;
3. Covenants, conditions, easements, leases, agreements of record, etc. more fully set forth herein;
 - A) Ocean Parkway Courtyard Restrictions Chap. 861 of 1869; as amended by Chap. 766 of 1872 and Chap. 583 of 1874
 - B) Landmark Designation in Reel 771 Page 561
 - C) Easement Deed in CRFN 2018000355790
 - D) Easement Deed in CRFN 2020000056669
 - E) Information Only: Owner's Certificate in (Exhibit I) in CRFN 2019000007979
 - F) Information Only: Zoning Lot Description (Exhibit III) in CRFN 2019000007980.

With regard to Item 3A of the Permitted Exceptions above, the Act passed in New York Legislation in 1869, and subsequently amended in 1872 and again in 1874, gave authority to Brooklyn Park Commissioners to lay out, open, and improve the six-mile-long stretch of Ocean Parkway from Coney Island to the south, to just south of Prospect Park to the

north, to be “of picturesque character” with the intention of providing a “pleasure drive” and to serve as a promenade and green belt for the residents of the neighboring communities. Originally, the Brooklyn Parks Commission had control over an extra 30 feet on either side of the parkway. Within this extra area, “no buildings or other erections, except porches, piazzas... shall remain or be at any time placed; which space on each side of the avenue... shall be used for courtyards only, and may be... otherwise ornamented, at the discretion of the respective owners or occupants thereof... under the direction of said Park Commissioners...” The Ocean Parkway Special District, which was designated as a Scenic Landmark by LPC in 1975, is now bounded on the west by the western curb line of the western side road of Ocean Parkway and on the east by the eastern curb line of the eastern side road of Ocean Parkway. Brooklyn Parks Commission no longer has control over the area encompassing the courtyard restrictions provided in Chapter 861 of 1869 as amended.

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

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

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

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

A closing will take place only concurrently with the issuance of a temporary or permanent Certificate of Occupancy.

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. Rates set by the New York Board of Title Underwriters are \$723.00 on a Purchase Price of \$200,001.00 and approximately \$2.60 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently \$137.00 on a mortgage of \$100,001.00 and \$0.77 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. A purchaser may use any title insurance company of his or her own choosing without incurring any Sponsor-imposed penalties.
- (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.
- (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 that 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) The New York City Real Property Transfer Tax ("NYCRPTT"), 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 or "grossed up" sale price.

(f) New York State Transfer Tax ("NYSTT"), currently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage. However, the terms of this Offering Plan and the PURCHASE AGREEMENT included in Part II herein transfer the statutory obligation to pay the NYSTT to the Purchaser. The New York State Tax Law Section 1404(a) (the "Amended Tax Law") has been amended as of July 1, 2021 to provide that in the case of a conveyance of residential real property as defined in subdivision (a) of section fourteen hundred two-a of this article, if the tax imposed by this article is paid by the grantee pursuant to a contract between the grantor and the grantee, the amount of such tax shall be excluded from the calculation of consideration subject to tax under this article. Pursuant to the Amended Tax Law, transfer taxes shall not be payable, directly or indirectly, by the Purchaser unless the same is explicitly provided for under the Purchase Agreement between Sponsor and Purchaser. The Purchase Agreement located in Part II of this Offering Plan explicitly provides that the Purchaser shall be responsible for paying the NYSTT. Therefore, the Purchase Agreement imposes this obligation upon the Purchaser.

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

(h) All costs with regard to any mortgage that the Purchaser will place 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 his/her own and sole responsibility.

(i) All closings will occur in Kings County at a location designated by the Sponsor's Attorney. Under no circumstances will Sponsor be required to close at any place other than a location designated by Sponsor's Attorney. In the event that Sponsor

consents to a closing outside of a location designated by Sponsor's Attorney, there will be an attendance fee of \$500.00 for closings in Kings or New York counties or \$1,000 for closings in any other location.

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

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

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

additional base transfer tax and supplemental tax. The purchaser's payment of the additional base transfer tax and supplemental tax will themselves be deemed additional consideration, resulting in a "tax on a tax" effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs.

At closing, each Purchaser shall pay a reimbursement fee of \$2,500.00 to the Sponsor as partial reimbursement for the costs of preparing and filing the Offering Plan.

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 of a unit shall pay to the Sponsor's Attorney at closing a fee of \$3,750.00 for the preparation of closing documents, plus \$600 for the preparation of ACRIS documents and \$750 to fill out and forward an appraisal and lender questionnaire and for obtaining the necessary and proper Certificates of Insurance for the purchaser and their lender. 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. Purchase Agreements may not be assigned or recorded. Purchasers must take title to the property in the same name that appears on their executed Purchase Agreement. Sponsor at Sponsor's option may allow a purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00. 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 which represent the portion allocable to the Unit being sold shall be released; and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. The Board of Managers will pay the real estate

taxes from the escrow account when taxes are due and payable; the Sponsor shall be entitled to reimbursement from unit owners for any taxes paid on their behalf.

Except as specifically set forth herein, the Sponsor will pay all costs and expenses incurred in connections 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. "Grossed up" prices have been used for the New York City Transfer Tax and New York State Documentary Stamp Tax. Said example is for illustrative purposes only and is not intended to be comprehensive.

SAMPLE CLOSING COSTS

\$3,000,000.00 Purchase Price

\$2,400,000.00 Mortgage

Mortgage and Fee Title Insurance	\$ 10,070.00
Deed and Power of Attorney Recording	\$ 250.00
Mortgage Recording Fee	\$ 350.00
Mortgage Recording Tax	\$ 46,200.00
New York City Transfer Tax	\$ 43,851.00
New York State Documentary Stamp Tax	\$ 12,000.00
Additional Base Tax	\$ 7,693.00
Supplemental Transfer Tax	\$ 15,386.00
Working Capital Fund Contribution	\$ 1,000.00
Document Preparation Fee	\$ 3,750.00
Reimbursement Fee	\$ 2,500.00
New York State "Mansion" Tax	\$ 46,159.00
TOTAL:	\$189,209.00

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 additional fees incurred because of Default or failure to close at the scheduled time or place. Purchaser will also be responsible for the mortgage recording charge which is calculated on the basis of

\$42.00 for the first two pages, plus \$5.00 per page for every page thereafter, and a \$50.00 service charge.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor will complete the work set forth in this Plan relating to the building and the apartments contained therein in conformity with and in accordance with the Building Plans and Specifications, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits required, if any. Insofar as this is a newly constructed building, there are currently no housing, building, or fire department violations; however, in the event any housing, building, or fire department violations arise prior to closing, all such violations, if any, will be cured prior to closing. The Sponsor may make changes in design, layout, and arrangement of apartments, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design, or (ii) change the size, location of buildings or units, other improvements, or common elements, if such changes 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.

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

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

The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit. The New York State Housing Merchant Implied Warranty Law does not apply to this project. However, Sponsor remains under a duty to construct the premises in accordance with all applicable codes, filed plans, and specifications, and, for items not covered by local building codes, locally accepted building practices for such items. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. All representations under this Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan that are specifically to be performed subsequent to the closing date, shall survive delivery of the deed.

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

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

reasonable period of time). In the event Sponsor fails to perform such obligation, Purchaser may enforce same in a court of competent jurisdiction.

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

The Sponsor agrees to pay all common charges, special assessments, and real estate taxes with regards to unsold units, and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor. No bond or other security has been furnished to secure Sponsor's obligations. In the event of dissolution or liquidation of the Sponsor, or transfer of 10 or more units or 20% or more of the total number of residential units in the condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the Offering Plan, applicable laws, or regulations.

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

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

In the event the Sponsor finds it necessary to enter the property after closing of title to complete work, then such work will be performed between 8 A.M. and 6 P.M. on

weekdays and non-holiday weekends. Damage caused by such work will be repaired in a good and workmanlike manner at Sponsor's sole discretion.

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

The property will be conveyed free and clear of all liens. Copies of the plans, exhibits and documents referred to herein shall be kept on file at the office of the Attorney for the sponsor for a period of six (6) years after filing of the Declaration of Condominium. No bond or other security has been furnished to secure Sponsor's obligations hereunder. The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any unit within reasonable time, and no Purchaser shall be required to accept a damaged unit.

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

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

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

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

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

CONTROL BY THE SPONSOR

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

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

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

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

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

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

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

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

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

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

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

BOARD OF MANAGERS

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

The By-Laws limit the number of Managers to not less than three (3) members. The first Board of Managers shall consist of three (3) members designated by the Sponsor. They will be Michael Mishal, Lior Baranov, and Shlomit Mishal. Michael Mishal is the principal of the Sponsor. Lior Baranov is a personal friend of Michael Mishal, and Shlomit Mishal is the wife of Michael Mishal. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within sixty (60) days after the First Closing; they may, however, be re-elected at such time. Transfer of control of the Condominium Board of Managers shall pass to unit owners other than the Sponsor at the earlier of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

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

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

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

2. No right of first refusal.

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

3. Common charges and assessments.

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

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

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

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

4. Repairs and Maintenance.

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

5. Additions, alterations, and improvements.

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

Units that do not affect the exterior of the Building or the value of other Units may be made without prior approval of the Board of Managers.

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

6. Insurance.

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

The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the event of a loss amounting to \$100,000.00 or less and to the insurance trustee if the loss exceeds \$100,000.00. Such proceeds shall be applied to the repairing, restoring, or rebuilding of the subject premises unless otherwise determined by unit owners. In no event shall the proceeds of any insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the

building. The insurance trustee, if any, shall be a bank or trust company having an office in the City and State of New York.

7. Restrictions on occupancy and use.

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

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

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

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

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

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

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

Further restrictions on the use of Units are set forth in the By-Laws, which are set forth in Part II of the Plan, and in Rules and Regulations made in accordance with the By-Laws. Current restrictions include a restriction that the 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

After the units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other unit. 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 units, or the Sponsor) will pay the taxes thereof as set forth in Column 6b of the attached SCHEDULE A. The amount of the taxes deposited with the Board of the condominium will be disclosed in the post-closing amendments until the units are separately assessed.

Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. The taxing authority in the case of this offering is New York City Department of Finance ("DOF"). The first year of condominium operation is estimated to commence January 1, 2022. Although the Sponsor anticipates that construction of the subject premises will be completed by the first year of condominium operation, **THE SPONSOR DOES NOT ANTICIPATE THAT THE REAL ESTATE TAXES FOR THE FIRST YEAR OF OPERATION WILL REFLECT THE FULL POST-COMPLETION ASSESSED VALUE OF THE PROPERTY. PURCHASERS ARE ADVISED THAT THEIR REAL ESTATE TAXES ARE LIKELY TO INCREASE IN THE SECOND YEAR OF CONDOMINIUM OPERATION TO REFLECT THE FULL POST-COMPLETION ASSESSED VALUE.**

As the first year of condominium operation is expected to commence on January 1, 2022 and the NYC property tax year commences on July 1st each year, the anticipated first year of condominium operation therefore encompasses a blended year consisting of two tax years (2021/2022 and 2022/2023) and does not reflect the full post-completion assessed value of the building after completion of construction. Sponsor has received an estimate from MGNY Consulting, 18 Bridge Street, Ste. 2D, Brooklyn, NY 11201, of an estimated

tax liability of the entire building for the first year of condominium operation. The tax liability of the building for the 2021/2022 tax year is \$7,292, which is based on the Tax Class 2 tax rate of 12.267% on the building's 2021/2022 assessed value of \$59,445. In addition, MGNY Consulting projects a post-completion assessed value for the entire building of \$752,960.00. This estimate assumes a tax rate of 12.267% for Tax Class 2 properties, and therefore projects a total tax burden for the entire building of \$92,366 for the 2022/2023 tax year, which is reflected in Column 6b of SCHEDULE A.

The commencement of the first year of condominium operation, January 1, 2022, coincides with the commencement of the latter half of the 2021/2022 tax year. The tax due for the first half of the first year of condominium operation is \$3,646, which is half of the annual tax liability on the building for the 2021/2022 tax year. The remainder of the first year of condominium operation, July 1, 2022 through December 31, 2022, coincides with the first half of the 2022/2023 tax year, which is anticipated to reflect the post-completion assessed value for the property. The tax due for the remainder of the first year of operation is estimated to be \$46,183, based on one-half of the value of the estimated post-completion value of the taxes for the entire 2022/2023 tax year of \$92,366. Therefore, the tax burden for the entire building for the first year of condominium operation is estimated to be \$49,829, which reflects the sum of the tax burden for the latter half of 2021/2022 tax year, plus the tax burden for the first half of 2022/2023 tax year. The real estate taxes payable in SCHEDULE A are determined by applying the tax rate to the projected assessed value. The City of New York is not bound by the allocation of Common Interest and may allocate on a different basis. All figures are estimates.

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

The projections set forth herein are based on current New York City Tax rates and assessment procedures. No guarantee or warranty is or can be made that the tax rates

will not change in the future, or that the assessed value of the property will not rise due to changes in assessment practices and policies or increases in market value that are reflected in the assessed value.

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 homeownership. The Federal Tax Cuts and Jobs Act of 2017 allows an itemized deduction of up to \$10,000 for the total of state and local property taxes and income or sales taxes. This maximum applies to both single and married filers. 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. Income tax deductions 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, the tax rate or the method of assessing real property.



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June 28, 2021

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**Tax Opinion Letter for Condominium Project
1406 Ocean Parkway, Brooklyn, NY Block: 6587 Lot: 12**

Michael Mishal
1406 Ocean Parkway LLC
2454 E 65th Street
Brooklyn NY 11234

Dear Mr. Mishal,

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

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

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

I. Project Details

You have informed us that you intend to build a condominium on the above tax lot (“property”), and that this condominium will be constructed pursuant to Department of Buildings job number **321-748-276** for job type “NB – New Building”.

You have requested an opinion concerning the real property assessment to be levied upon the above property for the first full tax year after completion of construction, which corresponds to the tax year 2022/2023. In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. You have informed us that the date of construction commencement is **April 25, 2019**; and that the anticipated commencement date for the first year of operation is **January 1, 2022**. You have advised us of your acquisition costs and the anticipated construction costs.

You have also supplied us with architectural drawings of the proposed building prepared by Henry Radusky of Bricolage Architecture & Design, PLLC. The data contained in the architectural drawings indicates that the building will have a gross floor area of **15,345** square feet and will have 7 (seven) main levels.

You have informed us that there will be a total of 4 (four) parking spaces plus 1 (one) double-parking space. In total, there will be 7 (seven) residential units located on floors 1 (one) through 7 (seven).



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June 28, 2021

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**Tax Opinion Letter for Condominium Project
1406 Ocean Parkway, Brooklyn, NY Block: 6587 Lot: 12**

II. Estimated Assessed Value

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

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

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

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

2021/22 Taxable Assessed Value and Tax Liability

**Taxable Assessed Value: \$59,445
Total Tax Liability: \$7,292**

We believe there will be a substantial increase in value for 2022/23 as a result of the new construction, and that such increase will be placed on the assessment roll immediately and not subject to the limitation on increases described above.



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June 28, 2021

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**Tax Opinion Letter for Condominium Project
1406 Ocean Parkway, Brooklyn, NY Block: 6587 Lot: 12**

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

2022/23 Projected Assessed Value and Tax Liability

For the post construction tax year of 2022/23, we project that the actual assessed value and the tax liability for the entire property will be as follows:

Total Estimated Assessed Value Plus Parking: \$752,960

Total Tax Liability: \$92,366

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

Projected Assessed Value and Tax Liability For the 1st Year of Operation

From January 1st, 2022 to June 30th, 2022:

Taxable Assessed Value: \$ 59,445

Total Tax Liability: \$ 3,646

(Based on the 2020/2021 tax rate of 12.267%)

1. Calculate the tax liability for the full 2021/22 fiscal year (July 1st 2021 – June 30, 2022):
 $\$59,445 * 12.267\% = \$7,292$
2. The period from January 1st, 2022 to June 30th, 2022 includes only 2 payment periods of 2021/22, so the tax liability for the full fiscal year must be divided by 2:
 $\$7,292 / 2 = \$3,646$

From July 1st, 2022 to December 31st, 2022:

Estimated Assessed Value: \$ 752,960

Total Tax Liability: \$ 46,183

(Based on the 2020/2021 tax rate of 12.267%)

1. Calculate the tax liability for the full 2022/23 fiscal year (July 1st 2022 – June 30, 2023):
 $\$752,960 * 12.267\% = \$92,366$
2. The period from July 1st, 2022 to December 31st, 2022 includes only 2 payment periods of 2022/23, so the tax liability for the full fiscal year must be divided by 2:
 $\$92,366 / 2 = \$46,183$



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**Tax Opinion Letter for Condominium Project
1406 Ocean Parkway, Brooklyn, NY Block: 6587 Lot: 12**

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

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

Very truly yours,

MGNY Consulting Corp.

Yuri Geylik

DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code subject to the limitations imposed by the Tax Cuts and Jobs Act of 2017. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the COUNSEL'S TAX OPINION LETTER. 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 and limits deductible mortgage debt to \$750,000.00 for new loans taken out after 12/14/17. Interest paid on home equity debt is no longer deductible through 12/31/25. Interest is still deductible on home equity loans (or second mortgages) if the proceeds are used for substantial improvement of the residence. Each individual Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year.

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

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, judicial decisions, and the Tax Cuts and Jobs Act of 2017. It is emphasized, however, that legislative, judicial, or administrative changes may be made which would require modification of such statements, or that the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions. A more detailed statement of the tax factors involved may be found in the COUNSEL'S TAX OPINION; however, each purchaser

should consult with his or her own attorney with regard to tax consequences of this transaction.



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

ATTORNEY AT LAW
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**OPINION OF COUNSEL REGARDING TAX STATUS OF
THE 1406 OCEAN PARKWAY 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 1406 Ocean Parkway Condominium, is a validly-formed condominium under New York's Condominium Act (Article 9B of the New York State Real Property Law) consisting of seven (7) residential units and five (5) parking spaces.

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 and parking 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

March 5, 2021

RESERVE FUND

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

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

WORKING CAPITAL FUND

At closing of title to each unit, the unit owner for such unit will contribute to the working capital fund of the Condominium an amount equal to one month's common charges (see CLOSING COSTS AND ADJUSTMENTS). Thus, the minimum Working Capital Fund will be equal to \$6,234. Sponsor will make the required contribution for all unsold units at the time of the closing of the first unit, and will be reimbursed therefore on each subsequent closing of a unit by the unit purchaser. This Working Capital Fund will be used to make repairs and improvements and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE B. While the Sponsor controls the Board of Managers (see CONTROL BY THE SPONSOR), the Working Capital Fund will not be used to reduce estimated Common Charges.

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

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

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this offering is 1406 Ocean Pkwy LLC, a New York limited liability company formed on September 7, 2017, with offices located at 2454 East 65th Street, Brooklyn, NY 11234. The sole principal of the Sponsor is Michael Mishal. Mr. Mishal is an experienced real estate investor who has invested in various real estate projects throughout Brooklyn for the past ten years. Mr. Mishal does not have real estate management experience. The Sponsor acquired title to the property on February 20, 2018. Neither the Sponsor nor principal of the Sponsor have previously been the Sponsor and principal of the Sponsor of any condominium or cooperative offerings in the state of New York in the preceding five years, nor does the Sponsor or principal of the Sponsor own 10 percent or more of the unsold shares or units of any condominium or cooperative apartment building as an individual, general partner, or principal.

There are no convictions, bankruptcies, judgments, or injunctions against the Sponsor, principal of the Sponsor, or entities in which the principal of the Sponsor was a principal, that may be material to the Offering plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of this Offering Plan. There have never been any felony convictions against the Sponsor, principal of the Sponsor, or entities in which the principal of the Sponsor was a principal whatsoever.

COUNSEL: Sponsor has engaged Claudia Villanella Murdoch, Esq. of The Law Office of Claudia V. Murdoch, P.C., 117 Seventh Avenue, Brooklyn, New York 11215, to represent it in the conversion of the premises to condominium ownership. Ms. Murdoch prepared this Offering Plan. Ryan O. Miller of Kishner Miller Himes, P.C., 40 Fulton Street, 12th Fl., New York, NY 10038, will act as the Sponsor's closing attorney, and will be the escrow agent for purchasers' down payments. Bryan W. Kishner is also a signatory on the escrow agent's account for purchasers' down payments. Ms. Murdoch and Mr. Miller represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT: Registered architect Henry Radusky, R.A., 6321 New Utrecht Avenue, 2nd Floor, Brooklyn, New York 11219, 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. Radusky has been an architect for over twenty (20) years and has prepared over fifty (50) similar reports for condominium and cooperative offering plans. The architect has no relationship or financial interest in the property, Sponsor, condominium, selling agent, any principal, or any other party interested in this transaction, except for his fee for services rendered in connection with his report.

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

GENERAL

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

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

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

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

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

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

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

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

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

DOCUMENTS ON FILE

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

REPORT TO UNIT OWNERS

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

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

SPONSOR'S STATEMENT OF BUILDING CONDITION

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

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

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

PART II

PURCHASE AGREEMENT

1406 Ocean Parkway, Unit ____, Brooklyn, New York

Date of Purchase Agreement:_____

Purchaser(s) _____

Address_____

Home Telephone_____ Business Telephone_____

Purchaser's S.S. No. _____

Purchaser's Attorney_____

Attorney's Address_____

Attorney's Telephone No _____ E-mail _____

Sales Agent/Broker_____Telephone No _____

Unit_____ Common Interest_____% Common Charges \$_____

Cash Purchase Price \$_____

Down Payment (herewith) \$_____

Balance Due on Closing \$_____

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

1. OFFERING PLAN READ. As Purchaser, I have received and read the Offering Plan of Condominium Organization (the Plan) with respect to premises located at 1406 Ocean Parkway, 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.

In the event of any inconsistency between the terms of the plan and the purchase agreement, the terms of the plan shall control.

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

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

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

4. MANNER OF PAYMENT AND BALANCE. Provided that I shall have paid the full Cash Purchase Price for said 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. DEPOSIT HELD IN ESCROW.

5.1 Kishner Miller Himes, P.C., with an address at 40 Fulton Street, 12th Floor, New York, NY 10038, telephone number (212) 585-3425, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Ryan O. Miller, Esq. and Bryan W. Kishner, 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.

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

5.3 The Escrow Agent has established the escrow account at First Republic Bank, located at 443 Park Avenue South, New York, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is KISHNER MILLER HIMES P.C. IOLTA ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

5.4 All Deposits received from Purchaser shall be in the form of checks or wire transfers, and shall be made payable to or endorsed by the Purchaser to the order of Kishner Miller Himes, P.C., as Escrow Agent.

5.5 The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. Accordingly, the Purchaser shall be required to furnish the Escrow Agent with a Form W-9 (included herein) at the time of execution of contract. 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.

5.6 Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Escrow Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement/Escrow Agreement.

5.7 The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the

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

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

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

5.10 The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in the 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 order or judgment of a court.

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

deposit the Deposit contained in the Escrow Account with the clerk of the county where the [unit/building] is located and shall give written notice to both parties of such deposit.

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

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

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

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

5.11 Any provision of the Purchase Agreement, Escrow Agreement, or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

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

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

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

5.15 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.

5.16 If the Escrow Account is interest-bearing, Sponsor shall obtain or cause the selling

agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

5.17 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.

5.18 Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

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

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

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

10. DEFAULT AND LIQUIDATED DAMAGES. I agree that if I shall fail to pay the balance of the Cash Purchase Price when due, as herein provided, or, if I am otherwise in default hereunder as such term is defined herein, the Seller may elect to cancel this Agreement by written notice to me at my residence or at the address stated above, by certified mail, and at the expiration of 30 days after the date of mailing thereof (unless I shall have theretofore paid the balance of the Cash Purchase Price in full) said notice shall be effective and this Agreement shall be deemed canceled and all rights of the parties thereunder shall terminate except that the amount of my Down Payment shall be paid over to the Seller as liquidated damages, such liquidated damages not to exceed 10% of the Cash Purchase Price plus the cost of any special work in the 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. The New York State Tax Law Section 1404(a) (the “Amended Tax Law”) has been amended as of July 1, 2021 to provide that in the case of a conveyance of residential real property as defined in subdivision (a) of section fourteen hundred two-a of this article, if the tax imposed by this article is paid by the grantee pursuant to a contract between the grantor and the grantee, the amount of such tax shall be excluded from the calculation of consideration subject to tax under this article. Pursuant to the Amended Tax Law, the New York State Transfer Tax shall specifically be payable by the Purchaser/grantee pursuant to the terms of the Offering Plan and this Purchase Agreement. The New York City Real Property Tax (“NYCRPTT”) shall also be paid by the Purchaser/grantee pursuant to the terms of the Offering Plan and this Purchase Agreement, and the amount of the NYCRPTT shall be deemed additional consideration for the unit purchased, resulting in a “grossed up” sales price for a “tax on a tax” effect.

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. Conflicts between this Agreement and the Plan shall be resolved in favor of the Plan.

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

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

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

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

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

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

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

21. AGREEMENT SUBJECT TO MORTGAGES. I agree that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, incidental thereto, or to protect the security thereof, to the full extent hereof

without the execution of any further legal documents by me. The subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this paragraph, however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage(s) obtained by me.

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

23. AMENDMENTS. Changes made to units in contract will comply with the CHANGES IN PRICES AND UNITS section of the Offering Plan at page 41. Notice of an amendment may also be given by overnight delivery service or email 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. A person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance.

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 downpayment with interest plus the cost of title searches, if any.

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

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

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

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

32. CONSTRUCTION

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

B. The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will

have no obligation to correct, certain variations from the Plan and "plans and specifications" as indicated in the Plan in "RIGHTS AND OBLIGATIONS OF THE SPONSOR," and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in said section.

33. 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 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 duly authorized agent shall attend such inspection 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 inspection. 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 fax 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 whom 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. Purchaser must take title to the property in the same name that appears on this executed Purchase Agreement. 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. Purchaser hereby waives any right or privilege to place a lis pendens upon the premises and, accordingly, notwithstanding anything contained herein to the contrary, Purchaser shall be liable for all damages, including, without limitation, liquidated damages equal to triple his/her deposit down payment, relating to the Purchaser's failure to comply with the terms of this Paragraph 37. This Paragraph 37 shall survive the termination of the Contract.

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
1406 OCEAN PKWY LLC
by:

ESCROW AGENT

EXHIBIT A
PRE-CLOSING INSPECTION STATEMENT
(Not to be completed until pre-closing walk-through inspection)

We/I, the named purchaser/s in a contract for Unit _____ at 1406 Ocean Parkway,
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
1406 OCEAN PKWY LLC

By:

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

**Give Form to the
requester. Do not
send to the IRS.**

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)
5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number											
				-				-			
or											
Employer identification number											
				-							

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign
Here**

Signature of
U.S. person ►

Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual	Individual/sole proprietor or single-member LLC
• Sole proprietorship, or	
• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	
• LLC treated as a partnership for U.S. federal tax purposes,	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or	
• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

UNIT DEED

THIS INDENTURE made the _____ day of _____, 20____, between 1406 OCEAN PKWY LLC, 2454 East 65th Street, Brooklyn, NY 11234 (hereinafter "Grantor"), and _____, (hereinafter "Grantee");

WITNESSETH:

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;

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner of Unit No. _____ in the Condominium known as THE 1406 OCEAN PARKWAY 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 Kings County Office of the Register 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 1406 OCEAN PARKWAY 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 1406 OCEAN
PKWY LLC, (hereafter SPONSOR) and , (hereinafter
PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 1406 Ocean Parkway, Brooklyn, New York; and,

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

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

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

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

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

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

SPONSOR

By: _____

Title: Authorized Signatory

TAX ESCROW AGREEMENT

AGREEMENT made this 24th day of March, 2021, by and between 1406 OCEAN PKWY LLC (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 1406 OCEAN PARKWAY 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 1406 Ocean Parkway, 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.

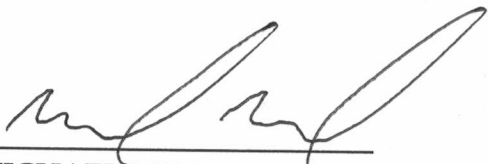
5. If the escrow was kept in an interest-bearing account, the interest earned thereon belongs to the Sponsor.

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.

1406 OCEAN PKWY LLC

by:



MICHAEL MISHAL

THE BOARD OF MANAGERS OF THE
1406 OCEAN PARKWAY CONDOMINIUM

by:



MICHAEL MISHAL

**ENGINEER'S REPORT
THE 1406 OCEAN PARKWAY CONDOMINIUM**

Prepared By:

HENRY RADUSKY, R.A.
6321 New Utrecht Avenue
Brooklyn, N.Y. 11219
Phone No: 718-259-1100

October 8th, 2021



SECTION 20.7: DESCRIPTION OF PROPERTY AND SPECIFICATIONS

(a) LOCATION AND USE OF PROPERTY

(1) Address:

The building will be located at 1406 Ocean Parkway, in the Midwood Section of the Borough of Brooklyn, County of Kings, City and State of New York in zip code 11230.

(2) Block and lot number:

The site is located on Tax Lot number 12 in Tax Block number 6587.

(3) Zoning:

The site is located in an R 6A Zone in the Ocean Parkway Special District, as designated on Map number 22d of the N.Y. City Zoning Resolution.

The site is being developed pursuant to the Quality Housing requirements of the current New York City Zoning Resolution.

The building will comply with; on site planted area, laundry facilities, refuse disposal and recreational facilities as required by Section 28 of the N.Y. City Zoning Resolution. The building plans were examined and have been approved by the N.Y. City Department of Buildings, for compliance with the Quality Housing Zoning requirements.

The planted yard area will be located at the corner of Ocean Parkway & Ryder Avenue at grade level. There will be a common recreation room (approximately 460 square feet) and open terrace located at the second floor level and also a recreation room (approximately 200 square feet) located at the cellar level. Each residential unit will have its own laundry room or laundry closet within the unit. There will also be a refuse disposal room and refuse chute located at the second through sixth floor levels of the building with a collection area at the first floor level.

(4) Permissible Use:

The Zone permits Residential use as of right.

The property and proposed uses will comply with all Zoning and use requirements at closing.

(b) STATUS OF CONSTRUCTION

(1) Year built:

The building is new and is currently under construction.

The estimated substantial, completion date of the building is December 2021.

(2) Class of construction:

The Class of Construction will be I B as described by Table 601 of the 2014 New York City Building Code. The structural support members will consist of non-combustible materials with a minimum fire protection rating of two hour. Floor / ceiling assemblies shall also be of non-combustible materials with a minimum rating of two hours. Roof / ceiling assemblies shall be of non-combustible materials with a minimum rating of one hour. Exterior walls shall also be of non-combustible materials with a minimum fire rating of two hours.

The building plans were developed pursuant to the 2014 New York City Building Code.

(3) Certificate of Occupancy, type and number:

The building is under construction and a final Certificate of Occupancy will be issued when all the required work is inspected and signed off by the New York City, Department of Buildings.

The Sponsor shall obtain a temporary or final Certificate of Occupancy prior to the closing of the first unit.

(4) Permit numbers and description of work done:

The building is being constructed as per plans which were filed with and approved by the Brooklyn Office of the N.Y. City Department of Buildings. The building plans have been assigned Department of Buildings application number 321748276.

The building plans were not Self certified by the Applicant of Record.

Permit numbers 321748276-01-NB, 321748276-01-PL and 3PL008438-04-EW SP have been issued by the N.Y. City Department of Buildings for the construction of the new building and the installation of the plumbing and sprinkler system.

The Sponsor has not retained the Architect responsible for this Report to conduct "Special Inspections" on the project.

(c) **SITE**

(1) Size:

The site is located at the Northwesterly corner of Ocean Parkway and Ryder Avenue.

The site is trapezoidal in shape and has a frontage of 31.0 feet along Ocean Avenue and 114.66 feet along Ryder Avenue. The Northerly, side lot line, extends 110.00 feet perpendicularly from Ocean Avenue. The Westerly, side lot line extends 63.45 feet at an acute angle, northerly from Ryder Avenue.

The site has an area of approximately 5,195 square feet.

(2) Number of buildings and use:

There will be one, seven story building, constructed with Residential and accessory uses.

(3) Streets owned or maintained by the project:

(i) Paving (material and condition);

The streets beyond the lot lines are existing, New York City sidewalks, curbs and roadways. Ocean Parkway is an existing two hundred and ten (210.00') foot wide, two way parkway with a service road and island on each side. Ryder Avenue is a twenty nine point forty two (29.42') one way street.

There is an existing concrete sidewalk fronting the property. The existing concrete sidewalk will be replaced with a new concrete sidewalk, as is required for all new buildings, when construction is near completion.

The new sidewalks fronting the property shall be free of tripping hazards and ponding. The new sidewalks shall be ADA compliant and shall be replaced as directed by the N.Y. City Department of Transportation.

The roadways are asphalt paved. The roadways fronting the property will be repaired as directed by the N.Y. City Department of Transportation when construction is near completion.

(ii) Curbing (material and condition);

There is an existing concrete curb fronting the property. The existing concrete curb will be replaced with a new concrete curb, as is required for all new buildings, when construction is near completion.

The new curbs, curb cuts, ramps and aprons shall be ADA compliant and shall be replaced as directed by the N.Y. City Department of Transportation.

(iii) Catch Basins (location and condition);

Existing catch basins are located along the roadways to drain the sidewalk and roadway's storm water run-off, into the existing New York City Sewer System.

The existing catch basins have been installed by the N.Y. City Department of Transportation and are in good condition. Catch basins are constructed of concrete with steel grating covers and are located along Ocean Parkway and along Ryder Avenue.

(iv) Street lighting (material, type, location and condition);

Existing street lighting is provided by the City of New York, and consists of vertical metal, stanchions surmounted with energy efficient LED lamps in metal enclosures. The existing street lights are located, at the sidewalk close to the curb, on both sides of the roadway along Ocean Parkway and along Ryder Avenue. The existing street lights are in good condition.

(v) Conformity with Municipal Codes;

The sidewalk paving, curb, curb cuts, ramps and aprons shall be ADA compliant. In addition catch basins and street lighting have been designed to comply with the standards of; the N.Y. City Department of Transportation, the N.Y. City Department of Buildings and to the N.Y. City Building Code as necessary.

A Builders Paving Plan was filed with and approved by the N.Y. City Department of Buildings, under application number 321830792, for the construction of the new sidewalk, curb and roadway repair.

The Condominium Board will be responsible for maintaining the sidewalk in front of the property as per the N.Y. City Department of Transportation requirements.

The new sidewalk paving and curb will be subject to site inspection and approval by the N.Y. City Department of Buildings and the N.Y City Department of Transportation.

(4) Drives, sidewalks and ramps:

(i) Paving (material and condition);

There will be a new, poured, reinforced concrete driveway and enclosed parking area located at the first floor / grade level accessible from Ryder Avenue.

(ii) Curbing (material and condition);

There will be no concrete curbs at the driveways on the property.

(iii) Catch Basins drainage (location and condition);

There will be no catch basins on the property. There will be controlled flow, cast iron, area drains located at the roof and yard areas of the building, which will drain the storm water runoff from the site to the existing combined sewer beneath Avenue N to the north of the site.

(iv) Street lighting (material, type, location and condition);

There will be no streets or street lighting on the property.

(v) Conformity with municipal codes;

All paving and drainage devices will be designed to conform to the standards of the N.Y. City Department of Buildings and the N.Y. City Building Code and will be subject to approval and inspection by the Department of Buildings.

(d) **UTILITIES**

Water, will be provided by the City of New York, and water consumption will be a common charge.

Natural **Gas**, will be provided by National Grid, for cooking and heating; and each unit will be separately metered and billed directly.

Electricity, will be provided by the Consolidated Edison Company, and each unit will be separately metered and billed directly.

Telephone service, will be provided by Verizon, and each unit will be billed directly.

The entire **Sanitary** waste, will be carried from the building into the existing New York City Sewer System.

The **Storm** water runoff will be transported to the existing N.Y. City Sewer System by means of controlled flow roof and yard drains.

The cost of services of the common areas will be a common charge borne by the Condominium Board.

(e) **SUB-SOIL CONDITIONS**

The site is located within FEMA Map panel Number 3604970351F (2007) 3604970351G (2013) in non shaded Zone X. This indicates that the site is located in an area determined to be outside the 0.2% annual chance floodplain.

The soil at the bottom of the footings will be Type 3b soil, as per subsurface test borings which were performed by Regional Testing Corp., 1150 Close Avenue, Bronx, NY 10472. The existing soil has an allowable, load bearing capacity of approximately three tons per square foot. Ground water was encountered at approximately thirty feet below the normal grade level of the site.

All foundations and footings will be new. The footings will consist of perimeter and intermediate, reinforced concrete; rectangular spread footings for the concrete columns and T and L shaped footings for the intermediate, concrete, foundation walls. Footings will be interconnected with reinforced, concrete grade beams. The foundation walls will also be of reinforced concrete which will be tied into the footings.

The new foundation walls and footings shall be a minimum of twelve feet below grade and foundation walls and footings shall be protected with trowelled on mastic waterproofing and adjacent gravel fill at the perimeter to negate ad freezing stresses.

The building's foundation and structural system was calculated and designed by a N.Y. State licensed Structural Engineer and the plans have been approved by the N.Y. City Department of Buildings.

There are no environmental site issues (such as hazardous materials, environmental restrictions, little E, RD and / or easements) present on the property.

(1) Uneven foundation movement (cracking, mortar joint decay, etc.);

There is no apparent evidence of uneven foundation movement, settling, cracking, mortar joint decay, etc.

(2) Evidence of (moisture or seepage or ground water infiltration; corrective action needed);

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

(3) Danger from (flooding due to water table or overflow from other bodies of water, potential for mudslides or erosion);

There is no apparent danger from flooding due to a water table or overflow from other bodies of water. The site and surrounding properties are relatively flat and there is no apparent potential for mudslides or erosion from the surrounding properties.

(f) **LANDSCAPING AND ENCLOSURES**

(1) Grass cover (type, location);

There will be a grass area at the yard area to the front of the property at Ocean Parkway and Ryder Avenue.

(2) Plantings (type, location);

There will also be some evergreen type, shrubs planted at the grass areas, at grade level to the front of the building.

(3) Trees (type, location);

There will be five new trees, each with a minimum caliper of three inches, planted at the sidewalk area, close to the curb, in front of the property along Ocean and Ryder Avenues, as required by the N.Y. City Zoning Resolution. The trees shall be of a species to be determined by the N.Y. City Department of Parks & Recreation. Approval shall be obtained from the Department of Parks and Recreation prior to the installation of the trees.

(4) Fencing (type, location);

There will be a new, four foot high, eight inch thick, masonry fence, constructed along the front property line at Ryder Avenue.

There will be a new four foot high, wrought iron, fencing adjacent to the masonry wall and enclosing the rest of the large, planted area to the front of the building adjacent to Ocean Parkway. The spacing of the vertical mullions, of the wrought iron fencing will be approximately four inches on center.

(5) Gates (type, location);

There will be no gates constructed on the property.

(6) Garden walls (type, location);

There will be no garden walls at the open yard areas.

(7) Retaining walls (type, location);

There will be no retaining walls constructed on the property.

(8) Display pools and fountains (type, location);

There will be no display pools or fountains at the open yard areas.

(g) BUILDING SIZE

- (1) Total height (approximate total feet from ground level to highest part of roof);

The building will be a total height of approximately seventy feet, measured from the average grade to the finished roof above the seventh floor level.

- (2) Crawl spaces (floor to ceiling, height);

There will be no crawl spaces in the building.

- (3) Number of sub-cellars and cellars;

There will be one cellar level in the building.

- (4) Number of floors (actual including penthouses);

The building will consist of a cellar and seven floors.

- (5) Equipment rooms (location and use);

There will be sprinkler equipment and meter rooms located at the cellar floor level of the building. There will be a refuse storage room located at the first floor adjacent to the parking area. There will also be mechanical closets adjacent to and within each residential unit at the first through seventh floor levels.

- (6) Parapet (height above roof);

There will be parapet walls; of steel stud construction with stucco finishes and curtain wall panel finishes and also tempered, safety glass railing set in extruded aluminum framing. All parapet walls will be a minimum height of three feet and six inches above the finished roof levels.

(h) **STRUCTURAL SYSTEM**

The structural system for the building will be mainly a flat slab construction. There will be a poured, reinforced concrete slab on each floor, supported with perimeter and intermediate reinforced, concrete columns. There will also be intermediate, poured, reinforced concrete bearing walls framing parts of the stair and elevator cores.

Footings will consist of reinforced, concrete; spread footings and also L and T shaped footings which will support the concrete columns and bearing walls. The footings will also be interconnected with reinforced concrete grade beams.

The foundation walls shall be of poured, reinforced concrete which will be tied into the footings with steel re-bars. Foundation walls shall be protected below grade with a troweled on, mastic, waterproofing membrane and clean gravel fill adjacent to the walls at the exterior of the building.

There will be no underpinning of the existing adjacent building. The foundation wall and footing of the building will be at the same level of the adjacent building.

The foundation walls and footings at the exterior perimeter walls shall be protected with troweled on mastic waterproofing and adjacent gravel, fill to allow drainage, away from the walls and footings. There will be no other sub-grade, drainage system.

The floor at the cellar floor level shall be a minimum 6" thick, poured, reinforced, concrete slab on a six mil vapor barrier and gravel and compacted fill.

The structural, interior floor assembly at the upper floors and also at the roof areas shall be a 9" thick poured, reinforced concrete, flat slab which will be supported by the reinforced concrete columns and the intermediate, load bearing masonry walls.

The finished roof areas shall be a 5 ply rubberoid type roofing system as manufactured by Firestone on exterior grade rigid insulation. The roof area above the third floor level shall be of masonry pavers and tiles supported on leveling pedestals.

Floor / ceiling and roof / ceiling assemblies, shall have a minimum STC rating of 50 and a minimum IIC rating of 50, in compliance with the 2014 N.Y. City Building Code. Floors shall be of $\frac{3}{4}$ " thick wood strips on $\frac{1}{2}$ " thick plywood or $\frac{3}{4}$ " thick ceramic tiles on $\frac{1}{2}$ " thick gypsum wallboard underlayment. Ceilings shall be of a minimum $\frac{1}{2}$ " thick gypsum wallboards attached to the 9" slab with resilient, steel furring channels.

The structural system has been designed by a N.Y. State licensed Structural Engineer and has been designed to withstand lateral forces due to wind, soil and earthquake in compliance with the N.Y. City Building Code.

The construction class of the building shall be Construction Class I B as per the 2014 N.Y. City Building Code.

(1) Exterior of Building:

(i) Walls;

The exterior walls, located at the northerly and westerly, side lot lines and partially at the first floor level, facing Ryder Avenue, shall be 75 %, load-bearing masonry, reinforced with a galvanized, horizontal, steel wire truss. The walls will be finished with a stucco finish on steel lath at the exposed, exterior surfaces. The masonry walls will have a minimum fire resistance rating of three hours.

Some of the exterior walls facing Ryder Avenue and the walls which are not located at the lot lines (to the westerly side of the building) shall be of load bearing steel studs with rigid insulation boards and a wire lath and stucco finish at the exterior. The wall system will be solid and will not be equipped with internal drainage channels.

The other exterior walls, facing Ocean and Ryder Avenues, shall be of extruded aluminum, curtain wall panels, with fixed and operable glazing. The panels shall be model YCW 700 as manufactured by YKK AP America Inc. The load bearing steel stud walls with the stucco finish will have a minimum fire resistance rating of three hours. The curtain wall panels will have a minimum, fire resistance rating of two hours.

The interior surfaces of the masonry walls shall be finished with two inches of foam insulation (with an R value of 13) adjacent to the blocks, steel furring studs and gypsum wallboard finish at the interior surfaces.

The interior surfaces of the steel stud walls shall be finished with gypsum wallboards attached to the steel studs. The spacing between the steel studs shall be fitted with fiberglass, batt insulation (with an R value of 21).

The interior surfaces of the aluminum, curtain wall panels shall be finished with two inch thick, rigid insulation boards (with an R value of 13) which will be bolted to the exterior of the reinforced concrete, floor slabs with non-corrosive, steel fasteners. Curtain wall panels shall be constructed with thermal breaks between the interior and exterior surfaces. Panels will have an approximate R value of 3.4. The interior finish, at the inside surfaces of the curtain walls, shall be of structural glazing and extruded aluminum framing. The curtain wall system will be bolted to the structural concrete framing with non-corrosive, steel fasteners.

The curtain wall system shall be installed as per the manufacturers specifications and in compliance with the 2014 N.Y. City Building Code.

All exterior wall types shall be designed to have a maximum thermal performance value (U_o) in compliance with 2016 N.Y. City Energy Conservation Code and the New York State Energy Conservation Construction Code.

The building will be greater than six stories in height and therefore will have to comply with Local Law 11 of 1998 which requires periodic facade inspections once construction has been completed.

The building will need to comply with facade inspection during the cycle following the fifth year after the date which the building is issued an initial, temporary or final Certificate of Occupancy.

(ii) Windows;

Windows are to be new, double-glazed windows. Windows will be mainly of the casement type 400 Series, model 2050, as manufactured by Andersen, at the stucco finished exterior facades. Glazing shall be set in extruded aluminum frames with anodized exterior finish. Windows will have an approximate U value of 0.28 which.

There will also be curtain wall panels, model YCW 700 as manufactured by YKK AP America Inc. at some of the exterior surfaces of the building. The windows at the curtain wall panels will be, doubled glazed, out-swinging, awning and fixed picture windows set in extruded aluminum framing. The operable windows will be set high on the panels. Curtain wall panels will have an approximate U value of 0.30.

The perimeter of window openings shall be fitted with a latex-based, caulking compound at interior and exterior surfaces. The perimeter of window openings shall be protected with aluminum flashing.

Air infiltration rate of windows shall be in compliance with the New York State Energy Conservation Construction Code and the New York City Energy Conservation Code.

There will be no lot line windows located at the side lot line walls of the building.

The Andersen windows have a twenty year limited warranty on the glass and a ten year limited warranty on non-electric components other than the glass.

The curtain wall panels will have a one year Manufacturer's warranty which will commence on the substantial date of completion for the project, provided that the warranty, in no event, shall start later than six months from the date of shipment by YKK AP America Inc.

The Sponsor reserves the right to provide curtain walls and windows by different manufacturers which are equal to or better than noted above.

Window sills shall be constructed of aluminum. Lintels above window openings shall be of steel fabrication protected with wire lath and stucco.

Window guards shall be installed as necessary by each unit's owner. Aluminum window guards shall be installed by each residential unit's owner at the windows within each unit that a child of ten years old or younger will reside.

There will be no window screens provided at the operable windows.

(iii) Landmark Status;

The building is currently not located in a Landmarks area, nor will the building be designated Landmark Status.

(2) Parapets and Copings:

There will be parapet walls at the perimeter of the roof areas of the building, at a minimum height of three feet and six inches above the finished level of the roof. The parapet walls shall be constructed of load bearing masonry walls or of load bearing, steel stud walls with a stucco finish at the exterior surfaces. There will also be load bearing steel stud walls with extruded aluminum, curtain wall panels, attached at the exterior surfaces and stucco finish at the inside face of the walls. All parapet walls shall be fitted with stainless steel fabric, base and cap flashing. Parapet walls shall be capped with aluminum copings, which shall be anchored to the masonry walls with non corrosive fasteners. All other fasteners and bolts shall be of corrosion resistant metals.

(3) Chimneys and Caps:

There will be vertical, stainless steel, flues and caps provided, for the ventilation of the mechanical equipment located in the mechanical closets within the units. The flues will terminate at the roof area above the seventh floor level. The flues shall be Amerivent, double-wall, galvanized steel and aluminum flues, as manufactured by American metal Products and shall have a B.S.A. approval number (294-56 SM).

The Sponsor reserves the right to provide flues by a different manufacturer which are equal to or better than noted above.

(4) Balconies and Terraces:

There will be exterior balconies and terraces located at the second through seventh floor levels of the building. There will also be an open roof terrace above the seventh floor level of the building.

Units 4A and 5B will have limited common balcony areas. Units 1A, 2A, 3A, 4A, 5A and 6A will have limited common roof terrace areas.

Deck Finish;

The finished surfaces of the cantilevered balconies shall be a concrete screed finish. Balcony surfaces shall be pitched away from the face of the building to allow for drainage. The balconies shall also be equipped with perimeter edge drip grooves.

The roof terraces shall be finished with a five ply, rubberoid, roofing finish as manufactured by Firestone, on rigid insulation supported on the poured, reinforced concreted slab. The roof terrace areas shall be finished with masonry pavers and tiles supported on adjustable, leveling pedestals.

(ii) Balustrade;

There will be no balustrades at the balcony areas.

(iii) Railings;

Balconies and some terrace areas, shall be protected at the perimeter with a minimum 1/4" thick, tempered, safety glass railing, set in extruded aluminum frames on all sides. The guardrails shall be a minimum height of three feet and six inches (3'-6") above the finished balcony level. Roof terraces shall be protected at the perimeter with masonry parapets or a minimum 1/4" thick, tempered, safety glass railing, set in extruded aluminum frames on all sides. The roof terraces shall also be protected with steel stud walls with extruded aluminum curtain wall panels at the exterior.

There will be tempered, safety glass railings (as noted above) set in aluminum frames, with a minimum height of three feet and six inches above the finished roof level, separating balcony and terrace areas.

All parapet walls and guardrails shall be a minimum height of three feet, six inches (3'-6") above the finished balcony or roof level. The maximum spacing between the components of the guardrails shall be approximately four inches (4") as required by the N.Y. City Building Code. All exterior metals, including fasteners, shall be of corrosion resistant materials.

(iv) Coping;

There will be no coping at the balcony areas.

Parapet walls at terraces shall be capped with aluminum coping, which shall be anchored to load bearing, masonry or steel stud walls with non-corrosive metal fasteners.

(v) Soffits;

The soffit areas of cantilevered balconies shall be finished with stucco.

(vi) Doors to balconies and terraces;

The doors to the balcony and terrace areas shall be custom sliding or hinged glass doors as manufactured by Andersen. The doors shall be equipped with double paned glass, set in extruded aluminum with an anodized finish. All balcony and terrace doors shall be equipped with entry type locksets.

The Sponsor reserves the right to provide doors to balcony and terrace areas by different manufacturers, which are equal to or better than noted above.

(5) Exterior entrances:

The exterior entrances to the buildings shall be free of tripping hazards and ponding. The exterior entrances shall also be ADA compliant and shall comply with the N.Y. City Building Code.

Walkways and driveways at grade level shall be pitched to cast iron, area drains. Sidewalks shall be pitched towards the curb to allow for drainage. The exterior drainage system will be adequate and shall comply with the N.Y. City Building Code and the standards of the N.Y. City Department of Transportation.

(i) Exterior Doors and Frames;

There will be one, main, residential, exterior entrance door, accessible from Ocean Parkway and one, separate egress door, accessible from Ryder Avenue. There will also be an overhead, vehicular access door also accessible from Ryder Avenue.

The main lobby entrance doors shall be double-hinged, double glazed glass doors set in extruded aluminum framing and mounted on steel frames. The door shall be a non-fire rated door and shall be equipped with an entry type lockset and will provide access to the main lobby, elevator and exit stairs.

The main entrance door will be as manufactured by Andersen.

The other exterior door shall be a single-hinged, hollow core steel, doors mounted on steel frames. The door shall also be a non rated, self closing door and shall be equipped with entry type locksets.

The steel door will be as manufactured by Armor Door.

The door to the parking area will be an extruded aluminum, overhead, roll up door, which will be operable with a key or remote control device.

The overhead, garage door will be as manufactured by Wayne Dalton.

The Sponsor reserves the right to provide exterior doors by a different manufacturer which will be equal to or better than noted above.

(ii) Vestibule doors and frames;

There will be no vestibule area or door adjacent to the entrance lobby.

(iii) Exterior Stairs;

There will be no stairs at the exterior of the building.

(iv) Railings;

There will be a five foot high, wrought iron guardrail around the grass area to the front of the building adjacent to the main entrance walkway. The guardrails shall be of wrought iron which shall be finished with paint. The maximum spacing between the vertical mullions of the guardrails shall be approximately four inches (4") on center.

(v) Mailboxes;

U.S.P.S. approved type mailboxes will be provided for each residential unit adjacent to the entrance doors, located at the first floor level.

Mailboxes shall be wall mounted, cluster box type units, Series 3300 as manufactured by Salsbury Industries. Mailboxes shall be of aluminum construction.

The Sponsor reserves the right to provide mailboxes by a different manufacturer which are equal to or better than noted above.

(vi) Lighting;

There shall be wall mounted, exterior, lighting fixtures provided adjacent to the main pedestrian entrance at Ocean Parkway and to the vehicular entrance at Ryder Avenue at the first floor level.

The lighting fixtures shall be capable of providing an aggregate illumination of at least two hundred (200) watts incandescent illumination, or its equivalent at the entrances.

There will also be ceiling mounted, lighting fixtures above the covered parking area at the first floor level which will be accessible from Ryder Avenue. The lighting fixtures shall each be capable of providing an aggregate illumination of at least sixty (60) watts incandescent illumination, or its equivalent.

Lighting shall be adequate and shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

All lighting fixtures shall be installed by a N.Y. State licensed electrician and shall be in compliance with the New York City Electrical Code.

(6) Service entrances:

There will be no separate service entrances to the building. The following sub-sections will not be applicable to this Report.

- (i) Doors and Frames (material, type, lock);
- (ii) Gates (material, type, lock);
- (iii) Exterior Stairs (material, location);
- (iv) Railings (materials, location);

(7) Roof and Roof Structures:

(i) Types:

There will be flat roof areas located above the first through seventh floor levels of the building. There will also be flat roof areas above the stair and elevator machine room bulkheads.

(i) (a) Material;

The flat roof areas shall be of a five ply, rubberoid roofing finish, as manufactured by Firestone, on rigid insulation; supported by a poured, reinforced, concrete slab and reinforced concrete columns and load bearing walls. The roof above the flat roof areas, which will be used as limited common areas, shall be finished with masonry tile pavers, supported on adjustable, leveling pedestals. The other common roof areas will not be finished with pavers.

(i) (b) Insulation;

The rigid insulation located above the concrete slab of the roof areas shall have a minimum R value of 20.

The roof composition shall comply with the 2016 New York City Energy Conservation Code and the New York State Energy Conservation Construction Code.

(i) (c) Surface finish;

The flat roof areas shall be finished with a five ply rubberoid, roofing membrane as manufactured by Firestone.

The Sponsor reserves the right to provide a roofing finish by a different manufacturer which is equal to or better than noted above.

(i) (d) Bond or guarantee;

The expected life span of the roof type is ten (10) to fifteen (15) years. A minimum fifteen (15) year No Dollar Limit manufacturer's warranty for materials and labor shall be provided for the flat roof areas. The warranty will commence when the installation of the roof has been completed.

The Sponsor will verify with the roof manufacturer that the installation of the roof paving and support pedestals will not affect the roof warranty.

(i) (e) Flashing materials including counter flashing;

The perimeter of the roof areas at parapet walls shall be fitted with aluminum or stainless steel flashing and counter flashing.

Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed with galvanized steel or stainless steel base and cap flashing.

(ii) Drains:

(ii) (a) Location, material and type;

Flat roof areas shall be pitched at minimum slope of approximately 1/8" per foot to controlled flow roof drains and standard roof drains and internal leaders. Roof drains and leaders shall be of cast iron and shall be connected to the building's storm drainage system.

The large roof areas above the fourth, sixth and seventh floor levels shall be equipped with controlled flow drain assemblies with adjacent overflow drains. The other roof areas will be equipped regular roof drains with adjacent overflow drains. The roof area above the stair and elevator bulkhead will be equipped with aluminum scuppers and leaders which will drain to aluminum splash blocks at the roof above the seventh floor.

The design of the roof and site drainage system (Site Connection Proposal) was reviewed and approved by the New York City Department of Environmental Protection, as a prerequisite of the building plans being approved by the New York City Department of Buildings. The drainage system was designed to comply with Section 1503.4 of the 2014 N.Y. City Building Code.

(ii) (b) Gutters and leaders (type, material);

There will be aluminum scuppers and leaders at the roof area above the stair and elevator bulkhead which will drain the runoff to aluminum splash blocks and to the roof drains above the seventh floor level.

(iii) Skylights (location, type, material):

There will be no skylights located at the roof areas of the building.

(iv) Bulkheads:

(iv) (a) Stair (material);

The exterior walls of the stair bulkhead shall be of poured, reinforced concrete with a stucco exterior finish. The interior surfaces shall be finished with gypsum wallboards. The roof areas shall be finished with a rubberoid roofing finish on rigid insulation, supported on a poured, reinforced, concrete slab.

(iv) (b) Elevator (material);

The exterior walls of the elevator bulkhead shall be of poured, reinforced concrete with a stucco exterior finish. The interior surfaces shall be finished with gypsum wallboards.

The roof areas shall be finished with a rubberoid roofing finish on rigid insulation, supported on a poured, reinforced, concrete slab.

(iv) (c) Other;

There will be no other bulkhead areas.

(v) Metal work at roof levels:

(v) (a) Exterior metal stairs (material);

There will be no exterior metal stairs at the roof areas of the building.

(v) (b) Vertical ladders, including gooseneck;

There will be one vertical, galvanized steel, gooseneck ladder at the roof area above the sixth floor and two at the roof area above the seventh floor. The ladders will provide access to the roof above the seventh floor (from the seventh floor terrace) and the roof above the stair and elevator bulkhead (from the roof above the seventh floor level). All bolts and fasteners shall be of corrosion resistant materials.

(v) (c) Railings;

There will be masonry parapet walls and tempered glass guardrails set in extruded aluminum frames at the perimeter of roof terraces and balcony areas. The parapet walls and guardrails will be a minimum height of three feet and six inches (3'-6") above the finished roof and balconies. The maximum spacing between components of the guardrails shall be approximately four inches (4") as required by the N.Y. City Building Code.

(v) (d) Hatches to roof;

There will be no hatches to the roof areas.

(v) (e) Other;

There will be no other structures at the roof areas.

(vi) Rooftop Facilities:

Access to roof areas has been designed to comply with Section 504.4 (Rooftop Access) of the 2014 N.Y. City Fire Code.

There will be no rooftop facilities at the roof areas above the seventh floor and stair and elevator bulkheads.

The roof areas above the fourth, fifth, sixth and seventh floor will be a private, limited common, passive recreation area for the units located at the fifth, sixth and seventh floor levels.

The roof terraces will be listed as accessory areas to the adjacent apartments on the Certificate of Occupancy. The terrace areas will be only for the use of the adjacent residential units and will have the same occupancy as the residential unit. The roof terrace areas will not be used as commercial spaces.

There will be hookups provided for a sink and gas fired barbecue grill provided at the roof above the seventh floor. The actual equipment to be installed will be provided by the eventual unit's owner. The location of the equipment has been approved by the N.Y. City Department of Buildings.

Access easement to all common, mechanical equipment, electrical wiring and plumbing throughout the building will be noted in the Declaration which is part of the Offering Plan.

(8) Fire Escapes:

There will be no fire escapes at the exterior of the building as fire escapes are not permitted on new buildings. Interior egress stairs will be provided as per Section (h)(10) of this Report.

The following sub sections will not be applicable to this Report:

- (i) Location;
- (ii) Floors covered;
- (iii) Drop ladder;
- (iv) Type;
- (v) Materials;

(9) Yards and Courts:

There will be one front yard area on the site because of the unique shape of the property.

The front yard area will be located at Ocean Parkway and will be a minimum depth of thirty feet measured perpendicular to the front facade of the building facing the property line at Ocean Parkway. The front yard area will be at grade level and will contain an open area planted with grass and shrubs and a paved walkway providing access to the main entrance.

The planted area will be a limited common open yard area to the unit located at the first floor level. The limited common yard area will be accessed from a single hinged, glass door adjacent to the living area of the unit.

(i) Paving;

The open yard area will be partly paved with reinforced concrete and partly paved planted with grass and shrubs at the perimeter of the planted area.

(ii) Drainage;

The yard areas will be equipped with controlled flow, cast iron, area drains connected to the building's storm drainage system..

(iii) Railings;

There will be no guard railings at the front yard area.

(iv) Stairs;

There will be no stairs at the open yard area.

(v) Fencing;

There will be a four foot high, wrought iron fence at the front yard area along the property line at Ocean Parkway. The maximum spacing between components of the fence shall be approximately four inches (4") on center.

(vi) Walls;

There will be a four foot high masonry wall at the yard area to the front of the building at the Ryder Avenue property line.

(10) Interior Stairs:

(i) Number and type;

There will be a scissor type, interior egress stairs within the building, located centrally and at the Northerly, side lot line. The stairs will terminate at the first floor, grade level and will provide egress from the cellar and from the second floor through to the roof above the seventh floor of the building.

There will also be two interior stairs within the residential units with multiple levels; one at the cellar through second floor levels and at the other at the sixth and seventh floor levels of the building.

(ii) Enclosure;

The walls enclosing the interior, egress, stairs will be of poured, reinforced concrete and also of steel studs with two layers of gypsum wallboards on each side. The ceiling areas, below the landings of the egress stairs shall be of smooth concrete. The enclosures will have a minimum fire resistance rating of two hours.

(iii) Stair construction;

The interior egress stairs shall be of poured, reinforced, concrete construction. The interior stairs within the units shall be of steel pan construction.

(iv) Stringers;

The stringers at the interior egress stair shall be a poured in place concrete construction with steel re- bar reinforcement. The interior stairs within the units shall have steel channel stringers.

(v) Treads;

The treads of the egress stairs shall be of poured, reinforced, concrete construction. The treads of the interior stairs within the units shall be of poured concrete construction.

The treads of the curved interior stair within the unit will be a minimum width of ten inches at the narrowest point and will satisfy the requirements of a means of egress from the seventh floor as per the 2014 N.Y. City Building Code.

(vi) Risers;

The risers of the egress stairs shall be of concrete construction. The risers of the stairs within the units shall be of steel plate construction.

(vii) Guardrails;

The open perimeter of egress stair landings, where necessary, shall be protected with galvanized steel guardrails. The open perimeter of stairwells and landings within the units shall be protected with galvanized steel or wood guardrails or tempered glass set in extruded aluminum framing.

All guardrails shall be a minimum height of three feet and six inches (3'-6") above the level of the landings. The maximum spacing between the vertical mullions or other components of the railings shall be approximately four inches (4") on center, as required by the N.Y. City Building Code.

The egress stairs shall be equipped with galvanized steel tube handrails. The interior stairs within the units shall be equipped with steel tube or wood handrails. Handrails shall be a minimum height of thirty inches above the finished level of the treads.

(viii) Balustrade;

There will be no balustrades at the perimeter of any of the stair landings.

(11) Interior Doors and Frames:

(i) Unit Entrance and Interior Doors and Frames;

The entrance door to each residential unit shall be single or double hinged, fireproof self-closing, hollow metal doors with a minimum rating of one and one half hours. Doors shall be mounted on steel frames. Each door shall be equipped with a peephole and an entry type lockset.

Interior doors within the residential units shall be, hollow core, wood doors, mounted on wood frames. Doors within the residential units shall be equipped with passage type locksets.

(ii) Corridor doors and frames;

There will be corridor doors located at each floor level of the building and will provide access to mechanical rooms, meter rooms, storage rooms and refuse disposal rooms. Corridor doors shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 ½ hours. All doors shall be set in steel frames.

(iii) Stair hall doors and frames;

Stair hall doors, located at the cellar through seventh floor levels and shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 ½ hours. All doors shall be mounted on steel frames.

(iv) Roof Doors, Cellar Doors and frames;

Cellar doors and roof doors shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 ½ hours. All doors shall be mounted on steel frames.

Unit 6A is the only residential unit located at the sixth and seventh floors of the building. The stair hall door from Unit 6A (which is located at the sixth floor) and that opens directly into the stair hall, shall be a 1½ hour fireproof, self closing door which shall also be a smoke and draft controlled door, complying with UL 1784 without artificial bottom seals. The door will be in compliance with Section 28.2-1014.4.1, Exception: 2 of the N.Y. City Building Code. The entire building is fully sprinklered.

(12) Elevators:

(i) Number;

There will be one passenger elevator provided in the building.

(ii) Manufacturer & capacity;

The passenger elevator shall be manufactured by Hollister-Whitney Elevator Corp. and shall have a capacity of approximately 2000 pounds. The elevator shall also be capable of accommodating approximately six persons at a time.

(iii) Type of Operation;

The elevator will be an overhead, traction type elevator.

(iv) Automatic (Type of controls);

The elevator will be fully automatic. The elevator car shall be equipped with a self leveling feature that will automatically bring the car to floor landings independent of the operable part and shall correct for over travel and under travel.

(v) Floors served;

The elevator will serve the cellar through seventh floor levels and the roof above the seventh floor of the building.

The elevator will be equipped with a key or code entry device which will limit access to the sixth and seventh floors to occupants of the unit located at those levels.

(vi) Type (hydraulic, gearless);

The elevator shall be of a geared traction type.

(vii) Doors (sliding, swinging, manual, automatic);

The elevator will be equipped with a single speed, automatic sliding door.

Elevator doors will be hollow core steel doors with a minimum fire rating of one and one half hours.

(viii) Location of machine rooms;

The elevator mechanical room will be located at the roof above the seventh floor level adjacent to the elevator.

(ix) DC motor (manufacturer);

There will be no DC motor.

- (x) AC motor generator set (manufacturer);

The elevator will be powered by a 12.5 H.P. motor and will be provided with a 208 volt triple phase electrical supply.

The Sponsor reserves the right to provide elevator equipment by a different manufacturer which is equal to or better than noted above.

The Sponsor reserves the right to provide elevator equipment by a different manufacturer which is equal to or better than noted above.

The Sponsor will provide a one year maintenance of service contract for the elevator after which time the Condominium Board will be responsible for securing a maintenance contract.

- (13) Elevator Cabs:

- (i) Kind (Manufacturer);

The elevator cab shall be manufactured by Hollister-Whitney Elevator Corp.

- (ii) Floor (Material);

The floor shall be of vinyl composition tiles. The saddle at the opening of the elevator cab shall be of vinyl or extruded aluminum and shall be at the same level as the finished floor inside the cab and the finished floor of each landing. The path of travel between elevator and the landings at finished floor levels shall be compliant with the 2010 ADA requirements.

- (iii) Walls (Material);

The walls shall be finished with plastic laminate.

- (iv) Ceiling (Material);

The ceiling shall be a suspended ceiling with a stainless steel finish.

- (v) Lighting;

The elevator cab will have recessed LED lighting fixtures each with the equivalence of approximately sixty watts of incandescent illumination.

- (vi) Alarm, Safety system;

The elevator cab will be equipped with an emergency alarm and light and communication system.

The Sponsor reserves the right to install elevator equipment, finishes and alarm systems by a different manufacturer which are equal to or better than noted above.

(i) AUXILIARY FACILITIES

The auxiliary facilities will include laundry closets within the residential units and a refuse disposal room and chute, located at the second through sixth floor levels as well as a refuse storage room, accessible from the parking area at the first floor level. There will also be a bicycle storage room located at the second floor level of the building.

There will be no separate package storage rooms or bicycle storage rooms in the building.

(1) Laundry rooms:

(i) Location and number;

There will be one laundry closet provided within each residential unit with hookups for domestic type, side by side or stackable type, electric washing machines and electric or gas fired dryers.

The laundry closets at Units 5 A and 5B located at the fifth floor level will only be able to accommodate stackable type, washers and dryers. The laundry closets at all other units will be able to accommodate stackable or side by side washers and dryers.

The actual laundry equipment to be installed will be the responsibility of each unit's occupant. Laundry equipment to be installed shall be U.L. approved or N.Y. City M.E.A. or B.S. and A. approved if necessary.

(ii) Clothes Washers;

There will be no washing machines provided by the Sponsor

(iii) Clothes Dryer;

There will be no clothes dryers provided by the Sponsor.

(iv) Room Ventilation;

There will be a fresh air, intake and exhaust ventilation provided for laundry closets and mechanical closets within each residential unit. There will also be galvanized steel, exhaust ventilation flues provided for interior bathrooms and toilet rooms. Exhaust vent ducts will terminate at the roof above the seventh floor level.

(v) Dryer Ventilation

There will be galvanized steel exhaust ventilation ducts provided in each laundry closet for gas fired dryers. Exhaust vent ducts will terminate at the roof above the seventh floor level.

(2) Refuse Disposal:

Refuse disposal will be the responsibility of each residential unit's occupant. There will be a refuse room with a disposal chute, accessible at the second through sixth floor levels of the building. There will also be a refuse storage room at the first floor level of the building.

Residential unit occupants will dispose of their garbage in the refuse chutes within the rooms on each floor. Residential garbage will be packaged and removed from the refuse storage room at the first floor, by a janitorial service. Refuse will be placed at curb level the night before scheduled pickups; from where it will be collected by the New York City Sanitation Department on days designated for garbage removal.

(i) Incinerators;

There will be no incinerators in the building.

(ii) Compactors;

There will be no trash compactors in the building.

(iii) Approvals by Authority having jurisdiction;

There will be no approvals required for the removal of garbage. Residential garbage will be removed by the N.Y. City Department of Sanitation.

(iv) Storage Location;

Residential garbage will be stored in a refuse room located adjacent to the parking area at the first floor level of the building.

(v) Pick-up Schedule;

The schedule for garbage removal at the location of the site is Wednesdays and Saturdays with recycling on Wednesdays as per the N.Y. City Department of Sanitation's website.

(3) Bicycle storage;

There will be an enclosed, bicycle storage area located at the second floor level adjacent to the westerly side lot line, towards the rear of the building. There will be five, double height, bicycle storage racks capable of storing a total of ten bicycles.

Each storage rack space will be allocated on a first come first served by request basis by the Sponsor. The walls and ceilings of the bike storage area shall be finished with gypsum wallboard which will be primed and painted. The floors and base shall be of vinyl tile. The enclosure will be secured with a hollow steel core door equipped with an entry type lockset.

(4) Storage;

There will be an enclosed storage area at the cellar floor level for the residential unit located at the sixth and seventh floor level. The storage area will be enclosed with masonry walls with gypsum wallboard finish on steel furring studs and with steel stud walls finished with gypsum wallboards on both sides. The enclosure will have a minimum fire resistance rating of two hours. The ceiling will be of gypsum wallboards on steel furring channels.

The floor will be finished with vinyl tile. The walls and ceilings will be painted with one coat of primer and one coat of finish paint.

There will be a hollow core, steel access door with a minimum fire resistance rating of one and one half hours. The door will be equipped with an entry type lockset for security.

(j) PLUMBING AND DRAINAGE

(1) Water Supply:

Water will be supplied to the units through connections to the building, from the existing New York City Water Distribution System located in the roadway beneath Ryder Avenue. There will be a new, minimum 4" combined domestic and sprinkler, copper water main conveying water into the building.

There will be a main shut-off valve located in the sprinkler mechanical room, at the cellar floor level towards the front of the building.

Each residential unit is to be supplied with cold water from a minimum ½" copper piping. Each residential unit will have its own hot water heater, located in mechanical closets within the units.

The hot and cold water piping throughout the building will be protected with a minimum ½" thick polyethylene, thermal insulation with a minimum R value of 2 as required by the N.Y City Energy Code and the N.Y, State Energy Conservation Construction Code.

The building will rely on normal New York City water pressure for raising water to the seventh floor level

(2) Fire Protection System:

There will be a wet pipe, sprinkler system installed throughout the building. There will be dry sprinkler heads located at the enclosed parking area at the first floor level. A sprinkler application number 321748276, was filed with and approved by the Brooklyn Office of the New York City Department of Buildings, by a New York State licensed, Mechanical Engineer in conjunction with the new building application. The required permits have been secured for the installation of the sprinkler system.

There will also be a smoke detector and sprinkler, fire alarm system installed throughout the building. A separate fire alarm application will be filed with the Brooklyn Office of the New York City Department of Buildings and the N.Y. City Fire Department, by a New York State licensed, Mechanical Engineer. The required permits will be secured prior to the installation of the fire alarm system.

The nearest fire hydrant to the building is approximately ten feet, South of the Northerly, side property line, running perpendicular to Ocean Parkway.

(i) Standpipes;

There will be no standpipes in the building.

There will be a minimum 4" diameter, steel, sprinkler riser pipe, located in the common egress stair enclosure.

(ii) Hose racks, hoses and nozzle;

There will be no hose racks, hoses and nozzles in the building.

(iii) Sprinkler heads;

Sprinkler heads shall be mainly of the concealed, pendant type within the residential units and of the upright pendant type at the cellar and mechanical room areas. There will be no sprinkler heads at the bathroom areas.

Sprinkler heads have been designed with a temperature rating of approximately 135-170 degrees Fahrenheit.

(iv) Siamese Connection;

There will be a 3" x 3" x 4" free standing, or wall mounted, siamese connection located at the front property line at Ryder Avenue approximately fifteen feet from the corner of Ocean Parkway. The connection will be a minimum of 18" above grade.

(3) Water storage tanks and enclosures:

There will be no water storage tanks at the roof of the building. The following sub sections will not be applicable to this Report:

(i) Number, type, location;

(ii) Material (Interior, exterior and roof);

(iii) Access to tank;

(iv) Capacity (total gallons);

(v) Capacity (fire reserve);

(4) Water pressure;

The building will rely on normal N.Y. City water pressure which is adequate to raise the water to the seventh floor level of the building. The water pressure at the site was found to be approximately 56 psi as per a hydrant flow test which was conducted by the New York City Department of Environmental at the request of the Sponsor's Mechanical Engineer.

(5) Sanitary Sewage System:

(i) Sewage piping (materials);

Sanitary sewage piping shall be of extra hard cast iron.

(ii) Sewage pumps;

There will be no sewage ejector pumps located in the building.

(iii) Sewage disposal;

The sanitary waste will be conveyed to the New York City sewer system via new, extra heavy cast iron, sewer pipes located within the building, which will lead to a house trap of extra heavy cast iron, located towards the front of the building at the first floor level.

Beyond the house traps, there will be new 6", extra heavy cast iron, sanitary drain pipes which will be connected to the existing 24" combined sewer located in the roadway beneath Avenue N.

(6) Permits required:

A permit for the installation of plumbing fixtures shall be obtained from the Department of Buildings prior to the installation of all plumbing work within the building and on the site. A Site Connection permit shall be obtained from the Department of Environmental Protection prior to connecting to the existing New York City sewer system.

All plumbing work shall be performed by a N.Y. State licensed Plumber.

(7) Storm Drainage System:

The storm drainage will be a gravity flow system. The on-site, storm drainage system will consist of; controlled flow, cast iron, roof drains connected to vertical, interior cast iron leaders, cast iron area drains, below grade, horizontal, cast iron drains.

The run-off from the roof and yard areas will be conveyed a new 6" extra heavy, cast iron, horizontal, storm drain. The 6" storm drain will be tied into a new combined 6" site connection which will lead to the existing 24" combined sewer, located in the roadway beneath Avenue N.

The proposed storm drainage system has been approved by the N.Y. City Department of Environmental Protection, prior to approval of the building plans by the N.Y. City Department of Buildings.

(i) Catch Basins;

Catch basins are located in the public roadway along Ocean Parkway and along Ryder Avenue.

Catch basins are constructed of concrete with steel grating covers and have been designed and installed by the N.Y. City Department of Transportation. The catch basins comply with the standards of the N.Y. City Department of Transportation, the N.Y. City Department of Buildings and the N.Y. City Building Code.

(ii) Yard and Roof drains;

There will be controlled flow, cast iron, roof drains located mainly at the roof areas above the first, third and seventh floor levels of the building. There will be aluminum scuppers and leaders at the roof area above the stair and elevator bulkhead. Area drains will be located in the yard area to the front of the building and at the covered parking area.

(iii) Piping;

Interior, vertical, storm and waste pipes shall be of cast iron.

(iv) Ejector or Sump pumps;

There will be no ejector pumps in the building.

There will be a sump pump located in the elevator pit at the cellar floor level. The pump will be Model number 10E-CIA-RFS as manufactured by Little Giant.

The Sponsor reserves the right to provide a sump pump by a different manufacturer which is equal to or better than noted above.

(k) HEATING (SPACE HEATING AND DOMESTIC HOT WATER)

(1) Domestic hot water shall be provided for each residential unit by gas-fired, hot water heaters which will be located within mechanical closets within or adjacent to the residential units on each floor. There will also be electric, hot water heaters located within mechanical closets for the one bedroom unit at the second floor level and the common Recreation space at the second floor level.

There will be no “instant hot water on demand mechanism or devices” provided for the hot water heating system. The hot water heating system shall be designed to be capable of providing peak required services to each residential unit.

Heating of the residential units (with the exception of the unit located at the first floor and part cellar) will be achieved by a gas-fired, hydronic, radiant heating system and an electric, multizone, split, forced air, HVAC system. The unit located mainly at the first floor will be heated only by a multizone, split, forced air, HVAC system.

Radiant floor heating will be provided in all the spaces within the residential units (except for the residential unit located mainly at the first floor level and at part of the cellar). Radiant heating tubes will be installed beneath the finish flooring within the residential units at the second through seventh floor levels of the building.

Heated air will also be supplied to the spaces within the residential units, by an electric, multizone, split heating and cooling system (via galvanized steel ducts and wall and / or ceiling registers).

Heating of the common Recreation spaces will also be achieved by a split, forced air, HVAC system. Heated air will be supplied to the spaces within the units (via galvanized steel ducts and wall and / or ceiling registers).

The space heating system will be designed to maintain a minimum inside temperature of 70 degrees Fahrenheit, when the outside temperature is 15 degrees Fahrenheit with a 15 mph wind (in accordance with ASHRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport).

Original Test and Balancing Reports for the HVAC System shall be provided to the Condominium Board upon conversion.

(2) Number of boilers and description:

There will be at least one, new, gas fired, hot water heater provided in the mechanical closets, within or adjacent, to each residential unit. There will also be one, electric, hot water heater provided for the Recreation space at the second floor level and one for the, one bedroom, residential unit located at the second floor level.

(3) Manufacturer (model, capacity):

Each gas fired, hot water heater, shall be model number **GDV-40** as manufactured by **AO SMITH**. Each electric, hot water heater shall be model number **HNS-40** as manufactured by **AO SMITH**.

Each heater will have a rated input heating capacity of approximately 40 gallons and shall be UL rated. Each hot water heater will operate with an efficiency rating of approximately eighty (80 %) percent.

The hot water heaters will have a limited warranty of six (6) years on tanks and parts.

The Sponsor reserves the right to provide hot water heaters by different manufacturers which are equal to or better than noted above.

The air handlers will distribute the heated air to the ducts and registers within the Residential units and will be located at the ceiling of the mechanical closets within or adjacent to the residential units on each floor.

The indoor, air handlers will be model numbers **PVA-A36AA7** and **PVA42-42AA7** as manufactured by **MITSUBISHI**. The air handlers will have heating capacities of 36,000 and 42, 000 Btu's per hour respectively and will operate with approximately 90% efficiency. Air handlers will be equipped with thermostats for temperature and air distribution control.

The air handlers operate with a HSPF of approximately 10.00.

The Sponsor reserves the right to provide air handlers by a different manufacturer which are equal to or better than noted above.

The outdoor, heat pump / condenser units will be model numbers **PUY-A36NKA7** and **PUY-A42NKA7** as manufactured by **MITSUBISHI**. The heat pump condenser units will have heating capacities of 36,000 and 42, 000 Btu's per hour respectively and will operate with approximately 90% efficiency.

The heat pump / condensers operate with a HSPF of approximately 10.00.

Mitsubishi equipment have a five year warranty on parts and a seven year warranty on compressors.

The Sponsor reserves the right to provide heat pump / condenser units by a different manufacturer which are equal to or better than noted above.

All interior and exterior equipment shall be secured with corrosion resistant materials and fasteners. Rooftop equipment shall be supported on a minimum three inch thick polypropylene pads to limit vibration to the residential units below.

Rooftop piping shall be insulated with a minimum ½" thick, fiberglass, exterior pipe insulation as manufactured by Owens Corning.

The radiant heat piping shall be, Aqua Heat PEX-B piping as manufactured by ComfortPro Systems LLC, 751 N. Rohlwing Rd., Itasca, IL 60143.

The tubing has a twenty-five year factory limited warranty. The accessories for the system which include; isotherm controls, by-pass modules, thermostats and controls have a two year factory limited warranty and the fittings and parts which include, heat transfer plates, supports and fasteners all have a one year factory limited warranty.

The Sponsor reserves the right to provide radiant heat piping by a different manufacturer which is equal to or better than noted above.

(4) Manufacturer and age of burners (model, capacity):

The hot water heater burners will be new and will be as manufactured by **AO SMITH**.

Air handler and heat pump / condenser components will be new and will be as manufactured by **MITSUBISHI**.

The Sponsor reserves the right to provide burners and components by different manufacturers which are equal to or better than noted above.

(5) Type of Controls:

Each hot water heater and indoor heating components, shall be equipped with thermostats for temperature control of the interior spaces.

(6) Radiators, piping, etc.

There will be no radiators.

(7) Fuel (supply system):

Gas service will be provided by National Grid. The gas will be used for domestic cooking and for hot water heating and will be distributed throughout the building by black iron piping.

- (8) Location of oil tank:
There will be no oil tanks in the building.
- (9) Capacity of oil tank:
There will be no oil tanks in the building.

(l) **GAS SUPPLY**

- (1) Type;
A new 3" gas main will be provided for the building from Ocean Parkway.
Gas service will be provided by National Grid Company to each residential unit with the exception of Unit 2A. The gas will be used for domestic cooking, and for heating. Unit 2A will have an electric range.
- (2) Meters;
There will be a minimum of seven (7), new, gas meters. Gas meters will be located in a meter room at the cellar floor level.
- (3) Piping;
Gas piping throughout the building shall be of black iron.

(m) **AIR CONDITIONING**

The cooling systems will be designed to provide sufficient cooling to maintain inside conditions of 78 degrees Fahrenheit and 50% relative humidity when the outside conditions are 88 degrees Fahrenheit dry bulb and 72 degrees wet bulb (in accordance with ASHRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1B, for New York City, JFK Airport). Indoor design temperatures will be in accordance with the New York State Energy Conservation Construction Code.

Original Test and Balancing Reports for the HVAC System shall be provided to the Condominium Board upon conversion.

- (1) Type of system,
Cooling of the units will be achieved by the cooling cycle of the split, forced air, H.V.A.C. systems. Cooling of each residential unit will be achieved by supplying cool air (via galvanized steel ducts and ceiling and wall registers) to the different spaces within the units.

The compressor / condenser units, which will generate the energy required for cooling, will be located at the roof area above the stair and elevator bulkhead and at the roof area above the first floor level.

(2) Central System (manufacturer, model, capacity):

The cooling system will be as manufactured by **mitsubishi** and air handlers will be located within mechanical closets, within or adjacent to, the residential units.

The indoor, air handlers will be model numbers **PVA-A36AA7** and **PVA42-42AA7** as manufactured by **mitsubishi**. The air handlers will have cooling capacities of 36,000 and 42, 000 Btu's per hour respectively and will operate with approximately 90% efficiency. Air handlers will be equipped with thermostats for temperature and air distribution control.

The air handlers operate with a SEER of approximately 19.00.

The Sponsor reserves the right to provide air handlers by a different manufacturer which are equal to or better than noted above.

(3) Cooling towers or Condensers (number, location, description):

There will be heat pump / condensers, (at least one for each residential unit) located at the roof above the stair and elevator bulkhead and at the roof above the first floor level.

The outdoor, heat pump / condenser units will be model numbers **PUY-A36NKA7** and **PUY-A42NKA7** as manufactured by **mitsubishi**. The heat pump condenser units will have cooling capacities of 36,000 and 42, 000 Btu's per hour respectively and will operate with approximately 90% efficiency.

The heat pump / condensers operate with a SEER of approximately 15.00.

Mitsubishi equipment have a five year warranty on parts and a seven year warranty on compressors.

The Sponsor reserves the right to provide heat pump / condenser units by a different manufacturer which are equal to or better than noted above.

(4) Individual units covered by the offer (window / sleeve- number, location, description);

There will be no window sleeves provided for the units.

(n) **VENTILATION**

The spaces that require mechanical ventilation within the units are the interior bathrooms and kitchen areas. These spaces within the units shall be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation shall be 50 cfm; for bathroom areas and approximately 3cfm per square foot of floor area or a minimum of 150 cfm, for kitchen areas as required by the New York City Building Code.

The mechanical and laundry closets within the units shall be provided with exhaust ventilation ducts for gas fired heating equipment and for gas dryers. Fresh air intake ducts and registers for ventilation of mechanical equipment will also be provided as necessary.

The corridors and lobby areas at the first floor level will have natural ventilation from the doors to the exterior which open to those spaces.

Enclosed corridor areas at the cellar and at the second through seventh floor levels will be equipped with mechanical exhaust air registers which will remove air at approximately 200 cfm at each floor. The common egress stairs will also be equipped with exhaust ventilation louvers, at the exterior walls of the stair bulkhead, at the roof above the seventh floor.

Mechanical equipment rooms at the cellar level will also be equipped with fresh air intake ducts.

All exhaust equipment shall be UL approved and New York City M.E.A. or B.S.A. approved as necessary.

Mechanical ventilation equipment will have a noise emission rating of approximately 1.2 Sones.

(o) **ELECTRICAL SYSTEM**

(1) Service from main service switchgear;

The electrical service will be brought in from the terminal point of the Consolidated Edison Co to the building. The total service supplied to the building, shall be a 1,200 Amp, 240 Volt, triple phase, three wire, service.

The electrical service will be transported throughout the building via, insulated, three wire cables

(2) Service to the individual units;

There will be a separate electrical meter for each residential unit. There will be 100 Amps of electrical service supplied to each residential unit.

(3) Compartment switchgear;

The sectional meter boards and transformers supplying power to the meter boards will be located in electrical meter panels, at the meter room located at the cellar floor level towards the front of the building facing Ocean Parkway.

(4) Unit service;

Each residential unit will be equipped with 100 Amp fuses and circuit breakers. The electrical system will be adequate to handle modern usage and appliances such as dishwashers, microwave ovens and electric washers and dryers.

(5) Adequacy;

(i) Service;

There will be approximately six circuits with circuit breakers provided for each residential unit. The circuits will be adequate to handle modern appliances such as dishwashers and electric washers and dryers.

There will be no common emergency generator provided in the building in case of outages.

(ii) Lighting and Fixtures;

There shall be at least one centrally located, overhead, LED, lighting fixture, provided in each bedroom, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination or its equivalent. There will be no overhead lighting fixtures in the living areas. There will be electrical outlets provided at the perimeter of the living areas for the addition of floor and / or table lamp fixtures.

Lighting fixtures and electrical outlets; shall be installed by a licensed Electrician, and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

(iii) Convenience outlets & appliance outlets;

There will be convenience outlets and appliance outlets provided in each bedroom, living room, kitchen, bathroom, etc. within each unit.

Arc Fault Circuit Interrupters (AFCI) and Ground Fault Circuit Interrupters (GFCI) shall be provided at all outlets. Three way switches shall be provided at the cellar areas as necessary to comply with the N.Y. City Electrical Code.

Electrical equipment shall be installed by a licensed Electrician and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

(p) INTERCOMMUNICATION SYSTEM

Each residential unit will be equipped with an intercom located close to the main entrance door within the unit; which will permit voice contact between the inside of the residential units and the main entrance door at the first floor level. The intercom shall be equipped with a buzzer to allow access to the entrance lobby. The intercom shall be Model VC-MW/B as manufactured by Aiphone.

Aiphone warrants its products for a minimum period of two years after delivery.

The building will be wired for cable. Each unit's owner will be responsible for securing their own cable service provider at their own cost.

The Sponsor reserves the right to provide equipment by a different manufacturer which is equal to or better than noted above.

(q) PUBLIC AREA LIGHTING

LED lighting fixtures shall be provided in the common stairways and hallways and at the ceiling of the covered parking areas at the first floor level. Lighting fixtures shall also be provided at the common areas at the first floor level. Fixtures shall be capable of providing LED illumination equivalent to at least ten (10) watts per twenty five (25) square feet of floor area in incandescent lighting. Each lighting fixture shall be equipped with one or more LED lights, equivalent to not less than sixty (60) watts of incandescent illumination.

Wall mounted, LED, lighting fixtures shall be provided adjacent to the exterior entrances of the building; providing an aggregate illumination equivalent to at least two hundred (200) watts of incandescent illumination.

There shall also be wall mounted, LED, lighting fixtures provided, at the yard area to the front of the building, at approximately the level of the second floor. The wall mounted, lighting fixtures shall each provide the equivalent of a minimum of sixty (60) watts of incandescent illumination.

The ceiling, lighting fixtures for the interior public areas shall be Avalon, flush mounted, model number P3688 as manufactured by Progress Lighting.

The lighting fixtures at the exterior entrance shall be Bay View, wall sconces, model number MG01509 as manufactured by The Minka Group.

All public area lighting shall be adequate and shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

The Sponsor reserves the right to provide lighting fixtures by different manufacturers than noted above.

All lighting fixtures shall be installed by a N.Y. State licensed Electrician and shall comply with the New York City Electrical Code.

(r) **GARAGES AND PARKING AREAS**

There will be five enclosed parking spaces, located at the first floor / grade level of the building. Each parking space will be approximately eight feet and six inches in width and eighteen feet in length.

Parking units P 1 and P 5 will be approximately eleven feet and fourteen feet and eight inches in width, respectively to allow for easier maneuverability into and out of the spaces as they are located at either end of the line of parking spaces.

There will be one ADA parking space located closest to the entrance of the parking area and accessible from Ryder Avenue.

Each parking space will be sold as a separate unit.

The parking spaces shall comply with Section 25-40 of the N.Y. City Zoning Resolution. The parking spaces will be offered for sale to the purchasers of the residential units for the storage of the private passenger motor vehicles used by the occupants of such residences. Parking spaces, not used by its owner, may be rented for a period of not less than one week and not more than one month to persons other than occupants of the residences to which the spaces are accessory. Parking spaces that are rented shall be made available, to occupants of the residences to which they are accessory, within thirty (30) days after written request is made to the owner of the space.

(1) Location of garages;

There will be one enclosed parking area at the first floor level, accessible from Ryder Avenue, which will contain all the parking spaces.

(2) Location of parking areas;

There will be no other parking areas open or enclosed.

(3) Surfaces;

Parking surfaces shall be of poured concrete, reinforced with welded steel wire fabric. Each parking space will be delineated with dashed lines of white or yellow epoxy paint.

(4) Parking (attended or unattended);

Parking spaces will be unattended.

(5) Garage ventilation (method and equipment);

There will be mechanical exhaust ventilation provided for the enclosed parking area. There will also be a overhead roll up garage door with remote control access.

(6) Garage fire protection (method and equipment);

There will be dry type, sprinkler heads connected to the building's sprinkler system in the enclosed garage area.

(7) Drainage;

The parking area will be equipped with cast iron, area drains connected to the building's storm drainage system.

(s) **SWIMMING POOLS**

There will be no in ground or below floor level, swimming pools.

There will be a whirlpool / swim spa located at the cellar floor level, which will be a limited common element for the unit located mainly at the first floor level.

(1) Type (concrete, material composition) and Location;

The whirlpool / swim spa shall be Synergy Series, Swim Spa, model number FX19, as manufactured by PDC Spas, 3743 West Fourth Street, PO Box 4007, PA 17701. The spa will be constructed of a silver marble, acrylic shell finish at the interior surfaces and a smoke grey, acrylic, exterior cabinet finish.

(2) Size (length, width, depth, capacity);

The whirlpool / swim spa will be approximately nineteen feet in length by seven feet and eight inches in width and four feet and eight inches in height. The spa will be capable of accommodating approximately five persons at a time.

The total capacity of the unit will be approximately 2,425 gallons.

(3) Enclosure (material including roof);

The whirlpool / swim spa will be constructed of an acrylic finish at the interior and exterior surfaces. The spa will be located at the cellar floor level.

(4) Pumping and filter system;

The spa will be equipped with 2-Pristine System, built in filters and dual zone pumps for the fitness zone and the hot tub zone.

(5) Water heating equipment;

The spa will also be equipped with built in electric heaters for each zone will be.

(6) Structural support system (roof location);

The spa will be supported by the poured reinforced, concrete slab, on gravel and compacted fill, at the cellar floor level.

The hot tub / spa has a thirty five year warranty on the structure, fifteen year warranty on the finish , five year warranty on components and three year warranty on labor.

The private, residential, combined sauna and steam room will be a custom installed enclosure. The enclosure will be finished with tempered glass separation panels with full height tempered glass with, single hinged access doors.

The walls, floors and ceilings shall be finished with cedar wood panels. The steam enclosure shall be equipped with an electric, steam generator, model ES-12 and control panel and 360 degree, diffusing steam head, model EC-150-BN and as manufactured by Elite Steam.

The generator has a limited 10 year parts warranty and a 1 year in home labor warranty. The controller has a 1 year warranty on parts.

The sauna will be equipped with an electric heater, model FIN-30 as manufactured by Finlandia Harvia and imported by Finlandia Sauna Products, Inc, 14010-B S.W 72nd Avenue, Portland Oregon. The heater will be equipped with an on / off/ time and temperature control panel; model F-2T also as manufactured by Finlandia.

The heater is guaranteed for one year from the date of purchase covering parts and faults in manufacture and materials.

(t) **TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES**

There will be no tennis courts or playgrounds within or at the exterior areas of the building. Sub sections (1) and (2) will not be applicable to this Report.

There will be an open, limited common, yard area to the front of the building facing Ocean Parkway and Ryder Avenue allocated to the residential unit located at the first floor level.

Residential limited common yard areas and roof areas are for the private use of the residential units from which they are accessible, and will be the same occupancy as the residential units.

- (1) Tennis Courts:
 - (i) Type (clay, macadam, turf);
 - (ii) Number and Size;
 - (iii) Lighting (number and type);
 - (iv) Fencing and enclosure;
- (2) Playgrounds (size and location);
- (3) Other Recreation facilities;

There will be a common enclosed, recreation room and outdoor roof terrace, located at the second floor level. There will also be a smaller recreation room located at the cellar floor level. The recreation room at the second floor level will be approximately 460 square feet in area and will accommodate approximately 34 persons. The recreation room at the cellar floor level will be approximately 200 square feet in area and will accommodate approximately 12 persons.

There will be no furnishing provided in the enclosed recreation space by the Sponsor. The furnishing of the space and the activities that will be allowed shall be decided by the Condominium Board.

The times of access to the common, enclosed, recreational area, the eventual furnishings, maintenance and the rules and regulations governing the use of the space shall be decided by the Condominium Board.

(u) **PERMITS AND CERTIFICATES**

All required permits and sign-offs required and a final Certificate of Occupancy are to be obtained by the Sponsor.

The following permits will be obtained by the Sponsor:

PERMIT TYPE	AGENCY
Demolition	Department of Building
Fence	Department of Building
Sidewalk Shed	Department of Building
Foundation	Department of Building
General Construction	Department of Buildings
Plumbing	Department of Buildings
Sprinkler	Department of Buildings
Electrical	Department of Buildings
Elevator	Department of Buildings
Site Connection	Department of Environmental Protection
Builders Pavement (Construct new sidewalk)	Department of Buildings.

Permits issued by the New York City, Department of Buildings are valid for a minimum of one year from the date of issue or on the expiration date of the contractor's insurance policy whichever comes first. All work types for permits issued by the Department of Buildings are subject to inspection and signoff by the Department of Buildings prior to the issuance of a Certificate of Occupancy.

Site connection permits will be valid for two years from the date of issue.

All permits issued by the New York City Department of Transportation expire on December 31st of each year and are required to be renewed.

Recurring inspections to be performed after the building is in operation shall include but not be limited to; the Elevator system, Facade Inspection, Sprinkler System, Fire Alarm System and Mechanical Equipment.

(v) **VIOLATIONS**

There are currently two open violations listed for the property as per the N.Y. City Department of Buildings Information System website.

The outstanding violations were issued in 2008 and 2010 by the Department of Buildings, prior to the commencement of this project. The fees associated with the violations have been paid and Certificates of Corrections are being processed to resolve the violations as per the N.Y. City Department of Buildings, BIS website.

A Certificate of Correction will be submitted to the Department of Buildings for all outstanding violations obtained prior to completion of the project.

A Certificate of Occupancy will not be issued by the Department of Buildings until all violations, if any, are corrected.

(w) **UNIT INFORMATION**

The condominium will consist of seven (7) residential units and five parking units.

The residential units will be located at the first through seventh floor levels of the building. Parts of the cellar floor level will also be used with the residential unit located at the first floor level and part of the second floor.

The accessory space at the cellar will be a non-habitable space, shall not be used for living, sleeping or cooking and shall not be rented separately.

There will be one residential unit plus part of the first floor unit located at the second floor level.

There will be one unit located at each of the third and fourth floors, two units located at the fifth floor and a duplex unit located at the sixth and seventh floors.

The parking units will all be located at the first floor / grade level of the building.

There will also be sprinkler, mechanical equipment and meter rooms located at the cellar floor level

The floor to ceiling heights will be approximately; nine feet at the cellar level, eleven feet at the first floor level and nine feet at each of the second through seventh floors.

There will be double height spaces at units, 1 A, 5 A and 6 A. Double height spaces are to remain open as built as noted on the Certificate of Occupancy.

Unit 1 A will consist of:

Three (3) bedrooms, two, plus two half 2 + 2(½) bathrooms, living / dining area, kitchen, walk-in storage closet, accessory recreation room with swim spa and sauna, limited common laundry closet and limited common mechanical closets located in the public hallway and also accessible from Ryder Avenue;

Unit 2 A will consist of:

One (1) bedroom, one (1) bathroom, living / dining area, kitchenette, laundry closet and limited common mechanical closet located in the public hallway;

Units 3 A will consist of:

Four (4) bedrooms, three and one half (3 ½) bathrooms, living / dining area, kitchen, laundry room and mechanical closets;

Units 4 A will consist of:

Four (4) bedrooms, three and one half (3 ½) bathrooms, living / dining area, kitchen, laundry room and mechanical closets;

Unit 5 A will consist of:

One open living, dining and sleeping area, one and one half (1 ½) bathrooms, kitchenette and laundry closet;

Unit 5 B will consist of:

Three (3) bedrooms, three (3) bathrooms, living / dining area, kitchen, laundry closet and mechanical closet;

Unit 6 A will consist of:

Three (3) bedrooms, three and one half (3 ½) bathrooms, living / dining area, kitchen, den, laundry closet and limited common mechanical closets located in the public hallway;

Unit P 1 through P 5 will each consist of:

One (1) enclosed parking space;

UNIT SIZES:

The dimensions indicated are approximate and are located: horizontally; approximately to the outside face of the exterior walls of the building and approximately to the non-unit side of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units.

The floor to ceiling heights will be approximately; nine feet at the cellar level, eleven feet at the first floor level and nine feet at each of the second through seventh floors.

The approximate square footage for each unit is as follows:

<u>Unit 1 A</u>	First Floor	= 858 square feet
	Second Floor	= <u>1,029</u> square feet
		= 1,887 square feet
<u>Unit 2 A</u>	Second Floor	= 558 square feet
<u>Unit 3 A</u>	Third Floor	= 2,875 square feet
<u>Unit 4 A</u>	Fourth Floor	= 2,796 square feet
<u>Unit 5 A</u>	Fifth Floor	= 527 square feet
<u>Unit 5 B</u>	Fifth Floor	= 1,519 square feet
<u>Unit 6 A</u>	Sixth Floor	= 1,524 square feet
	Seventh Floor	= <u>1,405</u> square feet
		= 2,929 square feet
<u>Unit P 1</u>	First Floor	= 198 square feet
<u>Unit P 2</u>	First Floor	= 153 square feet
<u>Unit P 3</u>	First Floor	= 153 square feet
<u>Unit P 4</u>	First Floor	= 153 square feet
<u>Unit P 5</u>	First Floor	= 264 square feet

(1) **UNIT FINISHES:**

The units will be finished as described herein.

The finished floor of the bedroom areas of the residential units shall be a wood finish. Wood floors shall be of ¾" thick select grade, oak strips, hardwood finish, on a minimum ½" thick plywood underlayment. Living and dining areas shall be of ceramic tile. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceilings of the residential units shall be of gypsum wallboard. When finished the walls and ceilings shall be primed and painted with one primer coat and one finished coat of paint. Thereafter the unit owners may decorate by finishing with additional coats of paint, wallpaper, paneling, etc. of their own choice.

Residential kitchens shall have ceramic tile floors, and gypsum wallboard walls and ceilings.

Full, bathrooms shall be equipped with a washbasin, medicine cabinet, water closet and a combination bathtub/shower or a shower at master bathrooms. Bathrooms shall have ceramic tile floors. Tile around the bathtubs or showers shall extend to the ceiling. All other bathroom walls shall be of tile and moisture resistant, gypsum wallboard.

The Sponsor reserves the right to provide hardwood flooring of a different species than noted above.

When completed, the following interior finishes will be installed;

Location	Floors	Base	Walls	Ceilings
1. Living/Dining Room	Ceramic Tile	Tile	G.W.B. Painted	G.W.B. Painted
2. Bedroom	Wood	Wood	G.W.B. Painted	G.W.B. Painted
3. Kitchen	Ceramic Tile	Tile	G.W.B. Painted	G.W.B. Painted
4. Bathroom	Ceramic Tile	Ceramic Tile	Tile/G.W.B. Painted	G.W.B. Painted
5. Laundry Closet	Ceramic Tile	G.W.B. Painted	G.W.B. Painted	G.W.B. Painted
6. Mechanical Closet	Ceramic Tile	G.W.B. Painted	G.W.B. Painted	G.W.B. Painted
7. Parking Spaces	Concrete	Masonry	Mas./ G.W.B. Painted	Stucco Painted

Note:

G.W.B : Denotes Gypsum Wallboard
Mas. : Denotes Masonry
Cl. : Denotes Closet

(2) BATHROOM FIXTURE SCHEDULE:

- A. Water Closets: shall be model; Colony 2388.012 as manufactured by American Standard. Water closets shall be of vitreous china and shall be floor mounted and equipped with siphon flushing action. Water closets are also to be equipped with vacuum breakers and shall meet water saving performance standards as per New York City Local Law 29/89.
- B. Countertop lavatory: shall be model; Rondalyn 0491.019 as manufactured by American Standard with American Standard, model; Colony 2175.200 faucet; set in a plastic laminate finished, particle board vanity countertop.
- C. Bathtubs: shall be model; Salem 0155.017 with flow outlet, showerhead and trim model; Colony R110SS as manufactured by American Standard.
- D. Showers: shall be Studio Suite, model A800, acrylic shower base, with flow outlet, showerhead and trim model; Colony R110SS as manufactured by American Standard.

The Sponsor reserves the right to provide fixtures by different manufacturers which are equal to or better than noted above.

(3) KITCHEN EQUIPMENT SCHEDULE:

The kitchen areas will generally be provided with the following fixtures, appliances and equipment:

- 1. Formica or wood laminate, wall and base cabinets and formica or wood laminate countertops.
- 2. Stainless steel sinks (single-model HDSB252294) & (double-model HDDB332294) by Elkay. Sinks will be fitted with faucets by Delta model number 400.
- 3. One, four burner gas range by Frigidare, model number FGF 368 (typical installation) and one, four burner electric range by Frigidare, model number FFEF 3016VS for Unit 2 A.
- 4. One, electric, refrigerator by Frigidare, model number LGHT1837 LP.

Note:

The kitchen equipment ~~provided~~ noted above will be the base equipment provided for all the units. Purchasers of the residential units will have the option of installing additional appliances and equipment, and / or upgrading their own appliances and equipment, at their own expense, if desired. Hookups for dishwashers shall also be provided at the locations as indicated on the floor plans. Electrical outlets shall be provided at the kitchen areas to accommodate the installation of larger size refrigerators or additional refrigerator units.

Additional kitchen appliances and fixtures including additional or larger size refrigerators and gas ranges will be the responsibility of the unit owners.

The Sponsor reserves the right to provide fixtures and equipment by different manufacturers, which are equal to or better than noted above.

(x) **FINISH SCHEDULE (SPACES OTHER THAN UNITS)**

The following interior finishes will be installed at the locations as indicated;

Location	Floors	Base	Walls	Ceilings
1. Recreation Rooms	Vinyl Tile	Vinyl	Mas./ G.W.B. Painted	G.W.B. Painted
2. Mechanical Room	Concrete	Mas./G.W.B.	Mas./ G.W.B.	G.W.B. Painted
3. Meter Rooms	Concrete	Mas./G.W.B.	Mas./ G.W.B.	G.W.B. Painted
4. Stair Hallways	Concrete	Concrete	Mas./ G.W.B. Painted	G.W.B. Painted
5. Corridors	Concrete	Concrete	Mas./ G.W.B. Painted	G.W.B. Painted

Note:

G.W.B : Denotes Gypsum Wallboard

Mas. : Denotes Masonry

(y) **SAFETY AND WARNING DEVICES**

There will be a hardwired, combined smoke and carbon monoxide detector provided in each residential unit; within each bedroom and also at a maximum distance of fifteen feet from any bedroom door within the unit as required by the N.Y. City Building Code. The combined smoke and carbon monoxide detector shall be model number SC9120B as manufactured by BRK Brands Inc.

The building will also be equipped with a full sprinkler system and a fire alarm system.

The sprinkler system, the fire alarm system and the smoke and carbon monoxide detectors are the fire and smoke safety devices required by the N.Y. City Building Code.

The fire alarm central station will be located at the first floor level in adjacent to the lobby area.

The Sponsor reserves the right to provide a combined smoke and carbon monoxide detector by a different manufacturer which is equal to or better than noted above.

(bb) **FURTHER DEVELOPMENT**

There will be no further development of the property. The Sponsor shall not construct any additional units or phases after completion of the structure which is contrary to the plans as approved by the N.Y. City Department of Buildings.

(cc) **ASBESTOS**

There shall be no asbestos made products or products containing asbestos materials used in the construction of the building.

(dd) **LEAD-BASED PAINT**

There shall be no lead-based paint or lead-based paint products used in the construction and finishing of the building.

(ee) **CORROSIVE MATERIALS**

There shall be no “Chinese Drywall” or other known corrosive drywall materials used in the renovation of the building.

(ff) **TENANT PROTECTION PLAN**

The building will be new construction and will not be occupied by tenants and / or unit owners prior to the Sponsor obtaining a Certificate of Occupancy.

(gg) **DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM MANAGEMENT**

The following documents, as applicable, shall be transferred to the Condominium Management upon transfer of control:

Operation & Maintenance (O & M) manuals for mechanical equipment;

Electronic system manual;

Re-commissioning manual (as applicable);

Equipment Warranties;

Roof Warranty;

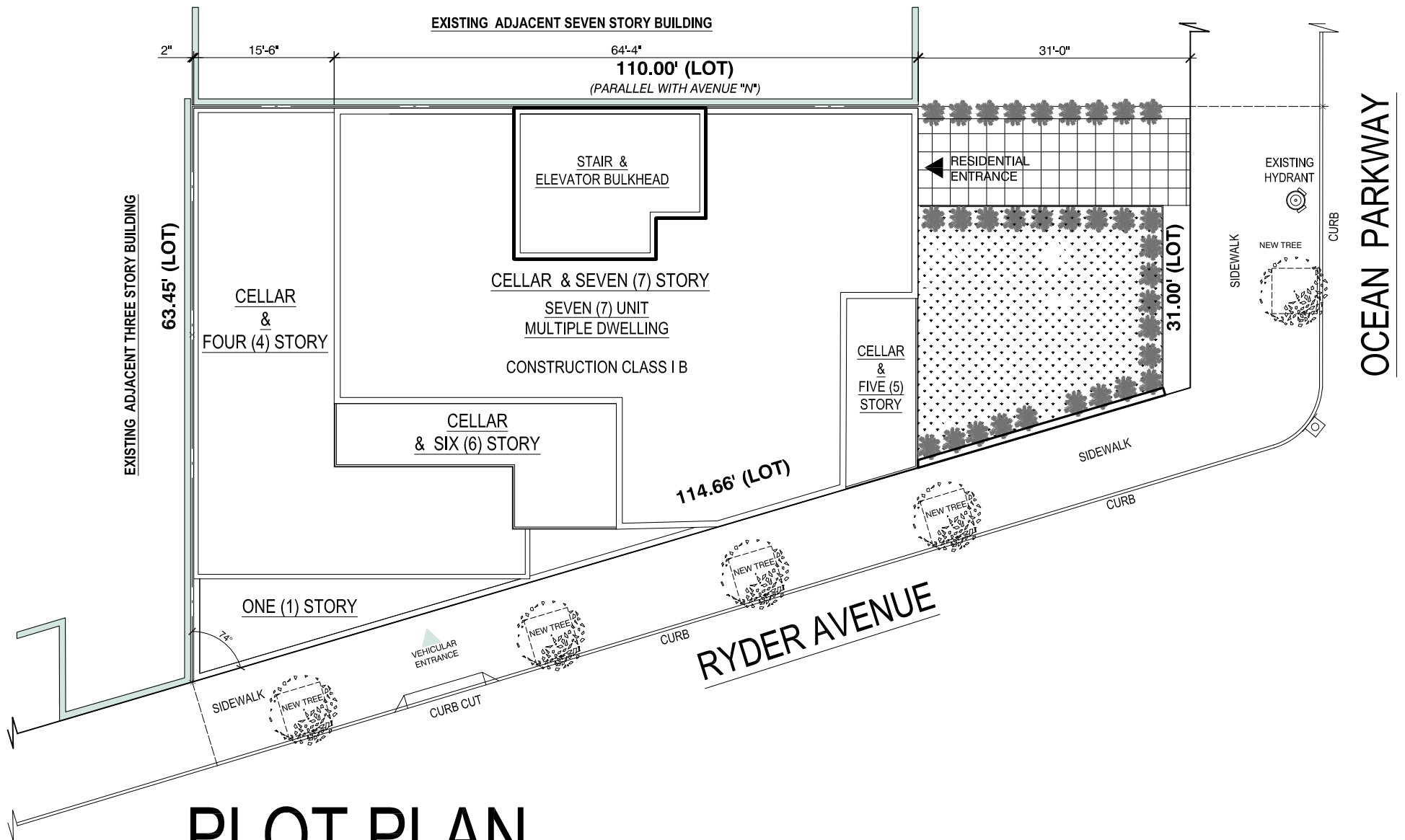
Major Equipment Start-Up Sheets;

Control System As-Built

Original Test and Balance Report for HVAC System;

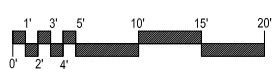
Indoor Air Quality Report;

Final As-Built Drawings as maintained during construction, ie, Structural, Mechanical, Electrical, Plumbing, Shop Drawings.



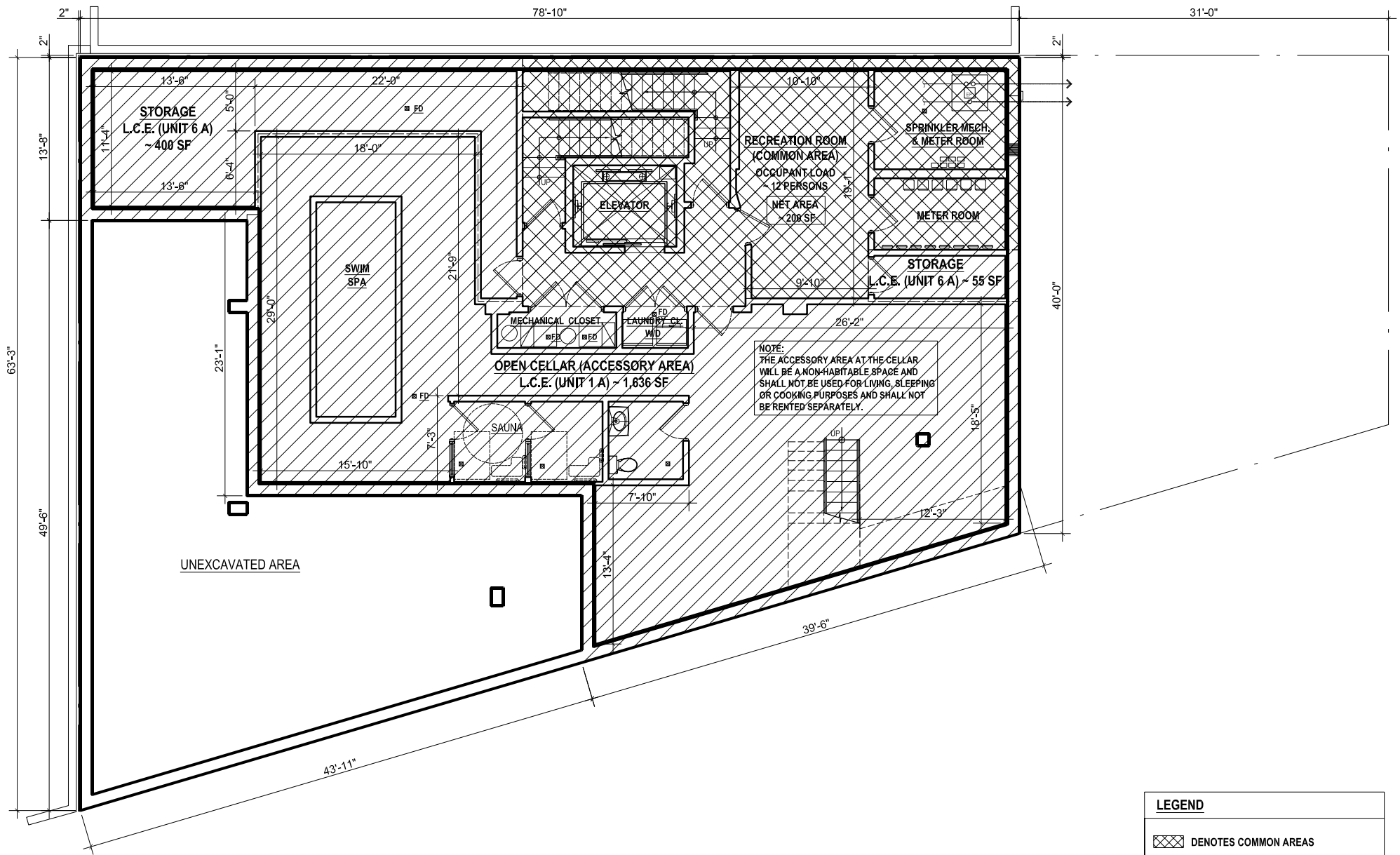
PLOT PLAN

1406 OCEAN PARKWAY, BROOKLYN, N.Y.



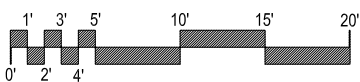
BLOCK : 6587
BASE LOT : 12

(DATE : 09-02-2021)



CELLAR FLOOR PLAN

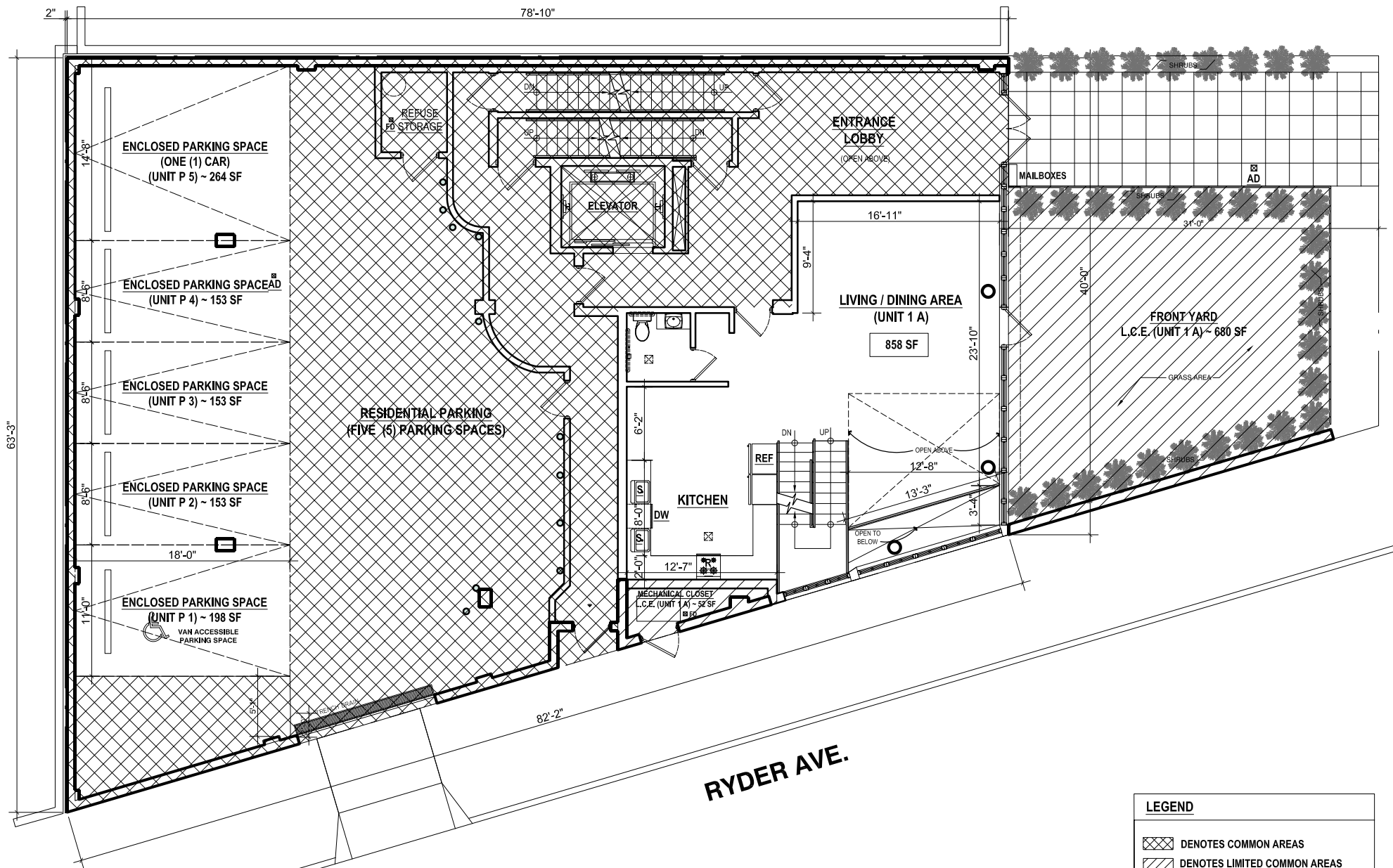
1406 OCEAN PARKWAY, BROOKLYN, NY



(DATE : 09-02-2021)

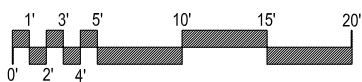
LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
SS	DENOTES SLOP SINK
DW	DENOTES DISHWASHER LOCATION
W/D	DENOTES WASHER & DRYER HOOKUP
FD	DENOTES FLOOR DRAIN
RD	DENOTES ROOF DRAIN
OD	DENOTES OVERFLOW ROOF DRAIN
AD	DENOTES AREA DRAIN

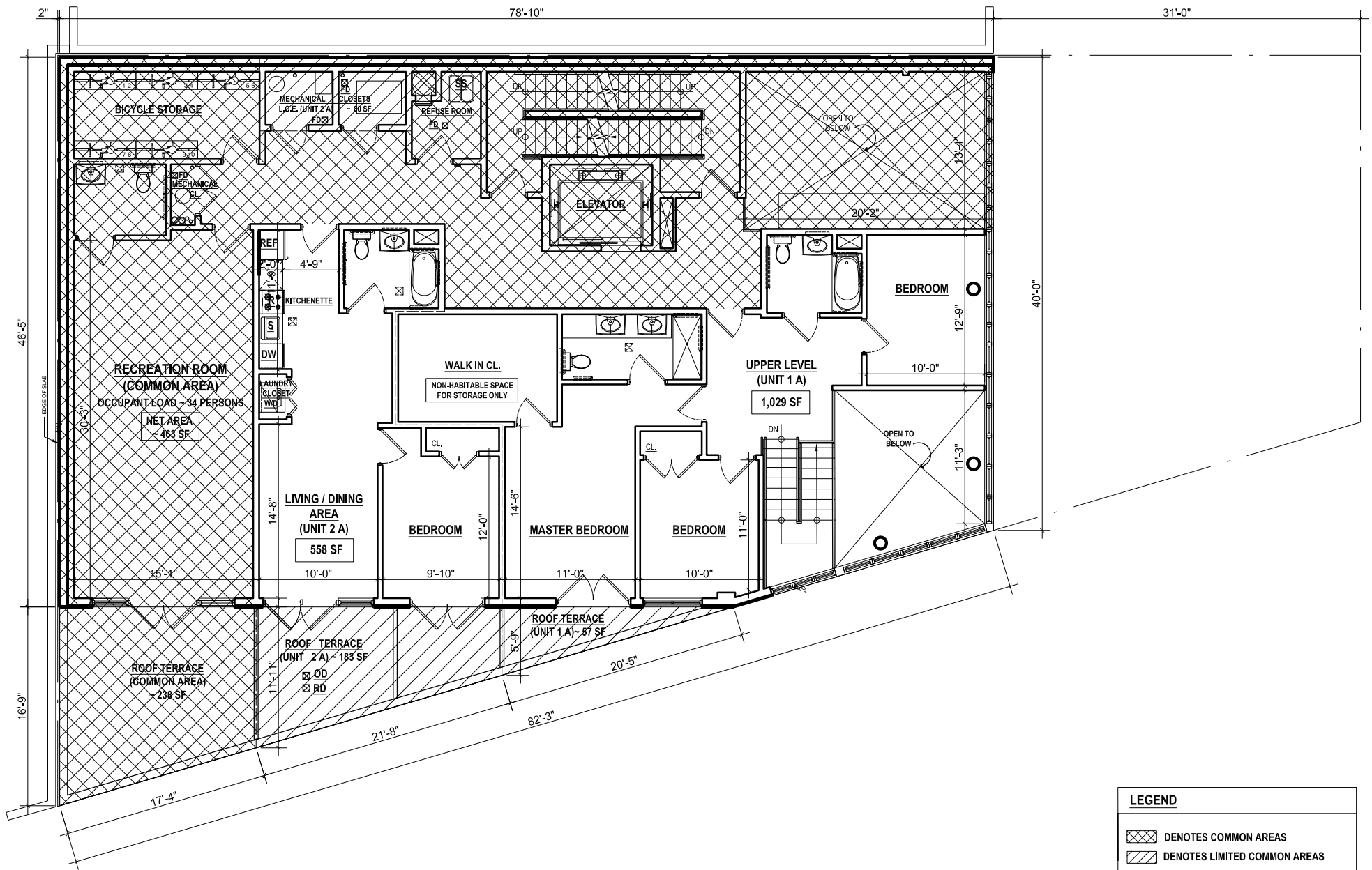


FIRST FLOOR PLAN

1406 OCEAN PARKWAY, BROOKLYN, NY

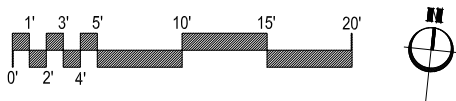


(DATE : 09-02-2021)

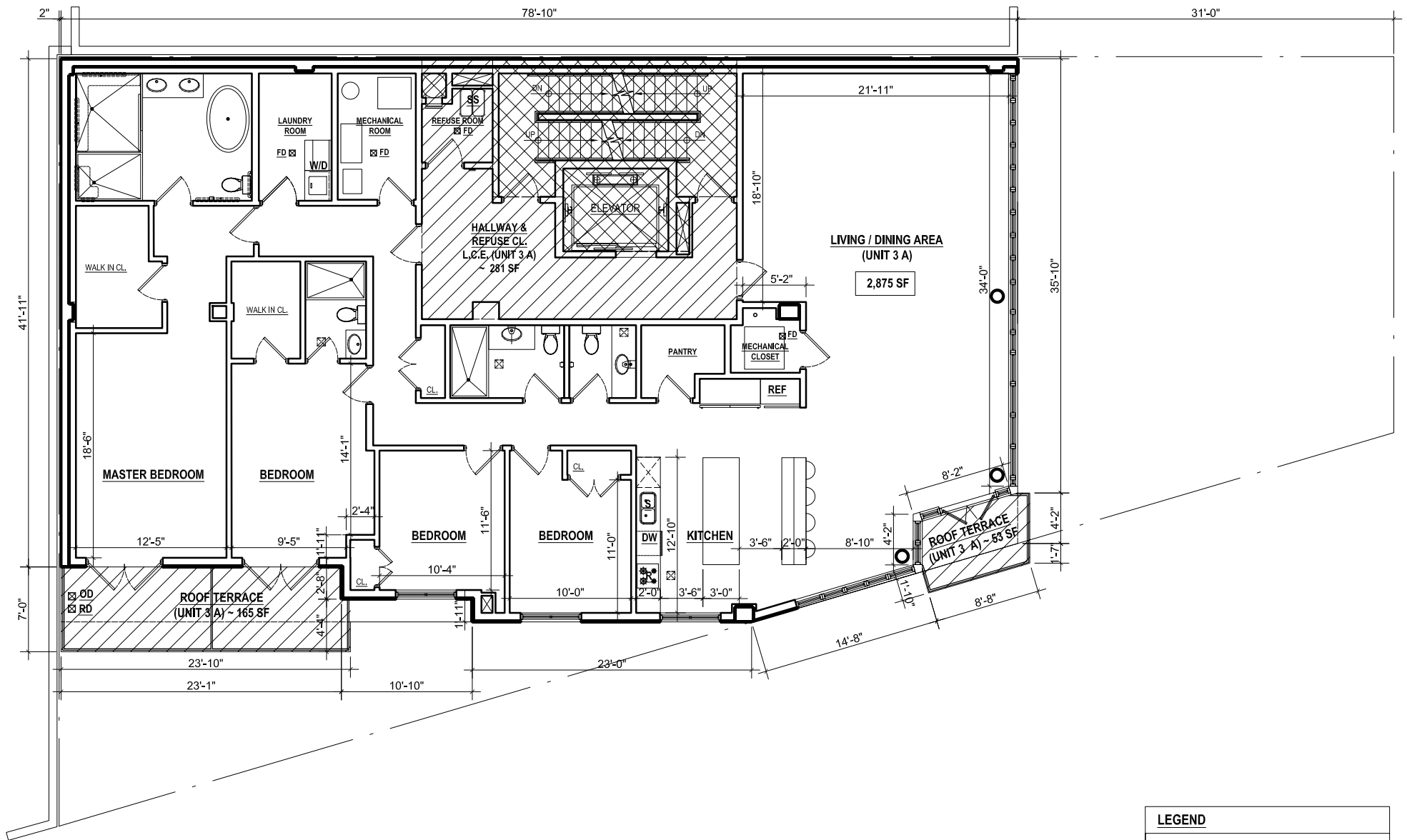


SECOND FLOOR PLAN

1406 OCEAN PARKWAY, BROOKLYN, NY

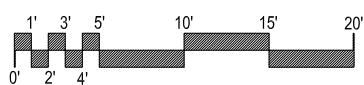


(DATE : 09-02-2021)



THIRD FLOOR PLAN

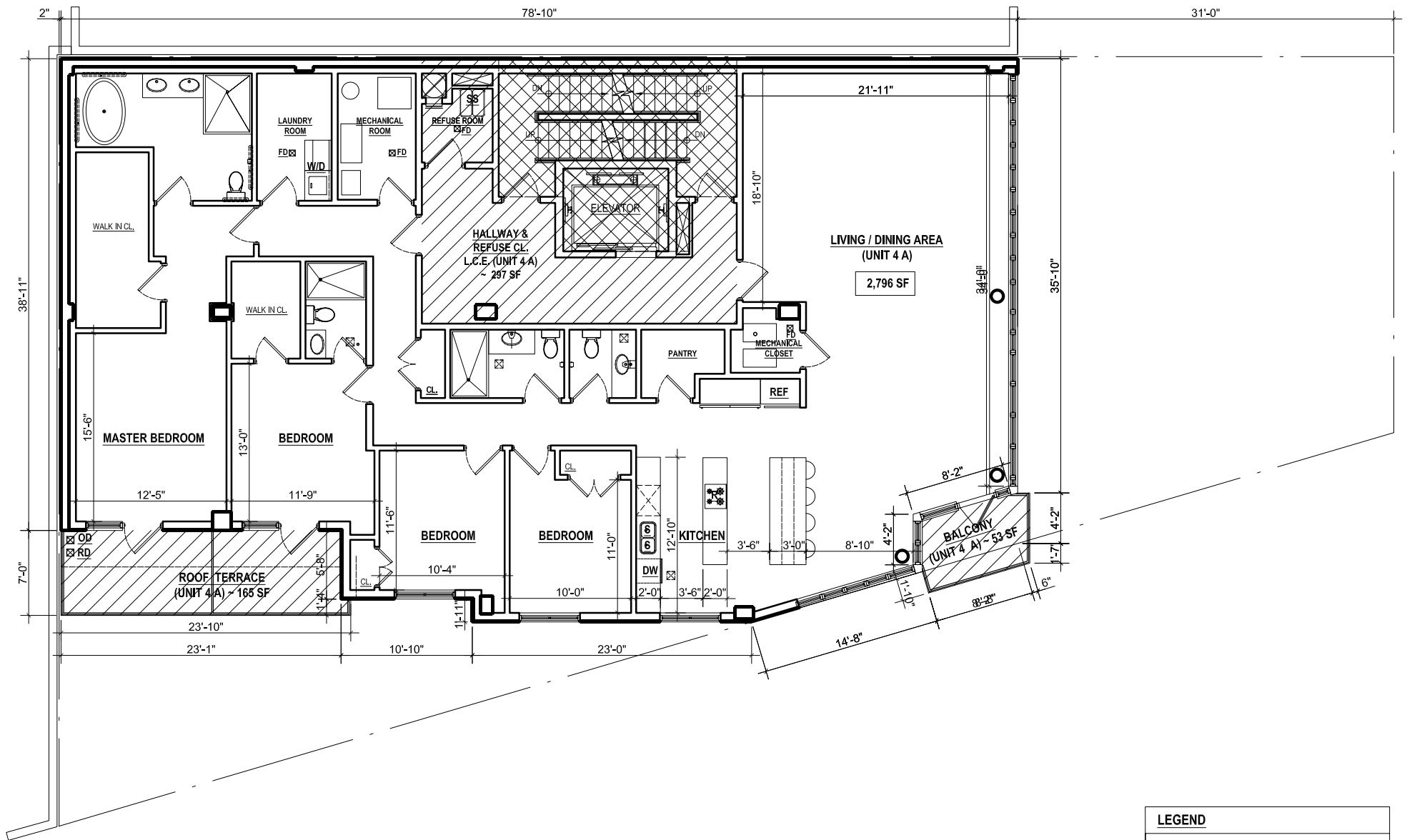
1406 OCEAN PARKWAY, BROOKLYN, NY



(DATE : 09-02-2021)

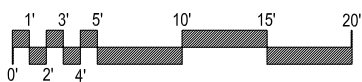
LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
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R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
SS	DENOTES SLOP SINK
DW	DENOTES DISHWASHER LOCATION
W/D	DENOTES WASHER & DRYER HOOKUP
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OD	DENOTES OVERFLOW ROOF DRAIN
AD	DENOTES AREA DRAIN

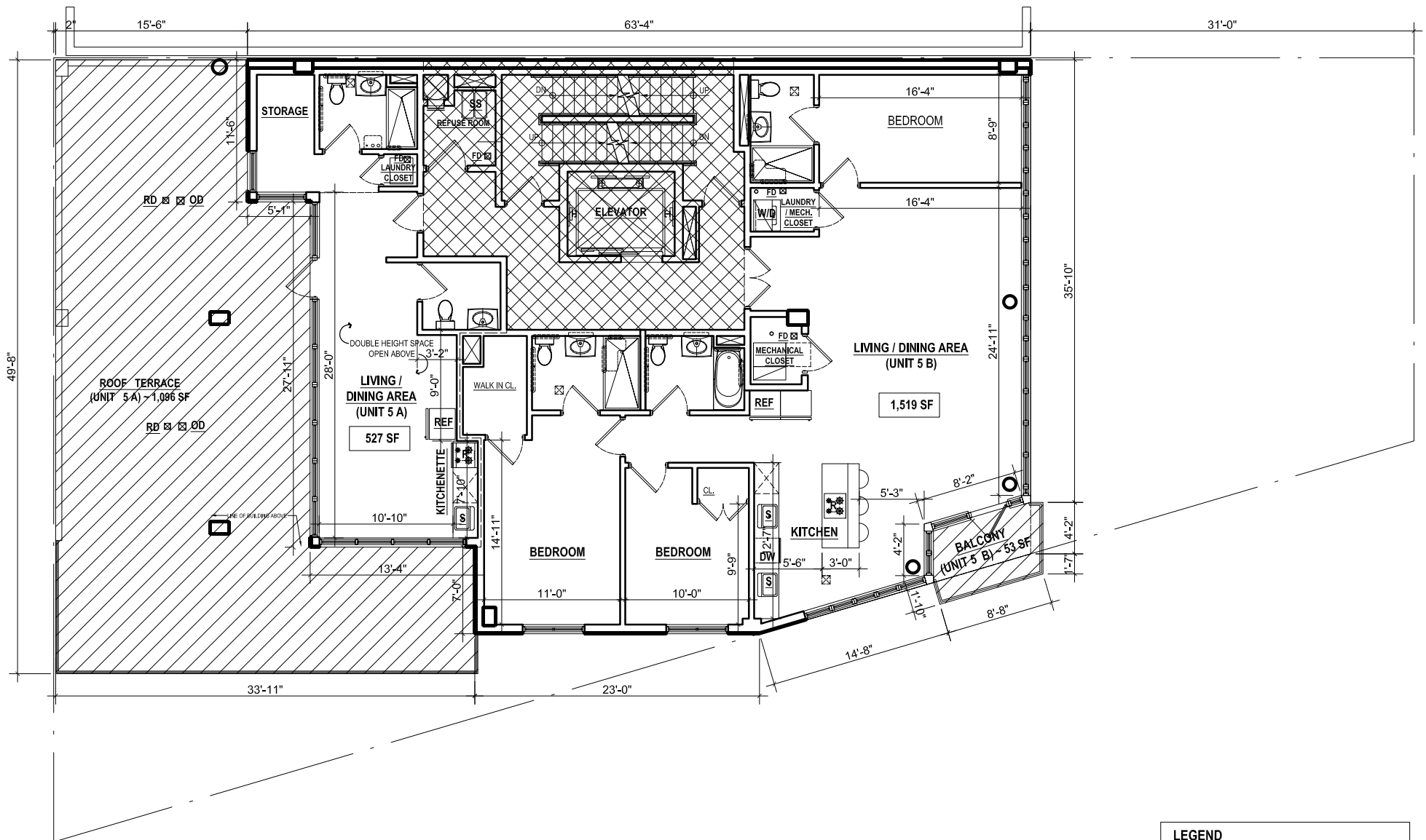


FOURTH FLOOR PLAN

1406 OCEAN PARKWAY, BROOKLYN, NY

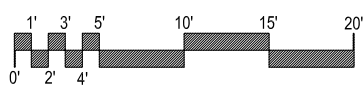


(DATE : 09-02-2021)

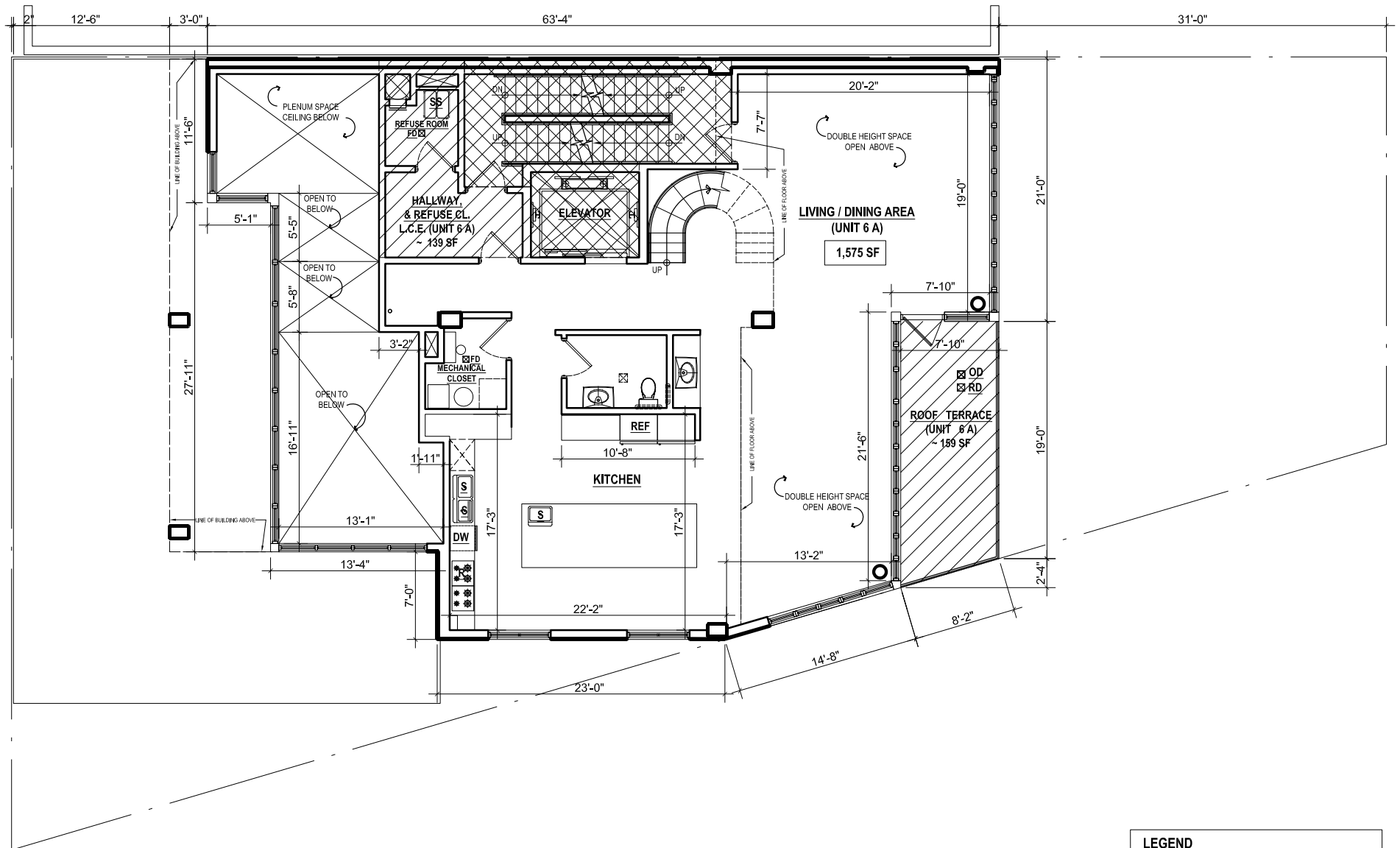


FIFTH FLOOR PLAN

1406 OCEAN PARKWAY, BROOKLYN, NY

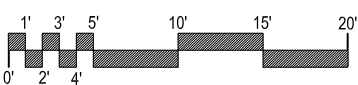


(DATE : 09-02-2021)



SIXTH FLOOR PLAN

1406 OCEAN PARKWAY, BROOKLYN, NY



(DATE : 09-02-2021)

FP8

LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
SS	DENOTES SLOP SINK
DW	DENOTES DISHWASHER LOCATION
W/D	DENOTES WASHER & DRYER HOOKUP
FD	DENOTES FLOOR DRAIN
RD	DENOTES ROOF DRAIN
OD	DENOTES OVERFLOW ROOF DRAIN
AD	DENOTES AREA DRAIN

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 1406 Ocean Parkway, 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 1406 OCEAN PARKWAY CONDOMINIUM

**DECLARANT: 1406 OCEAN PKWY LLC
2454 East 65th Street
Brooklyn, New York 11234**

DATE OF DECLARATION:

The land affected by the within instrument lies in Block 6587 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

F/k/a:	Lot(s) 12
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 1406 OCEAN PARKWAY CONDOMINIUM, located at 1406 Ocean Parkway, 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.

1406 OCEAN PKWY LLC, located at 2454 East 65th Street, Brooklyn, New York 11234, 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 1406 OCEAN PARKWAY CONDOMINIUM.
4. DESCRIPTION OF THE BUILDING: The condominium consists of a single building composed of a cellar and eight stories, and containing, in aggregate, seven (7) residential units and five (5) parking units. The legal occupancy will match the proposed occupancy hereunder. The building complies with Class I-B construction requirements.
5. THE UNITS: SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit and any Limited Common Elements appurtenant thereto is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Henry Radusky, R.A., and intended to be filed in the Kings County Office of the register of the City of New York simultaneously with the recording of this Declaration, the dimensions indicated are approximate, and are incorporated by reference as if fully set forth herein. The dimensions are calculated as follows: horizontally, approximately to the outside face of the exterior walls of the building and approximately to the non-unit side of the walls and partitions (dividing the units from corridors, stairs, and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units. As a result, the usable floor area of the unit will be significantly smaller than the square footage projected in the Offering Plan.

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 for exclusive or shared use, and the overall dimensions of the particular unit, as per Section 339-(i)(1)(iv) of the New York State Real Property Law.

9. USE OF UNITS: Any Residential Unit may be used for private residential use, or for any home occupation use permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Notwithstanding the foregoing, the Declarant may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices, in connection with the sale or rental of the Units.

Parking space P1 has been designated as a handicapped parking space. The purchase of Parking Space P1 and any subsequent sales or transfers of it is subject to the following covenants and restrictions in the deed: In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and acquires handicapped plates for his or her vehicle, and said unit owner is the owner of the parking space, said unit owner has the right to demand that the owner of Parking Space P1 trade the parking space with said handicapped owner. In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and said unit owner does not own a parking space, said unit owner has the right to demand that the owner of Parking Space P1 sell it at its then current, fair market value to said handicapped owner. All costs and expenses entailed in the transfer of title to the parking space, including, without limitation, title abstracts, title insurance, transfer taxes, and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer. The owner of Parking Space P1 must comply with the aforementioned demand upon thirty (30) days written notice. If the parties cannot agree on the fair market value of Parking Space P1, then the parties agree to submit the matter to binding arbitration in accordance with Article IX of the By-Laws of the Condominium.

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. The Board of Managers and the other unit owners shall have an access easement through Unit 6A's roof terrace in order to access the common mechanical area. The Board of Managers and the unit owners will have an access easement for all common mechanical equipment, electrical wiring, and plumbing throughout 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, 1406 Ocean Pkwy LLC, 2454 East 65th Street, Brooklyn, New York, 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 1406 Ocean Parkway, Brooklyn, New York. In addition to the foregoing, the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS: All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws, and the Rules and Regulations (if any), as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering unto occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

14. AMENDMENT TO DECLARATION: This Declaration may be amended, modified, added to or deleted from by vote of Unit Owners representing at least 66-2/3% of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by vote of Unit Owners representing at least 66-2/3% of the Common Interest of all Unit Owners; provided however,

a) No amendment, modification, addition, or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;

b) No amendment which shall change the percentage of Common Interest allocated to any Unit or Units may be made without the written consent of such Owner;

c) No amendment, modification, addition, or deletion of or to this Declaration will be effective in any respect against the Declarant, its designee, or any Unsold Unit until the Declarant or such designee shall consent thereto in writing;

d) No amendment, modification, addition, or deletion of or to this Declaration which would in any way alter, restrict or change the use to which a Commercial Unit may be put shall be effective against any such Commercial Unit without the written consent of the Owner of such Commercial Unit.

The Declarant hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances that are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p, will be filed with such amendment.

No such amendment shall be effective until recorded in the Kings County Office of the Register of the City of New York.

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

In the event the Declarant or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Declarant or its designee, to reflect any such alteration, addition, improvements, changes or reapportionments and shall record such amendment in the Office of the Register of Kings County.

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

16. INVALIDITY:

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

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

17. THIS PARAGRAPH HAS BEEN INTENTIONALLY OMITTED.

18. TERMINATION OF CONDOMINIUM: The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in Common Interest of the Units. The Declarant or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in Common Interest of all other Unit Owners have elected for

such withdrawal, in which event the Declarant may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided however, that no payment shall be made to a Unit Owner until all lienors have first been paid off out of his share of such proceeds.

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

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

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

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

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

1406 OCEAN PKWY LLC
BY:

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

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

NOTARY PUBLIC

BY-LAWS

of

THE 1406 OCEAN PARKWAY 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 1406 Ocean Parkway, 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 1406 OCEAN PARKWAY 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 (60) days after the closing of the First Unit to be sold to elect a Board of Managers. If the Sponsor still owns fifty percent (50%) or more of the units in the building at this time, a majority of the new Board of Managers may be Sponsor-appointees. Transfer of control of the Condominium Board of Managers shall

pass to unit owners other than the Sponsor at the earlier of the following: a) Sixty (60) days after the date by which 75% of the units have been conveyed to unit purchasers; or b) Three (3) years after the first conveyance of a unit to a unit purchaser. Within thirty (30) days after transfer of control, a meeting will be held to elect new Managers unrelated to the Sponsor.

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 Board of Managers may explicitly authorize the establishment of a reserve fund. 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: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein within fifteen (15) days after receipt thereof.

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

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

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

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

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws; (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

a) All maintenance, replacement, or repair to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be the responsibility of the unit owner, and the expense thereof shall be the sole responsibility of the Unit Owner, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) Each unit owner shall be solely and only responsible for repair or maintenance of any limited common element appurtenant to his/her unit, including but not limited to painting, cleaning, patching, and surface repair, and, in the case of balconies, if any, structural maintenance.

d) In the event a unit owner fails properly to maintain his unit or limited common element, the Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas, and the cost thereof shall be assessed against the owner of the condominium unit in question, or the owner of the unit to which such limited common elements are appurtenant.

e) To the extent that damage to a limited common element or unit is caused by a building condition or by other condition for which the condominium carries insurance, the cost of repair of such damage shall be borne by the condominium.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

- a) The Residential Units shall be used for private residences only. 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) Parking spaces will be assigned their own tax lots and will be offered for sale as parking units to the purchasers of the residential units for the storage of the private passenger motor vehicles used by the occupants of such residences. Parking spaces not used by their owners may be rented for a period of not less than one week and not more than one month to persons other than the occupants of the residences to which the spaces are accessory. Parking spaces that are rented shall be made available to occupants of the residences to which they are accessory within thirty (30) days after written request is made to the owner of the space.
- c) Parking space P1 has been designated as a handicapped parking space. The purchase of Parking Space P1 and any subsequent sales or transfers of it is subject to the following covenants and restrictions in the deed: In the event the

present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and acquires handicapped plates for his or her vehicle, and said unit owner is the owner of the parking space, said unit owner has the right to demand that the owner of Parking Space P1 trade the parking space with said handicapped owner. In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and said unit owner does not own a parking space, said unit owner has the right to demand that the owner of Parking Space P1 sell it at its then current, fair market value to said handicapped owner. All costs and expenses entailed in the transfer of title to the parking space, including, without limitation, title abstracts, title insurance, transfer taxes, and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer. The owner of Parking Space P1 must comply with the aforementioned demand upon thirty (30) days written notice. If the parties cannot agree on the fair market value of Parking Space P1, then the parties agree to submit the matter to binding arbitration in accordance with Article IX of the By-Laws of the Condominium.

- d) 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.
- e) 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.
- f) 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.
- g) 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. The Board of Managers and the other unit owners shall have an access easement through Unit 6A's roof terrace in order to access the common mechanical area. The Board of Managers and the unit owners will have an access easement for all common mechanical equipment, electrical wiring, and plumbing throughout the building. 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 is subject are paid off.

ARTICLE IX

Arbitration

Section 1. Procedure: Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York, in accordance

with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party, by the Real Estate Board of New York.

Section 2. Variation by Agreement: The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 3. Binding Effect: The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Cost and Expenses: (a) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by Condominium board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE X

Conflicts

Section 1. Conflicts: These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XI

Amendments to the By-Laws

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended by the vote of two-thirds (as that number is defined in these ByLaws) in number and in Common Interests of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

For as long as there are one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

ARTICLE XII

Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and/or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine and other genders and the use of singular shall be deemed to include the plural, whenever the context requires.

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

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of two (2) or more Unit first mortgagees, if applicable). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of two (2)

or more Unit first mortgagees, if applicable). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

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

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

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

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

ARTICLE 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: 1406 Ocean Parkway
 Brooklyn, New York**

We, 1406 OCEAN PKWY LLC and MICHAEL MISHAL, being the Sponsor and principal of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable;

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

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

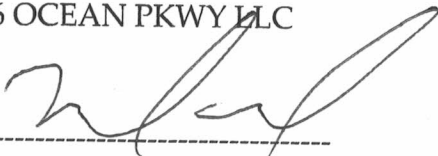
- a) knew the truth;
- b) with reasonable effort could have known the truth;
- c) made no reasonable effort to ascertain the truth; or
- d) did not have knowledge concerning the representation or statement made.

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

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 March 24, 2021.

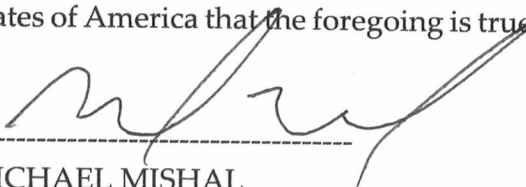
1406 OCEAN PKWY LLC

by:



MICHAEL MISHAL

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 March 24, 2021.



MICHAEL MISHAL

HENRY RADUSKY, R.A.

6321 New Utrecht Avenue
Brooklyn, NY 11219
Phone : (718) 259-1100

CERTIFICATION BY SPONSOR'S ENGINEER
PURSUANT TO PART 20.4 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED

Department of Law of
The State of New York
28 Liberty Street, 21st Floor
New York, New York 10005
Attention: Real Estate Financing Bureau

Re: 1406 Ocean Parkway
Brooklyn, New York

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has retained our firm to prepare a report describing the construction of the property (hereinafter "the Report"). I visually inspected existing portions of the renovated property, if any on December 14th, 2020. I examined the building plans and specifications, prepared by Bricolage Architecture & Design, 6321 New Utrecht Avenue, Brooklyn, N.Y. 11219; dated October 27th, 2020, and prepared the original Report dated, January 12th, 2021.

I have also prepared the amended Report dated October 8th, 2021, a copy of which is intended to be incorporated into the Offering Plan, so that prospective purchasers may rely on the Report.

I am a licensed Architect, registered in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to this "Report".

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

- (i) set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications which I examined.
- (ii) in our professional opinion, afford 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 construction provided that construction is in accordance with the plans and specifications which I examined.
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression;

- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- (vii) not contain any statement or representation which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth;
 - or
 - (d) did not have knowledge concerning the representation or statements made.

I further certify that I am not owned or controlled by, and have no beneficial interest, in the Sponsors, and that my compensation for preparing the Report is not contingent on the conversion of the property to condominium ownership, 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.

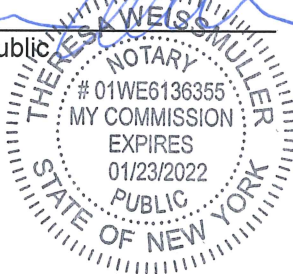
Henry Radusky

HENRY RADUSKY, R.A.
6321 New Utrecht Avenue
Brooklyn, NY 11219
Phone # (718) 259-1100

Sworn to before me this

12TH day of OCT., 2021

Notary Public





March 23rd, 2021

**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: 1406 Ocean Parkway, 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. My experience in the field includes being a licensed real estate broker for over twenty years, managing a total of eleven buildings in this area 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:

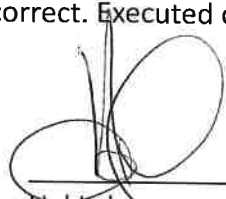
1. Set forth in detail the projected income and expenses for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
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 America that the foregoing is true and correct. Executed on March 23rd, 2021.



Hal Lehrman
Licensed Real Estate Broker