
CONDOMINIUM OFFERING PLAN

**THE 18 EIGHTH AVENUE CONDOMINIUM
18 EIGHTH AVENUE
BROOKLYN, KINGS COUNTY, NEW YORK 11217**

Residential Units.....4	\$9,300,000.00
Total Amount of Offering	\$9,300,000.00

SPONSOR AND SELLING AGENT:

**INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP
443 EAST 4TH STREET
BROOKLYN, NEW YORK 11218**

**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, 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%.

Condominium Documents: The Declaration of Condominium and By-Laws, as recorded in the Kings County Office of the City Register of the State of New York.

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.

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

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

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

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

Sponsor: Innovative Brownstone Development Fund LP, 443 East 4th Street, Brooklyn, NY 11218.

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

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

- 1) The Sponsor is not limiting the conditions under which it will rent rather than sell units after consummation of the Offering Plan. There is no commitment to sell more than one (1) residential unit in this Condominium, which is the minimum necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. There are no requirements or restrictions on renting imposed by a construction lender. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.
- 2) The By-Laws do not include a provision that, after the initial Sponsor control period, a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.
- 3) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **TIME IS OF THE ESSENCE** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, s/he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default will both have the Contract canceled and lose his/her down payment. Similarly, a purchaser who fails to notify the Sponsor in the event s/he has failed to obtain mortgage financing within forty (40) days after receipt of a fully executed Purchase Agreement will be required to proceed to closing notwithstanding the fact that purchaser has failed to obtain mortgage financing; if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor.

If the closing is adjourned at Purchaser's request, an additional fee of \$150.00 will be charged for each adjournment. Any and all rates of interest for penalties incurred by a purchaser in connection with purchaser's delay in closing shall not exceed New York State usury laws. Please see the sections of this Plan entitled CLOSING COSTS AND ADJUSTMENTS and PROCEDURE TO PURCHASE. Purchasers are advised to consult with their attorneys concerning all terms of this offering. Please see the section of this Plan entitled PROCEDURE TO PURCHASE, and the PURCHASE AGREEMENT set forth in Part II, for a statement of all applicable time limitations.

4) In general, sellers of real property are obligated to pay the New York State Transfer Tax ("NYSTT"), currently \$4.00 per \$1,000 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. 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. The NYSTT will no longer be "grossed up."

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.

5) On March 31, 2019, New York State announced additions to the base real estate transfer tax ("transfer tax") and established a new supplemental tax ("supplemental tax") on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is \$3 million or more, and conveyances of any other property when the consideration for the conveyance is \$2 million or more. The new supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is \$2 million or more. Purchasers shall be responsible for paying the base transfer tax and supplemental tax. The purchaser's payment of the

base transfer tax will itself be deemed additional consideration, resulting in a “tax on a tax” effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs. Please see CLOSING COSTS AND ADJUSTMENTS section of the Offering Plan for a more complete explanation.

6) At closing each Purchaser shall pay a reimbursement fee of \$2,500.00 to the Sponsor as partial reimbursement for the costs of preparing and filing the Offering Plan. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee of \$1,750.00, a working capital fund contribution in an amount equal to two months' common charges and may be responsible for certain other fees such as condo questionnaire completion fees (\$150), and travel fees (\$200). 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 the Purchaser requests and the Sponsor consents to a closing outside of a location designated by Sponsor's Attorney, there will be an attendance fee of \$200.00. Please see the section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

7) 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 exercise any voting control that it may have through its ownership of a majority of the units and will not nominate and vote for affiliated parties as board members 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.

8) 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.

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

10) 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.

11) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, the Purchaser should note that such funds

may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. A Purchaser will receive a refund of funds used for upgrades if the Plan is abandoned. Please see the PROCEDURE TO PURCHASE Section of this Offering Plan.

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

13) All down payments will be placed in an IOLA account. IOLA stands for “interest on lawyer accounts,” and is a special type of account maintained by an attorney for the purpose of holding escrow funds. The escrow account is federally insured by the FDIC at the maximum amount of \$250,000. To the extent that the total contract deposits exceed \$250,000, they will not be federally insured. If purchasers have accounts at the same bank as Sponsor’s account that holds escrowed funds, purchaser funds at the escrow bank factor into the \$250,000 insurance limit. Interest earned on IOLA accounts is paid over to the state of New York. No interest is credited to either the purchaser or the seller. Please see the PROCEDURE TO PURCHASE section of this Offering Plan.

14) Unit A will include a rear yard area allocated as a limited common element. Unit C will include a roof deck area at the roof above the first floor level allocated as a limited common element. The roof deck allocated as limited common element to Unit C will not be reflected on the final certificate of occupancy. No structures of any kind may be built in or on these limited common elements except for temporary structures such as screen tents or sukkots. Maintenance and repair of the roof deck area at the roof above the first floor level will be the sole responsibility of the Unit Owner of Unit C 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. The right to use and occupancy of a limited common element is subject to the right of the Condominium to enter into said areas for the purpose of inspection and/or building repairs. Please see SCHEDULE A and the DESCRIPTION OF PROPERTY AND BUILDING CONDITION and BYLAWS included in Part II of this Offering Plan for

a more complete explanation.

15) 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.

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 fails to obtain such commitment within forty (40) days from the date of execution of the Purchase Agreement, either party may cancel the Purchase Agreement on five (5) business days written notice to the other party, whereupon the Purchase Agreement shall become null and void, and the down payment shall be returned to the Purchaser. In the event Purchaser fails to obtain such commitment within said time period and fails to notify Sponsor’s attorney within five (5) 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. 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 five (5) days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, then Sponsor will return the down payment within 10 days of Sponsor’s receipt of Purchaser’s notification of his exercising his right to rescind. Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Therefore, if the

Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and Sponsor will 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 in each unit a gas cooking range Viking VGR5304BSS or equivalent, a microwave, RVMH330SS or VMOH330SS or equivalent, a refrigerator, Liebherr CS1640BL or equivalent, and a dishwasher, Viking FDWU524 or equivalent. The Sponsor will install in each unit a washing machine, Whirlpool WFW560CHW or equivalent, and a ventless electric dryer, Whirlpool WHD560CHW or equivalent. 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 the ARCHITECT'S REPORT included in Part II of this Offering Plan.

19) With regard to the roof levels, no permanent structures may be built on the roof without a permit from the Building Department, and the Board of Managers. The Board of Managers will have access for inspection and structural 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 levels. Any structural damage occurring to either roof level 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 the roof deck allocated to Unit C as a limited common element shall be the sole responsibility of the Unit Owner. Additionally, any warranty described in Part II may be voided by improper use of the roof. Any damage caused by the Sponsor shall be the responsibility of Sponsor to repair. The roof membrane shall have a 3-year installer's warranty covering material and labor. The paver/pedestal assembly will not affect the warranty. The warranty period shall commence upon completion of installation. Please see ARCHITECT'S REPORT included in this Offering Plan.

20) The unit owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational. Please see the RIGHTS AND OBLIGATIONS OF UNIT OWNERS sections located in Part I of this Offering Plan and the ARCHITECT'S REPORT located in Part II of the Offering Plan.

21) The Sponsor anticipates that the first closing of a unit will occur by April 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than March 31, 2024, 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. Please see Paragraph 7 of the PURCHASE AGREEMENT located in Part II of this Offering Plan.

Purchasers should note that even if the first closing occurs on or before March 31, 2024, 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.

22) Individual unit owners are responsible for repairs to and maintenance within their own condominium units and will be required to obtain HO-6 (wall-to-wall) insurance coverage at their own cost and expense to insure them for such risks as fire and casualty

losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments. Otherwise, unit owners would not be covered for risks such as fire and casualty losses within their apartments. The condominium Board of Managers is not obligated to repair and maintain individual apartments, nor provide casualty and/or liability insurance for occurrences that may occur in individual apartments. Please see RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS included herein.

23) 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. Please see the BOARD OF MANAGERS section located in Part I of this Offering Plan.

24) 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.

25) The Sponsor will enter into a management agreement with Jabco Management Group, having an address at 8706 3rd Avenue, Brooklyn, NY 11209, to manage the property for the first year of condominium operation for the annual cost specified in SCHEDULE B. This fee is below the prevailing rates in New York City for property management, which is generally in the range of \$300 per unit per year. Jabco Management Group has no financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction, except for its fee for services rendered in connection with his managing the property. Should the Board of Managers thereafter elect to employ the services of a different or additional managing agent, this could represent an additional cost that would require a concomitant increase in the common charges. Please see FOOTNOTES TO SCHEDULE B included in this Offering Plan.

26) The condominium budget for the first year of operation does not include expenses for a superintendent. Due to the size of the building, it is expected that no superintendent

will be employed. Should the Board of Managers elect at any time to employ the services of a superintendent, this will represent an additional cost, which would require a concomitant increase in the common charges. The amount of such increase would vary based upon factors such the number of superintendent hours per week and the union or non-union status of the superintendent but could represent an additional cost of approximately 10-15% of the annual operating budget. Please see FOOTNOTES TO SCHEDULE B included in this Offering Plan. Activities which the unit owners will need to perform in the event no superintendent is employed include rubbish removal, cleaning, painting, bulb replacement, snow removal, landscaping and minor repairs.

27) The cellar floor level of the subject premises contains accessory space for Unit A. The cellar is not a habitable space and is for accessory use only—not to be used for sleeping, cooking, or living purposes, or to be rented independently—as it is uninhabitable with less light and air than the residential units. Use of the cellar floor level for any dining or living purposes may result in a building code violation. Please see the ARCHITECT'S REPORT located in Part II of this Offering Plan.

28) 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 has the option of determining whether it will restore the damaged unit; if the Sponsor opts to restore the damaged unit, it will restore same to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs. If the Sponsor decides not to restore the unit, the Purchaser in such case would have the right to rescind. The Purchaser shall have fifteen (15) days therefrom to exercise his right of rescission, and Purchaser's down payment shall be returned to Purchaser within ten (10) days from the date of receipt by Sponsor of Purchaser's rescission. 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. A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured. A person in possession prior to closing assumes the risk of losses not covered by insurance. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance,

and whether they might be able to obtain renters' insurance. Please see the PROCEDURE TO PURCHASE section of the Offering Plan.

29) In the absence of any written agreement to the contrary between the parties, any matter permitted to be determined by arbitration pursuant to the terms of the Condominium Documents that the parties have opted to determine by arbitration 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. The single arbitrator will be an independent third party unrelated to either party in the dispute. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in accordance with the By-Laws. The Condominium By-Laws do not provide for a waiver of jury trial. The foregoing does not in any way abrogate or modify the rights of Purchasers and Unit Owners pursuant to the Martin Act and governing regulations. The Purchase Agreement does not require disputes arising from it to be determined by arbitration. Please see Article IX of the CONDOMINIUM BY-LAWS located in Part II of this Offering Plan.

30) 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.

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

cost of such expenditures. However, in the Sponsor's estimation, and in view of the fact that the building is newly renovated, it is anticipated that there will be no needed capital expenditures within the five (5) years immediately following the first closing of a condominium unit under the Offering Plan. 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. Please see SCHEDULE B and FOOTNOTES TO SCHEDULE B for a more complete explanation.

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

(a) For one year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for the items not covered by code, the construction must be in accordance with locally accepted building practices.

(b) For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(c) For six years, the home must be free from physical defects in the structural elements (foundations, floors, walls, roof framing) which make it unsafe or unlivable.

The Housing Merchant Implied Warranty Law applies to the common elements and the limited common elements in conjunction with the units in the condominium. The Housing Merchant Implied Warranty Law does not apply to patent defects which an examination ought in the circumstances to have revealed. Purchasers are encouraged to examine the premises prior to going to contract to determine whether any patent defects exist, and again to perform a standard pre-closing walk-through inspection prior to closing. Sponsor shall not be liable for any patent defects that an examination ought in the circumstances to have revealed. The time frames specified above apply to latent defects. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the Sponsor pursuant to § 777-a of the General Business Law of the State of New York, and also pursuant to this section the owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test, and repair the portion of the home to which the warranty claim relates.

The Sponsor's obligations, regardless of any limitations in the warranty or in this offering plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications will be resolved in favor of the latter. Please see SCHEDULE A, DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and RIGHTS AND OBLIGATIONS OF THE SPONSOR included in Part I of this Offering Plan and Exhibit A to the PURCHASE AGREEMENT on Page PA 14 included in Part II of this Offering Plan.

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

34) In the event a purchaser takes possession of a unit prior to closing pursuant to an Interim Lease, upon a non-monetary default by Purchaser under the terms of the Interim Lease which is not cured within 30 days after notice thereof, or immediately after Purchaser exercises any right of rescission with respect to the Purchase Agreement, Purchaser's right to occupy the apartment will terminate, and PURCHASER must vacate the apartment. Purchaser shall pay to Sponsor a fee for each day they remain in possession following the periods set forth above. Nothing contained herein shall be construed so as to limit Sponsor's ability to have Purchaser evicted from the premises and to pursue any other legal remedy available to Sponsor, nor shall anything herein be

construed as a waiver by the Sponsor of its right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement. Sponsor shall not seek or accept release of any portion of a Purchaser's down payment until the offering plan has been consummated. Before the Sponsor may utilize the default provisions under the Interim Lease in order to declare a default under the Purchase Agreement, Sponsor must first obtain an order of eviction or other order or judgment from a court of competent jurisdiction against the Lessee, unless Lessee has vacated the Unit. See the SAMPLE INTERIM LEASE set forth in Part II of the Plan.

35) The square footage of the units listing in SCHEDULE A of this Offering Plan is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area and adding together for each apartment all of the areas contained therein. The square footage of each unit is based upon a "gross" square footage calculated as follows: horizontally, approximately from to the outside face of the exterior walls of the building. Dimensions shall be to the centerline of demising walls dividing units from each other. Dimensions shall be to the property line at lot-line walls. Stairs internal to the units shall be included in the area calculations. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration.

36) A Unit Owner shall grant a right of access to his Unit, to the Manager, the other Unit Owners, 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. Please see the BY-LAWS located in Part II of this Offering Plan.

37) The subject premises are located in the Park Slope Historic District, and the subject premises is designated as a landmark by the New York City Landmarks Preservation Commission (LPC). Any type of construction on the building that may affect the appearance of its façade, such as work to the stone sills and lintels or the decorative cornice, must receive a permit from the LPC prior to the start of construction. Prior to the

commencement of construction that may alter the outward appearance of the building, the Board of Managers is required to apply to the LPC for permission to perform such construction, and must provide detailed construction plans and information regarding the contractor, including but not limited to the contractor's contact and insurance information. Prior to consummation of the Offering Plan the responsibility of providing the Board of Managers all documentation required to apply to the LPC for construction permission is the Sponsor's; after consummation, the responsibility belongs to whomever is undertaking the construction, whether it be the Sponsor or a unit owner. Unit owners may reasonably anticipate extra costs of approximately 5% to 25% by virtue of complying with the requirements of the LPC, as well as extra time needed to secure the permission of the LPC prior to construction. No line item in the budget is provided for such expense, as the property is newly renovated, and construction is not anticipated during the first year of operation. Please see ARCHITECT'S REPORT located in Part II of this Offering Plan.

38) The building will comply with all zoning and use requirements by the closing of the first unit. However, there are existing non-compliances relating to the yards and courts which pre-date the Zoning Resolution and are therefore grandfathered. There are no handrails at the front stoop, only low masonry walls. This is an historic condition but is not compliant with current codes. The scope of the work proposed by the Sponsor required a Certificate of No Effect from the LPC, which LPC issues for proposed changes that the staff determines do not adversely affect the significant features of the building. LPC has granted the Sponsor a Certificate of No Effect for the proposed work on the building on August 16, 2021. Please see ARCHITECT'S REPORT located in Part II of this Offering Plan.

39) Sponsor has obtained mortgage financing from Ponce Bank, having an office at 2244 Westchester Avenue, Bronx, New York 10462 (the "Mortgage Lender") in the principal amount of \$2,350,000. The Mortgage Lender has agreed to subordinate its lien to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the greater of 75% of the gross sales price, or the "Minimum Release" amount as noted in the release schedule provided herewith as Exhibit B-19 to this Offering Plan. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units. Please see the RIGHTS AND OBLIGATIONS OF THE SPONSOR section of the Offering Plan.

40) 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 TCO’s. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCO’s and FCO’s 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 TCO’s 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. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of a FCO. **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.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a 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.

41) The projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the building before rehabilitation is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after rehabilitation is complete. See FOOTNOTE 8 to SCHEDULE A and the REAL ESTATE TAXES section of the Offering Plan for more information regarding the projected assessed valuation after completion of rehabilitation.

42) Sponsor has obtained mortgage financing from Ponce Bank, having an office at 2244 Westchester Avenue, Bronx, New York 10462 (the "Mortgage Lender") in the principal amount of \$2,350,000. The Mortgage Lender has agreed to subordinate its lien to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the greater of 75% of the gross sales price, or the "Minimum Release" amount as noted in the release schedule provided herewith as Exhibit B-19 to this Offering Plan. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units. Please see the RIGHTS AND OBLIGATIONS OF THE SPONSOR section of the Offering Plan.

43) There shall be one new convenience stair internal to Unit D connecting the two levels of the duplex. The convenience stair is a straight-run stair with winders at the bottom. Winders are not code-compliant for an egress stair, as they shall not be less than 6" deep at any point per 2014 NYC BC 1009.4.2, Exception 7. The required egress is provided by means of the common hallway stairs, which are configured as straight-run stairs. Please see the ARCHITECT'S REPORT located in Part II of this Offering Plan for more details.

44) The original building was built prior to 1938. There is no known lead in this building. However, buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004, a copy of which is included in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for, lead paint. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

45) 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 non-payment of taxes on other units. There is often a gap in time between the date the New York City Department of Finance ("DOF") subdivides the separate tax lots for the individual units and the date the individual units receive their own individual property tax bills. Purchasers shall be responsible for their real estate taxes from the date of their unit closing even in the event that the DOF has not yet issued separate tax bills for the separate unit

tax lots. In such instance, purchasers would be responsible for the portion of the building tax bill attributable to their unit's percentage of common interest. If the Sponsor has prepaid property taxes for the building, then the purchaser shall be responsible for reimbursing the Sponsor for the portion of the tax bill attributable to their unit from the date of unit closing. Please see the REAL ESTATE TAXES section of this Offering Plan.

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 18 8th Avenue, 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 Innovative Brownstone Development Fund LP, a Delaware limited partnership formed on November 6, 2020, with offices located at 443 East 4th Street, Brooklyn, New York. The principals of the Sponsor are Robert Saffayeh and Gabriel Saffayeh. The Sponsor acquired title to the property on February 26, 2021. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances other than the easements disclosed in the Terms of Sale section of this Offering Plan. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

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

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

The premises consist of a single building composed of a cellar, a basement, and four stories, and containing, in aggregate, four (4) residential units. The property is located in the Park Slope Historic District, which includes the strip of 8th Avenue between St. John's Place to the north and 3rd Street to the south. There will be no recreational facilities. The Sponsor will install in each unit a gas cooking range Viking VGR5304BSS or equivalent,

a microwave, RVMH330SS or VMOH330SS or equivalent, a refrigerator, Liebherr CS1640BL or equivalent, and a dishwasher, Viking FDWU524 or equivalent. In addition, the Sponsor will install in each unit a washing machine, Whirlpool WFW560CHW or equivalent, and a ventless electric dryer, Whirlpool WHD560CHW or equivalent. 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.

The building is an existing structure dating approximately to 1890. The property is currently vacant. The estimated date of completion of the renovation is December, 2022. Sponsor will obtain a temporary or final Certificate of Occupancy prior to closing on any unit. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

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

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by such unit owner(s). Thus, in this condominium, Unit A will include a rear yard area allocated as a limited common element. Unit C will include a roof deck area at the roof above the first floor level allocated as a limited common element. Unit D will include a roof deck area at the roof level allocated as a limited common element.

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

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

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

(6) Individual unit owners are responsible for repairs to and maintenance within their own condominium units and will be required to obtain HO-6 (wall-to-wall) insurance coverage at their own cost and expense to insure them for such risks as fire and casualty losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments. Otherwise, unit owners would not be covered for risks such as fire and casualty losses within their apartments. The condominium Board of Managers is not

obligated to repair and maintain individual apartments, nor provide casualty and/or liability insurance for occurrences that may occur in individual apartments.

(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.

Sponsor has obtained mortgage financing from Ponce Bank, having an office at 2244 Westchester Avenue, Bronx, New York 10462 (the "Mortgage Lender") in the principal amount of \$2,350,000. The Mortgage Lender has agreed to subordinate its lien to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the greater of 75% of the gross sales price, or the "Minimum Release" amount as noted in the release schedule provided herewith as Exhibit B-19 to this Offering Plan. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

Sponsor has obtained mortgage financing from Ponce Bank, having an office at 2244 Westchester Avenue, Bronx, New York 10462 (the "Mortgage Lender") in the principal amount of \$2,350,000. The Mortgage Lender has agreed to subordinate its lien to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the greater of 75% of the gross sales price, or the "Minimum Release" amount

as noted in the release schedule provided herewith as Exhibit B-19 to this Offering Plan. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

While the Sponsor will endeavor in good faith to sell all units, Sponsor is not limiting the conditions under which it will rent rather than sell units. There is no commitment to sell more units than the 15% necessary to declare the plan effective, which in this Plan constitutes one (1) residential unit. Owner-Occupants, therefore, may never gain effective control and management of the condominium. 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 consists of a single building composed of a cellar, a basement, and four stories, and will contain, in aggregate, four (4) residential units. The property is located in the Park Slope Historic District, which includes the strip of 8th Avenue between St. John's Place to the north and 3rd Street to the south. There will be no common recreational facilities. The Sponsor will install in each unit a gas cooking range Viking VGR5304BSS or equivalent, a microwave, RVMH330SS or VMOH330SS or equivalent, a refrigerator, Liebherr CS1640BL or equivalent, and a dishwasher, Viking FDWU524 or equivalent. In addition, the Sponsor will install in each unit a washing machine, Whirlpool WFW560CHW or equivalent, and a ventless electric dryer, Whirlpool WHD560CHW or equivalent. To the extent the Purchaser elects to install any other appliances in the unit, same will represent an additional cost of purchasing the unit.

The cellar floor level of the subject premises contains accessory space for Unit A. Such space should be used for recreation only, as it is uninhabitable with less light and air than the residential units. Use of the cellar floor level for any dining or living purposes may result in a building code violation. Please see the ARCHITECT'S REPORT located in Part II of this Offering Plan.

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 A will include a rear yard area allocated as a limited common element. Unit C will include a roof deck area at the roof above the first floor level allocated as a limited common element. No structures of any kind may be built in or on these limited common elements except for temporary structures such as screen tents or sukkots.

The building is an existing structure dating approximately to 1890. The property is currently vacant. The approximate timetable for completion of the first unit, the remaining units, and all related portions of the building is December, 2022. Sponsor will obtain a temporary or final Certificate of Occupancy prior to closing on any unit. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

units will be equipped with operable smoke and carbon monoxide detectors as required by the New York City Administrative Code. The unit owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational.

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 property is located in the Park Slope Historic District, which includes the strip of 8th Avenue between St. John's Place to the north and 3rd Street to the south. This is a residential urban neighborhood with stately brownstones and charming architecture that is served by significant shopping, recreational, medical, religious, and educational facilities, as well as a network of streets, roads, and urban transportation.

There are no undeveloped areas adjoining the subject premises. Any change in the development information that occurs while sales are continuing shall be disclosed in an amendment within 30 days after the information becomes known to the Sponsor. The Grand Army Plaza stop on the 2, 3, and 4 subway lines and the 7th Avenue stop on the B and Q subway lines, both on Flatbush Avenue, serve the area near the subject premises. In addition, the B67 and B69 buses on 7th Avenue serve the area near the subject premises, as well as a the B41 bus, which runs along Flatbush Avenue. The subject premises are located within walking distance of the Barclays Center and the Brooklyn Museum of Art, and it is across the street from the Montauk Club. There are several outdoor recreation areas in the vicinity of the subject premises, most notably Prospect Park and Grand Army Plaza. New York Presbyterian Brooklyn Methodist Hospital is nearby to the subject premises. The subject premises lies within a bustling area with an assortment of boutique shops and a number of restaurants for fine dining, as well as a number of popular bars and pubs. The houses of worship near the subject premises serve a variety of different Christian sects. Green Point Synagogue is a Jewish house of worship within walking distance from the subject premises. There is also a vibrant Muslim community near the subject premises with many community and cultural centers along Atlantic Avenue, including Masjid Al-Farooq, a Muslim house of worship within walking distance to the subject premises. The local public elementary school is P.S. 282. Students and parents may also choose among district-wide public middle schools and city-wide public high schools, as well as choosing among a rich assortment of private secular or religious schools throughout New York City.

Police (78th Precinct), Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York. The site is located in an R7B zone, which permits residential use as-of-right.

SCHEDULE A
PURCHASE PRICES AND ALLOCATION OF COMMON INTEREST

18 8th Avenue, Brooklyn, NY

First Year of Operation

April 1, 2023 - March 31, 2024

Unit	Habitable Sq. Ftg. (1A)	Uninhab. Sq. Ftg. (1B)	Bdms/ Bths (2)	% of Common Interest (3)	Offering Price (4)	Estimated Monthly Common Charges (5)	Estimated Annual Common Charges (6)	1st Year Estimated Monthly Real Estate Taxes (7)	1st Year Estimated Annual Real Estate Taxes (8)	1st Year Estimated Monthly Carrying Charges (9)	Post-Completion Estimated Monthly Real Estate Taxes (10)	Post-Completion Estimated Annual Real Estate Taxes (11)	Post-Completion Estimated Monthly Carrying Charges (12)
A	1,424	1,533	3/2.5	30.76%	\$2,650,000.00	\$937.50	\$11,250.03	\$1,390.28	\$16,683.40	\$2,327.79	\$1,714.35	\$20,572.15	\$2,651.85
B	1,267	0	2/2	21.57%	\$2,150,000.00	\$657.25	\$7,887.01	\$974.68	\$11,696.15	\$1,631.93	\$1,201.87	\$14,422.42	\$1,859.12
C	908	306	2/2	16.76%	\$1,525,000.00	\$510.70	\$6,128.46	\$757.36	\$9,088.29	\$1,268.06	\$933.89	\$11,206.68	\$1,444.60
D	1,816	0	4/2.5	30.91%	\$2,975,000.00	\$942.04	\$11,304.50	\$1,397.01	\$16,764.17	\$2,339.06	\$1,722.65	\$20,671.75	\$2,664.69
TOTALS	5,415	306		100.00%	\$9,300,000.00	\$3,047.50	36,570.00	\$4,519.33	\$54,232.00	\$7,566.83	\$5,572.75	\$66,873.00	\$8,620.25

Notes:

1) As part of the "Uninhabitable Square Footages" listed above, Unit A will have a cellar accessory area of approximately 1,063 sf as part of the unit, and a rear yard of approximately 395 sf and an under-stoop entrance and storage area of approximately 75 sf allocated as limited common elements. Unit C will have a roof deck of approximately 306 sf allocated as a limited common element.

2) The cellar accessory space situated within Unit A may not be used as a bedroom, living room, or dining room, or for any other use construed as "habitable space" as defined by the New York City Building Code, nor may this space be rented out. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility of the Unit Owner to correct and remove.

3) In addition to the offering prices above, 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 two months' common charges, etc. Additionally, Purchasers will pay their own title insurance costs, recording charges, and mortgage recording taxes. Please see the CLOSING COSTS AND ADJUSTMENTS section of this Offering Plan for a more complete explanation.

4) The projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the building before rehabilitation is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after rehabilitation is complete. See Footnote 8 to Schedule A for more information regarding the projected assessed valuation oafter comletion of rehabilitation.

FOOTNOTES TO SCHEDULE A

1. The square footage in SCHEDULE A is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area and adding together for each apartment all of the areas contained therein. The square footage of each unit is based upon a "gross" square footage calculated as follows: horizontally, approximately from to the outside face of the exterior walls of the building. Dimensions shall be to the centerline of demising walls dividing units from each other. Dimensions shall be to the property line at lot-line walls. Stairs internal to the units shall be included in the area calculations. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan and may vary within reasonable tolerances from the "as-built" square footage as subsequently described in the condominium Declaration.

As part of the "Uninhabitable Square Footages" listed in SCHEDULE A, Unit A will have a cellar accessory area of approximately 1,063 square feet as part of the unit, and a rear yard of approximately 395 square feet and an under-stoop entrance and storage area of approximately 75 square feet allocated as limited common elements. Unit C will have a roof deck of approximately 30 square feet allocated as a limited common element.

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. Please 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 within reasonable tolerances, 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. The calculations for the projected monthly common charges for each unit are based on 1/12 of the projected annual common charges for each unit. For a more detailed explanation of the projected common charges, please see Footnote 6 below.

6. 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 which that unit bears in the condominium.

7. The calculations for the projected monthly real estate taxes for the first year of operation for each unit are based on 1/12 of the projected annual real estate taxes for the first year of operation for each unit. For a more detailed explanation of the projected real estate taxes for the first year of operation, please see Footnote 8 below.

8. 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 non-payment of taxes on other units.

Calculations of Real Estate Taxes for the subject premises are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct

proportion to the allocation of common interest. Sponsor has received an estimate from MGNY Consulting, 18 Bridge Street, Ste. 2D, Brooklyn, NY 11201 ("MGNY"). MGNY is of the opinion that DOF will apply the post-completion assessed value of the entire building to the 2023/2024 tax year. The first year of condominium operation is estimated to commence April 1, 2023, which coincides with the commencement of the Fourth Quarter of the 2022/2023 tax year. Therefore, the assessed value of the condominium for the first year of operation does not reflect the full post-completion assessed value of the building after completion of its renovation.

Although renovation 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.**

Real estate tax assessments by the New York City Department of Finance ("DOF") 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 July 1st.

As the first year of condominium operation is expected to commence on April 1, 2023 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 (2022/2023 and 2023/2024). Therefore, the annual real estate taxes for the first year of condominium operation as listed in SCHEDULE A of this Offering Plan do not reflect the full post-completion assessed value of the building after completion of construction. DOF issued its Notice of Property Value ("NOPV") for the 2022/2023 tax year for the subject premises on January 15, 2022. The subject premises is currently classified by DOF as a Tax Class 1 property for the 2022/2023 tax year, which properties are taxed at a rate of 19.963% of their assessed value. DOF determined the assessed value of the property to be \$89,694, resulting in a tax liability of \$16,309 for the 2022/2023 tax year. Additionally, Sponsor has received an estimate from MGNY Consulting, 18 Bridge Street, Ste. 2D, Brooklyn, NY 11201 ("MGNY") of an estimated post-completion of construction assessed value for the 2023/2024 tax year of \$546,575. This estimate assumes a change in classification by DOF from Tax Class 1 to Tax Class 2 of the subject premises, which tax

rate is currently 12.235%. Therefore, MGNV projects a total tax burden for the entire premises of \$66,873 for the 2023/2024 tax year. The foregoing tax projections have been rounded to the nearest dollar amount.

The commencement of the first year of condominium operation, April 1, 2023, coincides with the Fourth Quarter of the 2022/2023 tax year. An annual tax liability of \$16,309 breaks down to a quarterly tax liability of \$4,077 for the entire subject premises for the 2022/2023 tax year. The tax due from April 1, 2023, the commencement of the first year of operation, through June 30, 2023, the end of the 2022/2023 tax year, is \$4,077, as said period reflects one full tax quarter. The remainder of the first year of condominium operation, July 1, 2023 through March 31, 2024, coincides with the first three (3) quarters of the 2023/2024 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 \$50,155, based on a quarterly tax liability of \$16,718 per quarter for three (3) quarters, which quarterly rate is calculated by dividing the estimated annual post-completion 2023/2024 tax liability by four (4) quarters. Therefore, the tax burden for the entire building for the first year of condominium operation is estimated to be \$54,232, which reflects the sum of the tax burden for the period April 1, 2023 through June 30, 2023, plus the tax burden for the period July 1, 2023 through March 31, 2024. This estimated tax burden for the first year of condominium operation has been rounded to the nearest dollar amount.

Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes up to the limits imposed by the Tax Cuts and Jobs Act of 2017. See COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

9. Monthly carrying charges for the first year of condominium operation are composed of the monthly common charges and the monthly real estate taxes as projected against each unit for the first year of condominium operation, which is based on a hybrid pre-completion and post-completion tax year. For a more detailed explanation of the hybrid tax year that encompasses the first year of condominium operation, please see Footnote 8 above.

10. Post-completion estimated monthly real estate taxes for each unit are based on 1/12 of the estimated annual post-completion real estate taxes as provided by MGNV. For a

more detailed explanation of the post-completion estimated real estate taxes, please see Footnote 11 below.

11. Sponsor has received an estimate from MGNY Consulting, 18 Bridge Street, Ste. 2D, Brooklyn, NY 11201 ("MGNY") of the post-completion assessed value of the property for real estate tax purposes of \$546,575 and a change in classification from Tax Class 1 to Tax Class 2. Therefore, MGNY projects a total annual post-completion tax burden for the entire premises of approximately \$66,873, which assumes the Tax Class 2 tax rate of 12.235%.

The real estate taxes payable in SCHEDULE A are determined by applying the projected tax rate to the projected assessed value after completion of renovation and then allocating the resulting taxes to the units in accordance with common interest. 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.

Unit owners may, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued up to the limits imposed by the Tax Cuts and Jobs Act of 2017. The projected tax deduction may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any), or from changes in the allocation of constant debt service payments to interest and principal; or due to changes in real property taxes resulting changes in the assessed value, tax rates, or the method of assessing real property; or from changes in the tax laws governing deductibility of mortgage interest and real estate taxes. Please see the COUNSEL'S TAX OPINION LETTER set forth in this Offering Plan for a more complete explanation. Purchasers are strongly advised to confer with their own tax preparers regarding what deductions may be available for their own particular situations.

12. Monthly carrying charges are composed of the monthly common charges and the monthly post-completion real estate taxes projected against each unit.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
THE 18 EIGHTH AVENUE CONDOMINIUM
April 1, 2023 – March 31, 2024

PROJECTED INCOME

Common Charges	\$ 36,570
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PROJECTED EXPENSES

Gas (1)	\$ 2,065
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Electricity (2)	\$ 6,020
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Water and Sewer (3)	\$ 5,126
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Repairs, Maintenance, Services, Supplies (4)	\$ 1,500
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Service Contracts (5)	\$ 3,284
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Insurance (6)	\$ 7,500
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Legal and Accounting Fees (7)	\$ 3,000
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Labor (8) (SEE FOOTNOTES)	\$ -0-
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Management (9)	\$ 2,400
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Miscellaneous Reserve (10)	\$ 2,000
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Capital Reserve Fund (11)	<u>\$ 3,675</u>
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Total	\$ 36,570
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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 ALSO NOTE THAT EVEN IF THE FIRST CLOSING OCCURS ON OR BEFORE THE DATE PROJECTED AS THE DATE OF COMMENCEMENT OF OPERATION AT THE TIME THE PURCHASE AGREEMENT WAS ENTERED INTO OR WITHIN THE TWELVE (12) MONTH PERIOD THEREAFTER, THE 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 DETERMINATIONS AS TO WHETHER TO PURCHASE A UNIT. IN THE EVENT, HOWEVER, SPONSOR CANNOT CONVEY TITLE TO THE UNIT ON OR BEFORE TWELVE (12) MONTHS FROM THE DATE OF THE PURCHASE AGREEMENT, AFFECTED PURCHASERS WILL BE OFFERED A RIGHT OF RESCISSION. PLEASE SEE PARAGRAPH 7 OF THE PURCHASE AGREEMENT LOCATED IN PART II OF THIS OFFERING PLAN.

FOOTNOTES TO SCHEDULE B

1. Gas shall be provided for each residential unit for cooking only through a single gas meter servicing the entire building. Such gas usage will be billed as a common charge. Gas will not be used for heating or any other purpose. The projection listed in SCHEDULE B is based upon 936 therms of gas usage per year at a rate of \$2.0262 per therm projected by A&D Engineering, PLLC, 2606 East 15th Street, Ste. 204, Brooklyn, New York on March 6, 2022, and includes the cost of all applicable taxes plus a 10% allowance for inflation.
2. The Sponsor has obtained an estimate, dated March 6, 2022, from A&D Engineering, PLLC, 2606 East 15th Street, Ste. 204, Brooklyn, New York, of approximately 23,592 kilowatt hours (kWH) per year of electrical usage for the common areas. The projection in SCHEDULE B is based on a rate of \$0.2552/kWH, which includes a 10% allowance for inflation and the cost of all applicable state and local taxes. Purchasers shall be responsible for individual utility costs for their own apartments. Please see SCHEDULE B1 – EXHIBIT A located in Part I of this Offering Plan for projected individual electricity charges for each unit.
3. 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 upon a current New York City estimate of 240 gallons per day per unit and combined current water and sewer charges of \$10.61 per 100 cubic feet of water consumed for an annual sub-total of \$4,660. A 10% allowance for inflation has been added to the projected figure for a total of \$5,126.
4. Repairs, maintenance, services, supplies: The budgeted figure is based on items expected to be consumed in the normal course of building operation and normal maintenance and repairs to the common elements of the building and its systems and equipment. Supplies expected to be consumed in the normal course of building operation include light bulbs, cleaning supplies, paints, and hardware items. Insofar as this is a newly renovated building, it is not anticipated that any major repairs will be required. The budgeted figure includes such items of regular maintenance as cleaning, painting and minor mechanical, carpentry, or electrical work. Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances.

5. Service Contracts: The budget amount is for the projected annualized cost for service and maintenance of the building's sprinkler and fire alarm systems. The budgeted amount is based on quotes obtained by the Sponsor from Progressive Alarm Company Inc., 154 Avenue U, 2nd Fl., Brooklyn, NY 11223. Fire alarm service will cost \$350, plus applicable state and local tax, on a semi-annual basis, in addition to a cost of \$98, plus applicable state and local taxes, on a monthly basis for Central Station services. Sprinkler service will cost \$95, plus applicable state and local taxes, on a monthly basis. The rate of 8.875% has been applied to the foregoing costs, which represents the full rate of all applicable state and local sales taxes.
6. Insurance: Sponsor has received a letter, dated May 31, 2022, estimating the cost of coverage for the building via a package policy through BDI Associates LLC, 208 Lenox Avenue, Ste. 329, Westfield, NJ 07090 in the following coverage amounts:

Property Insurance

Building	\$2,740,000
Rent/Business Income and Extra Expense:	\$75,000
Building Ordinance:	\$1,000,000
Deductible	\$1,000

Commercial General Liability

General Aggregate	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Legal Liability	\$50,000
Medical Payment (per person)	\$5,000
Deductible	NONE

Crime Coverage

Employee Dishonesty	\$100,000
Deductible	\$1,000

Directors & Officers Liability

Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
Deductible	\$1,000 per claim

Umbrella Excess Liability

Each Occurrence	\$2,000,000
General Aggregate	\$2,000,000
Self-Insured Retention	\$1,000

Deductible for all other perils \$5,000

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

- i. each unit owner will be an additional insured;
- ii. there will be no cancellation without notice to the board of managers and individual unit owners;
- iii. will waive subrogation;
- iv. will waive invalidity because of the acts of the insured and individual unit owners;
- v. and, will waive pro rata reduction if individual unit owners obtain additional individual coverage.

Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risk as fire and casualty losses to unit contents, replacements, additions, up-graded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on the limited common elements pertinent to the units.

7. Legal and Accounting Fees: This figure is based on the estimate, dated February 8, 2022, received by the Sponsor from Yanina Karlinsky, C.P.A. of Innovative Accounting Solutions, LLC, 2388 Ocean Avenue, Unit MO, Brooklyn, NY 11229, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$3,000.00. No legal expenses are anticipated during the first year of operation. In the event the condominium requires legal assistance, same would represent an additional cost to the unit owners.
8. The condominium budget for the first year of operation does not include expenses for a superintendent. Due to the size of the building, it is expected that no superintendent will be employed. Should the Board of Managers elect at any time

to employ the services of a superintendent, this will represent an additional cost, which would require a concomitant increase in the common charges. The amount of such increase would vary based upon factors such the number of superintendent hours per week and the union or non-union status of the superintendent but could represent an additional cost of approximately 10%-15% of the annual operating budget. Activities which the unit owners will need to perform in the event no superintendent is employed include rubbish removal, cleaning, painting, bulb replacement, snow removal, landscaping and minor repairs.

9. Management: The Sponsor will enter into a management agreement with Jabco Management Group, having an address at 8706 3rd Avenue, Brooklyn, NY 11209, to manage the property for the first year of condominium operation for the annual cost specified in SCHEDULE B. While the Sponsor is in control of the Board of Managers the condominium shall not have the right to terminate the agreement. The Board of Managers thereafter may elect to employ the services of a managing agent of the Board's own choosing.

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

10. The contingency budgeted item is intended to provide a cushion for unforeseen costs and an opportunity for the condominium to accrue a reserve for future expense. It is not anticipated to serve the same purpose as a reserve fund for repair or replacement of major mechanical systems and capital expenditures.
11. The projected item represents a reserve for repair or replacement of major mechanical systems or structural elements of the building. The Capital Reserve

Fund may not be used for regular operating expenses or to reduce the monthly common charges.

SCHEDULE B1
April 1, 2023 – March 31, 2024

Each unit shall be separately metered for electricity for light, heating, hot water, and clothes drying, and each Unit Owner shall be responsible directly to the electric utility for the cost of electricity consumed within or for his or her Unit. The attached Exhibit A includes annual estimates obtained on March 6, 2022 from A&D Engineering PLLC, 2606 East 15th Street, Ste. 204, Brooklyn, New York, a licensed professional engineering firm with experience with electrical and plumbing systems in residential and commercial buildings. The rates used in the calculation are \$0.2552 per kwh and are based upon the current Consolidated Edison rates as of the date of obtaining said estimates.

A 10% inflation factor and all applicable New York City and New York State sales taxes are included with regard to all electricity costs.

SCHEDULE B1 - EXHIBIT A

Annual Utility Estimates

18 8th Avenue, Brooklyn, New York

April 1, 2023 - March 31, 2024

<u>Unit</u>	Annual Electricity Est. Usage	Annual Electricity
	<u>(KwH)</u>	<u>Est. Cost</u>
A	32,032	\$8,174
B	20,405	\$5,207
C	19,338	\$4,935
D	32,419	\$8,273



COMPASS



March 22, 2022

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

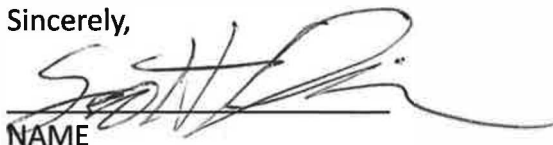
Saffayeh Development LLC

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 18 Eighth Avenue, 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 22 years and have managed, through members of my team, approximately 12 total buildings in this area over the last 10+ 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,



NAME

Scott Klein, Associate Real Estate Broker
The Scott Klein Team at COMPASS

CHANGES IN PRICES AND UNITS

Offering prices set forth in SCHEDULE A of this Offering Plan must be changed by an amendment duly filed with the New York State Department of Law when the change in price is decreased affecting one or more lines of units or unit models, or is to be advertised, or is a price increase for an individual purchaser. 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, then no material change will be made in unit size, layout, or percentage of common interest unless the affected purchaser consents and is not in default. 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. An interim lessee assumes the risk of loss to their 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. A person in possession who is not an owner cannot insure the unit since they have no ownership interest, and the unit cannot be doubly insured. A person in possession prior to closing assumes the risk of losses not covered by insurance. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance, and whether they might be able to obtain renters' insurance.

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 KORENBLIT & VASSERMAN, PLLC, as Escrow Agent. KORENBLIT & VASSERMAN, PLLC is the ESCROW AGENT for this Offering. The Sponsor is not obligated to negotiate with the Purchaser. 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 of the unit.

The prospective purchaser must have the Offering Plan and all filed amendments in his/her possession at least three (3) business days prior to executing the Purchase Agreement. In the event Purchaser has not had said Offering Plan in his possession for at least three (3) business days prior to execution, Purchaser may rescind the Purchase Agreement by mailing Notice of Rescission to Sponsor or selling agent, or by hand delivering notice, within seven (7) days after executing same. Notice by mail will be effective if it is postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreements shall not be binding on any party until accepted by the Sponsor. Within twenty (20) days after the prospective purchaser has delivered to the selling agent a signed Purchase Agreement together with the required 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. All funds paid by purchasers shall be handled in accordance with said statutes and regulations.

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

obligated to pay any legal or other expenses of the Sponsor in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

Korenblit & Vasserman, PLLC, with an address at 626 Sheepshead Bay Road, Suite 730, Brooklyn, NY 11224, telephone number (718) 336-3390, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Raquel M. Vasserman, Esq. and Irine Korenblit, 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 Signature Bank, located at 118-35 Queens Boulevard, Forest Hills, NY 11375 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled KORENBLIT & VASSERMAN PLLC NY IOLA ATTORNEY ESCROW ACCOUNT, IOLA II ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured. If purchasers have accounts at Signature Bank, N.A., the purchaser's funds that are held in the escrow account factor into the \$250,000.00 insurance limit.

All Deposits made by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of KORENBLIT & VASSERMAN, PLLC, as Escrow Agent.

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

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

Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of a fully executed Purchase Agreement or the performance or non-performance of Escrow Agent's duties under any fully executed Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of any fully executed Purchase Agreement or involving gross negligence of Escrow Agent. Please see the section entitled, ESCROW AGREEMENT FOR CONTRACT DEPOSIT located in Part II of this Offering Plan.

The Sponsor can discharge Escrow Agent of its obligations by written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. Any and all purchasers shall be deemed to have consented to such cancellation. In addition, Sponsor can discharge the Escrow Agent of its obligations upon the resignation of Escrow Agent, which shall not take effect until Escrow Agent is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to any and all purchasers of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor. Upon termination of the duties of Escrow Agent as described in the foregoing, Escrow Agent shall deliver the Deposit held by Escrow Agent and the Purchase Agreement and any other documents maintained by Escrow Agent relating to the Deposit to the successor escrow agent. Please see the section entitled, ESCROW AGREEMENT FOR CONTRACT DEPOSIT located in Part II of this Offering Plan.

The Purchase Agreement is attached hereto in Part II of the Offering Plan. The relevant escrow trust fund provisions are included in Section 5 of the Purchase Agreement, which incorporates all of the provision of the Escrow Agreement set forth in Part II of this Offering Plan. The Purchase Agreement does not require disputes arising from it to be determined by arbitration. The Purchase Agreement must be executed by the Purchaser, Seller, and the Escrow Agent.

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

confirming the Deposit. The notice shall provide the account number and the name and address of the bank where the account is located.

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

All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL section 352-h. All funds, including funds for upgrades and/or extras, will be returned to the Purchaser in the event that the Plan is abandoned, but such funds will not be returned in the event of rescission.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each purchaser pursuant to GBL section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL sections 352-e(2-b) and 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon bankruptcy, incapacity or death.

The escrow agent shall release the Deposit if so directed:

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

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

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

Prior to release of the Deposit, the Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance. If any provision of an executed Purchase Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of the executed Purchase Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

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

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

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

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have an additional 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. The Purchaser shall have fifteen (15) days therefrom to exercise his right of rescission, and Purchaser's down payment shall be returned to Purchaser within ten (10) days from the date of receipt by Sponsor of Purchaser's rescission. 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. If Purchaser elects to obtain financing, Purchaser shall apply for said loan within five (5) days after receipt of a fully executed copy of the Purchase Agreement and shall have 40 days from receipt of a fully executed copy of said Purchase Agreement to obtain such financing. 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. 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 five (5) days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, Sponsor will return the down payment within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind. Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Therefore, if the Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and Sponsor will grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right.

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

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

On closing, purchaser will be required to sign a Power of Attorney in favor of the Board of Managers as otherwise set forth in this Offering Plan.

The Sponsor anticipates that the first closing of a unit will occur by April 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than March 31, 2024, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs before March 31, 2024, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.** In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the purchase agreement, affected purchasers will be offered a right of rescission. Please see Paragraph 7 of the Purchase Agreement located in Part II of this Offering Plan.

If the closing is adjourned at Purchaser's request, an additional fee of \$150.00 will be charged for each adjournment. Any and all rates of interest for penalties incurred by a purchaser in connection with purchaser's delay in closing shall not exceed New York State usury laws.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or Article

23-A of the General Business Law. Any conflict between the Purchase Agreement and the Offering Plan shall be resolved in favor of the Offering Plan. Sponsor will not permit the assignment or transfer of Purchase Agreements without express written consent. 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. Please see the proposed form of PURCHASE AGREEMENT as set forth in Part II of this Offering Plan. 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 and New York Lien Law 71-a(3). 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 accordance with its terms and conditions, and the terms and conditions imposed by law.

For offerings of five or fewer units, the Plan shall be declared effective by personal service of notice on each purchaser or by commencement of service by mail stating that the plan was declared effective on a particular date, the percentage used to declare the plan effective, and a list of units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. To clarify, for offerings of five or fewer units, a closing may occur without the Sponsor submitting an amendment to the Department of Law to declare the Plan effective; however, Sponsor must comply with 13 NYCRR §20.5(e) when submitting a post-closing amendment pursuant to 13 NYCRR §20.5(f). 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 units in the building to bona fide purchasers, including investors; therefore, in the case of this Plan, the Sponsor needs only to sell one (1) unit in order to declare the Plan effective. The count of Purchase Agreements towards the minimum number for effectiveness shall not include those: signed by Purchasers granted a right of rescission which has neither expired nor been waived; a Purchaser who has not had at least three (3) business days to review the Offering Plan and all filed amendments prior to executing a purchase agreement or not less than seven (7) days after delivering an executed purchase agreement together with the required deposit to rescind the purchase agreement and have the full deposit refunded immediately; with any Purchaser who is the Sponsor, the selling agent, or the managing agent, or is a principal for the Sponsor, the selling agent, or the managing agent, or is related to the Sponsor, the selling agent, or the managing agent, or to any principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage, or adoption, or as a business associate, employee, shareholder, or a limited partner; except that such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. Units purchased by an investor or for the purpose of resale shall be counted towards the minimum number of units required to declare the Plan effective.

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

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 of one percent (0.5%) 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 of one percent (0.5%) of the total offering price, or the taking of any material portion of the property by condemnation or eminent domain; however, any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees. Such title defects, violations, or substantial damage or destruction of the building by fire or other casualty, or determinations of any authority or regulatory association, which exist on the date of the presentation of the Plan, and are either known to the Sponsor, or are a matter of public record, shall be excluded from calculations under this section. Additionally, any dollar amount relied on as a basis for abandonment after effectiveness must exclude any attorney's fees. The Sponsor may also not abandon the plan on account of any judgments or liens against the property resulting

from the acts of the Sponsor or any of its Principals, or which are known to the Sponsor or any of its Principals on the date of presentation of the Plan.

TERMS OF SALE

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

Permitted Exceptions

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

1. Standard exceptions contained in the title report;
2. The following covenants, conditions, easements, leases, agreements of record, etc. more fully set forth in the title report:
 - A) Landmark Designation in Reel 656 Page 1097.

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. The Sponsor will restore the damaged unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have an additional 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. The Purchaser shall have fifteen (15) days therefrom to exercise his right of rescission, and Purchaser's down payment shall be returned to Purchaser within ten (10) days from the date of receipt by Sponsor of Purchaser's rescission. An interim lessee assumes the risk of loss to his/her personal property that is not covered by the condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance.

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

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

Sponsor has obtained mortgage financing from Ponce Bank, having an office at 2244 Westchester Avenue, Bronx, New York 10462 (the "Mortgage Lender") in the principal amount of \$2,350,000. The Mortgage Lender has agreed to subordinate its lien to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the greater of 75% of the gross sales price, or the "Minimum Release" amount as noted in the release schedule provided herewith as Exhibit B-19 to this Offering Plan. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

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.

(f) 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. The New York State Tax Law Section 1404(a) (the "Amended Tax Law") has been amended as of July 1, 2021. 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. The NYSTT will no longer be "grossed up."

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

(h) All costs with regard to any mortgage that the Purchaser will place on their 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 their 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. If the closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of \$200.00 will be charged for attending the closing. Purchasers of a unit shall pay to the Sponsor's attorney at closing a fee of \$1,750.00 for the preparation of closing documents, plus \$175.00 for the preparation of ACRIS documents and \$150.00 to fill out and forward each appraisal and lender questionnaire after the first. If the closing

is adjourned at Purchaser's request, an additional fee of \$150.00 will be charged for each adjournment. The above closing fees are cumulative to the extent applicable to an individual closing.

(j) An apartment with a purchase price of \$1,000,000.00 or higher will be required to pay the New York State Mansion Tax of 1% of the purchase price. To the extent that the "grossed-up" consideration causes the consideration to exceed \$1,000,000.00, this New York State Mansion Tax will be due. 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") on certain conveyances of real property within New York State occurring after July 1, 2019. These amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more (which includes only New York City as of this date). The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is \$3 million or more, and conveyances of any other property when the consideration for the conveyance is \$2 million or more. For conveyances of residential real property where the consideration for the entire conveyance is \$3 million or more, a tax rate of \$1.25 for each \$500 of the sale price or fractional part thereof is added to the base rate of \$2.00 for each \$500 or fractional part thereof. Purchasers of real property with a consideration of \$3 million or more shall be responsible for paying the base transfer tax and additional transfer tax. The purchaser's payment of the base transfer tax will itself be deemed additional consideration, resulting in a "tax on a tax" effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs.

(l) 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.

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. The amount of the real estate tax escrow will be disclosed in the post-closing amendments until the units are separately assessed. Subsequent to closing, each unit owner will be assessed their proportionate share of the real estate taxes. After assessment, unit owners will be reimbursed for any overpayment of taxes or assessed for any underpayment.

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

A numerical example of closing costs allocable to a typical Unit is set forth on the next page. "Grossed up" prices have been used for the New York City Transfer Tax. Said example is for illustrative purposes only and is not intended to be comprehensive.

SAMPLE CLOSING COSTS

\$2,500,000.00 Purchase Price

\$2,000,000.00 Mortgage

Mortgage and Fee Title Insurance	\$ 8,303.00
Deed and Power of Attorney Recording	\$ 250.00
Mortgage Recording Tax	\$ 38,500.00
New York City Transfer Tax	\$ 36,275.00
New York State Documentary Stamp Tax	\$ 10,000.00
Working Capital Fund Contribution	\$ 1,800.00
"Mansion" Tax	\$ 25,000.00
Supplemental Tax	\$ 12,729.00
Reimbursement Fee	\$ 2,500.00
<u>Document Preparation Fee</u>	<u>\$ 1,750.00</u>
TOTAL:	\$137,807.00

In addition to the foregoing, the Purchaser will, of course, be responsible for any fees charged by their own bank and their 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, the Building Code of the City of New York now in effect, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits required, if any. Sponsor agrees to deliver a set of “as-built” plans to the Board of Managers. All open Housing, Building, and/or Fire Department violations will be cured prior to closing.

The Sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the Plan. 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 that are not of Equal to or Better Quality than the materials or equipment being substituted, or (ii) change the size, location of buildings or units, other improvements, or common elements, if such changes adversely affect the public areas, or affect the percentage of common interest, or adversely affect the value of, any unit to which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless all affected purchasers, 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.

While the Sponsor will endeavor in good faith to sell all units in a reasonably timely manner, Sponsor is retaining the unconditional right to rent rather than sell units after consummation of the Plan. Thus, Sponsor may never sell more than the 15% of units required to declare the plan effective, which in the case of this plan means one (1) unit. As a result of this, the plan may not result in the creation of a condominium in which a majority of the units are owned by owner-occupants or investors unrelated to the Sponsor. The condominium Board does not have the right to approve or disapprove Purchasers, so there is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents. Owner-occupants and non-resident owners, including Sponsor or purchasers for investment, may have inherent conflict on how the condominium should be managed because of their different reasons for purchasing (i.e., purchase as home as opposed to purchase as investment).

The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit, except as required by the New York State Housing Merchant Implied Warranty

Law, located in Part II of this Offering Plan at pages HM1-HM7. New York State General Business Law requires the builder of new dwelling consisting of five stories or less to provide a warranty to the Purchaser as follows:

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

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

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

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. Written notice of a warranty claim for breach of a Housing Merchant Implied Warranty must be received by Sponsor prior to the commencement of any action by a Unit Owner and no later than thirty (30) days after the expiration of the applicable warranty period, as described above. The Unit Owner shall afford the Sponsor reasonable

opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

The Housing Merchant Implied Warranty Law applies to latent defects only.

The Purchaser shall have the responsibility of performing an engineering inspection at their own cost and expense prior to entering into a Purchase Agreement. Sponsor will not be responsible for patent defects to a unit not reported prior to closing that a standard engineering inspection would have revealed. Any such pre-engineering inspection shall not affect the Sponsor's obligation to complete any defects noted during the pre-inspection of the Unit prior to the closing nor Sponsor's obligation to construct the building in accordance with the term of the Plan.

At least ten (10) days before the closing, the Selling Agent shall notify the Purchaser that the Unit is ready for a standard pre-closing walk-through inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his 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 the Purchase Agreement located in Part II of this Offering Plan) 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 fulfilling his obligation to close under the terms of the Purchase Agreement and shall constitute Purchaser's full acceptance of the Unit. 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). In the event Sponsor fail 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 shall procure fire and casualty insurance pursuant to an Agreed Amount Replacement Value policy, as reflected in SCHEDULE B located in Part I of this Offering Plan. 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 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 Sponsors for those units under the Offering Plan, applicable laws, or regulations. Disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation may not be included. The Plan may not include any financial limitation on Sponsor's liability for failure to perform its obligations under the Offering Plan.

Sponsor has obtained mortgage financing from Ponce Bank, having an office at 2244 Westchester Avenue, Bronx, New York 10462 (the "Mortgage Lender") in the principal amount of \$2,350,000. The Mortgage Lender has agreed to subordinate its lien to the Declaration. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before the Mortgage Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the greater of 75% of the gross sales price, or the "Minimum Release" amount as noted in the release schedule provided herewith as Exhibit B-19 to this Offering Plan. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

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 absence of any written agreement to the contrary between the parties, any matter permitted to be determined by arbitration pursuant to the terms of the Condominium Documents that the parties have opted to determine by arbitration, or any matter required 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. The single arbitrator will be an independent third party unrelated to either party in the dispute. Any dispute relating to the expenses to be borne by the Unit Owners *shall* be submitted to arbitration in accordance with Article VI, Section 1 and Article IX, Section 1 of the By-Laws. The

Condominium By-Laws do not provide for a waiver of jury trial. The foregoing does not in any way abrogate or modify the rights of Purchasers and Unit Owners pursuant to the Martin Act and governing regulations. The Purchase Agreement does not require disputes arising from it to be determined by arbitration.

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. The Sponsor will not dissolve or liquidate for a minimum of six (6) years. 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 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, and no Purchaser shall be required to accept a damaged unit.

In the event of the dissolution or liquidation of the sponsor or the transfer of 10 or more units or 20 percent or more of the total number of units in the condominium, whichever is less, the principals of the sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the sponsor for those units under the offering plan, applicable laws or regulations.

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.

A meeting will be held to elect new board members unrelated to the Sponsor within 30 days of the expiration of the control period. 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, nor will it exercise any voting control that it may have through its ownership of a majority of the Units and common elements, and Sponsor will not nominate or vote for affiliated parties as board members.

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 any matter affecting the health and safety of the occupants of the building.

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

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations, remedy any notice of a violation, remedy any work order from an insurer, or any expense that may affect the health and safety of the occupants of the building if veto power is exercised. 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 Robert Saffayeh, Gabriel Saffayeh, and George Saffayeh. Robert and Gabriel Saffayeh are the principals of the Sponsor, and George Saffayeh is a blood relative of Robert and Gabriel Saffayeh. 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. 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. Purchasers for their own occupancy may never gain control of the Board of Managers. 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. 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. Purchasers for their own occupancy may never gain control of the condominium. Nonetheless, the Board of Managers has a fiduciary duty to act in the best interest of the condominium, even during the 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. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in

accordance with the By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to such proportion of the total liability 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) in number and in Common Interests of all 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. The Board of Managers has a fiduciary duty to act in the best interest of the Condominium, even during the initial Sponsor control period.

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 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." 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. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in accordance with the By-Laws. 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 their 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. With regard to the roof levels, any structural damage occurring to either roof level shall be the sole responsibility of the Condominium through the Board of Managers 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. Maintenance and repair of the roof deck area at the roof above the first floor level will be the sole responsibility of the Unit Owner of Unit C 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. The unit owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational. Any damage occurring to the roof shall be the sole responsibility of the Condominium and/or unit owner causing

such damage and will need to be repaired at the Condominium's or such unit owner's sole expense.

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

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 their 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 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 their 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 their 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 their 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, pursuant to Section 339-y of the Real Property Law, 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 2022/2023 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 2022/2023 tax year. It is anticipated that Units will be separately assessed for the 2023/2024 tax year, and that individual Unit Owners (whether purchasers, holders of unsold shares, or the Sponsor) will pay the taxes thereof as set forth in the attached SCHEDULE A. The amount of the taxes deposited with the Board of the condominium will be disclosed in the post-closing amendments until the units are separately assessed.

The Sponsor is not applying for any property tax exemption or abatement. The Sponsor anticipates the completion of construction by December, 2022 and for the first year of condominium operation to commence on April 1, 2023. 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. The first year of condominium operation is estimated to commence April 1, 2023, which coincides with the commencement of the Fourth Quarter of the 2022/2023 tax year. Therefore, the assessed value of the condominium for the first year of operation does not reflect the full post-completion assessed value of the building after completion of its renovation.

Although renovation 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 April 1, 2023 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 (2022/2023 and 2023/2024). Therefore, the annual real estate taxes for the first year of condominium operation as listed in SCHEDULE A of this Offering Plan do not reflect the full post-completion assessed value of the building after completion of construction. DOF issued its Notice of Property Value ("NOPV") for the 2022/2023 tax year for the subject premises on January 15, 2022. The subject premises is currently classified by DOF as a Tax Class 1 property for the 2022/2023 tax year, which properties are taxed at a rate of 19.963% of their assessed value. DOF determined the assessed value of the property to be \$89,694, resulting in a tax liability of \$16,309 for the 2022/2023 tax year. Additionally, Sponsor has received an estimate from MGNY Consulting, 18 Bridge Street, Ste. 2D, Brooklyn, NY 11201 ("MGNY") of an estimated post-completion of construction assessed value for the 2023/2024 tax year of \$546,575. This estimate assumes a change in classification by DOF from Tax Class 1 to Tax Class 2 of the subject premises, which tax rate is currently 12.235%. Therefore, MGNY projects a total tax burden for the entire premises of \$66,873 for the 2023/2024 tax year. The foregoing tax projections have been rounded to the nearest dollar amount.

The commencement of the first year of condominium operation, April 1, 2023, coincides with the Fourth Quarter of the 2022/2023 tax year. An annual tax liability of \$16,309 breaks down to a quarterly tax liability of \$4,077 for the entire subject premises for the 2022/2023 tax year. The tax due from April 1, 2023, the commencement of the first year of operation, through June 30, 2023, the end of the 2022/2023 tax year, is \$4,077, as said period reflects one full tax quarter. The remainder of the first year of condominium operation, July 1, 2023 through March 31, 2024, coincides with the first three (3) quarters of the 2023/2024 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 \$50,155, based on a quarterly tax liability of \$16,718 per quarter for three (3) quarters, which quarterly rate is calculated by dividing the estimated annual post-completion 2023/2024 tax liability by four (4) quarters. Therefore, the tax burden for the entire building for the first year of condominium operation is estimated to be \$54,232, which reflects the sum of the tax burden for the period April 1, 2023 through June 30, 2023, plus the tax burden for the period July 1, 2023 through March 31, 2024. This estimated tax burden for the first year of condominium operation has been rounded to the nearest dollar amount.

The real estate taxes payable in SCHEDULE A are determined by applying the projected tax rate to the projected assessed value after completion of renovation and then allocating the resulting taxes to the units in accordance with common interest. 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 accordance with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessment, the general grant of power in the Board of Managers to operate the property in the best interest of unit owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all unit owners. The Building benefits from the limitations imposed by Sections 581 (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.



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June 1, 2022

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**Tax Opinion Letter for Condominium Project
18 8th Avenue, Brooklyn, NY 11217 Block: 1059 Lot:44**

Mr. Robert Saffayeh
Innovative Brownstone Development Fund, LP
443 East 4th Street
Brooklyn, NY 11218

Dear Mr. Saffayeh,

THIS LETTER IS BEING SENT TO YOU WITH THE EXPRESS UNDERSTANDING
THAT OUR FIRM ASSUMES NO LIABILITY FOR OUR OPINIONS PRESENTED HEREIN.

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 B00493166.

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 2023/2024. 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 projected date
of commencement of construction is December 2021; and that the anticipated completion is
December 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
NC2 Architecture LLC. The data contained in the architectural drawings indicates that the building
will have a gross floor area of 7,263 square feet and will have 5 (five) main levels plus cellar level.

In total, there will be 4 (four) residential units located on the basement through 4 (fourth) floor.



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June 1, 2022

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**Tax Opinion Letter for Condominium Project
18 8th Avenue, Brooklyn, NY 11217 Block: 1059 Lot:44**

II. Estimated Assessed Value

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

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 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. The residential units will be designated as tax class 2C property and will pay taxes based upon the class 2 tax rate. The current 2021/22 class 2 tax rate is 12.235%

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

2022/23 Assessed Value and Tax Liability

Total Estimated Assessed Value: \$ 81,694

Total Tax Liability: \$ 16,309

We believe there will be a substantial increase in value for 2023/24 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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**Tax Opinion Letter for Condominium Project
18 8th Avenue, Brooklyn, NY 11217 Block: 1059 Lot:44**

2023/24 Projected Assessed Value and Tax Liability

For the post construction tax year of 2023/24, we project that the actual assessed value and the tax liability for the entire property will be as follows:

Total Estimated Assessed Value: \$ 546,575

Total Tax Liability: \$ 66,873

**Project Tax Liability for the 1st Year of Condo Operation
(April 1st 2023 – March 31st, 2024)**

Total Estimated Tax Liability: \$ 54,232

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, which act allows an itemized deduction of up to \$10,000.00 for the total of state and local property taxes and caps the amount of mortgage interest that can be deducted to \$750,000.00 of mortgage debt. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the COUNSEL'S TAX OPINION LETTER. 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.



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**OPINION OF COUNSEL REGARDING TAX STATUS OF
THE 18 EIGHTH AVENUE 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 18 Eighth Avenue Condominium, is a validly-formed condominium under New York's Condominium Act (Article 9B of the New York State Real Property Law) consisting of four (4) residential units.

1. Availability of Tax Deductions

A. Tax Deductions for Real Estate Taxes

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

New York, as one of the original 13 states, arguably traces its statehood back to 1776, and ratified the present United States Constitution in 1788. Clearly, its statehood is well-established. New York's 1964 Condominium Act clearly establishes the conceptualization of condominium units as real property, stating, "each unit and its common interest, not including any personal property, shall be deemed to be a parcel and shall be subject to separate assessment and taxation." N.Y. REAL PROP. LAW § 339-y. Each condominium unit is accordingly assigned its own block and lot; purchasers of condominium units take ownership of their units pursuant to real property deeds. Furthermore, the Condominium Act explicitly states, "each unit, together with its common interest, shall for all purposes constitute real property." N.Y. REAL PROP. LAW § 339-g. Therefore, New York state and city property taxes on condominium units constitute potentially deductible real property taxes for federal income tax purposes.

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

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

It is therefore my opinion that owners of residential units in this condominium who itemize their deductions will be eligible to deduct real estate taxes paid on said units for federal income tax purposes as well as New York state and city income tax purposes, subject to the limits imposed by the Internal Revenue Code, the Federal Tax Cuts and Jobs Act of 2017, New York tax law, and the specific taxpayer's personal situation. Each potential purchaser is strongly encouraged to consult with his or her own tax advisor concerning the deductibility of real estate taxes in his or her specific situation.

B. Tax Deductions for Mortgage Interest

Prior to January 1, 2018, the general Internal Revenue Code rule concerning interest has been, “There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness.” I.R.C. § 163(a). While subsection (h) disallowed deductions for personal interest (I.R.C. § 163(h)(1)), it also clarified, “For purposes of this subsection, the term ‘personal interest’ means any interest allowable as a deduction under this chapter *other than* (D) any qualified residence interest (within the meaning of paragraph (3))” (emphasis mine). I.R.C. § 163(h)(2). Paragraph (3) stated, “The term ‘qualified residence interest’ means any interest which is paid or accrued during the taxable year on (i) acquisition indebtedness with respect to any qualified residence of the taxpayer, or (ii) home equity indebtedness with respect to any qualified residence of the taxpayer.” I.R.C. § 163(h)(3). “Acquisition indebtedness” is further defined as “any indebtedness which (I) is incurred in acquiring, constructing, or substantially improving any qualified residence of the taxpayer, and (II) is secured by such residence.” I.R.C. § 163(h)(3)(B)(i). The subsection limited acquisition indebtedness to \$1,000,000.00. I.R.C. § 163(h)(3)(B)(ii). “Home equity indebtedness” was defined as “any indebtedness (other than acquisition indebtedness) secured by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed (I) the fair market value of such qualified residence, reduced by (II) the amount of acquisition indebtedness with respect to such residence.” I.R.C. § 163(h)(3)(C)(i). The subsection limited home equity indebtedness to \$100,000.00. I.R.C. § 163(h)(3)(C)(ii).

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

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

Given the provisions above, it is my opinion that purchasers who intend to use their units in this condominium for residential purposes and who itemize their deductions will generally be able to deduct their home mortgage interest for

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

These materials are difficult even for practitioners to comprehend, as is evidenced by the plethora of clarifying Revenue Rulings and discussions surrounding the pertinent provisions of the Internal Revenue Code. Potential purchasers are *strongly* advised to consult with their own tax experts with regard to deductibility of mortgage interest, as § 163 contains several limitations on deductibility that may or may not apply to a given taxpayer's specific situation. This opinion is only intended to render a general opinion; purchasers' or owners' specific situations are well beyond the scope of this document and require a far more tailored analysis.

2. Income Tax Status of the Condominium

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

respect to a condominium project substantially all of the units of which are used by individuals for residences.” I.R.C. § 528(c)(2).

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

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

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

Conclusion

In my opinion, the condominium will 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 18, 2022

RESERVE FUND

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

MANAGEMENT AGREEMENT

Upon closing of the first unit, the condominium Board of Managers will enter into a management agreement with Jabco Management Group, having an address at 8706 3rd Avenue, Brooklyn, NY 11209, for an initial period of one year from the date of first closing. Jabco Management Group is not affiliated with the Sponsor or its principals. The agreement will provide that it shall be automatically renewed at the expiration of each one-year period unless either party has given sixty (60) days' written notice to the other that the agreement will not be renewed. Upon termination of the managing agreement by either party, for any reason whatsoever, the managing agent shall be required to transfer all books and records in its possession to the condominium Board of Managers or to any successor managing agent named by the condominium Board of Managers.

The management company has over 20 years of experience managing condominium complexes, cooperative buildings, rental properties, and commercial properties in New York City. In consideration of managing the premises, the managing agent shall receive monthly compensation of \$200.00 per month, for a total of \$2,400.00 per year. This fee is below the prevailing rates in New York City for property management, which is generally in the range of \$300 per unit per year. In addition, the managing agent shall have the right to establish reasonable fees for the processing of lease or sale applications, review of requests for permission to make improvements on individual units, and any other activity outside the normal course of building management. In addition, the managing agent shall be entitled to provide services (such as repair and maintenance) to individual unit owners where requested, and shall be entitled to charge such individual unit owners (but not the condominium) for such services.

The major duties to be provided by the managing agent shall include, but not be limited to maintenance of all condominium books and records; collection of monthly common charges and any special assessments levied by the condominium; payment of all condominium expenses from condominium funds; maintenance of condominium checking accounts; or keeping, payroll and tax reporting functions; inspections and inspection compliance; repair and maintenance of common elements; and the hiring and firing of condominium employees. In addition, the managing agent shall be entitled to, where in its sole and exclusive discretion such is needed, retain the services of outside professionals such as accountants, attorneys, etc., which expense shall be borne by the condominium. Additionally, where required items of repair or maintenance exceed the

capabilities of building employees, the managing agent shall be entitled to contract for such services, which shall be paid for from condominium funds.

In addition to the compensation set forth above, the managing agent shall be entitled to reimbursement for expenses incurred in the normal course of its functions, such as messenger and delivery charges, travel expenses, etc. In addition, the condominium shall indemnify the managing agent against any liability or obligation incurred for acts properly performed by it pursuant to the management agreement and name the managing agent as an additional insured under its insurance policy.

The management agreement may not be assigned by the agent.

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this project is Innovative Brownstone Development Fund LP, a Delaware Limited Partnership formed on November 6, 2020, with offices located at 443 East 4th Street, Brooklyn, New York 11218. The principals of the Sponsor are Robert Saffayeh and Gabriel Saffayeh of the same address. Robert Saffayeh is a financial advisor by trade who has almost ten years of experience in real estate development and management, including experience as a principal of the sponsor of various condominium offerings in Brooklyn, New York. Gabriel Saffayeh is the president of a construction company with experience in real estate development and over five years of management experience of several 4- and 5-unit condominiums in Brooklyn, New York. Neither the Sponsor nor principals of the Sponsor have previously been the Sponsor or principal of the Sponsor of any condominium or cooperative conversions in New York State in the preceding five years except for the following condominium conversions:

<u>Principal</u>	<u>Property Address</u>	<u>File Number</u>	<u>Acceptance Date</u>
Robert Saffayeh	359 7 th Street Brooklyn, NY 11215	CD16-0403	06/01/2017
	701 President Street Brooklyn, NY 11215	CD19-0176	01/14/2020
	590 6 th Street Brooklyn, NY 11215	CD21-0347	pending
	121-123 Sixth Avenue Brooklyn, NY 11217	pending	pending
Gabriel Saffayeh	446 Clinton Street Brooklyn, NY 11231	CD21-0124	03/11/2022
	590 6 th Street Brooklyn, NY 11215	CD21-0347	pending
	121-123 Sixth Avenue Brooklyn, NY 11217	pending	pending

Both Robert and Gabriel Saffayeh are current in their financial obligations to their respective properties, including, but not limited to, payment of common charges, taxes, reserve and/or working capital fund contributions, assessments, payments for any repairs or improvements promised in the plan, and payments of any underlying

mortgages and loans for which units have been pledged, as applicable. There are no felony convictions, convictions of any kind, bankruptcies, judgments, or injunctions against the Sponsor or principals of the Sponsor.

COUNSEL: Sponsor has retained 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. Korenblit & Vasserman, PLLC, 626 Sheepshead Bay Road, Suite 730, Brooklyn, New York 11224, will act as the Sponsor's closing attorney, and will be the escrow agent for Purchasers' down payments. Ms. Murdoch and Korenblit & Vasserman, PLLC represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT / ENGINEER: The architect, Richard Alan Goodstein, R.A., of nC2 Architecture, LLC, has offices at 1000 Dean Street, Suite #220, Brooklyn, New York 11238, 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. Goodstein has extensive residential and commercial architecture experience. Representative projects include the landmark residential property located at 1372 Dean Street, Brooklyn, as well as high-profile commercial projects such as the Time Warner Center and World Trade Center Tower 1 (Freedom Tower) in New York, and the Guggenheim Museum in Vienna, Austria. The architect has no financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction, except for his fee for services rendered in connection with his report.

MANAGING AGENT: The Sponsor will enter into a management agreement with Jabco Management Group, having an address at 8706 3rd Avenue, Brooklyn, NY 11209, to manage the Building for the first year of condominium operation. The agreement will provide that it shall be automatically renewed at the expiration of each one-year period unless either party has given sixty (60) days' written notice to the other that the agreement will not be renewed. Thereafter, the Condominium shall decide as to whether it deems it necessary or desirable to employ a different individual(s) or firm(s) for the purpose of managing, operating and maintaining the Building. Jabco Management Group has over 20 years of experience managing condominium complexes, cooperative buildings, rental properties, and commercial properties.

There are no felony convictions, convictions of any kind, bankruptcies, judgments, or injunctions against the Managing Agent.

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.

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. Sponsor is not aware of any unusual circumstances that may affect the use or enjoyment of the property and appurtenances unless disclosed elsewhere in the Plan.

Pursuant to 13 N.Y.C.R.R. § 20.3(ae)(5), the Sponsor is unaware of any circumstances which may affect use or enjoyment of the property and appurtenances, such as reciprocal covenants or easements, impeding adjacent high-rise construction, any usage restriction by statute, ordinance, or zoning resolution such as specified occupancy percentage by certified artists, or historic district or landmark designation, unless disclosed elsewhere in the Plan.

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

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

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

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

If there is a material amendment to the Offering Plan that adversely affects a purchaser, such purchaser shall have the right to rescind his/her purchase agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by CERTIFIED MAIL - RETURN RECEIPT REQUESTED and shall be deemed made on the date when notice of rescission is deposited with the United States Post Office. Sponsor shall promptly return the deposit on contract to any purchaser who validly rescinds.

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

DOCUMENTS ON FILE

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
18 Eighth Avenue, Unit ____, Brooklyn, New York

Purchaser(s) _____

Address _____

Home Telephone _____ Business Telephone _____

Purchaser's S.S.No _____

Attorney _____

Attorney's Address _____

Attorney's Telephone No _____

Broker _____ Telephone No _____

Unit _____ Common Interest _____ % Common Charges \$ _____

Cash Purchase Price \$ _____

Down Payment (herewith) \$ _____

Balance Due on Closing \$ _____

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

1. OFFERING PLAN READ. As Purchaser, I have received and read the Offering Plan of Condominium Organization (the Plan) with respect to premises located at 18 Eighth Avenue, Brooklyn, New York.

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

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

2. AGREEMENT TO PURCHASE. I hereby agree to purchase the above apartment and 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 " KORENBLIT & VASSERMAN, PLLC, 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. PAYMENTS HELD IN TRUST AT NAMED BANK. The Seller will hold all monies received by it directly or through its agents, employees or escrow agent, in trust, in compliance with the trust fund provisions of section 352-h and section 352-e(2)b of the General Business Law, until actually employed in connection with the consummation to the Offering Plan. All such monies will be deposited with Signature Bank, located at 118-35 Queens Boulevard, Forest Hills, NY 11375, under the name of KORENBLIT & VASSERMAN PLLC NY IOLA ATTORNEY ESCROW ACCOUNT, IOLA II. The funds so deposited will be released by the escrow agent, an attorney at law, only for the purposes of, and in conformity with the consummation of this Plan, or returned to me as herein provided. I shall be entitled to any interest earned on the sums deposited by me. The escrow account is of an IOLA type and no interest shall inure to the benefit of either

the Purchaser or the Sponsor.

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

The Escrow Agreement is attached hereto as Exhibit B.

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

7. THIS AGREEMENT IS CONTINGENT. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective. 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 at the time the Purchaser enters into the Purchase Agreement and within 12 months after the date the fully executed Purchase Agreement is received. 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.

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 ten (10) 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. Pursuant to the amendment to the New York State Tax Law Section 1404(a) effective July 1, 2021 (the "Amended Tax Law"), the New York State Transfer Tax ("NYSTT") shall specifically be payable by the Purchaser/grantee pursuant to the terms of the Offering Plan and this Purchase Agreement, and the NYSTT shall no longer be "grossed up." The Sponsor hereby removes from the Offering Plan, including the Purchase Agreement, all references to such "grossed up" consideration payable by a Purchaser in connection with the NYSTT. 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 to be rejected and canceled and my deposit shall be promptly refunded to me.

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

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

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

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

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

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

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

22. MORTGAGE FINANCING. This Contract will be conditional on Purchaser obtaining such loan in an amount not more than \$ from an institutional lender. Purchaser shall apply for said loan within five (5) business days after receipt of a fully executed copy of this Contract, and shall have forty (40) days from the signing of said Contract to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the aforementioned lending institution provided same is in at least the amount set forth above, and the purchaser has reasonably determined he/she can satisfy the conditions set forth therein. In the event Purchaser fails to obtain such commitment within forty (40) days from the date of execution of the Contract, either party may cancel this Purchase Agreement on five (5) business days written notice to the other party, whereupon this Purchase Agreement shall become null and void, and the down payment shall be returned to the Purchaser. 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, 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. If Purchaser elects to exercise his right of rescission, then Sponsor will return the Down Payment to Purchaser within ten (10) days of Sponsor's receipt of Purchaser's notification of his exercising his right to rescind. Under New York law, when a mortgage commitment is not fulfilled through no fault of

a purchaser, performance is excused. Therefore, if the Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right. **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. After acceptance of my Purchase Agreement and so long as I am not in default hereunder, there shall be no change in the amount of the Cash Purchase Price, size or layout of the apartment I intend to purchase, without my written consent first being obtained. If there is a material change in the size or quality of common areas, I shall be given written notice thereof by certified mail, return receipt requested, and I shall have fifteen (15) days therefrom to rescind my Purchase Agreement and obtain return of my Down Payment by so notifying the Sponsor or Selling Agent in writing by certified mail, return receipt requested. Notice of an amendment may also be given by overnight delivery service, or fax, and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above. Notice of an amendment may also be given by overnight delivery service, or fax, and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above.

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

25. RECORDING OF DEED AND POWER OF ATTORNEY. At the Closing of Title, I will deliver the executed deed received from Seller and an executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of Kings. Such deed and power of attorney will be in the form set forth in the Plan.

26. RISK OF LOSS. Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of

that unit pursuant to a written agreement with the Sponsor. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. If Sponsor decides to restore the unit, the Sponsor shall have 15 days in which to restore the unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs. If the Sponsor decides not to restore the unit, the purchaser in such case would have the right to rescind. The Purchaser shall have fifteen (15) days therefrom to exercise his right of rescission, and Purchaser's down payment shall be returned to Purchaser within ten (10) days from the date of receipt by Sponsor of Purchaser's rescission. In the case of an interim lessee, if the Sponsor is not obligated to repair any such damage, the Sponsor will make insurance proceeds available to the interim lessee purchaser, subject to the rights of the condominium Board.

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

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

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

30. PURCHASER'S REMEDIES. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the 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 within reasonable tolerances of the Units dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

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

32. CONSTRUCTION

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

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

33. PRE-CLOSING WALK-THROUGH INSPECTION OF UNIT. At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for a standard pre-closing walk-through inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his 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. 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). In the event Sponsor fail to perform such obligation, Purchaser may enforce same in a court of competent jurisdiction. 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 affected 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, and any proposed assignment or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the contract and retain all sums deposited pursuant hereto. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00.

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

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

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

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

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

DATE: , 20 .

Purchaser

Purchaser

APPROVED AND ACCEPTED
INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP
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 18 8th Avenue, 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
INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP

By:

EXHIBIT B
ESCROW AGREEMENT FOR CONTRACT DEPOSIT

ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP ("SPONSOR") as Sponsor of the Offering Plan, and KORENBLIT & VASSERMAN, PLLC ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium units at the premises located at 18 Eighth Avenue, Brooklyn, New York, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Section 352-e(2-b), 352-(h) and the Attorney General's regulations promulgated thereunder; and,

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of Unit(s) _____ at premises 18 8th Avenue, Brooklyn, New York at Signature Bank, N.A., a bank authorized to do business in the State of New York, at its branch located at 118-35 Queens Boulevard, Forest Hills, NY 11375. The name of the account is KORENBLIT & VASSERMAN PLLC NY IOLA ATTORNEY ESCROW ACCOUNT, IOLA II.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Raquel M. Vasserman, Esq. and Irine Korenblit, Esq. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 626 Sheepshead Bay Road, Suite 730, Brooklyn, NY 11224, and a telephone number of (718) 336-3390.

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

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

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

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments that identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of KORENBLIT & VASSERMAN, PLLC, as Escrow Agent, pursuant to the terms set forth in the Plan. Any instrument payable to or endorsed other than as required hereby and which cannot be deposited into such Escrow Account shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall not be deemed to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and initial interest rate earned thereon. If the PURCHASER does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2. ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement upon closing of title to the unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER;
or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If ESCROW AGENT is not directed to release the Deposit pursuant to paragraph 3.2 above, and ESCROW AGENT receives a request by either SPONSOR or PURCHASER to release the Deposit, then ESCROW AGENT must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If ESCROW AGENT has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and ESCROW AGENT shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If ESCROW AGENT receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, ESCROW AGENT shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, ESCROW AGENT shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

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

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

4. RECORDKEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

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

7. TERMINATION OF AGREEMENT.

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

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

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

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

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

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

13. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:
KORENBLIT & VASSERMAN, PLLC

By: _____
Name:
Title: Escrow Agent

SPONSOR:
INNOVATIVE BROWNSTONE
DEVELOPMENT FUND LP

By: _____
Name:
Title: Principal of the Sponsor

PURCHASER:
[INSERT NAME]

By: _____
Name: _____
Title: _____

UNIT DEED

THIS INDENTURE made the day of , 20 , between INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP, 443 East 4th Street, Brooklyn, New York, 11218 (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;

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

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

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

UD2

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

INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP

State of New York)
County of) SS.:

NOTARY PUBLIC

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner of Unit No. _____ in the Condominium known as THE 18 EIGHTH AVENUE 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 _____ and in the floor plan of file as Map No. CRFN _____ do hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of THE 18 EIGHTH AVENUE 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 INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP, (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 18 Eighth Avenue, 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 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 or Rescission of the subscription agreement by PURCHASER, which is not cured within 15 days after notice thereof, 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 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. Notwithstanding the foregoing, before the Seller can utilize a default under an Interim Lease to declare a default under the Purchase Agreement, the Seller 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.

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.

12) If any term of this agreement differs from the Offering Plan as accepted for filing by the Attorney General of the State of New York, the offering plan shall be controlling.

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.

IN WITNESS WHEREOF, the parties hereunto set their hands this
day of _____, 20____.

SPONSOR

INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP

PURCHASER

TAX ESCROW AGREEMENT

AGREEMENT made this 23 day of March, 2022, by and between INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 18 EIGHTH AVENUE 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 18 8th Avenue, Brooklyn, New York; and,

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

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

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

NOW, THEREFORE, the parties agree as follows:

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

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

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

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

INNOVATIVE BROWNSTONE
DEVELOPMENT FUND LP

By: 
ROBERT SAFFAYEH, Principal

THE BOARD OF MANAGERS OF THE
THE 18 EIGHTH AVENUE CONDOMINIUM

By: 
ROBERT SAFFAYEH

ARCHITECT'S REPORT

PREMISES KNOWN AS THE 18 8TH AVENUE CONDOMINIUM

18 8th Avenue

Brooklyn, NY 11217

Tax Block Number 1059

Tax Lot Number 44

Prepared by:

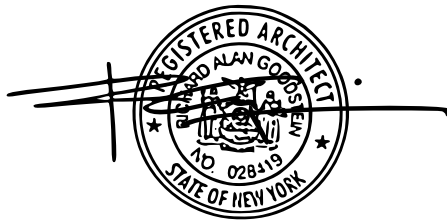
nC2 architecture, llc

1000 Dean Street #220

Brooklyn, NY 11238

Phone: 718-622-2555

Dated: 06/07/2022



18 8th Avenue Condominium: Property and Building Description

a. LOCATION AND USE OF THE PROPERTY

- (1) This report describes the building to be known as the 18 8th Avenue Condominium, located at 18 8th Avenue in the Park Slope neighborhood of the Borough of Brooklyn, Kings County, in the City and State of New York.
- (2) Tax Block 1059, Tax Lot 44. There are no known restrictive declarations.
- (3) The site is located in an R7B Zone, as designated on Zoning map 16C.
- (4) This zone permits residential use as-of-right. The building will comply with all zoning and use requirements at closing; however there are existing non-compliances relating to the yards and courts which pre-date the Zoning Resolution and are therefore grandfathered.

b. STATUS OF CONSTRUCTION

- (1) The building is an existing structure dating approximately to 1890 and is currently being gut renovated by the Sponsor. There is no enlargement associated with this alteration, however a deck will be installed on the roof of the existing rear extension. Work is projected to be substantially complete in December of 2022.
- (2) The Class of Construction is 3, non-fireproof, per Article 4, Sub-article 2 of the 1938 New York City Building Code. The alteration was filed under the 1938 NYC Building Code and NYC MDL Article 6. The fire rated components of the building shall be as follows: common stair enclosure, wall & ceiling assemblies between dwelling units, meter and utility room in cellar.
- (3) A new Certificate of Occupancy shall be issued upon completion of the current renovation project, which will change the use from two-family dwelling to a 4-unit residential building. The Sponsor intends to have a permanent C of O issued prior to closing.
- (4) The renovation of the building was assigned the New York City Department of Buildings Job No. B00493166. Related filings will be structural, mechanical, plumbing and sprinkler.

c. SITE

- (1) The site (zoning lot) is 2,000 sf and rectangular, located on the northern side of 8th Avenue, 100' south from Lincoln Place and 110'-11" north of Saint Johns Place, with a frontage of 20', and a depth of 100'.
- (2) There shall be one 4-unit residential building on the site.
- (3) There are no streets on the property.
- (4) There shall be no drives, sidewalks or ramps on the site. In front of the site is a concrete sidewalk and stone curb in serviceable condition. There is one street light in front of the site. There are no catch basins directly in front of the site. The existing curb and sidewalk appear to be in compliance with DOT regulations.

d. UTILITIES

See engineer's report appended hereto.

e. SUBSOIL CONDITIONS

- (1) Evidence of differential settlement, such as cracking of the foundation walls, has not been detected. There is no evidence that the existing foundations are structurally insufficient to support the building above.
- (2) No unusual water conditions such as flooding, wetness or ponding were observed on the site and no water was apparent on the surface.
- (3) There is no known danger of flooding.
- (4) There are no known hazardous materials or environmental restrictions present on the property.

f. LANDSCAPING & ENCLOSURES

- (1) The existing rear and front yards are paved.
- (2) There is a small planted area in the rear yard.
- (3) There shall be no trees on the site and there are no street trees directly in front of the property.
- (4) 6' wood fencing shall be installed at the perimeter of the rear yard except at locations where existing neighboring building adjoin the property.
- (5) There shall be no gates.
- (6) The front of the property has a half height stone wall.
- (7) There shall be one new retaining wall at the stair from the cellar to the rear yard.
- (8) There shall be no pools or fountains.

g. BUILDING SIZE

The approximate Gross Square Footage of each floor, excluding porches, terraces and other outdoor spaces, will be as follows:

Cellar Floor approximately	= 1,355 SF
Basement Floor approximately	= 1,423 SF
First Floor approximately	= 1,423 SF
Second Floor approximately	= 1,029 SF
Third Floor approximately	= 1,029 SF
<u>Fourth Floor approximately</u>	<u>= 956 SF</u>
Total approximately	= 7,215 SF

- (1) The building shall consist of a cellar, basement and 4 stories, with a height of approximately 47' from curb level to roof level.
- (2) There shall be no crawl spaces.
- (3) The cellar shall have a ceiling height of approximately 7'-4".
- (4) The 4 floors above the cellar shall have approximate ceiling heights as follows: basement floor: 8'-4", first floor: 11'-4", second floor: 10'-2", third floor: 9'-5". The fourth floor ceiling height varies from approximately 7'-10" to 4'-10" as it follows the slope of the roof.
- (5) There shall be one approximately 292 SF utility room in the cellar containing gas, electric and water meters and four hot water heaters.

- (6) There is an existing parapet above the existing northern party wall extending approximately 6" above the roof level.

h. STRUCTURAL SYSTEM

The structural system of the building is comprised of brick masonry bearing walls at the cellar (foundation) to the roof, with wood joists original to the building. It is unknown if there are footings underneath the cellar foundation walls. No underpinning is existing or proposed. Some of the wood joist construction shall be reinforced with light gauge steel. New floor openings shall be framed out LVL or light-gauge steel box beams. The existing foundation walls are not expected to be exposed as part of the current alteration work, so it is not known whether or not there is existing foundation waterproofing or subgrade foundation drainage. The new cellar floor slab shall have a polyethylene vapor barrier below it.

The interior floor assembly at the first through fourth floors shall be finished flooring over 3/4" plywood sub-flooring or original wood subfloor boards on the structural components described above. The ceilings shall be 1-hour fire-rated when separating dwelling units, finished with (2) layers of Type "X" gypsum wall board per GA 610-13, or original plaster. For sound attenuation between dwelling units, mineral wool batt insulation shall be installed between the joists wherever a floor/ceiling assembly will be opened. IIC rating of the floor is indeterminate since the assembly incorporates existing components and there will not be post-construction sound testing.

The interior walls, where new, are to be of light gauge steel construction. Existing interior walls are plaster over wood studs.

(1) Exterior of building:

(i) Walls:

Exterior walls shall remain brick masonry, approximately 8 to 16 inches thick, in serviceable condition. As per the NYC Building Code solid brick walls of minimum 6" thickness have a 4-hour fire rating. The front facade is clad with brownstone and the rear facade and sides of the extension shall be brick with a Thoroseal (or similar) finish. The existing cornice at the top of the front facade is presumed to be wood and shall be painted. It is unknown how the cornice is attached.

(ii) Windows:

There shall be seventeen (17) windows on the front facade of the building, and seventeen (17) at the rear of the building. There are no lot line windows. Window openings have stone sills and lintels are as follows: stone lintels or arches on the street facade, brick or steel lintels on the rear facade. The sills and lintels shall be in serviceable condition. The existing windows shall be partially or totally replaced; new windows shall be Pella aluminum-clad wood frame and sash, one-over-one double hung, double glazed, low-e, with half screens, cam-action locks and no storm windows. Window U-factor shall be approx. 0.26, SHGC shall be approx 0.28. Caulking shall be Masterseal NP-1 polyurethane sealant or similar. The windows come with a 10-year limited warranty for material and a 2-year limited warranty for labor.

NYC Department of Health requires approved window guards to be provided, installed and maintained by the owners, managers, or agents of multiple dwellings, in apartment and public hallway windows where children ten years of age or younger reside. This will be the unit owner's responsibility, the sponsor is not providing window guards.

- (iii) The building is in the Park Slope Historic District and, as such, any construction work on or in the building must be filed with the NYC Landmarks Preservation Commission.

(2) Parapets & Copings:

There is an approximately 6" high existing brick parapet roofed over with a bituminous membrane above the north party wall of the building.

(3) Chimneys: There shall be no change to existing chimneys. There shall be no flues.

(4) Balconies and Terraces: There shall be no balconies or terraces attached to the building facades. See (7) Roof and Roof Structures below for the roof deck.

(5) Exterior Entrances: One exterior entrance at front of 1st floor, accessed via the front stoop, shall serve all units except Unit A. A second exterior entrance on the street facade, shall serve Unit A. Unit A shall have access to the rear yard from cellar and basement floors.

(i) Exterior Doors

The basement front entrance door and the double-swing door below the stoop are wood, original to the building and shall remain. The double swing door below the stoop has small glass lites at the top of each door leaf. The first floor front entrance door is painted metal and glass, also original to the building. The cellar door at the rear shall be a new door, fiberglass in a new frames by Jeldwen or similar with one insulated glass lite. The doors on the rear facade opening to the roof deck on the 2nd floor and the rear yard on the basement floor shall be new insulated wood doors with glass lites in wood frames by Brosco or similar. Hardware for all exterior doors to shall be by Emtek or similar, single cylinder keyed entry handle set.

(ii) Vestibule Doors

There is one existing wood vestibule door with a glass lite on the 1st floor.

(iii) Exterior Stairs

There shall one steel stair at the rear of the building out to the rear yard, one masonry stair (stoop) at the front, and one concrete stair to the cellar at the rear. The stairs shall be free of tripping hazards.

(iv) Railings

There shall be new painted steel handrails at the roof deck described below and existing steel handrails at the basement floor entrance from the rear yard. The railings shall not create a "ladder effect". There are no handrails at the front stoop, only low masonry walls. This is a historic condition but is not compliant with current codes.

(v) Mailboxes

The building shall share a common USPS-approved mailbox, located in the front vestibule, in new condition.

(vi) Lighting

There shall be new exterior lighting in the backyard and rear 2nd floor deck. ~~and roof deck.~~

(7) Roof and Roof Structures

(i) There shall be existing low-slope roofs above the 4th floor and above the 1st floor at the extension. The roof above the extension shall be fit out as a roof deck for recreational use and shall be an LCE associated with Unit C. The roof deck will not be shown on the C of O. The construction of the roofs shall be as follows:

(a) Existing wood sheathing over existing wood joists, reinforced with LVL's and/or light-gauge steel covered with a bituminous membrane by Firestone or similar. The roof assembly shall be sloped to the roof drainage.

- (b) New R-48 mineral wool batt insulation or R-43 open cell spray foam insulation shall be installed between all roof joists to the full depth of the joists.
- (c) The finish layer of the roof assembly shall be porcelain pavers on pedestals at the rear extension roof and a bare roof membrane on the main roof. The pavers are intended to accommodate normal foot traffic. The main roof above the 4th floor is not intended for recreational use.
- (d) The roof membrane shall have a 3-year warranty provided by the installer, who will also install the paver/pedestal system. The warranty period shall commence upon completion of installation and will cover material and labor.
- (e) Penetrations of pipes, vents, ducts, skylights, etc, shall be properly flashed and waterproofed. Flashing and counterflashing shall be heavy gauge aluminum, stainless steel, membrane flashings and/or liquid-applied flashings.

(ii) Roof Drainage

The roofs have existing scuppers and gutters that conduct rainwater through approx. 4" leaders into the building's waste line, terminating at the NYC Sewer System. The existing roof shall have sufficient slope to provide positive drainage. Secondary roof drainage is not required since there is no parapet at the rear of the building.

(iii) Skylights

There shall be two operable skylights on the roof above the 4th floor, one above the front bedroom, one above the middle bedroom. These skylights shall be Velux VCE series, electrically-operated, curb-mounted, approximately 36" x 48", rectangular, double-glazed, low-e in an aluminum frame. There will be one glazed roof hatch above the top stair landing in the common stair providing common access to the roof above the 4th floor.

(iv) Bulkheads

There shall be no bulkheads.

(v) Metalwork at Roof Level

There shall be a painted steel railing at the perimeter of the roof deck on the roof above the extension with a minimum height of 42" with vertical pickets spaced at no less than 4".

(vi) Rooftop Facilities

There shall be one paver-on-pedestal roof deck on the roof above the rear extension, which will be an LCE to Unit C. There shall be no rooftop facilities such as antennae, lightning protection, cell phone towers or satellite dishes. The rooftop shall be compliant with the 2014 NYC Fire Code, section 504.4, regarding rooftop access.

(8) Fire Escapes

- (i) There shall be one existing fire escape on the rear facade, attached to the brick masonry wall and supported on painted steel or iron members of adequate size. The fire escape components shall be inspected and any necessary repairs shall be made.
- (ii) The fire escape shall provide supplementary egress from the first, second, third and fourth floors and shall be used for no other purpose.
- (iii) One drop ladder shall be present at its lowest level, providing access to the rear yard.
- (iv) The fire escape shall comply with all applicable codes and regulations.
- (v) The existing fire escape is constructed of steel or iron and shall be painted as required with a corrosion-resistant coating.

(9) Yards

There is a rear yard, irregularly shaped, 20' wide at its widest accessed via a steel stair from the basement level and a concrete stair from the cellar. The is a front yard is accessed from the street, also irregularly shaped, 20' at its widest point including the front stoop.

(i) Paving

The yards and courts shall be paved with concrete or stone, except where landscaped. Paving shall be in serviceable condition.

(ii) Drainage

There are two existing area drains in the front yard and two existing area drains in the rear yard.

(iii) Railings

Railings are described above under h(5)(iv).

(iv) Stairs

Stairs are described above under h(5)(iii).

(v) Fencing

There shall be a new wood fence along all three lot lines at the rear of the building.

(vi) Walls

There shall be no other walls in the rear yard other than the new concrete retaining wall described in section f(7) above.

(10) Interior Stairs

There are three existing stair runs, original to the building, connecting the 1st floor with the 4th floor, comprised of wood treads and risers over wood stringers, with a wood handrail and shall be used as the common stair. There shall be a new steel stair from the basement to the cellar, internal to Unit A, constructed of steel with pan treads finished with wood or tile with a wood or steel handrail. There shall be one new convenience stair internal to Unit D, connecting the two levels of the duplex. These shall be wood or steel with wood or steel handrails. All egress stairs in the building are configured as straight-run stairs. These stairs shall be code compliant. The convenience stair in Unit D is a straight-run stair with winders at the bottom. Winders are not code-compliant for an egress stair; the required egress is provided by means of the common hallway stair.

(11) Interior Doors and Frames

The interior doors within each unit shall be wood doors in wood or metal frames with no fire rating. Doors in fire rated enclosures at the cellar and basement levels, as well as apartment entry doors from the common hall, shall be new, steel, self-closing, 1-hour fire-rated in steel frames, with the exception of one wood double door, original to the building on the first floor, entering into the living room of Unit B, which shall be converted from pocket door operation to self-closing swing door operation. In accordance with Article 6 of the NYS Multiple Dwelling Law, these do not need to be fire-rated, but they must be self-closing.

(12) Elevators

n/a

(13) Elevator Cabs

n/a

i. AUXILIARY FACILITIES:

(1) Laundry Rooms

- (i) Each apartment will be provided with one washer and one dryer internal to the dwelling unit. Dimensions of the washer-dryer closets are shown on the accompanying plans.
- (ii) Washers: full size, stackable, see section w(3) below.
- (iii) Dryers: full size, stackable, see section w(3) below.
- (iv) W/D rooms are not ventilated.
- (v) All dryers are ventless electric units.

(2) Refuse Disposal

- (i) Incinerators: n/a
- (ii) Compactors: n/a
- (iii) Approvals: n/a
- (iv) Refuse disposal is the responsibility of each individual unit's occupant. Garbage will be placed at the sidewalk, close to the curb at grade level. Between designated pickup days, refuse shall be stored in trash containers at the front yard area.
- (v) Garbage will be collected by the New York City Sanitation Department on days designated for garbage removal from the sidewalk near the curb at grade level.

j. PLUMBING AND DRAINAGE

See engineer's report appended hereto.

k. HEATING AND DOMESTIC HOT WATER

See engineer's report appended hereto.

l. GAS SUPPLY

See engineer's report appended hereto.

m. AIR CONDITIONING

See engineer's report appended hereto.

n. VENTILATION

See engineer's report appended hereto.

o. ELECTRICAL SYSTEM

See engineer's report appended hereto.

p. INTERCOM

Each unit will be equipped with a video intercom system. There will be one outdoor unit serving all apartments. Manufacturer shall be: Aiphone GT series or similar. The intercom system shall have a 1 year warranty.

q. PUBLIC AREA LIGHTING

Exterior lighting at the front of the building is provided by a street light directly in front of the property. Interior public area lighting shall be as shown below. Manufacturer and model numbers shall be the following or similar:

Vestibule & 1st floor: existing fixtures or Satco, Blinkline, 13" flush mount fixture

Stair hall above 1st floor: Satco, Blinkline, 13" flush mount fixture

Exterior rear: James Allan GEWS74565BRZ Bronze Single Outdoor Wall Sconce

Utility rooms: Satco, blinkline, 7" flush mount LED fixture

r. GARAGES & PARKING AREAS

n/a

s. SWIMMING POOLS

n/a

t. TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES

n/a

u. PERMITS AND CERTIFICATES

The following permits were required for construction relating to the condominium conversion and were to be obtained in 2021:

- General Construction Permit
- Plumbing Permit
- Electrical Permit
- Mechanical Permit
- Sprinkler Permit

The following categories of inspections of work relating to the above-referenced permits are expected to be required. All inspections will be completed and inspection reports will be certified prior to final signoff.

By the NYC Department of Buildings:

- Plumbing
- Electrical
- Sprinkler
- Final Inspection

By the Architect/Engineer of Record or approved Special Inspection Agency:

- Structural Steel - Welding
- Structural Steel - Details

- Structural Steel - High Strength Bolting
- Structural Cold-Formed Steel
- Structural Concrete Cast-in-Place
- Subgrade Inspection
- Structural stability - existing buildings
- Post-installed Anchors (BB# 2014-018, 2014-019)
- Structural Wood Frame
- Fire-resistant penetrations and joints
- Fire-resistance rated construction
- Final Inspection
- Mechanical systems
- Heating systems

The following recurring inspections will be required once the building is in operation:

- Sprinkler
- Backflow preventer / RPZ
- Carbon monoxide / smoke detectors
- Fire Alarm
- Gas Piping as per Local Law 152

v. VIOLATIONS

There shall be no building violations.

w. UNIT INFORMATION

The condominium will have a total of four (4) residential units.

Unit A will be an apartment with accessory use of the cellar consisting of: three (3) bedrooms, one (1) kitchenette, one (1) living/dining space, four (4) closets, two (2) bathrooms, and one (1) laundry closet on the basement level. On the cellar level - one (1) accessory space with wet bar, and one (1) powder room. Additionally, the rear yard and under-stoop area shall be Limited Common Elements in connection with this unit.

Unit B will consist of: two (2) bedrooms, two (2) bathrooms, one (1) kitchenette, one (1) living/dining space, four (4) closets, and one (1) laundry closet.

Unit C will consist of: two (2) bedrooms, two (2) bathrooms, one (1) kitchen/living/dining space, three (3) closets, and one (1) laundry closet. Additionally, the roof deck above the rear extension shall be a Limited Common Element in connection with this unit.

Unit D will be a duplex consisting of: four (4) bedrooms, two (2) bathrooms, one (1) powder room, one (1) kitchen/living/dining space, four (4) closets, and one (1) laundry closet.

UNIT SIZES

The areas indicated below shall be approximate and shall be calculated as follows: horizontally, approximately to the outside face of the exterior walls of the building. Dimensions shall be to the centerline of demising walls dividing units from each other. Dimensions shall be to the property line at lot-line walls. Stairs internal to the units shall be included in the area calculations. Cellar space in Unit A is considered occupiable accessory space and as such cannot legally be used as a bedroom or living area.

The approximate square footages for each unit shall be as follows:

Unit	Location	Area	Total	Limited Common Elements
Unit A	Cellar Floor	1,063 sf	2,487 sf	Rear Yard, 395 sf Under-stoop entrance and storage, 75 sf
	Basement Floor	1,424 sf		
Unit B	First Floor	1,267 sf	1,267 sf	-
Unit C	Second Floor	908 sf	908 sf	Roof Deck, 306 sf
Unit D	Third Floor	911 sf	1,816 sf	
	Fourth Floor	905 sf		

See section g(4) for ceiling heights on the respective floors. Certain ceiling areas shall be dropped approx. 12" to accommodate mechanical equipment.

(1) UNIT FINISHES

The following unit finishes shall be installed.

LOCATION	FLOORS	BASE	WALLS	CEILINGS	OTHER
Bedrooms	Engineered wood*	Wood	GWB (Gypsum Wallboard) Painted	GWB Painted**	
Living/ Dining Rooms	Engineered wood*	Wood	GWB Painted	GWB Painted**	
Kitchens	Engineered wood*	Wood	GWB Painted and Ceramic Tile, stone or solid surface backsplash	GWB Painted**	Countertops: quartz, cabinets: laminate
Bathrooms	Tile	Tile wainscot	GWB Painted with tile wainscot	GWB Painted**	
Unit Hallways	Engineered wood*	Wood	GWB Painted	GWB Painted**	
Laundry Rooms	Tile	Tile	GWB Painted	GWB Painted**	
Cellar Accessory Space	Tile	Tile	GWB Painted	GWB Painted**	

*Wood flooring shall be 5/8" pre-finished engineered wood or 3/4" solid wood flooring.

**Primer shall be one coat of Benjamin Moore Superhide 284, finish paint shall be 2 coats of Benjamin Moore Superhide 282.

(2) BATHROOM FIXTURES:

- A. Water closets: Misano MNO490EC (Main Bath), and Toto CST446CEMG (Master Bath).
- B. Water closets shall meet water saving performance standards as per New York City, Local Law 29/89.
- C. Lavatories: TBD
- D. Faucets: Misano ML1343SL (Main Bath), and Grohe 32138002 (Master Bath)
- E. Tubs: Kohler K-1123 with K-T99763-4-CP shower body trim
- F. Showers: Kohler TS99764-4G shower body trim

All fixtures shall be the models listed above or similar in new condition.

(3) KITCHEN & LAUNDRY EQUIPMENT

- A. Sinks: Misano MN0162318SR
- B. Faucets: Miseno MNO191DCP
- C. Dishwasher: Viking FDWU524
- D. Microwave: RVMH330SS / VMOH330SS

- E. Range: Viking VGR5304BSS
- F. Refrigerators: Liebherr CS1640BL
- G. Washing Machine: Whirlpool WFW560CHW
- H. Dryer: Whirlpool WHD560CHW

All appliances shall be the models listed above or similar and shall be in new condition.

x. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

LOCATION	FLOORS	BASE	WALLS	CEILINGS	OTHER
Public Halls	Tile	Wood	GWB (Gypsum Wallboard) Painted	GWB Painted	
Cellar utility room	Tile	Tile	GWB painted	GWB painted	

y. SAFETY & WARNING DEVICES

Combination smoke/CO detectors shall be installed in every unit in compliance with all applicable code requirements. Within the units there shall be one combination smoke/CO detector in every bedroom and a minimum of one on each level of the duplex. Detectors outside bedrooms shall be installed within 15 feet of all bedroom doors. Additionally there shall be a fire alarm system compliant with the 2014 NYC Building Code. The fire alarm control panel shall be located in the common hallway on the 1st floor and the system shall be connected to Central Station.

bb. FURTHER DEVELOPMENT

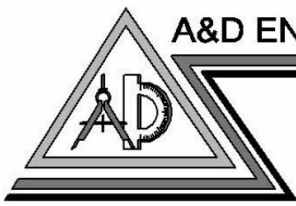
There is no further development proposed.

cc. ASBESTOS

To the best of the sponsor's knowledge there is no presence of asbestos containing material (ACM) including insulation and fireproofing materials.

dd. LEAD-BASED PAINT

To the best of the sponsor's knowledge there is no presence of lead-based paint or violations concerning lead-based paint.



Date: May 23, 2022

RE: Residential Building
18 8th Avenue
Brooklyn, NY 11217
Block: 1059
Lot: 44
County: Kings

D. Utilities:

1. Electricity:

- a) Electrical service to the building will be provided by Con Edison. The electric service will be distributed throughout the building to various loads and will be directly metered by Utility Company. Each of the Units shall be provided with a dedicated meter. Each Unit Owner shall be solely responsible for the cost of their own individual electric bill.
- b) Common areas and House loads (Lighting, Gas Closet, Utility & Meter Room, Common Hallway, and Miscellaneous small building electrical loads) shall be commonly metered and the cost of electric use measured thereby shall be billed to all Unit Owners as a Common Expense.

2. Gas:

Gas will be metered by National Grid for the Building. One (1) common gas meter will be provided for all residential gas loads (four (4) Ranges), and the cost of gas use measured thereby shall be a common expense of all of the unit owners.

3. Domestic Water and Sewer Service:

Water supply and combined sewer servicing the building will be provided by the City of New York DEP. Water will be collectively metered for the entire Building, and the cost of water use measured thereby together with any sewer charges, shall be a Common Expense of all of the unit owners.

4. Telephone:

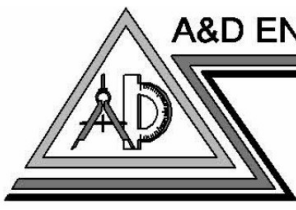
“Local” telephone service will be available for all Units & provided by Verizon FIOS, Spectrum, Optimum and/or another service provider. Every Unit Owner will be required to pay their individual telephone charges and initial charges for activating individual outlets in the Unit. The telephone charges with respect to the public areas of the building (such as the fire alarm) will be borne as Common Expense by all of the Unit Owners. In each Unit a telephone outlet will be provided in locations as indicated on the plans.

5. Cable Television:

Cable Television services will be available for all Units provided by Spectrum, Optimum or Verizon FIOS (or alternate cable TV company). All charges for cable television service (including installation and subscription charges) will be paid by each Unit Owner who subscribes directly to the cable TV company. In each Unit, a Cable TV outlet will be provided as indicated on the plans.

6. Internet Service:

High speed internet service will be available for all Units provided by Spectrum, Optimum or Verizon FIOS. It is the responsibility of the Unit Owner to obtain such service from an



internet service provider servicing the Condominium, and the cost of such service shall be paid by the respective Unit Owner.

J. Plumbing and Drainage:

1. Water Supply:

- a) There will be (1) one DEP approved 4-inch combined domestic & fire protection water service. Domestic water supply to the building from street water main will be metered by (1) one meter. After the water meter assembly and DEP code required back flow preventer device, water is pumped from a duplex mini booster system to all plumbing fixtures and equipment in the building from the cellar to the roof.

Warranty: standard warranty extends for twelve months from date of shipment.

Main shut off valve will be located into the Utility Room in the cellar.

b). Water Piping:

1). Service piping - AWWA ductile iron class 52 and 104.

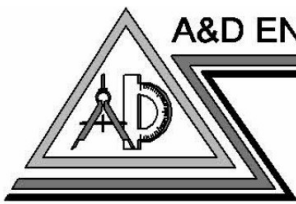
2) Above ground – Copper type "L" ASTM B-88.

c). Insulation of water piping:

All domestic water piping including cold, hot and hot water return shall be copper, insulated and sized as required by Building Code. Cover all hot water pipe and all cold-water pipe with Manville micro-lok AP-T plus fiberglass insulation. Fittings and valves shall be insulated with Manville Zeston 2000 PVC insulated fitting covers. Thickness of insulation shall be Energy Code compliant as it shown on contract plans.

2. Fire Protection System:

- a) The 4” sprinkler water supply with DEP approved double check detector valve for the Sprinkler system. Main flow control valve / switch is located into Building Utility Room. The 3” sprinkler riser located within the stairs. Sprinkler system will be as per New York City Building Code. All residential units (except bathrooms and closets), all common spaces, and below grade spaces are to be fully sprinkler protected.
- b) Riser of 4” and 6” black to be steel pipe, schedule 40 with Victaulic couplings or equal and fittings located in stair core. Sprinkler mains of 2-1/2” or larger to be Schedule 10 steel pipe, all others to be schedule 40 steel pipes. Drain risers are to be galv. Schedule 40 pipe. Location: Stair Core or other suitable location.
- c) Sprinkler Head: UL and MEA approved quick response, pendant, upright, concealed and sidewall sprinkler heads.
Location: Provided throughout the Building. Entire Building is protected by sprinklers, except in areas not required to be sprinklered by Code.
- d) Siamese connection: located as per NYC Building Department requirements at the basement floor facade. The finish to be Polished Bronze or Brass with caps painted green.
- e) A 400 GPM sprinkler booster pump 25 HP, 3500 RPM, 60 PSI, A-C Model 1580, 4x4x9.5F



UL/FM Listed vertical in-line with pump controller or approved equal is provided for the sprinkler/standpipe system.

f) A 10 GPM jockey pump 1 HP, 3500 RPM, 70PSI, GRUNDFOS Model CR3-6, with pump controller or approved equal.

3. Water Storage Tank: none provided.

4. Water Pressure and How Maintained:

- a) The building from the cellar and above is furnished with separate duplex mini booster system to feed one zones of water supply for entire building. The booster pumps system will be a lead/lag duplex water mini booster pump sized at 26.4 GPM, 90 ft. head, 2.11 hp. Pump will be manufactured by DAB, E. SYTWIN or an alternate acceptable manufacturer.
- b) The Hydrant flow test provided by NYC DEP dated 05/14/2021 indicates a static pressure of 35 PSI with a residual pressure of 34 PSI with 500 GPM flowing.
- c) Hose bibs and trap primers in the common areas of the cellar level will operate on street pressure.
- d) The domestic water pressure within the apartments will be maintained by the street pressure between approximately 80 PSI max at the first floor and 33 PSI min at the roof.
- e) Maximum pressure at any fixture will be less than 83 PSI as required by NYC code.
- f) All domestic water piping including cold and hot water return shall be copper, insulated and sized as required by Code. Cover all hot water pipe and all cold-water pipe with Manville micro-lok AP-T plus fiberglass insulation with thickness as specified on contract drawings. Fittings and valves shall be insulated with Manville Zeston 2000 PVC insulated fitting covers.
- g) Pipe sizing and installation to be as per New York City Building Code.

5. Building Sanitary Sewage system

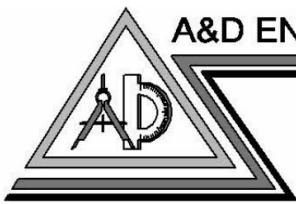
- a) Sewer piping materials shall be E.H.C.I. pipe hub & spigot ASTM 74; existing sanitary waste gravity discharge to street combined sewer.
- b) Building will have multiple stacks and vent system with all areas above grade flowing by gravity to adjacent sewers in street.
- c) Sewer will be discharge into New York City sewer system.

6. Permits Required:

- a) DEP approval and permit are required for new Domestic water and Fire services backflow preventer device including required filing of GEN 236 and 215B forms. The backflow prevention application was approved by DEP on 01.03.2022, approval #22090021.
- b) Building site connection for combined sanitary and storm sewer into NYC central sewer system is existing to remain.

7. Storm drainage system:

- a) Existing storm drainage system to remain.



- b) Storm drainage is collected via existing roof and terrace drains and discharged to the combined sewer and into the street main. There are two (2) existing roof drains on the main roof.

K. Heating Systems:

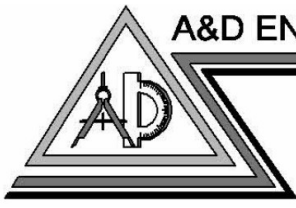
1. The heating system is designed to maintain an indoor temperature of 68° F indoors when outside temperature is -4° F.
2. Heating for Residential Units will be provided by an HVAC system with ducted Electrical split heat pumps and by an HVAC system with wall mounted units, manufactured by Daikin or approved equal, see Appendix for apartment designation. Heat is provided in accordance with the controls sequencing. Heating system is designed based on energy performance maintaining space temperature settings from local programmable thermostat for each Air Handler (indoor) unit. The thermostat will maintain space temperature based on time-of-day settings. There will have filter bank installed on return. Air Ducts will be insulated with 1” of felt insulation within the ducts and 1 ½” externally.
3. Domestic hot water for all apartments is provided by (4) four electric water heaters with 5.5 KW capacity each. Hot water heaters located on cellar. HWH’s will be manufactured by A.O.SMITH, PROLINE with model # EGR-80.

Warranty is provided by A.O. Smith:

- Limited Tank Warranty Term: 3 Years;
- Limited Parts Warranty Term: 1 Years.

The system will have circulation pumps and hot water return piping to maintain the temperature of the hot water circulated to fixtures as per NYC code. There is no instant hot water system in the residential units.

4. Air Handler units: See Air conditioning tabulation in Appendix for equipment schedule.
 - i. Heating for residential units will be provided by ducted Electrical split heat pumps and wall mounted Electrical split heat pumps with condensing units located on the basement level and second floor.
 - ii. Heating for utility & meter room, common hallways and common stair hall will be provided with electrical baseboard heaters.
 - iii. Heating for bathrooms located at perimeter wall & underneath roof will be provided with the toilet electric heaters.
5. Hot Water and refrigerant water piping are Type K, Type L, copper for sizes less than 3” and schedule 40 steel for sizes 3” and above.
6. Ductwork, Hot and Cold Water, Refrigerant Piping insulation has an R-value as specified on mechanical and plumbing drawings and in compliance with NYC Energy Conservation Code.
7. Valves are rated for the temperatures and pressures of the system they serve.
8. Warranty is provided to you by Daikin North America LLC (“Daikin”), which warrants all parts of this heating or air-conditioning unit, including outdoor model RXTQ48TAVJU, RXTQ60TAVJU and indoor model #'s FXAQ07PVJU, FXAQ12PVJU, FXAQ18PVJU, FXAQ24PVJU, FXDQ07MVJU, FXDQ09MVJU, FXMQ18PBVJU, FXMQ24PBVJU, FXMQ30PBVJU, FXMQ36PBVJU. This warranty covers defects in materials and workmanship that appear under



normal use and maintenance.

- a. Warranty coverage begins on the “installation date.” The installation date is one of two dates: (1) the installation date is the date that the unit is originally commissioned, but no later than 18 months after the manufacture date noted on the unit’s rating plate or (2) if the date the unit is originally commissioned cannot be verified, the installation date is three months after the manufacture date.
- b. The warranty lasts for a period up to 10 years if the following conditions are satisfied:
 - i. Vacuum drying at commissioning per Daikin’s instructions.
 - ii. All brazing of pipe-work was performed with nitrogen flow in pipe to eliminate oxidation.
 - iii. Pressure checking the pipework per Daikin’s guidelines to ensure no leaks.
 - iv. Correct refrigerant charge was weighed in at time of commissioning.
 - v. Correct refrigerant charge was present at time of breakdown (i.e., no leaks due to installation or operator errors or failure to follow instructions).
 - vi. Installation of equipment and pipe-work was completed as per Daikin’s instructions.
 - vii. Equipment was operating within Daikin’s operating temperature limits and specifications unless the failure to so operate is solely attributable to a defect in the unit.
 - viii. Daikin will furnish a replacement part, without charge for the part only, to replace any part that is found to be defective due to workmanship or materials under normal use and maintenance. Furnishing of the replacement part is Daikin’s only responsibility under this warranty.

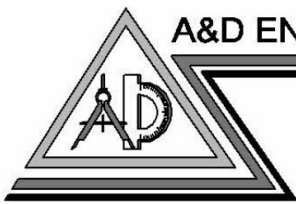
L. Gas Supply:

Natural gas metered service is supplied by National Grid. One (1) common gas meter will be provided in the building for all residential gas Ranges.

Gas pipes to be Schedule 40 as per New York City Building Code. All Gas piping up to 3” in size shall be Schedule 40 ASTM, A53A black steel with screwed malleable iron fittings. All gas piping 4” in size or larger shall utilize welded fittings.

M. Air Conditioning:

1. The air conditioning system shall maintain 78 degree Fahrenheit when outdoor air temperature is 89 degree Fahrenheit (2014 NYC BC, SECT 1204). A year-round heating and cooling system consisting of Daikin VRV-IVS mini-split type heat pump system with condenser units on the rear yard and on the second-floor terrace for each residential apartment unit. The apartment air handlers have ducted & non-ducted air distribution inside apartments. Refrigerant water pipes will be constructed of copper and insulated. Piping will consist of a 2-pipe system. Units inside the apartments will have the ability to either provide heating or cooling, but cannot provide heating and cooling at the same time. Each electric heat pump unit will be provided with its own heating and cooling thermostat and function per the sequence of operation outlined. The



thermostat will have the ability to control the fan and mode of operation automatically based on room conditions. All exterior metals, including fasteners, must be corrosion resistant.

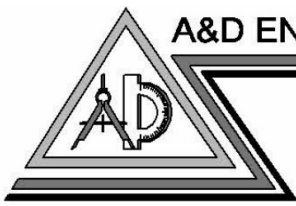
2. Common stairs will not be cooled.
3. All ductwork running in unconditioned areas shall be insulated with R-6 fiberglass insulation. All refrigerant piping shall be insulated with Armaflex insulation with protective tape all around in accordance with NYC Energy Conservation Code see table in the Appendix. All mechanical equipment on the deck shall be provided with vibration isolators and flexible connection. Elevated 18" above finish floor to prevent snow accumulation and mounted on the curb or dunnage attached to building structure.

N. Ventilation:

1. Bathrooms are provided with common exhaust fans at the NYC code required intermittent rate of 30 CFM per toilet and 50 CFM per toilet. The main vertical exhaust risers exhaust air via the main roof mounted main exhaust fans. All main roof fans will have duct mounted static pressure sensor with VFD drive on each exhaust fan.
2. All kitchens are provided with common exhaust fans at the NYC code required intermittent rate of 40 CFM per kitchen. The main vertical exhaust risers exhaust air via the main roof mounted main exhaust fans. All main roof fans will have duct mounted static pressure sensor with VFD drive on each exhaust fan.
3. Units are also ventilated via operable windows.
4. Units are provided with vent-less electric clothes dryers in apartments' laundry closets.
5. Stairs are not ventilated.
6. All utility rooms in the cellar are provided with adequate ventilation to comply with NYC Mechanical Code. Utility rooms are provided with exhaust system.
7. All noise emission rating for mechanical ventilation is within the industry standards and specified on mechanical plans on M-501.

O. Electrical System:

1. Electrical System: Electrical service will be provided into cellar level main electrical room. Service from Con Edison shall be sized as per building's electrical loads in accordance with the New York City Electrical Code. Service to the building will be 400A, 120/208 volt, 3-phases and distributed to individual Residential Units and base Building electrical systems via power and lighting panels. Dedicated service and electrical equipment for individual Residential units and base Building distribution systems are sized based on their respective loads. All feeders are sized based on NYC Electrical Code & will be copper. The wire sizes as per electrical drawing considering ampacity, condition of installation and voltage drop.



2. Main electrical room consolidating electrical service and metering equipment for individual Residential Units, and common electrical equipment located in the cellar level of the building. Local distribution equipment for Residential Units is situated in their respective spaces. Power for Residential Units is distributed from meter banks and disconnect switches in main electrical room.
3. Service to individual residential units from meter banks include dedicated feeders that run to each residential unit and terminates at each unit's panel boards. Residential unit feeders sized as required by load and voltage drop. Each residential unit feeder is protected by individual overcurrent protective device at the meter bank location and consist of:
 - 2p-110A C/B for apartment B01.
 - 2p-100A C/B for other apartments.
4. Residential Unit Service:

The residential panel board is rated to comply with the New York City Electrical Code, and takes into account all equipment provided in residential units such as washing machines, dryers, dishwashers, microwaves, refrigerators, air conditioning equipment, etc.
5. Common Areas:

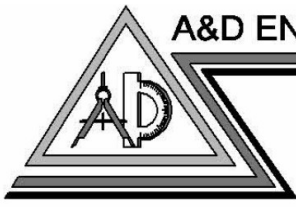
Power and lighting panels are provided to distribute electricity to the loads in all common areas and to be circuited from the dedicated electrical house meter. Individual branch circuit protection is sized and rated based on the connected loads and requirements of the code, which shall include lighting, receptacles, air conditioning and heating, etc.
6. Fire Detection Alarm Systems:

Fire Detection Alarm Systems: Smoke detection and sprinkler fire alarm system is provided as required in accordance with NYC code including water flow and tamper switches as required for the sprinkler-fire alarm system, with smoke detection for cellar rooms.
7. Adequacy:

Residential:

 - i. Service: Capacity provided for each Residential Unit will be in accordance with Code requirements, sized at 120/208V, 1 phase:
 - 2p-110A C/B apartment B01.
 - 2p-100A C/B all other apartments.

Service will be adequate to meet normal apartment appliance, lighting and air conditioning loads.
 - ii. Lighting and Fixtures: Shall be in accordance with Architectural reflected ceiling plan and lighting fixture schedule.
 - iii. Convenience Outlets: Receptacles are provided in all rooms to meet the National Electrical Code. All receptacles in units are protected with AFCI (Arc Fault Circuit Interrupting) type circuit breakers, except as otherwise required by National Electrical Code.



- iv. Appliance Outlets: Appliance receptacles are provided in kitchens. Dedicated appliance receptacles are provided for laundry equipment and individual loads such as cooking range and clothes washers & dryers. Ground fault receptacles are provided in all bathrooms, kitchens, and at residential unit outdoor terraces.
- 20 amps, 120V circuits are provided to handle lighting and general-purpose receptacles.
 - 20 amps, 120V circuits are provided in the kitchen area for 120V kitchen appliances.
Each appliance outlet above counter is GFCI type.
 - 20 amps, 120V circuits in the bedrooms area are provided with AFCI type circuit breakers in the unit panels.
 - 2p-35 amps, 208V 1-phase services are provided to condensing units of apartments on the rear yard and on the second-floor terrace.
 - 2p-30 amps, 208V 1-phase services are provided to all electric washer/dryer units.
 - 2p-30 amps, 208V 1-phase service is provided to electrical water heater of each apartment.
 - 20 amps, 120V single phase circuit is provided to toilet electrical heater of each apartment.
 - Public area lighting complies with Housing Maintenance Code and Multiple Dwelling Laws.
 - No generator will be installed in the building.

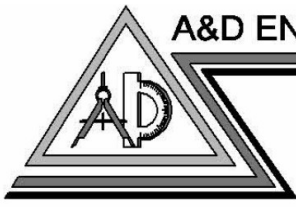
P. Telephones, Intercom and Security Systems:

- Telephone services will enter the building from 8th Avenue and be fed to a telecom room located in the Cellar Level. It will then be distributed throughout the building through risers and sleeves. Each Unit will receive telephone service to a closet within the Unit.
- Wiring will be installed in each Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's Expense.
- Intercom will be provided by Urmet or approved equal.
- High speed internet service will be available for all Units provided by Spectrum, Optimum or Verizon FIOS.

Sincerely,



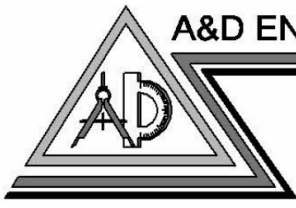
Alexander Soskin, P.E.
A & D Engineering, PLLC



APPENDIX – MECHANICAL AND PLUMBING EQUIPMENT

OUTDOOR MITSUBISHI UNIT DETAILS

AIR CONDITIONER UNITS SCHEDULE										
SPLIT-TYPE AIR CONDITIONER (HEAT PUMP)										DAIKIN
OUTDOOR UNIT										
UNITS	MOD.#	COOLING CAPACITY (BTU/H)	HEATING CAPACITY (BTU/H)	UNIT SUPPLY VOLTAGE	CURRENT MCA/MOCP (AMPS)	SOUND PRESSURE (H) (dB(A))	INDOOR UNITS COMBINATION	WEIGHT (LBS)	COOLING SEER/EER (BTU/H/KW)	HEATING HSPF/COP
CU-C	RXTQ48TAVJU	48,000	52,000	208-230/1/60	29/35	58	NON-DUCTED	176	18.0/-	10.0/-
CU-B	RXTQ60TAVJU	57,500	57,500	208-230/1/60	29/35	57	NON-DUCTED	225	18.0/-	10.5/-
CU-1	RXTQ60TAVJU	57,500	57,500	208-230/1/60	29/35	57	DUCTED	225	16.0/-	10.5/-
CU-2	RXTQ48TAVJU	48,000	52,000	208-230/1/60	29/35	58	DUCTED	176	16.0/-	9.0/-
CU-3	RXTQ48TAVJU	48,000	52,000	208-230/1/60	29/35	58	MIXED	176	17.0/-	9.5/-
CU-4	RXTQ48TAVJU	48,000	52,000	208-230/1/60	29/35	58	NON-DUCTED	176	18.0/-	10.0/-
CONTRACTOR SHALL PROVIDE ALL AH'S AS FOLLOWS : 1) TO BE EQUIPPED WITH THERMOSTATIC CONTROL WITH BUILT-IN ASTRONOMICAL TIME CLOCK FUNCTION; 2) NO SUPPLEMENTARY HEAT IS REQUIRED FOR SPECIFIED ELECTRICAL HEAT PUMPS; 3) TO BE PROVIDED WITH TEMPERATURE DEADBAND RANGE (MINIMUM 5 DEGREE FAHRENHEIT) THERMOSTATIC SETBACK; 4) TO BE EQUIPPED WITH OFF-HOURS, SETBACK, SHUTDOWN CONTROLS: CONTROLS SHALL HAVE THE CAPABILITY TO SET BACK OR TEMPORARILY OPERATE THE SYSTEM TO MAINTAIN ZONE TEMPERATURE DOWN TO 55° F OR UP TO 85° F. AUTOMATIC TIME CLOCK OR PROGRAMMABLE CONTROLS SHALL BE CAPABLE OF STARTING AND STOPPING THE SYSTEM FOR SEVEN DIFFERENT DAILY SCHEDULES PER WEEK AND RETAINING PROGRAMMING DURING LOSS OF POWER FOR AT LEAST 10 HOURS; TO HAVE A MANUAL OVERRIDE OR TIMER THAT ALLOWS TEMPORARY OPERATION OF THE SYSTEM FOR UP TO 2 HOURS OR AN OCCUPANCY SENSOR; 5) ALL CONDENSATE SHALL SPILL TO LAUNDRY BOX IN EACH APARTMENT BY GRAVITY, CONTRACTOR SHALL PROVIDE CONDENSATE PUMP IF NECESSARY 6) DURING CONSTRUCTION CONTRACTOR, SHALL PROTECT ALL MECHANICAL EQUIPMENT & COMPONENTS FROM PHYSICAL DAMAGE & CONSTRUCTION DEBRIS INCLUDING BUT NOT LIMITED TO: AIR HANDLERS, CONDENSERS, THERMOSTATS, SENSORS, COILS, DUCT OPENING & ETC. CONTRACTOR SHALL ASSURE THAT MECHANICAL EQUIPMENT IS NOT CAPABLE TO START-UP & OPERATE DURING CONSTRUCTION WITHOUT CONTRACTOR'S PERMISSION. BEFORE START-UP OF ANY MECHANICAL EQUIPMENT, CONTRACTOR SHALL CLEAN-UP PREMISES FROM CONSTRUCTION DEBRIS, VACUUM CLEAN AH'S COILS & AIR DUCTS TO PREVENT EQUIPMENT DAMAGE.										



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ELECTRICAL - FIRE ALARM

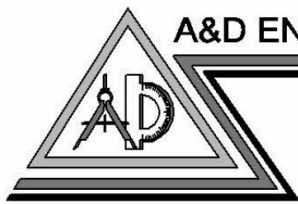
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INDOOR MITSUBISHI UNIT DETAILS

AIR CONDITIONER UNITS SCHEDULE									
SPLIT-TYPE AIR CONDITIONER (HEAT PUMP)									
INDOOR UNIT									
UNIT No.	MOD.#	COOLING CAPACITY (BTU/H)	HEATING CAPACITY (BTU/H)	AIR FLOW (CFM)	UNIT SUPPLY VOLTAGE	CURRENT MCA/MFA (AMPS)	SOUND (dBA)	WEIGHT (LBS)	REFRIGERANT
AH-C.1	FXAQ18PVJU	18,000	20,000	500	208-230/1/60	0.5/15	43	31	R-410A
AH-C.2	FXAQ18PVJU	18,000	20,000	500	208-230/1/60	0.5/15	43	31	R-410A
AH-C.3	FXAQ12PVJU	12,000	13,500	290	208-230/1/60	0.4/15	38	26	R-410A
AH-B.1	FXAQ24PVJU	24,000	27,000	635	208-230/1/60	0.6/15	47	31	R-410A
AH-B.2	FXAQ12PVJU	12,000	13,500	290	208-230/1/60	0.4/15	38	26	R-410A
AH-B.3	FXAQ12PVJU	12,000	13,500	290	208-230/1/60	0.4/15	38	26	R-410A
AH-B.4	FXAQ07PVJU	7,500	8,500	260	208-230/1/60	0.4/15	36	26	R-410A
AH-B.5	FXAQ07PVJU	7,500	8,500	260	208-230/1/60	0.4/15	36	26	R-410A
AH-1.1	FXMQ30PBVJU	30,000	34,000	1,094	208-230/1/60	2.8/15	43	102	R-410A
AH-1.2	FXMQ18PBVJU	18,000	20,000	635	208-230/1/60	1.6/15	41	80	R-410A
AH-1.3	FXDQ07MVJU	7,500	8,500	280	208-230/1/60	0.9/15	33	51	R-410A
AH-2.1	FXMQ24PBVJU	24,000	27,000	688	208-230/1/60	1.8/15	42	80	R-410A
AH-2.2	FXDQ09MVJU	9,500	10,500	280	208-230/1/60	0.9/15	33	51	R-410A
AH-2.3	FXDQ07MVJU	7,500	8,500	280	208-230/1/60	0.9/15	33	51	R-410A
AH-3.1	FXMQ36PBVJU	36,000	40,000	1,130	208-230/1/60	2.9/15	43	102	R-410A
AH-3.2	FXDQ07MVJU	7,500	8,500	280	208-230/1/60	0.9/15	33	51	R-410A
AH-4.1	FXAQ12PVJU	12,000	13,500	290	208-230/1/60	0.4/15	38	26	R-410A
AH-4.2	FXAQ07PVJU	7,500	8,500	260	208-230/1/60	0.4/15	36	26	R-410A
AH-4.3	FXAQ12PVJU	12,000	13,500	290	208-230/1/60	0.4/15	38	26	R-410A
AH-4.4	FXAQ12PVJU	12,000	13,500	290	208-230/1/60	0.4/15	38	26	R-410A



FAN SCHEDULE

FAN NO.		KX-1	TX-1	IF-1
LOCATION		ROOF	ROOF	CELLAR
TYPE		CENTRIFUGAL	CENTRIFUGAL	INLINE
FAN DATA	CFM	160	290	80
	STATIC PRESS (IN WG)	0.75	0.75	0.75
	ARRANGEMENT	DIRECT DRIVE	DIRECT DRIVE	DIRECT DRIVE
	FAN SPEED (RPM)	1,455	1,609	1,476
MOTOR DATA	MOTOR SPEED (RPM)	1,725	1,725	1,725
	MOTOR HP	1/4	1/6	1/4
	MOTOR BHP	0.07	0.1	0.09
ALLOWABLE HP (6.5.3.1) HP < CFM x 0.0011		N/A	N/A	N/A
EFFICIENCY		89%	89%	89%
SONES		7.1	11.5	10.1
ELECTRICAL DATA		115/1/60	115/1/60	115/1/60
APPROX. OPERATING WEIGHT, LBS		38	29	47
MANUFACTURER		GREENHECK	GREENHECK	GREENHECK
MODEL NO.		G-097-VG	G-095-VG	SQ-97-VG
MOTOR OPERATED DAMPER (V/PH/HZ)		115/1/60	115/1/60	115/1/60

REMARKS:

1. PROVIDE MOTORIZED DAMPERS FOR OUTDOOR AIR SUPPLY AND EXHAUST DUCTS FOR BUILDINGS GREATER THAN 2 STORIES AND OUTDOOR AIR INTAKE OR EXHAUST AIR FLOWS OF 300 CFM OR MORE. SEE SPECIFICATION IN SYMBOL LIST ON M-101. GRAVITY DAMPERS PERMITTED FOR ALL OTHER. STAIRWAY AND SHAFT VENT DAMPERS SHALL BE INSTALLED WITH CONTROLS SO THEY ARE CAPABLE OF AUTOMATICALLY OPENING UPON:
 - 1) THE ACTIVATION OF ANY FIRE ALARM INITIATING DEVICE OF THE BUILDING'S FIRE ALARM SYSTEM; OR
 - 2) THE INTERRUPTION OF POWER TO THE DAMPER.
2. ALL FANS SHALL BE EQUIPPED WITH AUTOMATIC SPEED CONTROLLER.
3. ALL EXHAUST FAN SHALL BE CONTROLLED BY TIME CLOCK
4. ALL FANS MORE THAN 0.75 HP SHALL BE PROVIDED WITH AUTOMATIC CONTROL TO SHUT OFF FAN WHEN NOT REQUIRED.
5. PROVIDE INTEGRAL PRESSURE SENSOR KIT TO EACH FAN
6. FANS WITH "VARI-GREEN" MOTOR PROVIDE COMPLETE PACKAGE WITH GREENVENT SYSTEM FOR CONSTANT PRESSURE CONTROLS INCLUDING A FAN WITH VARI-GREEN MOTOR, PRESSURE TAP, PRESSURE TRANSDUCER, AND CONTROL BOX. INSTALL SENSOR/TRANSDUCER AT FIRST FLOOR LEVEL.

TOILET ELECTRIC HEATER SCHEDULE



UNIT NO.	TEH-1
TOTAL HEATERS	SEE PLANS
SERVICE	SEE PLANS
LOCATION	SEE PLANS
BTU/HR	3,413
WATTS	1000/500
AMPS	8.3/4.2
VOLTAGE	120/1/60
DIMENSIONS	9 3/4"Wx12 3/8"Hx3 15/16"D
MANUFACTURER	STELPRO
MODEL	ASS01001WCW

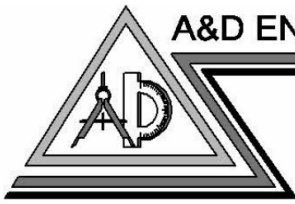
REMARKS:

1. DO NOT INSTALL UNIT WHERE AIR FLOW MAY BE OBSTRUCTED. WHERE WALL RESTRICTIONS EXIST, MOUNT UNIT HIGH ON WALL AND PROVIDE REMOTE WALL THERMOSTAT LOCATES AS PER ARCHITECT'S DIRECTION.
2. THERMOSTAT MODEL # ST402PFF



THERMOSTAT

DAIKIN NAVIGATION
REMOTE CONTROLLER
MODEL BRC1E73



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RFV8 MODEL WITH AC MOTORS

No	MOD.#	AREA SERVED	AIR FLOW (CFM)	SPEED (RPM)	SP .5	AMPS .2"	WATTS .2"	ELECTRICAL DATA	MOTOR	WEIGHT LBS.	DUCT SIZE	DIMENSIONS	INTERLOCK
SF-1	RFV8-120AC-ES24V	MAIN LOBBY	30	2560	101	0.62	76.5	120/1/60	4 POLE	15	ø6"	8-1/2x9x19"	WALL SWITCH

NOTES:

ALL FAN SHALL START FROM WALL SWITCH.

MD6-MOTORIZE DAMPER

No	MOD.#	AREA SERVED	ELECTRICAL DATA	CURRENT	NUMBER OF SPEED	RPM	INS CLASS	DUCT SIZE	DUTY	RATED AMBIENT (40°C)
MD-1	MD6	MAIN LOBBY	24/1/60	0.3A	1	6	A	ø6"	INT.	40

NOTES:

SINGLE POINT ELECTRICAL CONNECTION TO TERMINAL BLOCK FOR EASY INSTALLATION AND WIRING

DH6 INLINE DUCT HEATER

No	MOD.#	AREA SERVED	PERFORMANCE	ELECTRICAL DATA	POWER	DUCT SIZE	CURRENT	MINIMUM AIR FLOW
DH-1	DH6	MAIN LOBBY	32-108°F/0-42°C	120/1/60	1.0 kW	ø6"	8.33A	30 CFM

NOTES:

SINGLE POINT ELECTRICAL CONNECTION TO TERMINAL BLOCK FOR EASY INSTALLATION AND WIRING

MINIMUM PIPE INSULATION THICKNESS (WATER)

	FLUID OPERATING TEMPERATURE RANGE AND USAGE		INSULATION CONDUCTIVITY		NOMINAL PIPE OR TUBE SIZE(INCHES)				
			CONDUCTIVITY BTU·IN./ (HFT·FT²·°F) ^b	MEAN RATING TEMPERATURE, °F	<1	1 TO <1 ½	1 ½ TO <4	4 TO <8	≥8
HW	105–140		0.21–0.28	100	1.0	1.0	1.5	1.5	1.5
CW	40–60		0.21–0.27	75	0.5	0.5	1.0	1.0	1.0
REFRIGERANT	HEATING	141–200	0.25–0.29	100	1.5	1.5	2.0	2.0	2.0
	COOLING	<40	0.20–0.26	50	0.5	1.0	1.0	1.0	1.5

a) FOR PIPING SMALLER THAN 1½ INCHES AND LOCATED IN PARTITIONS WITHIN CONDITIONED SPACES, REDUCTION OF THESE THICKNESS BY 1 INCH SHALL BE PERMITTED (BEFORE THICKNESS ADJUSTMENT REQUIRED IN FOOTNOTE b) BUT NOT TO A THICKNESS LESS THAN 1 INCH.

b) FOR INSULATION OUTSIDE THE STATED CONDUCTIVITY RANGE, THE MINIMUM THICKNESS (T)

SHALL BE DETERMINED AS FOLLOWS: $T=R\{(1+t/r)^{k/k}-1\}$

T = MINIMUM INSULATION THICKNESS

r = ACTUAL OUTSIDE RADIUS OF PIPE

t = INSULATION THICKNESS LISTED IN THE TABLE FOR APPLICABLE FLUID TEMPERATURE AND PIPE SIZE

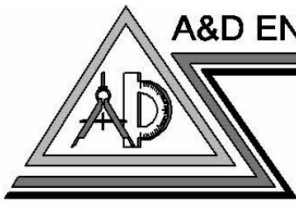
K = CONDUCTIVITY OF ALTERNATE MATERIAL AT MEAN RATING TEMPERATURE INDICATED FOR

APPLICABLE FLUID TEMPERATURE BTU·IN./((HFT·FT²·°F) ^b AND

k = THE UPPER VALUE OF THE CONDUCTIVITY RANGE LISTED IN THE TABLE FOR THE APPLICABLE FLUID TEMPERATURE.

R-VALUE=1/k, THE INVERSE VALUE OF THE CONDUCTIVITY RANGE LISTED IN THE TABLE FOR THE APPLICABLE FLUID TEMPERATURE.

c) CONTRACTOR SHALL USE WORSE CASE INSULATION (REFRIGERANT HEATING CYCLE) FOR HEAT PUMP INSTALLATION

**AIR DEVICE SCHEDULE (TITUS)**

MARK	MODEL	CFM RANGE	NECK SIZE	FACE AREA	REMARKS
SUPPLY REGISTER	300FL	0-250	12" X 6"	—	1
EXHAUST/ TRANSFER GRILLE	350FL	VARIES	VARIES	—	3
TOILET EXHAUST GRILLE	350FL	0-100	8" x 8"	—	1
RETURN GRILLE	350FL	0-400	10" X 10"	12" x 12"	4
RETURN GRILLE	TDC-AA	0-1500	18" X 18"	24" X 24"	4

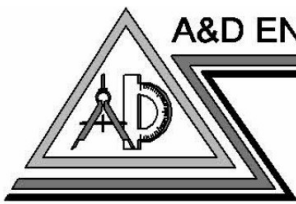
NOTES:

1. PROVIDE WITH OPPOSED BLADE DAMPER.
2. OUTLETS LOCATED IN SHEET ROCK CEILING SHALL BE INSTALLED IN TRM RAPID MOUNT FRAME AND SHALL BE USED AS ACCESS DOORS FOR AIR BALANCING AND EQUIPMENT ACCESS.
3. FOR AIR DEVICE NECK SIZES SEE FLOOR PLANS.
4. BORDER TYPE 3 (LAY-IN).

**DECORATIVE SILL- HEIGHT CONVECTORS
HEATER BASED DESIGN ON Q-MARK**

BBH-1 MODEL CSH-07A 3 FT. LENGTH, TWO ELEMENT, 208V, 1PH, 1,125 kW, 3,840BTU/HR
375 WATTS/FT, 5.4 AMPS

NOTES: COLOR SELECTED BY ARCHITECT. PROVIDE HEATERS WITH DISCONNECT SWITCH &
BUILT-IN THERMOSTAT.



VIBRATION ISOLATION METHODS (OR EQUAL)

EQUIPMENT TYPE	ISOLATOR TYPE	MODEL (MASON IND.)	DEFLECTION
HEAT PUMPS	SPRING HANGER	30N	1 INCH
ERVS, RTUS	RESTRAINED SPRING	SLR	2 INCH
INLINE FANS	SPRING HANGER	30N	1 INCH
	FREESTANDING SPRING	SLF	1 INCH
UPBLAST FANS	MANUFACTURER-PROVIDED RESILIENT CURB	-	1 INCH
HEAT EXCHANGERS	FREESTANDING SPRING	SLF	1 INCH
BOILERS	RESTRAINED SPRING	SLR	1 INCH
PUMPS (INCLUDING FIRE PUMPS, IF TESTED)	RESTRAINED SPRING IF ONE INERTIA BASE OR SPRING HANGER IF ON TRAPEZE	SLR+BASE ¹ 30N	2 INCH
PIPING ²	SPRING HANGER	30N	1 INCH
ANCHORS/GUIDES	PIPE RISER RESILIENT MOUNT	ADA	1/8 INCH

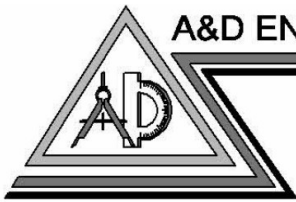
1. INERTIA BASE DEPTH WILL BE A FUNCTION OF THE HP OUTPUT FOR EACH PUMP.
FOR PUMPS BETWEEN 5 AND 20 HP, A 6" THICK CONCRETE CURB SHOULD BE USED,
8" FOR 20 TO 50 HP, 10" FOR 50 TO 100HP.
AN INERTIA BASE WILL NOT BE NECESSARY FOR PUMPS SMALLER THAN 5 HP.

2. PIPING SHALL BE ISOLATED FOR A MINIMUM DISTANCE OF 50'-0" FROM EQUIPMENT
OR 100 PIPE DIAMETERS, WHICHEVER IS GREATER, AND WITHIN RISER SHAFTS.

PUMPS' SCHEDULE

PUMP CO		ABBREV.	NO. OF SETS REQUIRED	G.P.M. OR C.F.M. (EACH)	T.D.H. (FEET HEAD)	MODEL NO.	MECH. SEAL	STAGES	VERT. SPLIT	HORIZ. SPLIT	WORKING PRESS.	H.P.	R.P.M.	VOLTS	PHASE	CYCLE	MANUAL CONTROL	STARTING STEPS	AUTO CONTROL	PILOT LIGHT	PRESSURE	GAUGE RANGE	CONTROL CENTER	EMERGENCY POWER	SUBMERSIBLE PUMPS	OIL MINDER	CUSHION TANK 86GAL
DESIGNATION																											
WB-1	DUPLEX MINIBOOSTER SYSTEMS (CELLAR)	FED	1	26.4	90	DAB, MOD. E SYTWIN	-	-	-	-	-	2.11	3500	208	1	60	-	-	X	-	-	-	-	-	-	-	-
SP-1	SIMPLEX SUMP PUMP (CELLAR LEVEL)	B&G	1	60	14	MODEL P382LE41 (LIBERTY PUMPS PRO380)	-	-	-	-	-	0.4	3450	115	1	60	-	-	X	-	-	-	-	-	-	-	-

* OR EQUAL



A&D ENGINEERING, PLLC

CONSULTING ENGINEERS

HVAC – PLUMBING - FIRE PROTECTION
ELECTRICAL - FIRE ALARM

Tel: (718) 872-6122 / (718) 872-6144

E-mail: ad@adnyeng.com; www.adnyeng.com

Main Office: 2606 East 15th Street, Suite #204, Brooklyn, NY 11235

HWH-1 ELECTRIC WATER HEATER

A.O.SMITH, PROLINE MOD# EGR-80.
80 GAL. CAPACITY, MEASURED VOLUME 78 GAL.,
5.5 KW, 208 V, 1PH, 21 GPH @90°F RISE, 0.93 EF

P-1 RECIRCULATING PUMP:

B & G BRONZE BOOSTER PUMP
PUMP MOD. # PR AB, 10 GPM, 16 Ft HEAD,
1/6 H.P., 1PH, 115V, 60Hz.

CONTRACTOR SHALL PROVIDE AUTOMATIC CONTROL TO TURN OFF CIRCULATING HOT WATER SYSTEM PUMP WHEN THERE IS LIMITED HOT WATER DEMAND. PROVIDE ACCESS TO OPERATING CONTROLS AS REQUIRED TO COMPLY WITH ECC C404.6 & C404.7

FOR EXACT CONNECTION, SIZE & NUMBER OF PIPES REFER TO DETAIL OF HOT WATER CONNECTION AND PUMP CONTROL DIAGRAM ON P-102.

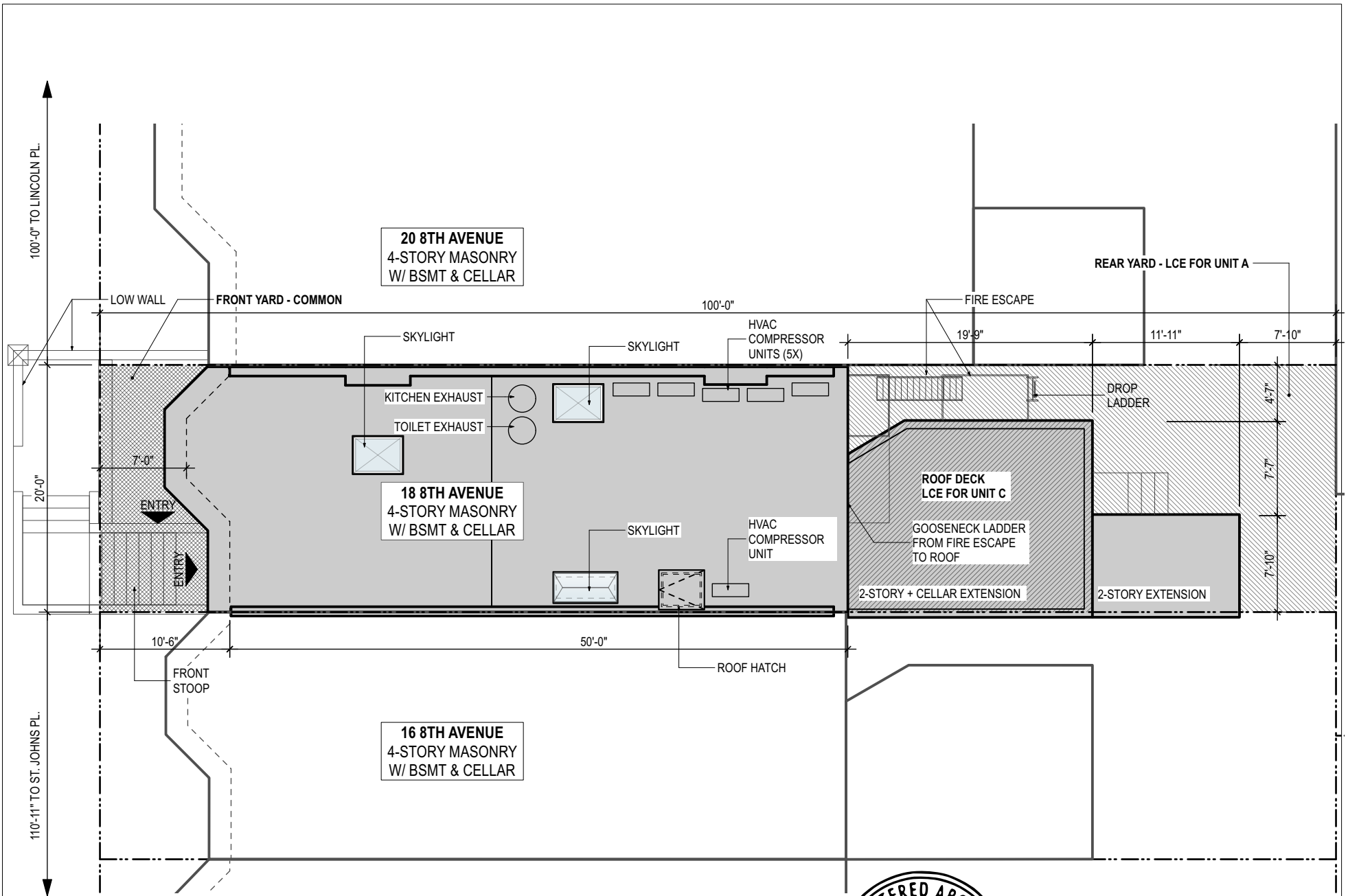
CONTRACTOR SHALL PROVIDE HEAT TRACE FOR HOT WATER SYSTEM TEMPERATURE MAINTENANCE TO COMPLY WITH NYC PLUMBING CODE SECT. 607.2, WHEN DISTANCE TO FARTHEST FIXTURE EXCEEDS 20 FEET AND TABLE ON P-101.

SPRINKLER BOOSTER PUMP SCHEDULE

PUMP TYPE	LOCATION	GPM	RPM	TDH PRESS. (PSI)	HORSEPOWER (HP)	ELECTRICAL	MANUFACTURER & MODEL NO.
SPRINKLER BOOSTER PUMP	CELLAR	400	3500	60	25	208V/3Ø/60HZ	A-C MODEL 1580, 4X4X9.5F UL/FM LISTED VERTICAL IN-LINE WITH PUMP CONTROLLER
JOCKEY PUMP	CELLAR	10	3500	70	1	208V/3Ø/60HZ	GRUNDFOS MODEL CR3-6, WITH PUMP CONTROLLER

*INSTALLATION & SPECIFICATIONS AS PER NFPA 20 LATEST REQUIREMENTS.

*OR EQUAL



PLOT PLAN

DATE: 06/07/2022



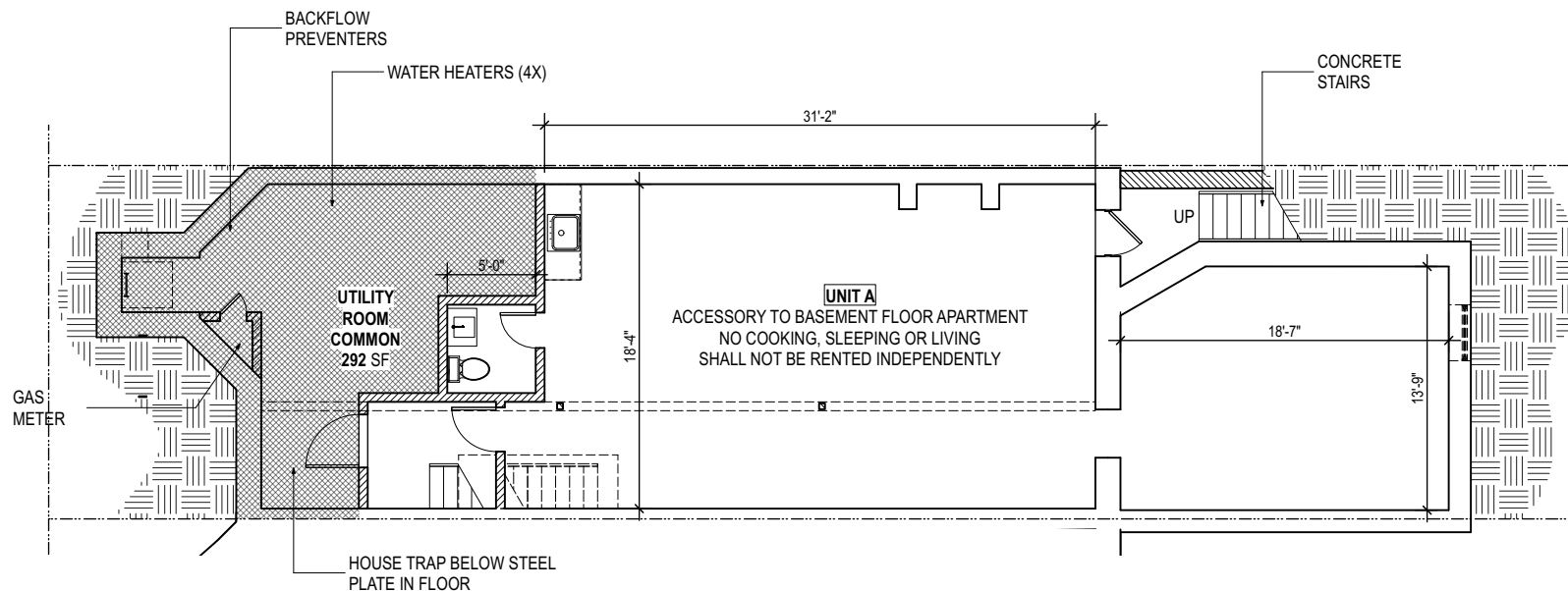
ALL DIMENSIONS ARE APPROXIMATE

FP1

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217



ALL DIMENSIONS AND SQUARE
FOOT AREAS ARE APPROXIMATE.
SEE ARCHITECT'S REPORT
SECTION "W" FOR METHOD OF
AREA CALCULATION.

CELLAR FLOOR PLAN
UNIT A - 1,063 SF
DATE: 06/07/2022

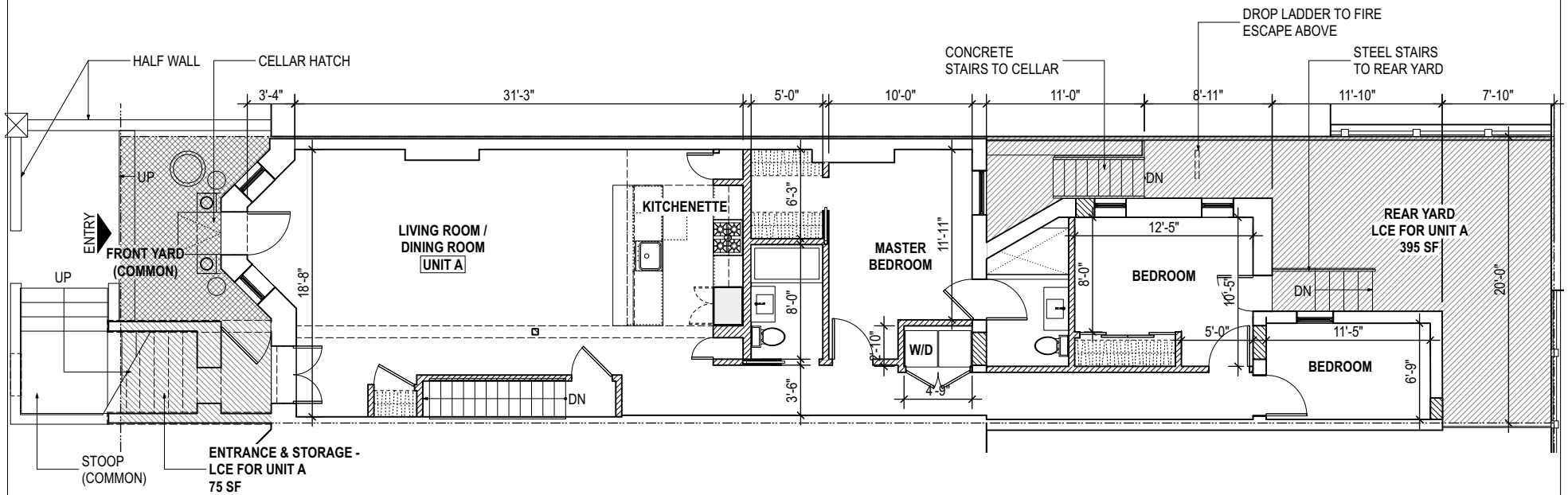


FP2

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217



ALL DIMENSIONS AND SQUARE
FOOT AREAS ARE APPROXIMATE.
SEE ARCHITECT'S REPORT
SECTION "W" FOR METHOD OF
AREA CALCULATION.

BASEMENT FLOOR PLAN
UNIT A - 1,424 SF
DATE: 06/07/2022

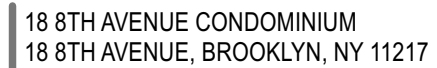


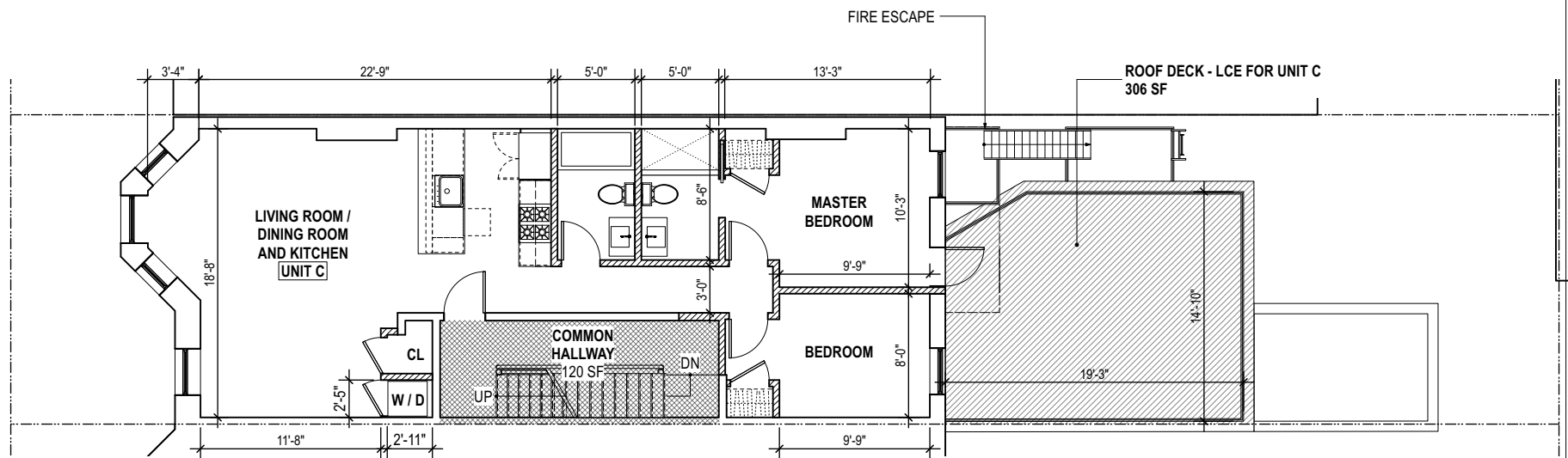
FP3

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217





ALL DIMENSIONS AND SQUARE
FOOT AREAS ARE APPROXIMATE.
SEE ARCHITECT'S REPORT
SECTION "W" FOR METHOD OF
AREA CALCULATION.

SECOND FLOOR PLAN
UNIT C - 908 SF
DATE: 06/07/2022

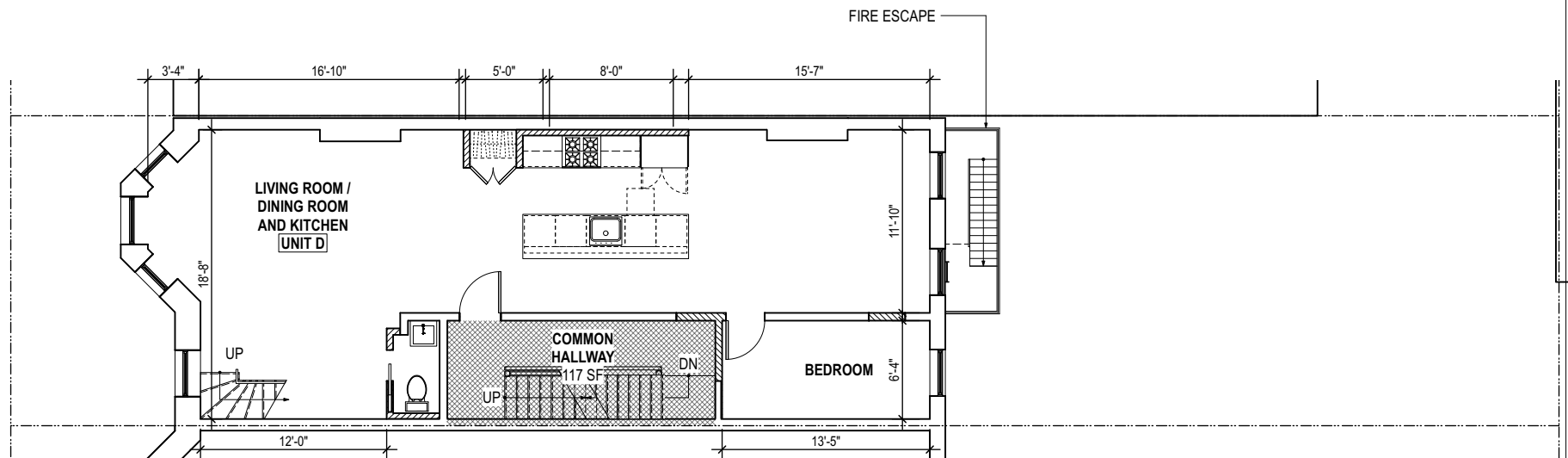


FP5

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217



ALL DIMENSIONS AND SQUARE
FOOT AREAS ARE APPROXIMATE.
SEE ARCHITECT'S REPORT
SECTION "W" FOR METHOD OF
AREA CALCULATION.

THIRD FLOOR
UNIT D - 911 SF
DATE: 06/07/2022

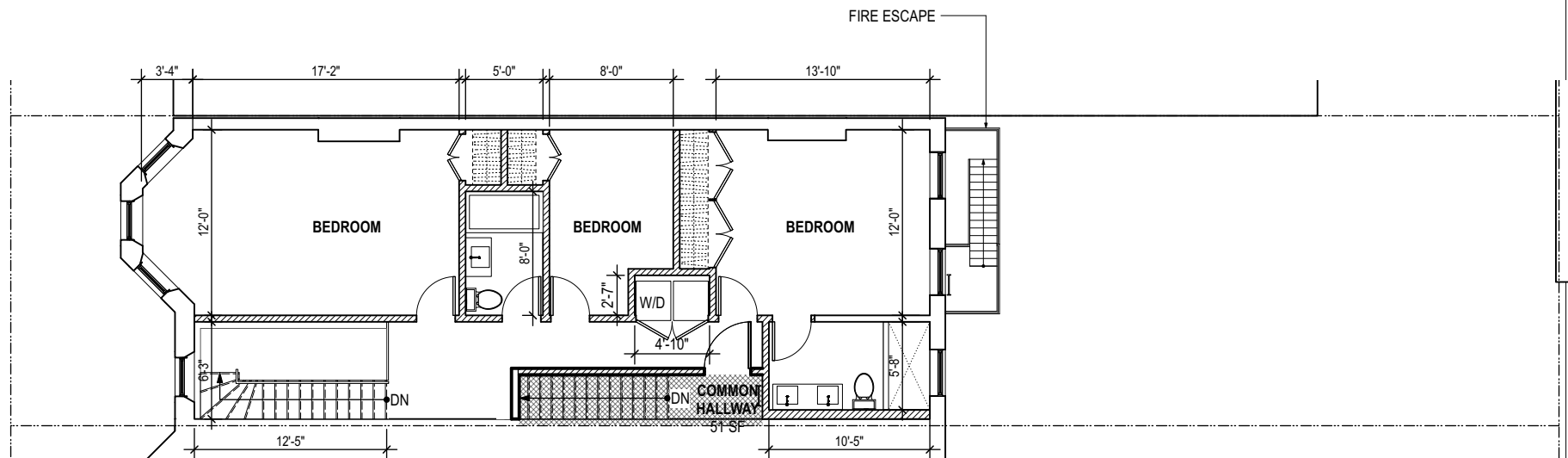


FP6

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217



ALL DIMENSIONS AND SQUARE
FOOT AREAS ARE APPROXIMATE.
SEE ARCHITECT'S REPORT
SECTION "W" FOR METHOD OF
AREA CALCULATION.

FOURTH FLOOR
UNIT D - 905 SF
DATE: 06/07/2022

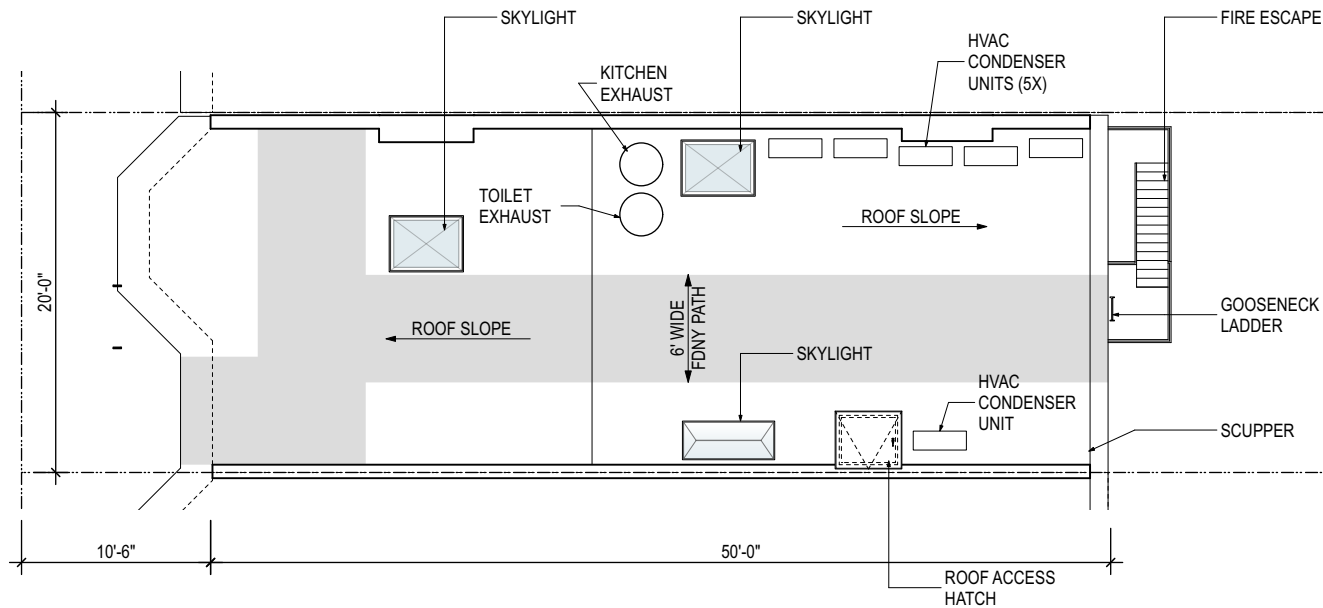


FP7

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217



ALL DIMENSIONS AND SQUARE
FOOT AREAS ARE APPROXIMATE.
SEE ARCHITECT'S REPORT
SECTION "W" FOR METHOD OF
AREA CALCULATION.

ROOF PLAN

DATE: 06/07/2022

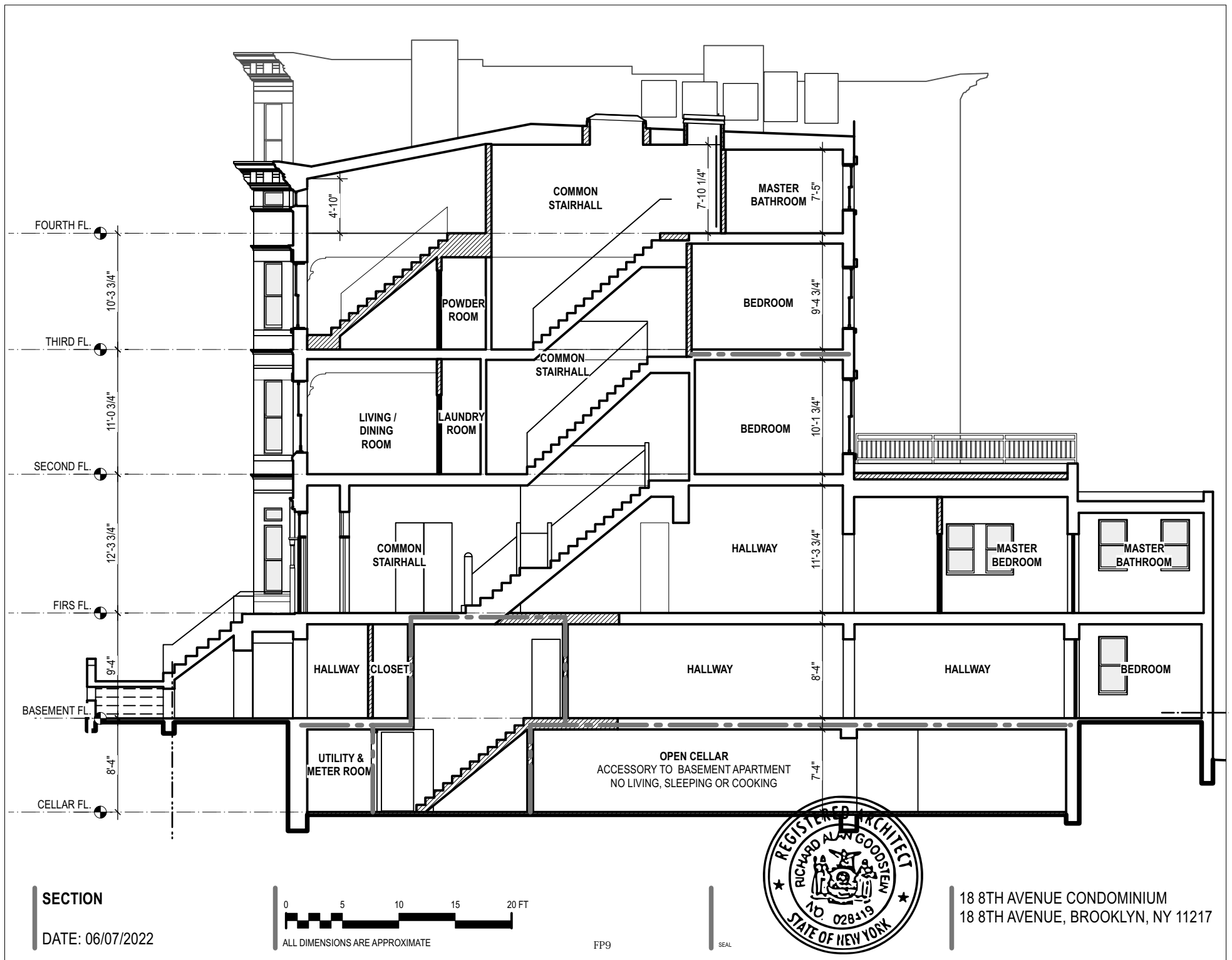


FP8

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217





FRONT ELEVATION

REAR ELEVATION

ELEVATIONS

DATE: 06/07/2022



FP10

SEAL



18 8TH AVENUE CONDOMINIUM
18 8TH AVENUE, BROOKLYN, NY 11217

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2004**

No. 1

Introduced by Council Members Perkins, Lopez, Quinn, Reed, Boyland, Rivera, Brewer, Jackson, Liu, Yassky, Barron, Reyna, Clarke, Sanders Jr., Recchia Jr., Vann, Katz, Gerson, Gioia, Baez, DeBlasio, Serrano, Foster, Monserrate, Jennings Jr., Seabrook, Addabbo Jr., Moskowitz, Koppell, Martinez, Gonzalez, Espada Jr., Gentile, Avella, Comrie Jr., Weprin, Nelson, James, the Speaker (Council Member Miller) and the Public Advocate (Ms. Gotbaum).

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to childhood lead poisoning prevention, including the avoidance and remediation of lead-based paint hazards in housing and day care facilities, the repeal of local law number 38 for the year 1999 and the repeal of subdivision h of section 27-2013 and section 27-2126 of such code.

Be it enacted by the Council as follows:

Section 1. This local law shall be known and may be cited as the New York City Childhood Lead Poisoning Prevention Act of 2003.

§2. Local law number 38 for the year 1999 is hereby REPEALED.

§3. Local Law number 1 for the year 1982 is hereby REPEALED.

§4. Local law number 50 for the year 1972 is hereby REPEALED.

§5. Subchapter 2 of chapter 2 of title 27 of the administrative code of the city of New York is amended by adding a new article 14 to read as follows:

Article 14

Lead Poisoning Prevention and Control

§27-2056.1 *Statement of Findings and Purposes.*

§27-2056.2 *Definitions.*

§27-2056.3 *Owners' Responsibility to Remediate.*

§27-2056.4 *Owners' Responsibility to Notify Occupants and Investigate.*

§27-2056.5 *Presumption.*

§27-2056.6 *Violation in a Dwelling Unit.*

§27-2056.7 *Audit and Inspection by Department following Commissioner's order to abate.*

§27-2056.8 *Violation in a Dwelling Unit Upon Turnover.*

§27-2056.9 *Department Inspections.*

§27-2056.10 *Department Implementation and Enforcement.*

§27-2056.11 *Work Practices.*

§27-2056.12 *Reporting.*

§27-2056.13 *Transmittal of Violations to the Department of Health and Mental Hygiene.*

§27-2056.14 *Request to the Department from the Department of Health and Mental Hygiene to Execute an Order Pursuant to § 17-147 of the Administrative Code.*

§27-2056.15 *Waiver of Benefit Void.*

§27-2056.16 *Exemption for Emergency Conditions.*

§27-2056.17 *Record Keeping Requirements.*

§27-2056.18 *Application of this article based on age of child.*

§27-2056.1 *Statement of findings and purposes. The council finds that lead poisoning from paint containing lead is a preventable childhood disease and a public health crisis. The council further finds that the hazard in*

dwelling that may occur from paint containing lead is subject to many factors, such as the age of a building and its maintenance. The Council also finds and declares that City government must focus on primary prevention as the essential tool to combat childhood lead poisoning and to achieve the goal of preventing children from suffering the adverse health and other effects of exposure to lead-based paint. The pursuit of primary prevention, which means eliminating lead hazards before children are exposed, has been recommended by the United States Centers for Disease Control and Prevention and promoted by leading experts in the field as a critical course of action to protect the health of young children. The Council, therefore, declares that resources must be directed to primary prevention, including identifying children who are most at risk.

The council recognizes that it cannot legislate a single maintenance standard for all dwellings to eliminate this hazard. Instead, the council by enacting this article makes it the responsibility of every owner of a multiple dwelling to investigate dwelling units for lead-based paint hazards and to address such hazards on a case-by-case basis as the conditions may warrant, taking such actions as are necessary to prevent a child from becoming lead poisoned. Having established this responsibility, the council finds that sufficient information exists to guide owners in making determinations about the existence of lead-based paint hazards. See, e.g., United States environmental protection agency, "Identification of Dangerous Levels of Lead; Final Rule" Federal Register, Vol. 66, No. 4 (January 5, 2001); United States department of housing and urban development, "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997).

The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 5,638 were newly identified with elevated blood lead levels of 10 micrograms per deciliter or above. The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 653 were newly identified at or above the department's environmental intervention blood lead level, which is a blood lead level equal to or exceeding 20 micrograms per deciliter in a single test or two reported blood lead levels between 15 and 19 micrograms per deciliter at least three months apart, and has also reported an overall incidence of 931 children tested with blood lead levels equal to or exceeding 20 micrograms per deciliter. When a child is identified with environmental intervention blood lead levels, the city is obligated to investigate potential sources of the lead poisoning, incurring the expense of an environmental investigation and often times also incurring the expense of medical treatment and remedial education, if necessary. The council finds that these blood lead levels among New York city children constitute a severe health crisis and has established as its goal the elimination of childhood lead poisoning by the year 2010.

In addition, the department of health and mental hygiene has reported for the year 2001 that only 29% of children in New York city are tested both at age one and age two for the disease of lead poisoning even though the testing of all children at age one and age two is mandatory under state law. The council finds that improved screening among these children is critical since children at these ages are at greatest risk for lead poisoning. The council declares that it is reasonable and necessary to increase the rate of blood-lead testing. This local law requires the department of health and mental hygiene to report to the council on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels.

The council further finds that the administration and enforcement of the City's lead poisoning prevention programs can be better coordinated. While it is intended that the department of housing preservation and development remain the agency responsible for the implementation and enforcement of this article, it is also intended that the department of health and mental hygiene shall have a significant role in the promulgation and interpretation of rules and in the development of necessary procedures pursuant to this article.

§27-2056.2 Definitions. Whenever used in this article the following terms shall have the following meanings:

(1) "Chewable surface" shall mean a protruding interior window sill in a dwelling unit in a multiple dwelling where a child of applicable age resides and which is readily accessible to such child. "Chewable surface" shall also mean any other type of interior edge or protrusion in a dwelling unit in a multiple dwelling, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where an occupant has notified the owner that a child of applicable age who resides in that multiple dwelling has mouthed or chewed such edge or protrusion.

(2) "Common area" shall mean a portion of a multiple dwelling that is not within a dwelling unit and is regularly used by occupants for access to and egress from any dwelling unit within such multiple dwelling.

(3) "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including, but not limited to, rotted or decayed wood, or wood or plaster that has been subject to moisture or disturbance.

(4) "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion and abrade, scrape, or bind when in relative motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

(5) "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

(6) "Lead-based paint hazard" shall mean any condition in a dwelling or dwelling unit that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

(7) "Lead-based paint" shall mean paint or other similar surface coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997) and the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, a laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5% of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

(8) "Lead-contaminated dust" shall mean dust containing lead at a mass per area concentration of 40 or more micrograms per square foot on a floor, 250 or more micrograms per square foot on window sills, and 400 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the department of health and mental hygiene.

(9) "Lead-contaminated dust clearance test" shall mean a test for lead-contaminated dust on floors, window wells, and window sills in a dwelling, that is made in accordance with section 27-2056.11 of this article.

(10) "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

(11) "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead-based paint, or other method approved by the commissioner of health and mental hygiene.

(12) "Rule" or "rules" shall mean a rule or rules promulgated pursuant to section 1043 of the New York city charter.

(13) "Turnover" shall mean the occupancy of a dwelling unit subsequent to the termination of a tenancy and the vacatur by a prior tenant of such dwelling unit.

(14) "Underlying defect" shall mean a physical condition in a dwelling or dwelling unit that is causing or has caused paint to peel or a painted surface to deteriorate or fail, such as a structural or plumbing failure that allows water to intrude into a dwelling or dwelling unit.

(15) "Window" shall mean the non-glass parts of a window, including but not limited to any window sash, window well, window jamb, window sill, or window molding.

§27-2056.3 Owners' Responsibility to Remediate. The existence of a lead-based paint hazard in any multiple dwelling where a child of applicable age resides is hereby declared to constitute a condition dangerous to life and health. An owner shall take action to prevent the reasonably foreseeable occurrence of such a condition and shall expeditiously remediate such condition and any underlying defect, when such underlying defect exists, consistent with the work practices established pursuant to section 27-2056.11 of this article, except where lead-contaminated

dust is present in such multiple dwelling and the department of health and mental hygiene has made a determination pursuant to paragraph six of subdivision c of section 27-2056.10 of this article.

§27-2056.4. Owners' Responsibility to Notify Occupants and to Investigate. a. In any dwelling unit in a multiple dwelling erected prior to January first, nineteen hundred sixty where a child of applicable age resides, and in any dwelling unit in a multiple dwelling erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight where a child of applicable age resides and the owner has actual knowledge of the presence of lead-based paint, and in common areas of such multiple dwellings, the owner shall cause an investigation to be made for peeling paint, chewable surfaces, deteriorated subsurfaces, friction surfaces and impact surfaces. Such investigation shall be undertaken at least once a year and more often if necessary, such as when, in the exercise of reasonable care, an owner knows or should have known of a condition that is reasonably foreseeable to cause a lead-based paint hazard, or an occupant makes a complaint concerning a condition that is likely to cause a lead-based paint hazard or requests an inspection, or the department issues a notice of violation or orders the correction of a violation that is likely to cause a lead-based paint hazard. The owner shall ascertain whether a child resides therein pursuant to the requirements of this section.

b. No occupant in a dwelling unit in such multiple dwelling shall refuse or unreasonably fail to provide accurate and truthful information regarding the residency of a child of applicable age therein, nor shall an occupant refuse access to the owner at a reasonable time and upon reasonable prior notice to any part of the dwelling unit for the purpose of investigation and repair of lead-based paint hazards.

c. All leases offered to tenants or prospective tenants in such multiple dwellings must contain a notice, conspicuously set forth therein, which advises tenants of the obligations of the owner and tenant as set forth in this section. Such notice must be in a manner approved by the department, the content of which shall, at a minimum, be in English and Spanish. The owner of such multiple dwelling shall provide the occupant of such multiple dwelling with the pamphlet described in subdivision b of section 17-179 of this code.

d. (1) The owner of such a multiple dwelling shall provide to an occupant of a dwelling unit at the signing of a lease, including a renewal lease, if any, or upon any agreement to lease, or at the commencement of occupancy if there is no lease, a notice in English and Spanish, the form and content of which shall be approved by the department of health and mental hygiene, inquiring whether a child of applicable age resides or will reside therein. If there is a lease, such notice shall be included in such lease or be attached as a rider to such lease. Such notice shall be completed by the occupant at the time of such signing of a lease, including a renewal lease, if any, or such agreement to lease, or at such commencement of occupancy.

(2) Where an occupant has responded to the notice provided by the owner pursuant to paragraph one of subdivision d of this section by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to subdivision e of this section during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead-contaminated dust.

e. (1) Each year, an owner of a multiple dwelling erected prior to January first, nineteen hundred sixty shall, no earlier than January first and no later than January sixteenth, except as provided for in subparagraph iii of paragraph two of this subdivision, present to the occupant of each dwelling unit in such multiple dwelling a notice inquiring as to whether a child of applicable age resides therein. Such notice, the form and content of which shall be approved by the department of health and mental hygiene, shall be presented as provided for in paragraph two of this subdivision, and shall be in English and Spanish.

(2) The owner may present the notice required by paragraph one of this subdivision by delivering said notice by any one of the following methods:

- (i) by first class mail, addressed to the occupant of the dwelling unit;
- (ii) by hand delivery to the occupant of the dwelling unit;
- (iii) by enclosure with the January rent bill, if such rent bill is delivered after December fifteenth but no later than January sixteenth; or
- (iv) by delivering said notice in conjunction with the annual notice required pursuant to section 17-123 of this code and the rules of the department of health and mental hygiene pertaining to the installation of window guards.

(3) (i) Upon receipt of such notice the occupant shall have the responsibility to deliver by February fifteenth of that year, a written response to the owner indicating whether or not a child of applicable age resides therein. If, subsequent to delivery of such notice, the owner does not receive such written response by February fifteenth, and does not otherwise have actual knowledge as to whether a child of applicable age resides therein, then the owner shall at reasonable times and upon reasonable notice inspect that occupant's dwelling unit to ascertain the residency of a child of applicable age and, when necessary, conduct an investigation in order to make that determination. Where, between February sixteenth and March first of that year, the owner has made reasonable attempts to gain access to a dwelling unit to determine if a child of applicable age resides in that dwelling unit and was unable to gain access, the owner shall notify the department of health and mental hygiene of that circumstance.

(ii) Where an occupant has responded to the notice provided by the owner pursuant to subparagraph (i) of this paragraph by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to this subdivision during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead contaminated dust.

(4) For calendar year two thousand four, an owner shall be deemed to have satisfied the provisions of paragraphs one through three of this subdivision if such owner delivers or has already delivered to each dwelling unit where a child under six years of age resides a notice identical or substantially similar to that required to have been delivered in calendar year two thousand three, (i) in the same manner as was required in calendar year two thousand three, and (ii) during the same periods of time in calendar year two thousand four as such notice was required to have been delivered during calendar year two thousand three.

f. The owner shall inform the occupant in writing of the results of an investigation undertaken pursuant to this section and shall provide a copy of any such report received or generated by an investigation. The owner shall retain a copy of each investigation report, for ten years from the date of such report and such report shall be made available to the department on request and shall be transferred by the owner to the owner's successor in title.

g. Any owner who violates the provisions of this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any violation of this section shall subject the owner to a civil penalty of not more than one thousand five hundred dollars per violation.

h. The department may, at its discretion, perform sample audits to determine compliance with the requirements of this section.

§27-2056.5 Presumption. a. In any multiple dwelling erected prior to January 1, 1960, it shall be presumed that the paint or other similar surface-coating material in any dwelling unit where a child of applicable age resides or in the common areas is lead-based paint. The presumption established by this section may be rebutted by the owner of the dwelling or dwelling unit by submitting to the department a sworn written statement by the owner supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the owner, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of part 745 of title 40 of the code of federal regulations or any successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

b. The owner of a dwelling or a dwelling unit may apply to the department to have such dwelling or dwelling unit exempted from the presumption contained in subdivision a of this section when either (i) an inspection for lead-based paint in such dwelling or dwelling unit, performed in accordance with section 745.227 of title 40 of the code of federal regulations, or any successor regulation, has determined that there is no lead-based paint present in such dwelling or dwelling unit, or (ii) substantial alterations have been made to such dwelling or dwelling unit and such alterations have resulted in the removal or permanent covering of all lead-based paint in that dwelling or dwelling unit. The department shall by rule determine the requirements needed to qualify for such an exemption. Sections 27-2056.4, 27-2056.8 and 27-2056.9 of this article shall not apply to any dwelling or dwelling unit that has been granted an exemption by the department.

§27-2056.6 *Violation in a Dwelling Unit.* The existence of lead-based paint in any dwelling unit in a multiple dwelling where a child of applicable age resides shall constitute a class C immediately hazardous violation if such paint is peeling or is on a deteriorated subsurface.

§27-2056.7 *Audit and inspection by department following commissioner's order to abate.* a. When the department of health and mental hygiene issues a commissioner's order to abate pursuant to section 173.13 of the New York city health code or a successor rule that addresses lead-based paint hazards in a specific dwelling unit in a multiple dwelling, the department, within fifteen days of such order, shall notify the owner of the multiple dwelling where the dwelling unit is located that the owner shall, within forty-five days of the department's notice, provide to the department all records required to be maintained under this article. Upon the department's receipt of those records and a determination that there may exist uncorrected lead-based paint hazards in dwelling units where a child of applicable age resides, the department within ten days shall attempt to inspect such units to determine whether there are any violations of section 27-2056.6 of this article.

b. If the owner does not provide to the department the records as mandated by subdivision a of this section, the department shall within forty-five days of such failure attempt to inspect dwelling units where a child of applicable age resides to determine whether there are any violations of section 27-2056.6 of this article in such units.

c. The department is not required to undertake the procedures specified in this section in a particular multiple dwelling if it has done so in such building during the prior twelve month period.

d. Any owner who fails to comply with the provisions of this section in accordance with the rules of the department shall be liable for a class C immediately hazardous violation, and a civil penalty in an amount not to exceed one thousand dollars.

§27-2056.8 *Violation in a Dwelling Unit Upon Turnover* a. Upon turnover of any dwelling unit in a multiple dwelling erected prior to January 1, 1960 or a dwelling unit in a private dwelling erected prior to January 1, 1960 where each dwelling unit is to be occupied by persons other than the owner or the owner's family, the owner shall within such dwelling unit have the responsibility to:

- (1) remediate all lead-based paint hazards and any underlying defects, when such underlying defects exist;
- (2) make all bare floors, window sills, and window wells in the dwelling unit smooth and cleanable;
- (3) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and
- (4) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows.

b. All work performed pursuant to this section shall be performed pursuant to the safe work practices promulgated pursuant to section 27-2056.11(a)(3) of this article.

c. Any owner who fails to comply with the provisions of subdivision a of this section, or the rules of the department of health and mental hygiene or the department promulgated pursuant to section 27-2056.11(a)(3) shall be liable for a class C immediately hazardous violation.

§27-2056.9 *Department Inspections.* a. When entering a dwelling unit in a multiple dwelling constructed prior to January 1, 1960 for the purpose of investigating the existence of any violation of this code, the department shall make diligent efforts to ascertain whether a child of applicable age resides therein and shall request from the occupant an acknowledgement as to whether such a child resides in the dwelling unit. Whenever a child of applicable age resides in a dwelling unit, the department shall immediately perform a room-by-room inspection of the dwelling unit and record for each room in a report of such inspection whether the paint or other similar surface-coating material in each room is peeling or intact. For each room where peeling paint is found, the department shall also inspect for evidence of an underlying defect and shall indicate on the inspection report the peeling paint's location within the room, the condition of the subsurface below it, and the location of any underlying defect. When performing such inspection, the department need only inspect those portions of the dwelling unit where furniture or other furnishings do not obstruct the view of a surface, except when there is visible evidence that causes the department to believe that the obstructed surface has peeling paint. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

b. In any dwelling unit in a multiple dwelling erected prior to January 1, 1960 where a child of applicable age resides, the department shall conduct an inspection pursuant to subdivision a of this section no later than ten days after the department's receipt of a complaint describing peeling paint, or a deteriorated subsurface or underlying defect in the dwelling unit. The department shall make diligent efforts to ascertain whether a child of applicable

age resides therein. Where the department attempts to perform an inspection of a dwelling unit within the time period required by this subdivision but is unable to gain access, the department shall be required to make a reasonable attempt to gain access to such dwelling unit within five days of such attempt. If the department is unable to gain access to that dwelling unit during this additional time period, the department shall provide written notice to the occupant of such dwelling unit that no further attempts at access shall be made unless a new complaint is submitted.

c. Each inspector who performs an inspection pursuant to subdivision b of this section shall use an x-ray fluorescence analyzer during the course of that inspection to determine whether lead-based paint is present in such dwelling unit except that, for reasons beyond the control of the department, such x-ray fluorescence analysis is unable to be performed during such inspection, the department shall rely on the presumption set forth in subdivision a of section 27-2056.5 of this article. Where peeling paint is found during an inspection of a dwelling unit performed pursuant to subdivision a of this section, the department shall within ten days thereafter perform another inspection of such dwelling unit using an x-ray fluorescence analyzer to determine whether lead-based paint is present in such dwelling unit. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

d. The pamphlet developed by the department of health and mental hygiene pursuant to section 17-179 of this code shall be left at the premises of the dwelling unit at the time of an inspection made by the department pursuant to this section.

e. The department shall develop a pamphlet listing the work practices to be established pursuant to section 27-2056.11 of this article. Such pamphlet shall be delivered by the department in conjunction with all notices of violation issued pursuant to paragraph one of subdivision l of section 27-2115 of this code. Failure to include such pamphlet with such notices of violation shall not render null and void the service of such notices of violation. Such pamphlet shall also be made available to any member of the public upon request.

f. Notwithstanding any other provision of law, failure by the department or the department of health and mental hygiene to comply with any time period provided in this article or section 27-2115 of this chapter relating to responsibilities of the department and the department of health and mental hygiene, shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article.

§27-2056.10 Department Implementation and Enforcement. a. The department shall provide appropriate training for lead-based paint inspection and supervisory personnel. Department personnel who conduct a visual inspection pursuant to this article shall receive training which at a minimum, shall be the training approved by the United States department of housing and urban development for performance of visual inspections. Department personnel who perform lead-based paint inspections using XRF machines shall receive training required by the United States environmental protection agency pursuant to section 745.226(b) of title 40 of the code of federal regulations or successor regulations. Training of all inspection and supervisory personnel shall also include background information pertaining to applicable state and local lead-based paint laws and guidance on identifying violations in a multiple dwelling, and require that the individual has successfully demonstrated knowledge of the requirements of this article. The department shall provide for the continuing education of inspection and supervisory personnel.

b. The department, with the approval of the department of health and mental hygiene, shall promulgate a comprehensive written procedure to guide department personnel in implementing and enforcing this article. Where feasible, such procedures shall establish a uniform method for the department of health and mental hygiene and the department, following the method implemented by the department of health and mental hygiene, to describe violations and identify their location in a dwelling or dwelling unit. Such procedures shall include a methodology and a form to be used by department personnel when conducting an inspection to carry out and record an inspection pursuant to section 27-2056.9 of this article.

c. The department shall promulgate rules for the implementation and enforcement of this article and to effect compliance with all applicable provisions of this article, rules promulgated thereunder, and all applicable city, state or federal laws, rules or regulations. Such rules shall be subject to the approval of the department of health and mental hygiene prior to their promulgation and shall include, but not be limited to, establishing:

(1) uniform specifications and procedures to govern testing, including a standardized format for reporting such testing results, whenever paint or a similar surface-coating material is tested for its lead content, whether by or on behalf of an owner or an agency of the city of New York;

(2) procedures by which an owner shall comply with section 27-2056.4 of this article, including the form and content of the annual notice;

(3) procedures by which an owner shall submit rebuttal documentation to the department pursuant to 27-2056.5 of this article;

(4) procedures by which an owner may apply to the department to postpone the date by which a violation shall be corrected pursuant to subdivision l of section 27-2115 of this code, including, but not limited to, the stabilization of the paint which is the subject of the violation where an owner requests a second postponement of time to correct a violation in accordance with subdivision l of section 27-2115 of this code; and

(5) procedures to implement and to enforce compliance with paragraph two of subdivision l of section 27-2115 of this code, which shall include, but not be limited to, the requirement that an owner certify to:

(i) the correction of a violation of this article of the code, and

(ii) compliance with the rules promulgated by the department pursuant to section 27-2056.11 of this code; and

(6) procedures to be established by the department of health and mental hygiene to order or provide for the expeditious cleanup and removal of lead-contaminated dust when the department of health and mental hygiene determines that there is lead-contaminated dust in a dwelling unit where a child of applicable age resides, such child has an elevated blood level, and the department of health and mental hygiene determines that the source of that lead-contaminated dust is not a condition of the dwelling in which such dwelling unit is located.

§27-2056.11 Work Practices.

a. The department shall promulgate rules, with the approval of the department of health and mental hygiene, establishing work practices to which an owner shall be subject in each of the following circumstances:

(1) where an owner is performing work in order to comply with a notice of violation or order to correct issued by the department pursuant to this article, which shall be no less stringent than the safety standards required by the commissioner of health and mental hygiene whenever such commissioner shall order the abatement of lead-based paint hazards pursuant to section 173.13 of the health code or a successor rule. Such rules shall provide for temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall provide that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of part 745 of title 40 of the code of federal regulations, or any successor regulations.

(2) where an owner, other than in response to an order to correct or notice of violation issued by the department or the department of health and mental hygiene, is performing work that will disturb lead-based paint or paint of unknown lead content in a dwelling unit where a child of applicable age resides or in the common area of the multiple dwelling in which such dwelling unit is located, where such multiple dwelling was erected prior to January first, nineteen hundred sixty, or where the owner has actual knowledge of the presence of lead-based paint and such multiple dwelling was erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight.

(i) Except as provided in subparagraph (ii) of this paragraph, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely.

(ii) Where such work will disturb more than one hundred square feet of lead-based paint or paint of unknown lead content in a room in a multiple dwelling, or will involve the removal of two or more windows with lead-based paint or paint of unknown lead content, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto, or a successor rule, and shall include a requirement that lead-

contaminated dust clearance testing be performed at the completion of such work. Such rules shall also require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall require, in addition, that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of part 745 of title 40 of the code of federal regulations for the abatement of lead hazards, or any successor regulations. Such rules shall also provide that not less than ten days prior to the commencement of such work the owner of the premises, or the firm, shall file with the department of health and mental hygiene a notice of commencement so that the department of health and mental hygiene may, at its discretion, perform sample audits of such notices to determine that the firms performing the work are properly certified. Such notice shall be signed by the owner or by a representative of the firm, and shall be in a form satisfactory to or prescribed by the department of health and mental hygiene, and shall set forth at a minimum the following information:

- (a) The address of the multiple dwelling and the specific location of the work within the multiple dwelling.
- (b) The name, address and telephone number of the owner of the multiple dwelling in which the work is to be performed.
- (c) The name, address and telephone number of the firm which will be responsible for performing the work.
- (d) The date and time of commencement of the work, working or shift hours, and the expected date of completion; and
- (e) Identification of the surfaces and structures, and surface area, subject to the work.

The rules shall also provide that any changes in the information contained in the notice shall be filed with the department of health and mental hygiene prior to commencement of work, or if work has already commenced, within twenty-four hours of any change. The rules shall provide that a copy of the notice of commencement shall be posted at the work site.

(iii) The provisions of this paragraph shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.

(3) where an owner is performing work on turnover pursuant to 27-2056.8 of this article. Such rules shall include, but not be limited to, requiring lead-contaminated dust clearance tests at the completion of such work.

b. No person shall perform a lead-contaminated dust clearance test pursuant to this section unless such person is a third-party, who is independent of the owner and any individual or firm that performs the work, and has successfully completed a course approved or administered by the department of health and mental hygiene or by the United States environmental protection agency or the United States department of housing and urban development and obtained a certificate or other document issued by or acceptable to the department of health and mental hygiene.

c. The department, with the approval of the department of health and mental hygiene, shall promulgate rules requiring that all lead-contaminated dust clearance tests submitted to a laboratory for analysis include a sworn certification that such test was performed in compliance with all applicable rules and regulations and shall include any additional information that the department shall determine is necessary for the administration and enforcement of this section.

d. Where an owner is performing work pursuant to paragraph (1) of subdivision a of this section, all lead-contaminated dust clearance test results shall be filed with the department, and a copy shall be provided by the owner to the occupant of the dwelling unit. Where an owner is performing work pursuant to paragraphs (2) and (3) of subdivision a of this section, a copy of all lead-contaminated dust clearance test results shall be provided to the occupant of the dwelling unit. Copies of lead-contaminated dust clearance test results provided to the occupant of the dwelling unit pursuant to this subparagraph shall be in a form satisfactory to or prescribed by the department of health and mental hygiene that provides a sufficiently clear explanation of the meaning of such results.

§27-2056.12 Reporting. a. Within four months after the close of the first fiscal year after which this article takes effect and for every fiscal year thereafter, the commissioner shall provide to the council a written report on the department's implementation of this article during the preceding year. Such report shall include, at a minimum, an analysis of the department's program, a detailed statement of revenue and expenditures and statistical section designed to provide a detailed explanation of the department's enforcement including, but not limited to, the following:

(1) the number of complaints for peeling paint in pre-1960 dwelling units where a child of applicable age resides, disaggregated by city or non-city ownership of the building which is the subject of the complaint;

(2) the number of inspections by the department pursuant to this article, disaggregated by the city or non-city ownership of the building where the inspection occurred;

(3) the number of violations issued by the department pursuant to this article;

(4) the number of violations issued pursuant to this article that were certified as corrected by the owner, the number of such certifications that did not result in the removal of such violations, and the number of civil actions brought by the department against such owners; and

(5) the number of jobs performed in which violations issued pursuant to this article were corrected by the department, the total amount spent by the department to correct the conditions that resulted in the violations, and the average amount spent per dwelling unit to correct such conditions; and

(6) a statistical profile with geographic indexing, such as by community district, council district, and/or zip code, of multiple dwellings in which violations are placed, indicating the ages of the multiple dwellings and other factors relevant to the prevalence of lead-based paint hazards, which may include the prior lead poisoning of a child in the multiple dwelling, outstanding violations, and emergency repair charges.

b. The department of health and mental hygiene shall prepare a report on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels. This report shall be utilized by the department in its implementation of this article. Such report shall be submitted to the council within nine months after the close of each calendar year.

c. The department shall maintain a central register of all department orders to correct a violation under this article. Such register shall indicate, if applicable, the date of the complaint, address of the premises, and the date of each inspection and reinspection.

§27-2056.13 Transmittal of Violations to the Department of Health and Mental Hygiene. The department shall send a notice which shall be addressed to the dwelling unit in the multiple dwelling, when a dwelling unit is identified, for which a violation of this article was issued. Such notice shall include a telephone number for the department of health and mental hygiene. The department shall also refer to the department of health and mental hygiene the address of the unit in the multiple dwelling for which such violation was issued, the name of the complainant, if any, and the complainant's telephone number, if available. The department of health and mental hygiene, pursuant to section 17-179 of this code, shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

§27-2056.14 Inspections by Department of Health and Mental Hygiene and Removal of Health Code Violations by Department of Housing Preservation and Development. Whenever a report has been made to the department of health and mental hygiene of a person under eighteen years of age with an elevated blood lead level of fifteen micrograms per deciliter or higher residing in any dwelling unit, the department of health and mental hygiene shall conduct such investigation as may be necessary to identify potential sources of the elevated blood lead level, including but not limited to, an inspection of the dwelling unit where such person resides. If the department of health and mental hygiene issues an order to correct any violation, the department of health and mental hygiene shall notify the department of each dwelling unit in a dwelling for which the department of health and mental hygiene has issued an order to correct a violation. Where the owner of the dwelling or relevant dwelling unit within such dwelling fails to comply with an order of the department of health and mental hygiene to correct a violation placed by the department of health and mental hygiene, the department of health and mental hygiene shall certify such conditions to the department of housing preservation and development. The certification procedure shall be completed within sixteen days of the report of the elevated blood lead level. The conditions so certified shall be corrected within eighteen days of certification to the department.

§27-2056.15 Waiver of Benefit Void. a. No owner may seek to have an occupant of a dwelling unit waive the benefit or protection of any provision of this article. Any agreement by the occupant of a dwelling unit purporting to waive the benefit or protection of any provision of this article is void. Any owner who violates this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any owner who violates this section shall be liable for a civil penalty of not more than five hundred dollars per violation.

b. Notwithstanding any other provision of this article, nothing herein shall be construed to alter existing or future agreements which allocate responsibility for compliance with the provisions of this article between a tenant shareholder and a cooperative corporation or between the owner of a condominium unit and the board of managers of such condominium.

c. The provisions of this article, other than section 27-2056.14, shall not apply to a dwelling unit in a multiple dwelling where (i) title to such multiple dwelling is held by a cooperative housing corporation or such dwelling unit is owned as a condominium unit, and (ii) such dwelling unit is occupied by the shareholder of record on the proprietary lease for such dwelling unit or the owner of record of such condominium unit, as is applicable, or the shareholder's or record owner's family.

§27-2056.16 *Exemption for Emergency Conditions.* For emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety or to protect property from further major damage, such as when a property has been damaged by a natural disaster, fire, structural collapse, cascading water, lack of utilities or other emergency conditions, occupants shall be protected from exposure to lead in dust and debris generated by such emergency actions to the extent practicable and the requirements of this article shall not apply. This exemption applies only to repairs immediately necessary to respond to the emergency. The requirements of this article shall apply to any work undertaken subsequent to or above and beyond such emergency actions.

§27-2056.17 *Record Keeping Requirements.* The owner of any multiple dwelling or dwelling that performs any work pursuant to this article shall retain all records relating to such work for a period of no less than ten years from the completion date of such work. The owner shall make any such records required to be retained by this section available to the department upon the department's request, and shall transfer such records to the owner's successor in title.

§27-2056.18 *Application of this article based on age of child.* For the purposes of this article, the term "applicable age" shall mean "under seven years of age" for at least one calendar year from the effective date of this section. Upon the expiration of such one year period, in accordance with the procedures by which the health code is amended, the board of health may determine whether or not the provisions of this article should apply to children of age six, and based on this determination, may redefine "applicable age" for the purposes of some or all of the provisions of this article to mean "under six years of age," but no lower.

§6. Section 27-2115 of the administrative code of the city of New York is amended by adding a new subdivision l to read as follows:

(l)(1) Notwithstanding any other provision of law, when the department serves a notice of violation to correct and certify a condition that constitutes a violation of article fourteen of subchapter two of this chapter, the notice of violation shall specify the date by which the violation shall be corrected, which shall be twenty-one days after service of the notice of violation, and the procedure by which the owner, for good cause shown pursuant to this subdivision, may request a postponement. The notice of violation shall further specify that the violation shall be corrected in accordance with the work practices established in accordance with section 27-2056.11 of this code. The notice of violation shall be served by personal delivery to a person in charge of the premises or to the person last registered with the department as the owner or agent, or by registered or certified mail, return receipt requested, or by certified mail with proof of delivery, to the person in charge of the premises or to the person last registered with the department as the owner or agent; provided that where a managing agent has registered with the department, such notice of violation shall be served on the managing agent. Service of the notice of violation shall be deemed completed three days from the date of mailing. Notification, in a form to be determined by the department, of the issuance of such violation shall be sent simultaneously by regular mail to the occupant at the dwelling unit that is the subject of such notice of violation. The department may postpone the date by which a violation shall be corrected upon a showing, made within the time set for correction in the notice, that prompt action to correct the violation has been taken but that full correction cannot be completed within the time provided because of serious technical difficulties, inability to obtain necessary materials, funds or labor, inability to gain access to the dwelling unit wherein the violation exists, or such other portion of the building as may be necessary to make the required repair. Such postponement shall not exceed fourteen days from the date of correction set forth in the notice of violation. The department may require such other conditions as are deemed necessary to insure correction of the violations within the time set for the postponement. The department may grant one additional postponement of no more than fourteen days for the reasons authorized by this section so long as the paint or other condition which is the subject of the violation has been stabilized. The department is also authorized to promulgate rules establishing criteria for a postponement of the time to correct for a longer period of time where such postponement is requested because of one or more substantial capital improvements will be made that will, when completed, significantly reduce the presence of lead-based paint in such multiple dwelling or dwelling unit including, but not limited to, a requirement that the paint which is the subject of the violation is stabilized. The department shall provide to the owner and the occupant a written statement signed and dated by the person making

such decision setting forth the reasons for each postponement of the date by which a violation shall be corrected or the reason for the denial of such application for a postponement. Said written statement shall be part of the records of the department.

(2) Notwithstanding any other provision of law, the notice of violation shall direct that the correction of each violation cited therein shall be certified to the department. Such certification shall be made in writing, under oath by the registered owner, a registered officer or director of a corporate owner or by the registered managing agent. Such certification shall include a statement that the violation was corrected in compliance with paragraph one of subdivision a of section 27-2056.11 of this code and shall include a copy of the lead-contaminated dust clearance test results. All certifications shall be delivered to the department and acknowledgment of receipt therefor obtained or shall be mailed to the department by certified or registered mail, return receipt requested, no later than five days after the date set for correction, and shall include the date when each violation was corrected. Such certification of correction shall be supported by a sworn statement by the person who performed the work if performed by an employee or agent of the owner. A copy of such certification shall be mailed to the complainant by the department not more than twelve full calendar days from the date of receipt of such certification by the department. Failure to file such certification shall establish a prima facie case that such violation has not been corrected.

(3) Whenever the department shall issue a notice of violation to correct a condition that constitutes a violation of section 27-2056.6 of article fourteen of subchapter two of this chapter, the department shall within fourteen days after the date set for the correction of such violation conduct a final inspection to verify that the violation has been corrected. Where, upon conducting an inspection, the department determines that a violation has not been corrected, the department shall correct such violation within forty-five additional days of such inspection or in such shorter time as is practicable.

(4) Notwithstanding any other provision of law, the department shall not remove a violation from its records nor shall it be deemed that such violation has been corrected unless the records of the department contain written verification that the department has conducted a final inspection of the premises and that such inspection verifies that the violation has been corrected, and copies of lead-contaminated dust clearance test results whenever such tests are required by applicable law, rule or regulation. A copy of the report of the final inspection of a dwelling unit and the status of the violation shall be mailed or delivered to the occupant and the owner.

(5) Notwithstanding any other provision of law, a person making a false certification of correction of a violation issued pursuant to article 14 of subchapter 2 of this chapter, in addition to any other civil penalty, shall be subject to a civil penalty of not less than one thousand dollars nor more than three thousand dollars for each false certification made, recoverable by the department in a civil action brought in a court of competent jurisdiction. If the person making such false certification is an employee of the owner then such owner shall be responsible for such civil penalty. In addition, any such person making a false certification of correction shall be guilty of a misdemeanor punishable by a fine of up to one thousand dollars or imprisonment for up to one year or both.

(6) Notwithstanding any other provision of law, a person who violates article fourteen of subchapter two of this chapter by failing to correct such violation in accordance with paragraph one of subdivision a of section 27-2056.11 of this code shall be subject to a civil penalty of two hundred fifty dollars per day for each violation to a maximum of ten thousand dollars from the initial date set for correction in the notice of violation until the date the violation is corrected and certified to the department, and in addition to any civil penalty shall, whenever appropriate, be punished under the provisions of article three of subchapter five of this code. There shall be a presumption that the condition constituting a violation continues after the service of the notice of violation. The owner shall be responsible for the correction of all violations noticed pursuant to article fourteen of subchapter two of this chapter, but in an action for civil penalties pursuant to this subdivision may in defense or mitigation of such owner's liability for civil penalties show:

- (i) That the condition which constitutes the violation did not exist at the time the violation was placed; or
- (ii) That he or she began to correct the condition which constitutes the violation promptly upon discovering it but that full correction could not be completed expeditiously because of serious technical difficulties, inability to obtain necessary materials, funds or labor, or inability to gain access to the dwelling unit wherein the violation exists, or such other portion of the building as might be necessary to make the repair, provided that a postponement was granted pursuant to this subdivision; or
- (iii) That he or she was unable to obtain a permit or license necessary to correct the violation, provided that diligent and prompt application was made therefor; or
- (iv) That the violation giving rise to the action was caused by the act of negligence, neglect or abuse of another not in the employ or subject to the direction of the owner, except that the owner shall be precluded from showing in

defense or mitigation of such owner's liability for civil penalties evidence of any acts occurring, undertaken, or performed by any predecessor in title prior to the owner taking control of the premises. Where the aforesaid allegations are made by way of mitigation of penalties, the owner shall show, by competent proof, pertinent financial data and efforts made to obtain necessary materials, funds or labor or to gain access, or to obtain a permit or license and such other evidence as the court may require.

If the court finds that sufficient mitigating circumstances exist, it may remit all or part of any penalties arising from the violations, but may condition such remission upon a correction of the violation within a time period fixed by the court.

(7) Notwithstanding any other provision of law, failure by the department to comply with any time period provided in this section relating to responsibilities of the department shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article

§7. Title 17 of the administrative code of the city of New York is amended by adding new sections 17-179, 17-180, 17-181, 17-185, and 17-186, to read as follows:

§17-179 Department Screening, Diagnosis, and Treatment. a. The department shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

b. The department shall develop a pamphlet explaining the hazards associated with lead-based paint and describing the procedures to be used in order for a violation of sections 27-2056.6 and 27-2056.7 of this code to be corrected. The pamphlet shall include appropriate telephone numbers to obtain lead poisoning screening, diagnosis and treatment information and to report unsafe lead-based paint work practices. Such pamphlet shall be made available in accordance with section 27-2056.9 of this code. Such pamphlet shall also be made available to any member of the public upon request.

§17-180 Training of Department Personnel. The department, in conjunction with the department of housing preservation and development, shall provide training for lead-based paint inspection and supervisory personnel. No department personnel shall conduct an inspection for lead-based paint pursuant to the health code unless that individual has received such training. At a minimum, such training shall (1) be equivalent to the training required under regulations issued by the United States environmental protection agency for the certification of lead-based paint inspectors and supervisors, (2) include background information pertaining to applicable state and local lead-based paint laws and guidance on identifying violations in a multiple dwelling, and (3) require that the individual has successfully demonstrated knowledge of the responsibilities of a certified inspector or certified supervisor, as the case may be, and the requirements of sections 173.13 and 173.14 of the health code or successor rules. The department shall provide for the continuing education of inspection and supervisory personnel.

§17-181 Lead-based paint; dry scraping and dry sanding prohibited. The dry scraping or dry sanding of lead-based paint or paint of unknown lead content in any dwelling, day care center or school is hereby declared to constitute a public nuisance and a condition dangerous to life and health. For the purpose of this section, dry scraping and dry sanding shall mean the removal of paint or similar surface-coating material by scraping or sanding without using water misting to reduce dust levels or other method approved by the department. The department shall promulgate such additional rules as necessary for the enforcement of this section.

§17-185 Inspection by the Department of Unsafe Work Practices. The department shall promulgate rules requiring the department to respond to complaints regarding unsafe lead-based paint work practices.

§17-186 Lead poisoning prevention in children. a. The department shall develop a brochure which, at a minimum, advises all appropriate medical providers of their obligations to screen and test children for lead poisoning according to all relevant federal, state and local laws, rules and regulations. Such pamphlet shall be distributed to all appropriate medical providers on an annual basis, starting on September 15, 2004.

b. The department shall develop a pamphlet regarding lead poisoning prevention in children. Such pamphlet shall, at a minimum, be printed in English and Spanish and shall include, at a minimum: (i) the manner in which children are most likely poisoned by lead; (ii) the effects of lead poisoning on a child's health; (iii) the intervals at which a child is required by New York state law to be tested for blood lead levels; (iv) the appropriate telephone numbers to obtain lead poisoning screening, diagnosis and treatment information; (v) the steps a parent or

guardian may take to protect his or her child from lead poisoning; and (vi) the requirement of landlords to inspect and repair lead-based paint hazards.

c. At a minimum, the department shall distribute the pamphlet produced pursuant to paragraph b of this section with each birth certificate furnished to the parent or guardian of a child pursuant to section 17-168 of this title. Such pamphlet shall also be made available to any member of the public upon request.

§8. Subdivision 1 of subsection a of section § 11-243 of the administrative code of the city of New York is amended to read as follows:

1. "Alteration" and "improvement": a physical change in an existing dwelling other than painting, ordinary repairs, normal replacement of maintenance items, [except that painting or repairs designated to eliminate the lead-based paint poisoning hazard shall be eligible for tax exemption and tax abatement under this section and] provided, however, that ordinary repairs and normal replacement of maintenance items, as defined by [regulations] rules adopted by the department of housing preservation and development pursuant to subdivision m of this section, shall be eligible for tax exemption and tax abatement under this section provided that repairs and maintenance items:

(1) were started and completed within a twelve-month period,

(2) were made to any common area of the dwelling premises concurrently with a major capital improvement thereto, as defined by [regulations] rules adopted by the department of housing preservation and development pursuant to subdivision m of this section, and

(3) require the issuance of a permit for at least one item thereof by any city agency, and

(4) the amount of money expended thereon shall not exceed two times the amount expended on the major capital improvement performed concurrently therewith.

"Alteration" and "improvement" shall also mean "an abatement" of lead-based paint hazards, as defined in part 745 of title forty of the code of federal regulations or any successor regulations, and shall include an "inspection" and "risk assessment" for lead-based paint hazards, as defined in such part, in a dwelling unit occupied by a child of applicable age, as established in accordance with section 27-2056.18 of this code, regardless of whether a child is or has been lead poisoned but shall not include any work performed to comply with a notice of violation issued for a violation of article fourteen of subchapter two of chapter .

§9. Title 17 of the administrative code of the city of New York is amended by adding a new chapter nine to read as follows:

Chapter 9
Lead-Based Paint in Day Care Facilities
Subchapter 1
Definitions

§17-900 Definitions.

Subchapter 2
Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 Presumption.

§17-911 Remediation.

§17-912 Department Rules.

§17-913 Annual Inspection.

Subchapter 1
Definitions

§17-900 Definitions. For the purpose of this chapter the following terms shall have the following meanings:

1. "Chewable surface" shall mean a protruding interior window sill in a day care facility that is readily accessible to a child of applicable age. "Chewable surface" shall also mean any other type of interior edge or protrusion in a day care facility, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where the operator of such day care facility has observed that a child under six years of age has mouthed or chewed such edge or protrusion.

2. "Day care facility" shall mean any facility used to provide day care service.

3. "Day care service" shall mean any service which, during all or part of the day, regularly gives care to seven or more children under six years of age, not all of common parentage, which operates more than five hours per week for more than one month a year. Day care service shall not mean a kindergarten or higher grade in a facility operated by the board of education.

4. "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including but not limited to, rotted or decayed wood, or wood or

plaster that has been subject to moisture or disturbance.

5. "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion, and abrade, scrape or bind when in motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

6. "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

7. "Lead-based paint" shall mean paint or other similar surface-coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997) and the PCS released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5% of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

8. "Lead-based paint hazard" shall mean any condition that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

9. "Lead-contaminated dust" shall mean dust containing lead at 40 or more micrograms per square foot on a floor, 250 or more micrograms per square foot on window sills, and 400 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the New York City board of health.

10. "Operator of such day care facility" shall mean any person who provides day care service and the owner of the premises where such day care facility is located. "Person" shall mean an individual, corporation, partnership, association or other for-profit or not-for-profit entity.

11. "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking, or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

12. "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead based paint, or other method approved by the commissioner of health and mental hygiene.

Subchapter 2

Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 Presumption. a. All paint or similar surface-coating material on the interior of any day care facility in a structure erected prior to January 1, 1978, shall be presumed to be lead-based paint.

b. The presumption established by this section may be rebutted by the operator or owner of the day care facility by submitting to the department a sworn written statement by the operator or owner of the day care facility supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the operator or owner of the day care facility, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of part 745 of title 40 of the code of federal regulations or successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

§17-911 Remediation. a. There shall be no peeling lead-based paint in any portion of any day care facility.

b. Lead based paint or paint of unknown lead content that is peeling, or which is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces shall be immediately remediated in a manner authorized by the department.

c. Any equipment that is painted shall be painted with lead-free paint.

d. Whenever a condition prohibited by this section is found to exist, the department shall immediately serve an order on the operator or owner of such day care facility to remediate the condition. In the event such order is not complied with within forty-five days of service thereof, the department shall immediately request an agency of the city of New York to execute such order pursuant to the provisions of section 17-147 of this code. The agency shall execute the order within forty-five days of the department's request. The city of New York shall be entitled to enforce its rights for reimbursement of expenses incurred thereby, including as credits toward lease payments.

e. When lead-based paint hazards are remediated pursuant to this section such work shall be performed in compliance with work practices established by the department pursuant to section 17-912 of this subchapter.

§17-912 Department rules. The department shall promulgate such rules as may be necessary for the implementation of this chapter. Such rules shall incorporate work practices that are no less protective of public health than those set forth in section 173.14 (d) and (e) and those parts of subdivision b of the health code applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.:

§17-913 Annual Survey. The operator of a day care facility shall conduct a survey of such facility annually, and more often if necessary, to determine the physical condition of surface-coating material throughout each such facility and shall provide a copy of the survey results to the department.

§10. All actions taken by the departments of housing preservation and development and health and mental hygiene pursuant to local law 38 of 1999 and local law 1 of 1982 shall be deemed valid to the extent that all violations written, and fines or penalties assessed, as well as any costs for repairs of such violations shall remain valid and enforceable, provided, however, that any such violations which remain uncorrected on the effective date of this local law shall be repaired using the work practices established pursuant to section 27-2056.11(a)(1) as added by section 5 of this local law, and the rules promulgated thereunder, and certified to the department of housing preservation and development in accordance with section 27-2056.10(c)(5) and subdivision (l) of section 27-2115 of the administrative code of the city of New York, as added by section five of this local law, and the rules promulgated thereunder pursuant to this local law.

§11. If any sentence, paragraph, section or part of this local law shall be adjudged invalid by a court of competent jurisdiction such judgment shall not impair or invalidate the remainder thereof but shall be confined to that part.

§12. Paragraph 4 of subdivision e of section 27-2056.4 of the administrative code of the city of New York, as added by section 5 of this local law, shall take effect immediately, and all other provisions of this local law shall take effect one hundred eighty days after its enactment, except that the commissioners of health and mental hygiene and housing preservation and development shall promulgate all rules and take all other actions necessary to implement this local law, other than paragraph 4 of subdivision e of section 27-2056.4, on or before the date upon which it shall take effect.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of the City of New York, passed by the Council on December 15, 2003, disapproved by the Mayor on December 17, 2003 and repassed by the Council Members on February 4, 2004 and said law is adopted notwithstanding the objection of the Mayor.

VICTOR L. ROBLES, City Clerk, Clerk of the Council

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 1 of 2004, Council Int. No. 101-A) contains the correct text and:

Received the following vote at the meeting of the New York City Council on December 15, 2003: 44 for, 5 against, 1 not voting.

Was disapproved by the Mayor on December 17, 2003.

Was returned to the City Clerk on December 19, 2003.

Was reconsidered by the Council on February 4, 2004 and received the following vote of the Council members at a meeting of the Council on February 4, 2004: 44 for, 5 against, 1 not voting.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel

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

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

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

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

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

ARTICLE 36-B

§ 777. Definitions.

777-a. Housing Merchant Implied Warranty

777-b. Exclusion or modification of warranties.

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

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

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

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

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

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

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

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

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

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

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

- a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;
- b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and
- c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

- a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or
- b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner.

Merchantability, fitness and all other implied warranties with respect to goods shall be

governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a

new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and

whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a

limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5.
 - a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.
 - b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.
 - c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

New York Real Property Law, Article 9-B.

§339-kk. Rents.

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

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

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

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

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

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

DECLARATION

**Establishing a Plan for Condominium Ownership of Premises located at 18 8th Avenue,
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 18 EIGHTH AVENUE CONDOMINIUM

**DECLARANT: INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP
443 East 4th Street
Brooklyn, New York 11218**

DATE OF DECLARATION:

**The land affected by the within instrument lies in Block 1059 on the Tax Map of the
Borough of Brooklyn, County of Kings, City and State of New York.**

F/k/a:	Lot(s) 44
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 18 EIGHTH AVENUE CONDOMINIUM, located at 18 Eighth Avenue, 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.

INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP, located at 443 East 4th Street, Brooklyn, New York 11218, 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 18 EIGHTH AVENUE CONDOMINIUM.
4. DESCRIPTION OF THE BUILDING: The condominium consists of a single building composed of a cellar, a basement, four stories, and a bulkhead and containing, in aggregate, four (4) residential units. The legal occupancy will match the proposed occupancy hereunder. The building complies with Class 3 Non-fireproof 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 Richard Goodstein, 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 indicated on these plans are approximate and are calculated as follows: horizontally, approximately from to the outside face of the exterior walls of the building. Dimensions shall be to the centerline of demising walls dividing units from each other. Dimensions shall be to the property line at lot-line walls. Stairs internal to the units shall be included in the area calculations.

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.

10. ENCROACHMENTS: If any portion of the Common Elements encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Buildings, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Buildings or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachments and for the maintenance of the same so long as the Buildings shall stand.

11. EASEMENTS:

a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right to access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

b) The Declarant and its designees, their successors, assigns, invitees, licensee, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iv) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

c) The Declarant, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in the access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property as same may be amended, and Declarant's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements, and (ii) reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Declarant or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or the residents of any property adjacent to the Property, or users of the Recreation Facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right to access of any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right to access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

d) The user of any easement granted by Sub-paragraphs "b" and "c" of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

12. PERSON TO RECEIVE SERVICE: For the period during which Declarant is in control of the Board of Managers, Innovative Brownstone Development Fund LP, 443 East 4th 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 18 Eighth Avenue, 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;

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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__.

INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP
BY:

STATE OF NEW YORK)
COUNTY OF KINGS) 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
18 EIGHTH AVENUE 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 18 8th Avenue, 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 18 EIGHTH AVENUE 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: casualty insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein within fifteen (15) days after receipt thereof.

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

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

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

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

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws; (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

a) All maintenance, replacement, or repair to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be the responsibility of the unit owner, and the expense thereof shall be the sole responsibility of the Unit Owner, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) Each unit owner shall be solely and only responsible for repair or maintenance of any limited common element appurtenant to his/her unit, including but not limited to painting, cleaning, patching, and surface repair, and, in the case of balconies, if any, structural maintenance.

d) In the event a unit owner fails properly to maintain his unit or limited common element, the Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas, and the cost thereof shall be assessed against the owner of the condominium unit in question, or the owner of the unit to which such limited common elements are appurtenant.

e) To the extent that damage to a limited common element or unit is caused by a building condition or by other condition for which the condominium carries insurance, the cost of repair of such damage shall be borne by the condominium.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

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

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

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

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

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

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due

to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

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

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

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

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

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

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

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

ARTICLE VII

Mortgages

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

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the

obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

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

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

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

- a. Any condemnation of casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
- c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgagees.

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

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

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

ARTICLE VIII

Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by the casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off.

ARTICLE IX

Arbitration

Section 1. Procedure: In the absence of any written agreement to the contrary between the parties, any matter permitted to be determined by arbitration pursuant to the terms of the Condominium Documents that the parties have opted to determine by arbitration, or any matter required 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. Any dispute relating to the expenses to be borne by the Unit Owners *shall* be submitted to arbitration in accordance with Article IX, Section 1 of the By-Laws. 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 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 By-Laws) in number and in Common Interests of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

For as long as there are one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

ARTICLE XII

Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and/or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine gender and the use of singular shall be deemed to include the plural, whenever the context requires.

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

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of two (2) or more Unit first mortgages, if applicable). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of two (2) or more Unit first mortgages, if applicable). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

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

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

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

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

ARTICLE XIII

Sponsor Control

Section 1: Transfer of control of the Condominium Board of Managers shall pass to unit owners, other than the Sponsor, at the later of the following:

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

Notwithstanding the foregoing, even after control is surrendered to a Board elected by unit owners, the Sponsor may vote for the unit owner(s) of its choice at an election of Managers. The Sponsor will not hold control of the condominium Board after the Sponsor control period, nor will it exercise any voting control that it may have through its ownership of a majority of the Units and common elements, and Sponsor will not nominate or vote for affiliated parties or board members, but may vote for the unit owner(s) of its choice in accordance with the number of Unsold Units and percentage of common interests that it owns as per Article XIII of the By-laws.

Section 2: Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer; or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or required to avoid the suspension of any necessary service to the Building.

Section 3: So long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 4: At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected

by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

Section 5: So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

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

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO
SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL
BUSINESS LAW ARTICLE 23A, AS AMENDED**

**RE: 18 Eighth Avenue
 Brooklyn, New York**

We, INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP, ROBERT SAFFAYEH, and GABRIEL SAFFAYEH, being the Sponsor and principals of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

We understand that we have primary responsibility for compliance with the provisions of Article 23A of the General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable.

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

1. Set forth the detailed terms of the transaction and be complete, current, and accurate;
2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or
 - d) did not have knowledge concerning the representation or statement made.

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

SPONSOR

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 23, 2022.

INNOVATIVE BROWNSTONE DEVELOPMENT FUND LP

By: 

ROBERT SAFFAYEH, Principal

PRINCIPALS

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 23, 2022.



ROBERT SAFFAYEH

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 23, 2022.



GABRIEL SAFFAYEH



nC2 architecture llc

1000 Dean Street № 220, Brooklyn NY 11238

718 622 2555 | info@nc2architecture.com

nc2architecture.com

06/07/2022

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

Re: The 18 8th Avenue Condominium
18 8th Avenue
Brooklyn, NY 11217

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the renovation of the property (the "Report"). I visually inspected existing portions of the property on 02/12/2021, prior to construction, and again on 02/10/2022, after demolition, and I examined the building plans and specifications that were prepared by our office in February through October of 2021, approved 10/27/2021 by the NYC Department of Buildings, also prepared the Report, dated 06/07/2022, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a Registered Architect in the state in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

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

I certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that I examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

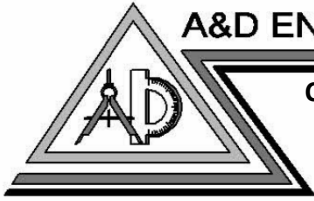
I further certify that I not owned or controlled by, and have no beneficial interest in, the Sponsor, and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended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

I certify 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 June 7, 2022.



Richard Alan Goodstein, AIA





Date 5/23/22

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

Re: The 18 8th Avenue Condominium
18 8th Avenue
Brooklyn, NY 11217

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the renovation of the property (the "Report"). I examined the building plans and specifications that were prepared by our office in 12/23/21, approved Plumbing on 12/23/21, Sprinkler on 03/03/22 and Mechanical on 04/27/2022 by the NYC Department of Buildings, also prepared the Report, dated 05/23/22 a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

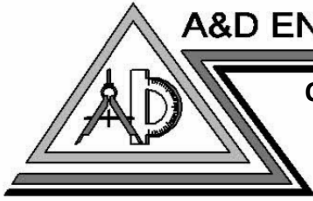
I am a Professional Engineer in the state in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

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

I certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that I examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;



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Main Office: 2606 East 15th Street, Suite #204, Brooklyn, NY 11235

(vii) does not contain any representation or statement which is false, where I:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

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

I certify 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 5/23/22.

Alexander Soskin, PE





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DATE 3/22/22

**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: 18 Eighth Avenue, Brooklyn, NY 11217

The Sponsor of the condominium Offering Plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B1, containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed real estate broker for 22 years, the management, through members of my team, of approximately 12 total buildings over the last 10 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;

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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 23, 2022.



Name

Scott Klein, Associate Real Estate Broker
The Scott Klein Team at COMPASS