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**CONDOMINIUM OFFERING PLAN  
THE 385 VERNON AVENUE CONDOMINIUM**

**A PLAN FOR CONDOMINIUM OWNERSHIP OF  
PREMISES KNOWN AS**

**385 VERNON AVENUE  
COUNTY OF KINGS, CITY OF NEW YORK  
BROOKLYN, NEW YORK 11206**

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|--------------------------------------------------------------|------------------|
| OFFERING PRICE OF 16 RESIDENTIAL UNITS OFFERED FOR SALE..... | \$ 10,000,000.00 |
| OFFERING PRICE OF 6 PARKING LICENSES OFFERED FOR SALE .....  | \$ 390,000.00    |
| TOTAL OFFERING PRICE .....                                   | \$ 10,390,000.00 |

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**SPONSOR AND SELLING AGENT:  
385 VERNON ESTATES LLC  
309 RUTLEDGE STREET, SUITE 4A  
BROOKLYN, NEW YORK 11211**

DATE OF ACCEPTANCE FOR FILING:

THIS OFFERING PLAN MAY ONLY BE USED FOR 12 MONTHS FROM  
THIS DATE UNLESS EXTENDED BY A DULY FILED AMENDMENT.

**SEE PAGE 2 FOR SPECIAL RISKS TO PURCHASERS.**

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**THIS OFFERING PLAN IS THE 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 OF LAW OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.**

**BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER CONSUMMATION OF THE PLAN, THIS PLAN MAY RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE NOT 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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## PART II

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## **A. SPECIAL RISKS**

The following is a summary of certain special risk considerations in connection with the Plan. It 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.

(A) Sponsor is reserving the unconditional right to rent rather than sell Units after consummation of the Plan. There is no commitment by Sponsor to sell more than 15%, or three (3) of the Units, which is necessary to declare the Plan effective. Purchasers should note that owner-occupants may never gain effective control of the Condominium. Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, in the event all of the Purchasers counted toward effectiveness rescind or terminate their Purchase Agreements prior to the First Closing, the Plan will be declared effective again regardless of whether the Declaration has been recorded.

There is a loan on the project with Arion Fund, LLC, 777 Chestnut Ridge Road, Suite 301, Chestnut Ridge, NY 10977. If the loan is not satisfied at or prior to the First Closing, the mortgagee will either (a) consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements. See “Introduction” and “Rights and Obligations of Sponsor.”

(B) 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 the units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the sponsor has not sold a substantial percentage of the apartments in the building which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. Even once 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. See Section entitled “Introduction” for further details.

(C) Since the Board does not have the right to approve or disapprove Purchasers, there is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy. Accordingly, there may always be a substantial percentage of Unit Owners who are non-residents and Purchasers should note that owner-occupants may never gain effective control of the Condominium. Owners for investment and owner-occupants have inherent conflicts of how to operate the Condominium and how to manage the Board due to the inherent differences in their ownership and occupancy. In addition, since Sponsor is obligated to sell only 15%, or three (3) of the Units, in this building, there may be a substantial number of residents who are non-owners. See Section “Introduction”.

(D) Sponsor anticipates the First Closing to occur by October 1, 2025. Purchasers will be offered a right of rescission if: (i) the actual date of the First Closing; or (ii) the projected date of the First Closing occurs later than September 30, 2026, which is twelve months after the currently 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, Purchasers should note that even if the First Closing occurs on or before October 1, 2025, (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve-month period thereafter, 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 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. See "Procedure to Purchase."

(E) The Purchase Agreement and Interim Lease have various Time of the Essence provisions. Time of the Essence shall mean that Purchaser must satisfy the condition by the date indicated or else forfeit his Down Payment. Time is of the Essence to cure all defaults under the Purchase Agreement. In addition, Time is of the Essence to close on the date listed in the Notice of Closing, which will be provided thirty (30) days in advance of Closing. Time is of the Essence for an Interim Lessee to vacate a Unit if there is an uncured default under the Purchase Agreement. Sponsor must make a written demand for payment after default under the Purchase Agreement at least 30 days before forfeiture of the deposit may be declared. See Purchase Agreement, Section "Procedure to Purchase," "Interim Leases" and "Definitions".

(F) In the event the Purchaser does not close on the date set forth in the Notice of Closing and Sponsor elects not to cancel the Purchase Agreement, or if Sponsor approves Purchaser's request to adjourn the Closing of his Unit, interest shall accrue on the unpaid amount of the purchase price from the Closing date or adjourned Closing date until such amount is paid. The interest rate shall be 10% per annum, in effect for as long as there are any unpaid amounts owing towards the full purchase price. In the event 10% per annum exceeds NYS usury or other applicable laws, the amount of interest charged will be the maximum amount allowable under law. See "Procedure to Purchase" for details.

(G) Purchaser is responsible for the following costs at Closing, in addition to the purchase price and other Closing costs and adjustments listed in Section "Unit Closing Costs and Adjustments":

(i) **Transfer Tax. Transfer taxes are typically a seller expense, however the terms of this Offering Plan transfer the statutory obligation to pay the transfer taxes to the Purchaser.** New York City transfer taxes are in the amount of 1.425% of the purchase price for residential Units over \$500,000.00 and 1.4% of the purchase price for residential Units under \$500,000.00. New York State Documentary Stamp Taxes are in the amount of \$2.00 per \$500.00. For any residential conveyance in which consideration is at least \$3,000,000.00, there is an additional base tax of \$1.25

per \$500.00. For commercial Units, the transfer tax is in the amount of 2.625% of the purchase price for NYC and \$2.00 per \$500.00 plus an additional .25% of the purchase price for commercial Units of \$2,000,000.00 or more in New York State. Additionally, there is a mansion tax of 1% of the purchase price for conveyances in the amount of \$1,000,000 or more and a supplemental tax on the conveyance of residential real property in the amount of 0.25% for transfers of \$2,000,001-\$2,999,999; and 0.5% for transfers of \$3,000,000 to \$4,999,999, which are both imposed on Purchaser. For purposes of calculating NYC taxable consideration, NYC and NYS taxes are added to the Purchase Price and the taxes are calculated on that sum. For purposes of calculating NYS taxable consideration, only NYC transfer taxes are added to the purchase price and tax is calculated on that sum and consideration is not grossed up by the NYS transfer tax paid by Purchaser. See "Unit Closing Costs and Adjustments".

(ii) Sponsor's Legal Fee. Purchaser shall pay a fee of \$3,200.00 to Sponsor's attorney, Jeffrey Zwick and Associates, P.C., 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210, for services rendered in connection with preparing documents for Closing. Should Sponsor's counsel be required to attend a Closing outside their office at the request of Purchaser or its representatives, Purchaser will be responsible for paying an attendance fee of \$500.00. In addition, there shall be a fee of \$200.00 per hour if the duration of the in person Closing exceeds two (2) hours due to the fault of Purchaser or its representatives and a fee of \$300.00 if Purchaser requests a remote closing. See "Unit Closing Costs and Adjustments".

(iii) Initial Capital Payment. Purchaser will be required to deposit with the Board an amount equal to two (2) months' Common Charges for his Unit. See Section "Working Capital Fund" and "Reserve Fund".

(iv) Insurance Adjustment. At Closing, Sponsor will collect each Purchaser's pro-rated share in the first year's insurance premium from the Closing date until the end of the first year of operation. This amount will be calculated in proportion to each Purchaser's percentage of Common Interest and will be used to reimburse Sponsor for payment of the first year's premium. Purchasers will also pay the second year's premium in proportion to their Common Interest as part of monthly Common Charges. The Board and the Sponsor will not adjust for insurance. See "Unit Closing Costs and Adjustments".

(v) Defrayment of Sponsor Expenses. Each Purchaser shall pay an additional \$1,500.00 at Closing to defray Sponsor's costs, e.g, architectural costs, filing fees, legal fees and other costs incurred in creating the Condominium. See Sections "Schedule A" and "Unit Closing Costs and Adjustments".

(H) Each Unit Owner is responsible for the payment of electricity and gas costs of the individual Unit. See Schedules B and B-1.

(I) The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose his entire Down Payment if unable to otherwise raise the funds for the Balance. Sponsor makes no representation as to the availability or cost of such financing. Prospective purchasers who will need financing to purchase are advised to consult with a lending institution before execution of a Purchase Agreement to ascertain the likelihood of obtaining financing.

However, Purchaser may request a mortgage contingency from Sponsor prior to signing the Purchase Agreement if Purchaser produces a pre-qualification letter from any Institutional Lender and Sponsor may, in its sole discretion, consent to permit a mortgage contingency by executing the Exhibit B to the Purchase Agreement. If Sponsor consents to permit a mortgage contingency, Purchaser shall make an application to any Institutional Lender for a mortgage within two (2) weeks of receipt of the fully executed Purchase Agreement for a loan in an amount not more than 80% of the purchase price or such other amount as to which the parties may agree, following which Purchaser must perform all requirements set forth in Section "Procedure to Purchase", subsection "Secured Loan Condition Rider". Upon Purchaser's request, Sponsor may, in its sole discretion, extend the Mortgage Contingency Expiration Date. Pursuant to said section, in the event the commitment is not issued within the prescribed time frame, Purchaser must provide notice of termination not later than five (5) business days after the expiration of the aforementioned period. In such event, if Seller has reasonably determined there is a high probability that Purchaser will be approved for a mortgage commitment with terms of equal or better quality than those applied for under the original commitment, the Seller may, at its option within fifteen (15) days after receipt of the notice of rejection or expiration of the contingency period, whichever the case may be, cause Purchaser to submit an application together with the required fees to another Institutional Lender of Sponsors choice and Purchaser shall be required to accept the commitment under the same terms and conditions as stated above. The terms of such commitment will be equal to or better than the terms originally sought by the Purchaser.

Note that 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 Purchaser is entitled to receipt of the Down Payment pursuant to the mortgage contingency, the Down Payment shall be returned within ten (10) business days. See said section for details.

(J) Parties to the purchase agreement are giving up the right to sue, including the right to a trial by jury. In accordance with Article 10 of the Bylaws, in order to resolve any dispute, controversy, claim or question arising with respect to the Condominium or the Purchase Agreement, including the disposition of Down Payments or advances received by Sponsor, or to break any deadlock in voting, any disputes involving the Condominium shall seek to be settled by arbitration. The parties shall submit such dispute or question to arbitration through the American Arbitration Association who will assign a neutral arbitrator. The fees, costs and expenses of the arbitrators shall be shared equally by the disputants. Each disputant shall also bear the fees and expenses of his or her own counsel and expert witnesses. Any decision rendered shall be final and conclusive and enforceable in a court of competent jurisdiction. A party's ability to have a court reverse or modify an arbitration award is very limited. See "Procedure to Purchase," and the Purchase Agreement for details.

(K) The Units are being sold "as is" on the date the Purchase Agreement is executed, normal wear and tear excepted. Each Unit contains a refrigerator and range which are approximately 15 years old and are in fair condition. Sponsor is not providing any other appliances or hook ups, including washer or dryers or hook ups for washers or dryers, or blinds or shades to the Units. It will be the responsibility of the Unit Owners to provide them at his or her own cost. There are common washers and dryers located in the cellar and Unit Owners are not permitted to install separate laundry appliances in their individual Units. See "Introduction" and "Description of Property".

(L) The floor area of each Unit calculates the square footage from the exterior of the exterior walls to the centerline of the partitions separating one Unit from another Unit and to the exterior side of a partition separating the Unit from a common area. Accordingly, they include the area of the interior walls of the Unit, and the approximate actual livable area of the Unit is significantly less than as set forth in Schedule A. All areas and dimensions are approximate within reasonable tolerances and are subject to immaterial construction variances and tolerances. A decrease in a Unit's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in area of 5% or less is not material. See "Notes to schedule A" and "Changes to Prices and Units".

(M) The risk of loss from fire and other casualty remains with Sponsor until Purchaser is conveyed legal title or occupies the Unit. A non-owner in possession of the Unit, however, cannot obtain insurance since there is no ownership interest and a Unit cannot be doubly insured. As such, in the event such Purchaser becomes a tenant pursuant to an Interim Lease and the Unit is damaged, unless the cause thereof originated outside the Unit and did not result from the acts of the Purchaser or other occupants of the Unit or Purchaser's guests, invitees, or workmen, Purchaser shall assume the risk of loss and the obligation to repair the damage in excess of insurance proceeds available to the Sponsor prior to the First Closing and the Board thereafter. It is recommended that an Interim Lessee confer with an insurance advisor prior to entering into an Interim Lease. See "Interim Leases".

(N) After Closing, if a Unit is damaged by casualty and the insurance proceeds are insufficient to cover the repair of the Unit, the amount necessary to restore the Unit exceeding the insurance proceeds will be the individual Unit Owner's expense. In addition, this coverage does not include claims for personal injury or property damage occurring within a Unit. Unit Owners should consider obtaining at his own cost: (a) additional fire insurance coverage above and beyond the coverage maintained by the Board; and (b) additional insurance cost covering the contents of the Unit, personal property, and liability for personal injury as a result of occurrences in the Unit. See sections "Footnotes to Schedule B" and "Rights and Obligations of Unit Owners and Board of Managers" for details.

(O) All Unit Owners shall severally indemnify each member of the Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith, willful misconduct or gross negligence of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of the indemnification of the Board will be limited to such proportionate share thereof as the Common Interests of such Unit Owner bear to the aggregate Common Interests of all Unit Owners. See "Board of Managers".

(P) The Escrow Account in which Down Payments or advances made by Purchasers will be placed is covered by federal bank deposit insurance to \$250,000.00 per individual deposit. Any deposit in excess of \$250,000.00 will not be insured in excess of \$250,000.00. If Purchaser has other accounts at the bank or branches, the assets in all of Purchaser's accounts will be aggregated together with the escrow deposit accounts for the purpose of determining whether the maximum FDIC insured amount is achieved. See Section "Procedure to Purchase" for further details.

(Q) All funds received by Sponsor for upgrades or extras must initially be placed in the Escrow Account. However, Purchasers should note that such funds may be released from the Escrow



Account by the Escrow Agent as long as Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, Purchaser will not receive a refund of any funds actually used for upgrades or extras, unless the Plan is abandoned. See Section "Procedure to Purchase" for details.

(R) No representation is made that the initial working capital fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required, the Board may increase Common Charges or impose a special assessment. See Section "Working Capital Fund" for details.

(S) There will be a reserve fund to provide for major capital repairs or improvements in an amount equal to at least 10% of the Common Charges. The Reserve Fund will be funded from part of the monthly Common Charge payments made by Unit Owners including Sponsor so long as Sponsor still owns Units. Of each Common Charge payment, 10% of said payment shall be deposited into the separate Reserve Fund bank account. In addition to the monthly contributions, the reserve fund shall also be supplemented by 10% of the Initial Capital Payment which is collected from all Purchasers at a Unit Closing. Because of this supplement, the actual amount of the Reserve Fund at the end of the first full year of Condominium operations may be greater than the amount projected in Schedule B. If the amount in the reserve fund is inadequate to cover major capital improvements needed, there may be an increase in Common Charges or special assessment imposed. The Sponsor is not aware of any capital replacements expected within the five (5) years after the First Closing except as otherwise noted herein, specifically in Special Risk (AK). See "Reserve Fund."

(T) As provided in the Bylaws, Sponsor will retain control of the Board until five (5) years from the date of the First Closing or until Sponsor owns no Units, whichever is sooner ("Initial Control Period"). This means that for a maximum of five (5) years following the First Closing, Unit Owners may have no say in the operation of the Condominium. During this time, even if the Unit Owners do not agree with the decisions of the Board, they will be obligated to comply with the Board's decisions. After the Initial Control Period, there is no provision in the Bylaws that a Majority of Board members must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants may never gain effective control of the Condominium. Owners for investment and owner-occupants may have inherent conflicts on how to operate the Condominium due to inherent differences between owner occupancy and investment. See Section "Control by Sponsor".

(U) Since Sponsor is retaining the unconditional right to rent Units after the consummation of the Plan and there is no obligation to sell more than the 15%, or three (3) of the Units, required to declare the Plan effective, Sponsor may retain ownership of Majority of the Units in this Plan. Thus, it is possible the Sponsor will retain voting control of decisions which require a vote of Unit Owners. See "Board of Managers."

(V) Until the earlier of five (5) years after the First Closing or until Sponsor owns no Units, the Declaration, By-Laws and Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or its designee without the prior written consent of every Unit Owner affected by such amendment, including Sponsor or its designee. See Section "Control by Sponsor" for details.

(W) Sponsor reserves the right, in its sole discretion, to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and insurance policies, and



to enter into new agreements and policies that will be binding on the Board on the First Closing. Services must remain comparable to what is in the budget. Any such new agreement which has the effect of materially increasing common charges or is binding on the Board will be disclosed by a duly filed amendment to this Plan. If Common Charges increase more than 25% from the previously disclosed Common Charges, Purchasers will be offered a right of rescission. See “Notes to Schedule B”.

(X) Unit Owners must notify the Managing Agent or Board in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall provide and install, at the Unit Owner’s expense, the required window guards in all windows of the Unit and shall not remove them until permitted by the law and, in any event, without the full knowledge of the Managing Agent. See “Rights and Obligations of Unit Owners and Board of Managers”.

(Y) Sponsor currently has sufficient funds to fulfill its obligations under this Plan. No bond or other security has been posted to secure Sponsor's obligations. Should Sponsor fail in its obligation to pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units, the Board may file a lien against the Unsold Units in accordance with law and Purchasers under contract will be offered rescission. See “Rights and Obligations of Sponsor”.

(Z) The Housing Merchant Implied Warranty does not apply to this offer since this is not a new construction that will result condominium units in a building that is five (5) stories or less. Sponsor’s obligation, regardless of any limitations in the warranty or the Offering Plan, cannot go below the duty to construct the Premises in accordance with all applicable codes, filed Plans and Specifications, and locally accepted building practices for items which are not covered by codes. Any conflict between 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. See Section “Rights and Obligations of Sponsor”.

(AA) There is a cross-default provision under the Purchase Agreement and Interim Lease. Under this provision, an uncured default by the Purchaser under one instrument will automatically constitute a default under the other and Purchaser shall have only the grace period stated under the Purchase Agreement to cure the default under both instruments. If the default is not timely remedied and the Purchase Agreement is cancelled, the Interim Lease shall simultaneously be cancelled. However, before Sponsor may 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. See “Interim Leases”.

(AB) Purchaser will disclose to Sponsor all real estate brokers that he or she has dealt with in connection with the acquisition of his or her Unit and will indemnify Sponsor for claims of any commissions by any other broker or sales agent on account of any acts of Purchaser or of Purchaser's representatives in relation to this sale, if such broker is not disclosed to Sponsor at the time of the Purchase Agreement. See “Procedure to Purchase.”

(AC) Sponsor may, in its sole discretion, delay the collection of Common Charges and elect to pay the expenses of the building instead. During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to, insurance premiums and any reserve fund

payments. Such expenses will not include individual Unit Owner expenses such as real estate taxes or utility charges. Upon commencement of collection of Common Charges, there will not be any assessment for any item in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium and provide certified financial statements of the Condominium as required by governing regulations during any period of delay. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the Notice of Closing and in the post-closing amendment to the Offering Plan. Such amendment shall also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following amendment to the Offering Plan. See “Notes to Schedule B,” “Rights and Obligations of Sponsor,” and “Rights and Obligations of Unit Owners and Board of Managers.”

(AD) The Financial Crimes Enforcement Network (“FinCEN”) has issued a Geographic Targeting Order (“GTO”), last updated in April 2025, which requires US title insurance companies to report the personal identity of purchasers in certain residential real estate transactions in all NYC boroughs which meet the following criteria and occur after November 17, 2018: (a) purchaser is a legal entity as defined in the GTO; (b) total purchase price is in excess of \$300,000.00; (c) purchase is made without a bank loan or other similar form of external financing; and (d) the purchase is made, at least in part, using currency or a cashier’s check, a certified check, a traveler’s check, a personal check, a business check, a money order in any form, virtual currency or a funds transfer. As long as the GTO remains in effect, its reporting requirements apply to all residential real property Closings meeting the above criteria. See website for more information <https://www.fincen.gov/sites/default/files/shared/RRE-GTO-Order-April-14-2025-FINAL508.pdf>. See “Procedure to Purchase.”

(AE) Smoking and/or use of electronic cigarettes is prohibited in all locations on the property. This policy is in compliance with the NYC Smoke Free Air Act (“SFAA”) and shall apply to all Unit Owners and tenants and their respective invitees as well as other persons on the Property. See “Rights and Obligations of Unit Owners and Board of Managers” and Section 22 of the Purchase Agreement.

(AF) Excluded from the Property are that portion of the unused floor area development rights, if any, that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution, which shall be retained by the Sponsor and which may be sold, transferred or hypothecated to any other entity for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar agreement. Said rights, if any, may not be used to add space or floors to the subject Property however, when sold, may be used to add space or floors to adjacent buildings. At this time, there are no unused development rights available. See “Reservation of Air and Development Rights.”

(AG) For five (5) years after the First Closing or until the Unsold Units constitute less than twenty-five percent (25%) of the total Units, whichever is sooner, the Board must obtain Sponsor’s prior written approval to: (a) raise Common Charges or levy a special assessment to (1) make an alteration to the Common Elements; (2) create an additional reserve fund for repairs, alterations, unanticipated expenses and/or contingencies which exceed 5% of the projected common expenses for the budget year; (3) increase, decrease, eliminate or otherwise change the number, type, classification or working hours of the building’s service staff (if any), or to hire additional service staff; (4) increase,

decrease, or eliminate building services; (5) increase, decrease, eliminate or otherwise change the amounts or types of insurance coverage from the coverages existing on the date of the First Closing; or (b) borrow money on behalf of the Condominium Association. Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer; or (iv) to remedy any immediately hazardous condition which affects the health and/or safety of the occupants. See “Control by Sponsor.”

(AH) Sponsor at its option may request any Purchaser who is obtaining a mortgage to have his lender accept an assignment of a portion of Sponsor’s existing mortgage. In such event, Purchaser shall pay to the Sponsor such amount that the Purchaser is saving with respect to the mortgage that the Purchaser would have paid if there was no assignment of mortgage. The severance and assignment of the portion of the mortgage on the Property as contemplated herein would not result in any additional cost to the Purchaser and will be initiated only after Purchaser has procured financing. Should the Purchaser’s lender refuse to accept the assignment, Sponsor may require Purchaser to continue with the transaction without the assignment or may refund the Purchaser’s Down Payment and terminate the Purchase Agreement. Accordingly, Purchaser may apply for a mortgage with a lending institution that will accept an assignment of mortgage. Because this transaction would require additional coordination between the parties, it may potentially delay the Closing. In the event Sponsor exercises such option, mortgage tax credit will be inapplicable, and the Purchaser will not be required to make any payments to the Sponsor in respect to the mortgage tax credit. See “Unit Closing Costs and Adjustments.”

(AI) Under the terms of the Purchase Agreement for this plan, Sponsor shall be excused from performing any obligation or undertaking provided for in the Purchase Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor’s time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused. Purchaser’s time to perform its obligations under this Agreement may be tolled as well pursuant to applicable laws. Sponsor cannot limit any rights which Purchaser may have pursuant to Art. 23A of the GBL, NYCRR regulations as may be specified in the Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order.

Purchasers are advised that executing a Purchase Agreement that includes the foregoing provisions may impact the Purchaser’s ability to close on her/his unit in the time frame originally contemplated in the Purchase Agreement and may limit the Purchaser’s remedies for any such delay in the closing date. **The Attorney General strongly recommends that Purchasers consult with their attorneys regarding any risks associated with executing a Purchase Agreement containing the foregoing provision prior to executing the Purchase Agreement.** See “Procedure to Purchase.”

(AJ) On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. This Plan includes tax information and projections based on new federal tax law, including, but not limited to, the opinions of counsel, tax expert’s opinion letter,

and other experts, and all other tax information and projections included in the Plan as applicable. See "Opinion of Counsel."

(AK) The Building was constructed in 2010 and is being offered in as is condition. The Sponsor does not intend to perform any construction work in the Units. The Architect's Report included in Part II contains a description of the property, including the condition of various items and should be reviewed carefully by Purchasers and includes the following special risks:

1. The following items are noted to be in poor condition and are not being repaired by the Sponsor. These items may require repair in the next five (5) years. The estimated cost of the repairs is listed below. The amount projected in the Reserve Fund over the next five (5) years is anticipated to be adequate to address these items. To the extent the Reserve Fund is insufficient, the Board may increase Common Charges or impose an assessment which will be borne by all Unit Owners as a Common Expense:
  - a. Repoint curb for chain link fence estimated to cost \$1,000
  - b. The roof is approximately 14 years old. It is assumed the roof is no longer under warranty. Sponsor has repaired the roof and there are no visible leaks or areas in need of immediate repair. A new roof will cost approximately \$20,000.
2. There are also some Unit conditions which may require repair, the cost of which would be borne by Unit Owners at their sole cost and expense:
  - a. Boilers of the Units are all past their life expectancy, however, can last by repairs which are estimated to cost \$750 to \$2,000. Sponsor estimates the cost to replace a boiler is approximately \$3,000.
  - b. There is no air conditioning in the Building. Each habitable room has an AC sleeve with the ability to insert an air conditioning unit. An air conditioning unit is approximately \$650.00.
3. There is no visible sound insulation between the floors other than the ceiling material, subflooring and finished floor.
4. It is unclear if there is foundation insulation or water proofing.
5. The detention tank is below ground and not visible; its condition is unknown.
6. The hot and cold water pipes are uninsulated.
7. The front fence is located approximately 4.75' beyond the front property line, which is an existing non-complying condition. The degree of non-compliance may not be increased. The non-complying condition appears to be consistent with neighboring buildings on the block.
8. There are no lot line windows, however there are windows which are located approximately 8' from the property line. Any construction on the lots adjacent to property would not inhibit the permitted light and ventilation requirements of this Building. There are no restrictions on development at neighboring properties. Lighting and ventilation calculations (in the form of window size requirements) appear on the drawings related to application 301774122.
9. The DOB plans provided as an exhibit were obtained directly from DOB microfilm. However, the DOB stamp is not clearly visible in the reproduction of the microfilm. The condo plans and site conditions included herein resemble the DOB plans.
10. Sponsor will undertake the following work to be completed prior to the First Closing at its cost and expense. As Sponsor is repairing/replacing in kind building permits are not required as per the Architect Report. The Contractor will provide a letter of completion as to these items which buyers can also visually inspect.
  - a. Repair the exterior stairs and railings prior to the First Closing, and replacing any portions which are beyond repair.
  - b. Tighten self-closing hinges on doors.

- c. Repair damaged drywall at cellar and address any source of leaks or infiltration by cleaning the drains which were not being maintained and clearing the pipes. Mold was visible in the cellar supply room and in that location, all items in the room will be discarded and the drywall will be replaced.
- d. Tile repair at the corridors.
- e. Pavement repair at the rear yard and eastern side yard.
- f. Replace 5 missing gas meters.
- g. Roof leak has been patched and the ceiling and walls of the floor below were repaired and/or replaced.
- h. Repair and restore connectivity to the existing intercom system.
- i. Repaint lines delineating parking spaces.

(AL) There are six uncovered parking spaces located on the ground level of the Property which will be offered for sale to Unit Owners via license. The initial license fee is \$65,000.00. The Condominium will also charge each Licensee a monthly license fee of \$50.00 for the use of the parking spaces. All Licensees, including Sponsor in its role as an unsold parking unit licensee shall be responsible for: (i) all costs and expenses associated with the operation of the parking units, and (ii) the payment of any maintenance fees, license fees and/or special assessments imposed by the Board related to the parking spaces. The License Fees may be increased or decreased by the Board as it sees fit in accordance with the Bylaws. There is one handicap space which is 96" wide with a 60" access aisle in compliance with ADA requirements. The parking lot may be closed to vehicles for up to two weeks per year in the discretion of the Board during which time the Board can use the parking lot or authorize the use of the parking lot for recreation, maintenance or repair. Sponsor reserves the right to rent unlicensed parking spaces to residents or outside parties for not less than one week and not more than one month. All off street parking spaces must be made available for purchase to residents within 30 days after written request made to the Sponsor by such resident. See "Introduction," "Description of Property" and "Non-Residential Units".

## B. INTRODUCTION

### 1. Purpose of the Offering Plan

This Offering Plan sets forth all the material terms of the offer to sell these apartments as Condominium Units. The Plan may be amended from time to time to reflect changes which materially affect the offering. All amendments will be filed with the New York State Department of Law and will thereafter be served upon Purchasers who have executed and delivered Purchase Agreements to Sponsor, Unit Owners, and any other person entitled to service pursuant to 13 N.Y.C.R.R. § 20.1(d).

This Offering Plan including Part I and Part II, all schedules and Parts A, B, C and D of the exhibits constitute the entire offer of Sponsor and contain all of the detailed terms and additional supporting documentation. All of these are available for inspection without charge to prospective Purchasers and their attorneys at the office of Sponsor's attorneys during regular business hours. There will be a charge of forty cents (\$0.40) per page for copying. The Plan and exhibits are also available by appointment for inspection at no charge and for copying (at a current charge of \$0.25 per page) at the Department of Law, 28 Liberty Street, 21<sup>st</sup> Floor, New York, New York 10005.

**THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.**

### 2. The Offer

Sponsor presents this Offering Plan for the establishment of Condominium ownership of the Property pursuant to and in compliance with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The Condominium shall be known as The 385 Vernon Avenue Condominium.

The Offering Plan encompasses the land, the structure, and all appurtenances thereto at 385 Vernon Avenue, Brooklyn, New York 11206 (the "Building"). The Building contains four floors with sixteen residential apartments. There is also a cellar which contains meter rooms as well as a common laundry room available for residents with 3 coin operated washers and 3 coin operated dryers. The machines will be operated and maintained by a third party vendor which is entitled to the income derived from the use of the machines. The roof is not available for recreation purposes.

There are six uncovered parking spaces located on the ground level of the Property. The Condominium Board hereby grants Sponsor the exclusive right to sell the parking spaces to Purchasers via license agreement during any period in which Sponsor owns Unsold Units, with Sponsor entitled to all proceeds from the sale thereof during such periods. Any Purchaser who is purchasing a parking space must execute the parking rider, included as Exhibit C to the Purchase Agreement. The form license is included in Part II of the Plan and will be executed at Closing to evidence the sale of the license. There is no limit on the number of parking spaces which may be purchased by a Unit Owner. Parking spaces may only be used to park a single personal vehicle. All vehicles parked in the spaces must be fully insured. A Parking Licensee may transfer, for no consideration, any parking space back to the Board at any time by terminating the license agreement.



In the event the Unit is sold, the license shall be assigned to the new Unit Owner for no additional cost. Should a parking space remain unsold after Sponsor sells all Units, or if the Board shall reacquire a parking space as a result of the termination of a license, then the Board will be entitled to the proceeds of any sale thereof. The initial license fee is \$65,000.00. The Condominium will also charge each Licensee a monthly license fee of \$50.00 for the use of the parking spaces. All Licensees, including Sponsor in its role as an unsold parking unit licensee shall be responsible for: (i) all costs and expenses associated with the operation of the parking units, and (ii) the payment of any maintenance fees, license fees and/or special assessments imposed by the Board related to the parking spaces. The License Fees may be increased or decreased by the Board as it sees fit in accordance with the Bylaws. There is one handicap space which is 96" wide with a 60" access aisle in compliance with ADA requirements. The parking lot may be closed to vehicles for up to two weeks per year in the discretion of the Board during which time the Board can use the parking lot or authorize the use of the parking lot for recreation, maintenance or repair. Sponsor reserves the right to rent unlicensed parking spaces to residents or outside parties for not less than one week and not more than one month. All off street parking spaces must be made available for purchase to residents within 30 days after written request made to the Sponsor by such resident.

Sponsor is 385 Vernon Estates LLC, a New York limited liability company with an address at 309 Rutledge Street, Suite 4A, Brooklyn, New York 11211. Sponsor acquired the property on July 17, 2024 at which time there were 6 tenants, all subject to free market leases. Leases on three of the apartments expired and Sponsor did not re-let those apartments. Sponsor entered into agreements with the other three tenants to end their leases early. All units in the Building are currently vacant and will remain vacant until the Plan is consummated or until earlier occupied pursuant to an Interim Lease.

The Building and land are hereinafter collectively referred to as the "Property". As of the date the Plan has been submitted for filing, no Purchase Agreements have been entered into and no Down Payments or advances have been received.

The Sponsor hereby offers sixteen (16) residential Units for sale under the Plan. The purchase prices and estimated Common Charges for each Unit are listed in "Schedule A -- Offering Prices and Related Information." THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.

The Sponsor hereby offers six (6) parking licenses for sale under the Plan. The purchase prices and estimated license fees for each parking space are listed in "Schedule A -1 -- Offering Prices and Related Information Licenses Parking Spaces." THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.

Sponsor is reserving the unconditional right to rent rather than sell Units after consummation of the Plan. Accordingly, there is no commitment by Sponsor to endeavor in good faith to sell more than 15%, or three (3) Units, which is necessary to declare the Plan effective. Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, in the event all of the Purchasers counted toward effectiveness rescind or terminate their Purchase Agreements prior to the First Closing, the Plan will be declared effective again, regardless of whether



the Declaration has been recorded. There is a loan on the Property with Arion Fund, LLC, 777 Chestnut Ridge Road, Suite 301, Chestnut Ridge, NY 10977. If the loan is not satisfied at or prior to the First Closing, the mortgagee will either (a) consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.

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 the units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the sponsor has not sold a substantial percentage of the apartments in the building which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. Even once 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.

Excluded from the Property are that portion of the unused floor area development rights, if any, that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution, which shall be retained by the Sponsor and which may be sold, transferred or hypothecated to any other entity for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar agreement. Said rights, if any, may not be used to add space or floors to the subject Property however, when sold, may be used to add space or floors to adjacent buildings. At this time, there are no substantial useable development rights available.

A bulk sale is defined as a simultaneous sale of ten (10) or more Units or the sale of more than one Unit constituting twenty percent (20%) or more of the residential Units, whichever is less, to one Purchaser who will not use the Units for personal occupancy. In the event of a bulk sale by Sponsor of all or some of its Unsold Units, the Sponsor or its principals will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor. The successor sponsor will be bound by Sponsor’s representations regarding unit sales. In this project, selling two or more Units to one purchaser who will not use the units for personal occupancy would constitute a bulk sale.

### 3. Basic Aspects of Condominium Ownership

The ownership of a Condominium Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns his Unit outright in fee simple absolute and is entitled to exclusive possession of his Unit together with an interest in and right to use the Common Elements and the Limited Common Elements, if any. The Common Elements consist of all parts of the Property other than the Units themselves that are owned by all of the Unit Owners as tenants in common, each having an undivided interest therein. The Common Elements include, generally, but without limitation, the Condominium Property including the portions on which the Building are erected.

A. Limited Common Elements. Limited Common Elements are those Common Elements which service or are reserved for use and enjoyment by one or more (but not all) Units. Unit Owners are entitled to exclusive right to use Limited Common Elements appurtenant to their

Unit. The repair (including structural repair) and maintenance of the Limited Common Elements is the responsibility of the Unit Owner to whose Unit the Limited Common Elements are allocated. There are no Limited Common Elements in this Condominium. Common and Limited Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Condominium Act.

B. Common Charges. Each Unit Owner must pay Common Charges in accordance with the Condominium Act, Sections 339-i and 339-m. These charges are payable on a monthly basis. Common Charges have been estimated by Sponsor and include fire insurance for the Units, liability insurance for the Common Elements, and maintenance and operation of the Common Elements. For more information on Common Charges and how they are assessed, see Article VI of the By-Laws attached hereto as Document No. 7. Licensees will also be responsible to pay a monthly License Fee. Any License Fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute “additional Common Charges” under the terms of the Condominium Documents. Licensee’s failure to pay the License Fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents. Notwithstanding any provision to the contrary, the collection of the License Fees shall be subject to the same means of enforcement of collection as Common Charges.

C. Ownership/Leasing of Units. Other than as set forth herein, there is no restriction upon ownership of a Unit. Any Unit Owner may sell or lease his or her Unit to anyone, without restriction or limitation, subject only to civil rights laws. No Unit Owner may convey or mortgage title to his Unit without including therein the Appurtenant Interest, general or Limited Common Elements.

No Unit Owner is permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he has paid in full to the Board all unpaid Common Charges and License Fees previously assessed by the Board against his Unit, and until he shall have satisfied all unpaid liens against the Unit, except permitted mortgages.

D. Powers and Duties of the Board of Managers. The Board and its officers have a fiduciary duty to act in the best interest of the Condominium. The Board has the power and responsibility for the operation of the Condominium, which include, among other things, the care, upkeep and maintenance of the Common Elements; collection of Common Charges from Unit Owners; employment of personnel; adoption and amendment of Rules and Regulations; maintenance of bank accounts; obtaining insurance; making repairs, additions, improvements or alterations to the Common Elements; repair, reconstruction and restoration of damage by fire or other casualty; and such other functions as may be required in connection with the operation and maintenance of the Property. The Board will elect a President, Vice President, a Secretary and a Treasurer. Neither Board members nor any officer will receive any compensation for acting in such capacity. The Board may engage a Managing Agent to perform any of its delegable duties as provided in the By-Laws and may pay such Managing Agent such compensation as the Board deems desirable.

E. Voting. Unit Owners are entitled to one (1) vote for each Unit owned in matters that require a vote of Unit Owners, including Board elections. If two (2) or more Persons own a Unit or if a Unit is owned by an entity, there shall be a designation in a writing to the Board listing one

person entitled to vote on behalf of their Unit and the vote of such designee shall be binding upon all Unit Owners. Failing such a designation, it will be presumed that the vote is consented to if there is a vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present to establish a quorum. Except where the Condominium Act, Declaration, or By-Laws provide otherwise, all matters to be decided by vote of Unit Owners will be decided by a Majority vote thereof. In accordance with the Bylaws, any deadlock in voting shall seek to be settled by Arbitration.

F. Real Estate Taxes and Mortgages. Each Unit will be separately taxed for real estate tax purposes. No Unit Owner is liable for the payment of real estate taxes on any Unit other than his own. No Unit is subject to the lien of a mortgage on any other Unit and each Unit may be mortgaged separately.

G. Insurance. Fire and liability insurance covering the entire Condominium are included with other items as part of the Common Charges, but fire and liability insurance for incidents occurring within a Unit and individual Unit Owners' personal effects inside each Unit, including, but not limited to decorations, painting, furniture or improvements made by the Unit Owner, should be obtained by the individual Unit Owner. Each Unit Owner desiring such coverage on his personal effects must purchase his own policy at his own cost and expense. Any policy purchased by Unit Owners must contain a waiver of subrogation and provisions to the effect that the liability of the carriers issuing insurance procured by the Board shall not be affected or diminished by reason of the policy or policies carried by Unit Owners.

H. Painting/Decoration of Common Elements and Units. All painting and decorating of exterior portions of the Building and Common Elements and repairs and replacements to Common Elements shall be made by the Board through its officers or Managing Agent. No further approval of Unit Owners is required for the foregoing, regardless of the cost. Such costs will be charged to Unit Owners as Common Charges, except to the extent same may be charged to a single Unit Owner if such costs are necessitated by his negligence or misuse.

Unit Owners may decorate the interior of his Unit in any manner so desired, subject to compliance with the By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing, painting and maintaining casualty and liability insurance on his or her Unit.

Appliances. The Units are being sold "as is" on the date the Purchase Agreement is executed, normal wear and tear excepted. Each Unit contains a refrigerator and range which are approximately 15 years old and are in fair condition. Sponsor is not providing any other appliances or hook ups, or blinds or shades to the Units. It will be the responsibility of the Unit Owners to provide them at his or her own cost.

I. Carbon Monoxide/Smoke Detectors. Sponsor is providing combination carbon monoxide/smoke detectors in each Unit at each level in accordance with the Administrative Code of the City of New York. The maintenance of the detectors shall be the Unit Owner's responsibility for those located within the Unit and the Board's responsibility for those located in Common Elements. See Part II, "Description of Property" for further details.

J. Purchasers for Occupancy or Investment. Since the Board does not have the right to approve or disapprove Purchasers, there is no limit on the number of Persons who may purchase for investment rather than personal occupancy and, accordingly, there may always be a substantial percentage of Unit Owners who are non-residents. Owners for investment and owner-occupants have inherent conflicts of how to operate the Condominium and how to manage the Board due to the inherent differences in their ownership and occupancy. Purchasers should note that under this Plan, owner-occupants may never gain effective control of the Condominium.

K. Limitations on Purchase of Units. There are no restrictions on who may purchase a Unit. However, Sponsor hereby reserves the right at any time for any reason whatsoever to refuse to approve and execute (i) a Purchase Agreement for any Unit and/or (ii) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one (1) Unit to any one Person; provided, however, that neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, sex, color, disability, marital status, sexual orientation, or national origin, or any other grounds prohibited by law. The Board may require any Unit purchased by an entity to have an individual guarantee the payment of Common Charges.

#### 4. Contents of Part II

Part II of the Offering Plan contains the forms of documents to be used in the occupancy, sale and transfer of Units, as well as operation of the Condominium in general. A list of the documents provided in Part II can be found in the Table of Contents and certain items are summarized below.

A. Purchase Agreement. The agreement to purchase a Unit is called a "Purchase Agreement," the general form of which is set forth in Part II as Document No. 2. The terms of sale of Units, as well as the procedure to purchase the same, are also summarized in Section "Procedure to Purchase" of the Offering Plan.

B. Unit Owner's Power of Attorney. The form of Unit Owner's Power of Attorney that each Unit Owner will be required to give to the Board and to Sponsor pursuant to the Declaration is set forth as Document No. 4 in Part II of the Plan. The Power of Attorney (1) gives the Board the power to acquire a Unit when offered for sale by a Unit Owner or pursuant to foreclosure and (2) permits the Board to file amendments to the Condominium Documents, or other instruments affecting the Condominium with respect to compliance with laws, zoning, easements, etc.

C. The form of deed that Sponsor will issue to Purchasers is set forth as Document No. 5 and the form License for the parking spaces are set forth as Document No. 5A in Part II.

D. A detailed description of the physical condition of the Property is set forth in Part II as Document No. 1, entitled "Description of Property", which includes an architect's report describing the property and the floor plans for each Unit, and should be reviewed carefully by prospective purchasers.

E. The salient provisions of the Declaration of the Condominium ("Declaration"), which is the document that establishes condominium ownership of the Property, and By-Laws of the Condominium ("By-Laws"), which govern the operation of the Condominium and to which are annexed the Rules and Regulations of the Condominium ("Rules and Regulations"), are partially summarized in Section "Rights and Obligations of Unit Owners and Board of Managers" and are reproduced in full in Part II as Documents Number 6 and 7, respectively. Each Unit Owner is

obligated to comply with the Declaration, the By-laws, the Rules and Regulations and any other requirement of the Board.

## C. DEFINITIONS

This section contains various terms used frequently throughout this Offering Plan and their respective meanings in the context of this offer. All defined terms are included in this section, but Purchasers should note certain laws or governmental agencies may be referenced throughout the Plan which are not included in this section.

1. Appurtenant Interest: With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designees, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Unit of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
2. Architect's Report: The written description of the Property and the condominium floor plans as prepared by Sponsor's architect is available in Part II of the Offering Plan, as the same may, from time to time have been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the Plan.
3. Balance: The purchase price less the down payment, which is due and payable at Closing.
4. Bank: The bank at which the Escrow Account is located, which is Dime Community Bank, 898 Veterans Memorial Highway, Hauppauge, NY 11788.
5. Below Grade: Below first floor or ground floor level.
6. Board of Managers: (the "Board") The governing body of the Condominium selected, authorized and directed to manage and operate the Condominium individually as provided by the Condominium Act, the Declaration and the By-Laws.
7. Building: The structure to be erected on the Property.
8. By-Laws: By-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof. The bylaws outline the procedures and methods for the operation of the condominium.
9. Closing: The settlement of the mutual obligations of the Sponsor and Purchaser under a Purchase Agreement, or the date thereof as context requires, including the payment to Sponsor of the purchase price and the delivery to Purchaser of the deed transferring full ownership to the Unit on the terms set forth in the Purchase Agreement.
10. Common Charges: Assessments by the Board upon the Unit Owners, in proportion to their respective interests (unless otherwise indicated in the Condominium Documents) in the Common Elements for the purpose of paying common Expenses. NOTE: These charges are payable by the Unit Owners of its building on a monthly basis.

11. Common Elements: All that part of the Condominium Property or facilities servicing or benefitting all the Units comprising the Condominium, as defined in Section 339-e of the Condominium Act. The Common Elements include generally, and without limitation: (i) all parts of that building (other than the Units in that building) including but not limited to the foundation, common areas of the roof and supports of the building; and (ii) all areas or facilities for the common use of all the Units of the building and Unit Owners. Common Elements consist of all portions of the Condominium Property which are not designated as Units or parts thereof.
12. Common Expenses: Expenses and costs for which Unit Owners shall be proportionately liable, in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.
13. Common Interest: The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration of Condominium.
14. Condominium: The 385 Vernon Avenue Condominium which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.
15. Condominium Act: Article 9-B of the Real Property Law of the State of New York, as amended, which sets forth provisions governing the creation and operation of condominiums, and to which the Condominium is the subject of this Offering Plan, is submitted.
16. Condominium Association: The unincorporated association of Unit Owners in the Condominium.
17. Condominium Documents: This Offering Plan, and the Declaration, Floor Plans, By-Laws and rules and regulations of the Condominium and all Exhibits for the foregoing, as amended from time to time.
18. Declaration: The instruments by which the Building is submitted to the provisions of the Condominium Act and that instrument as from time to time amended, consistent with the provisions of the Condominium Act and the By-Laws of the Condominium.
19. DOB: The New York City Department of Buildings.



20. Down Payment: A sum equal to 10% of the purchase price of a Unit, subject to negotiation, which shall be tendered along with a fully executed Purchase Agreement.
21. Emergency: A condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building.
22. Equal or Better Quality: Comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
23. Escrow Agent: Jeffrey Zwick & Associates, PC, 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210.
24. Escrow Account: The account existing at Dime Bank entitled "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA" into which Down Payments will be placed.
25. Family Members: Spouse, children (natural and adopted), stepchildren, parents, grandchildren, grandparents, siblings, and parents-in-law of a Unit Owner who reside in such Unit Owner's Unit.
26. First Class Condition: Same as new, excepting normal wear and tear.
27. First Closing: Date on which title to the first Condominium Unit is transferred and operations, including the budget year, commences.
28. Floor Plans: The floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and By-Laws and the Floor Plans.
29. Initial Capital Payment: The amount of money collected at closing from each initial Purchaser equal to two (2) month's Common Charges for its Unit.
30. Initial Control Period: Period during which Sponsor exercises voting and veto control over the Board.
31. Institutional Lender: (i) a savings bank, savings and loan associations, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.
32. Insurance Trustee: An individual who is a resident of the State of New York, or a bank or trust company having an office in The City of New York, from time to time appointed to serve as such by the Condominium Board.

- 33. Interim Lease: Lease entered into between Sponsor and a prospective purchaser to allow for occupancy of a Unit for which the Purchaser has signed a Purchase Agreement, for the time between signing the Purchase Agreement and Closing.
- 34. Interim Lessee: Purchaser and other occupants who sign and Interim Lease and occupies a Unit prior to closing, pursuant to such Interim Lease.
- 35. Law: The laws and ordinances of any or all of the Federal, New York State, New York City, in the particular County, and Borough governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
- 36. License: Type of agreement by which a Unit Owner may use a parking space.
- 37. Licensee: The party that is entitled to use the space subject to the license.
- 38. License Fees: The monthly fee associated with use of a license.
- 39. Limited Common Elements: Limited Common Elements generally are those Common Elements which service or which are reserved for use and enjoyment by one or more (but not all) Units. Examples of a Limited Common Element can be a facility like a boiler located in the cellar which provides hot water to a specific Unit, or an area like a balcony connected to a dwelling Unit.
- 40. Lot Line: The boundaries of the tax lot as determined by the City of New York Department of Finance, Real Property Assessment Bureau. Lot line windows are windows located on such boundaries; in the event the building is constructed on the lot lines.
- 41. Managing Agent: A Person or company employed by the Condominium Board pursuant to pursuant to paragraph (C) of Section 2.5 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.
- 42. Majority of Unit Owners: Those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.
- 43. Mortgage Contingency Expiration Date: A date which is on or before forty-five (45) days from date the Purchaser receives an executed Purchase Agreement after which the mortgage contingency, if granted, will expire.

44. Notice of Closing: Letter sent to Purchasers setting a closing date for the respective Unit which will be at least thirty (30) days after the date of the notice.
45. Permitted Mortgage: Any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.
46. Permitted Mortgagee: Any holder of a Permitted Mortgage at the time in question.
47. Person: Any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.
48. Plan: That certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.
49. Plans and Specifications: The plans and specifications identified in the Offering Plan for the Building filed with the Department of Buildings and other appropriate governmental authorities, as the same may be amended or changed from time to time.
50. Property: 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, as more particularly described in Exhibit A to the Declaration, which is subject to the Condominium Act by the Declaration, together with all improvements thereon and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof as fully detailed in the Declaration.
51. Purchaser: A Person who tendered the appropriate Down Payment and who has received a fully executed Purchase Agreement for a Unit in the Condominium.
52. Purchase Agreement: The written agreement to purchase a Unit.
53. Register's Office: The Office of the Register of the City of New York, Kings County.
54. Rules and Regulations: The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
55. Selling Agent: Sponsor or a NY licensed real estate broker appointed by Sponsor to market and sell the Condominium Units.
56. Special Assessments: The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (D) of Section 6.1 of the By-Laws.

- 57. Sponsor: As per New York State regulations for newly constructed and vacant condominiums, means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty." The Sponsor of this offering plan is 385 Vernon Estates LLC.
- 58. Time of the Essence: Purchaser must cure a default or satisfy a condition in the Purchase Agreement by the date indicated or commit an incurable breach and forfeit his down payment.
- 59. Trust Funds: The moneys actually received from the insurance company pursuant to a claim for damage.
- 60. Unit: Any Unit designated as such in the Declaration of the Condominium and further described in the Floor Plans to be filed simultaneously with the Declaration.
- 61. Unit Owner: The Person or Persons owning, on record, a unit in fee simple absolute.
- 62. Unsold Units: Any Unit owned by Sponsor or its designee at the time in question, excluding any unit occupied by the Sponsor or any Family Member.

A complete set of definitions is also set forth in Exhibit C to the Declaration of the Condominium set forth in Part II of the plan.

## **D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS**

1. General. This description of the Property and improvements is intended to provide a general outline of the Land, Building and Units, but shall not be interpreted as enlarging in any manner, directly or by reference, the obligations or liability of the Sponsor as set forth in this Plan. The Architect's Report is a more detailed description of the Building and Property compiled by Sponsor's Architect and which includes the layouts for each Unit and the Building in general and is set forth as Document No. 1 in Part II of the Plan.
2. Site. The Land is known by street address as 385 Vernon Avenue, Brooklyn, New York 11206. The parcel is located in the Stuyvesant Heights section of Brooklyn on tax lot number 44 of tax block 1586. The site is located in the R6 zoning district with a C2-3 overlay on Map 13b of the Zoning Resolution, which permits residential use as a matter of right. The C2-3 overlay also permits commercial use, though none is proposed at the site.

There is one (1) existing Building on the site which was constructed in 2010. It consists of four (4) stories and a cellar and comprised of sixteen (16) residential Units and six (6) parking spaces for sale. See "Schedule A - Offering Prices and Related Information" and the Architect's Report and Floor Plans in Part II of the Plan for more information. There are no Limited Common Elements allocated to the Units. There are meter rooms in the cellar along with a laundry room containing three coin operated washers and three coin operated dryers for the use of residents and their guests. The machines will be operated and maintained by a third party vendor which is entitled to the income derived from the use of the machines. There are no recreation spaces within the Building or on the Property. Each Unit has its own exterior entrance from a covered outdoor staircase and corridor which are Common Elements.

There are six uncovered parking spaces located on the ground level of the Property. The Condominium Board hereby grants Sponsor the exclusive right to sell the parking spaces to Purchasers via license agreement during any period in which Sponsor owns Unsold Units, with Sponsor entitled to all proceeds from the sale thereof during such periods. Any Purchaser who is purchasing a parking space must execute the parking rider, included as Exhibit C to the Purchase Agreement. The form license is included in Part II of the Plan and will be executed at Closing to evidence the sale of the license. There is no limit on the number of parking spaces which may be purchased by a Unit Owner. Parking spaces may only be used to park a single personal vehicle. All vehicles parked in the spaces must be fully insured. A Parking Licensee may transfer, for no consideration, any parking space back to the Board at any time by terminating the license agreement. In the event the Unit is sold, the license shall be assigned to the new Unit Owner for no additional cost. Should a parking space remain unsold after Sponsor sells all Units, or if the Board shall reacquire a parking space as a result of the termination of a license, then the Board will be entitled to the proceeds of any sale thereof. The initial license fee is \$65,000.00. All Licensees, including Sponsor in its role as an unsold parking unit licensee shall be responsible for: (i) all costs and expenses associated with the operation of the parking units, and (ii) the payment of any maintenance fees, license fees and/or special assessments imposed by the Board related to the parking spaces. The Condominium will also charge each Licensee a monthly license fee of \$50.00 for the use of the

parking spaces. The License Fees may be increased or decreased by the Board as it sees fit in accordance with the Bylaws.

There is one handicap space which is 96" wide with a 60" access aisle in compliance with ADA requirements. The parking lot may be closed to vehicles for up to two weeks per year in the discretion of the Board during which time the Board can use the parking lot or authorize the use of the parking lot for recreation, maintenance or repair. Sponsor reserves the right to rent unlicensed parking spaces to residents or outside parties for not less than one week and not more than one month. All off street parking spaces must be made available for purchase to Unit Owners within 30 days after written request made to the Sponsor by such resident.

The project is governed by New York City zoning laws and the Building Code. The Property is improved and the Units and Common Elements are constructed in accordance with this Plan, with the filed Plans and Specifications as the same may be amended and with all applicable zoning and building laws, regulations, codes, and other government requirements. The Units comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. There is a final certificate of occupancy covering the Property, which is included in Part II. The Plans and Specifications will be available for inspection at the Sponsor's office on the Property.

Sponsor has no other publicly announced development projects within the immediate vicinity. If this information should change while sales are continuing, it will be disclosed in a duly filed amendment to the Plan. Principal of Sponsor owns 376 Vernon Avenue and intends to submit same to condominium form of ownership. That building is an existing building and no construction work is proposed in connection with the offer.

3. Statement of Dimensions. The floor area of each Unit calculates the square footage from the exterior of the exterior walls to the centerline of the partitions separating one Unit from another Unit and to the exterior side of a partition separating the Unit from a common area. Accordingly, they include the area of the interior walls of the Unit, and the approximate actual livable area of the Unit is significantly less than as set forth in Schedule A. All areas and dimensions are approximate within reasonable tolerances and are subject to immaterial construction variances and tolerances. A decrease in a Unit's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in area of 5% or less is not material.

4. Utilities.

A. Water. Water is provided by the City of New York and the Units will be billed together for water consumption as a Common Charge. Storm water is carried into the New York sewer system as is the entire sanitary waste from the Building.

B. Gas. Gas service is metered separately for the hot water heaters and ranges. There is also a common meter for the common dryers located in the cellar which expense will be paid by all Unit Owners as a Common Expense.

C. Telephone. Telephone service is provided on an individual basis to each Unit by the local phone company who will bill each Unit Owner directly.

D. Electricity. Electricity is provided by the Consolidated Edison Company. Each Unit is metered and billed separately. There will also be a separate meter for the Common Elements, for which the electrical services shall be paid by all Unit Owners as a Common Charge.

5. Appliances. The Units are being sold “as is” on the date the Purchase Agreement is executed, normal wear and tear excepted. Each Unit contains a refrigerator and range which are approximately 15 years old and are in fair condition. Sponsor is not providing any other appliances or hook ups, or blinds or shades to the Units. It will be the responsibility of the Unit Owners to provide them at his or her own cost.



## E. LOCATION AND AREA INFORMATION

The following is a general description of the location of the Building and area surrounding the Property. Reference should be made to the Architect's Report, included as Document Number 1 in Part II of the Plan, for a more detailed description of the Property and its physical condition.

1. Site. The Land is known by street address as 385 Vernon Avenue, Brooklyn, New York 11206. The parcel is located in the Stuyvesant Heights section of Brooklyn on tax lot number 44 of tax block 1586. The site is located in the R6 zoning district with a C2-3 overlay on Map 13b of the Zoning Resolution, which permits residential use as a matter of right. The C2-3 overlay also permits commercial use, though none is proposed at the site.
2. Neighborhood. Stuyvesant Heights is a part of the Bedford Stuyvesant neighborhood of Brooklyn. It is located in the north-central portion of Brooklyn. The area is accessible via the Brooklyn Queens Expressway and the Jackie Robinson Parkway, which connects the area to Queens. Both the Williamsburg Bridge and the Brooklyn Bridge are located within five (5) miles for access to Manhattan.
3. Accessibility. The Condominium is located .1 miles from the Myrtle Avenue and Broadway subway station which services the J, Z and M subway lines. The B54, B15, B46 and B47 New York City Bus Routes run within .5 miles.
4. Public Services. The nearest police station is the 81<sup>st</sup> Precinct, located at 30 Ralph Avenue, approximately 0.8 miles away. The Fire Department has Engine 217 located at 940 Dekalb Avenue, approximately 0.4 miles away. Woodhull Medical Center is located at 760 Broadway, Brooklyn, NY, approximately 0.5 miles away. The City of New York provides street snow removal and road maintenance services as well as sanitation pickup.
5. Immediate Area and Surrounding Vicinity. The building is located in a mixed use neighborhood. The Building is adjacent on both sides and across the street from multi-occupancy housing buildings.

Within 2 miles are public, private and parochial schools, religious institutions, and parks. Complete shopping and service needs including supermarkets, fruit and vegetable stores, meat and fish stores, bakeries, salons, drug stores and hardware stores are also available on the surrounding five streets.

Sponsor has no other publicly announced development projects within the immediate vicinity. If this information should change while sales are continuing, it will be disclosed in a duly filed amendment to the Plan. Principal of Sponsor owns 376 Vernon Avenue and intends to submit same to condominium form of ownership. That building is an existing building and no construction work is proposed in connection with the offer.

**F. SCHEDULE A**  
**OFFERING PRICE AND RELATED INFORMATION**  
**The 385 Vernon Avenue Condominium**  
**385 Vernon Avenue, Brooklyn, New York**  
**Year Projected: October 1, 2025 – September 30, 2026**

|                      |           | Approximate | No. of    |                        | Percent  | Projected  | Projected   | Projected    | Projected   |
|----------------------|-----------|-------------|-----------|------------------------|----------|------------|-------------|--------------|-------------|
|                      |           | Habitable   | Bedrooms/ | Offering               | Common   | Monthly    | Real Estate | Real Estate  | Monthly     |
| Unit                 |           | Area (SF)   | Bathrooms | Price                  | Interest | Common     | Taxes       | Taxes        | Carrying    |
| No.                  | Location  | (1)         | (1)       | (2)                    | (3)      | Charges    | (Monthly)   | (Annual)     | Charges     |
|                      |           | (1)         | (1)       | (2)                    | (3)      | (4)        | (5)         | (5)          | (6)         |
| 1A                   | 1st Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 1B                   | 1st Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 1C                   | 1st Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 1D                   | 1st Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 2A                   | 2nd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 2B                   | 2nd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 2C                   | 2nd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 2D                   | 2nd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 3A                   | 3rd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 3B                   | 3rd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 3C                   | 3rd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 3D                   | 3rd Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 4A                   | 4th Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 4B                   | 4th Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 4C                   | 4th Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 4D                   | 4th Floor | 745         | 2/1       | \$625,000.00           | 6.250%   | \$520.92   | \$720.78    | \$8,649.31   | \$1,241.69  |
| 16 Residential Units |           | 11920       |           | \$10,000,000.00        | 100%     | \$8,334.67 | \$11,532.42 | \$138,389.00 | \$19,867.08 |
| 6 Parking Licenses   |           |             |           | \$390,000.00           |          |            |             |              |             |
| <b>Totals</b>        |           |             |           | <b>\$10,390,000.00</b> |          |            |             |              |             |

Note A: At closing, each purchaser shall deposit an initial capital payment in an amount equal to two months' estimated common charges for the Unit and pay an additional \$1,500.00 to defray Sponsor's costs in forming the condominium, as well as Sponsor attorney fees and transfer taxes. See section "Unit Closing Costs and Adjustments."

Note B: As no construction work is being completed in connection with this offering, the real estate tax estimate above is based on the post-construction assessed valuation.

**F. SCHEDULE A-1**  
**OFFERING PRICES AND RELATED INFORMATION**  
**Licensed Parking Spaces**  
**The 385 Vernon Avenue**  
**385 Vernon Avenue, Brooklyn, New York**

Year Projected: October 1, 2025 - September 30, 2026

| Designation | Initial License Fee  | Monthly License Fee |
|-------------|----------------------|---------------------|
| P1          | \$ 65,000            | \$50.00             |
| P2          | \$ 65,000            | \$50.00             |
| P3          | \$ 65,000            | \$50.00             |
| P4          | \$ 65,000            | \$50.00             |
| P5          | \$ 65,000            | \$50.00             |
| P6          | \$ 65,000            | \$50.00             |
|             | <b>\$ 390,000.00</b> | <b>\$ 300.00</b>    |

All parking spaces are located on ground level.

**G. NOTES TO SCHEDULE A**  
**"OFFERING PRICES AND RELATED INFORMATION"**  
**FOR EACH UNIT**

- (1) Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a Unit, within reasonable tolerances. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The number of bedrooms in each Unit is computed in accordance with the standards established by the New York City Building Code. The floor area of each Unit calculates the square footage from the exterior of the exterior walls to the centerline of the partitions separating one Unit from another Unit and to the exterior side of a partition separating the Unit from a common area. Accordingly, they include the area of the interior walls of the Unit, and the approximate actual livable area of the Unit is significantly less than as set forth in Schedule A. All areas and dimensions are approximate within reasonable tolerances and are subject to immaterial construction variances and tolerances. Purchasers will be offered a right of rescission if there is a change in Unit square footage that is materially adverse and must consent to any other material change in square footage of the Unit. A decrease in a Unit's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in area of 5% or less is not material. See the Architect's Report in Part II for a more detailed description of the Units and the rooms, including floor plans.
- (2) Prices are negotiable. Sponsor reserves the right to change the offering prices set forth in Schedule A. These offering prices, however, may only be changed by a duly filed amendment to this Plan when the change in price is an across the board increase or decrease affecting one or more lines of Units or is to be advertised or is a price increase for an individual Purchaser. However, the prices for the Units are negotiable and Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices lower from those set forth in Schedule A. The results of negotiation for one Unit are independent of other negotiations and will not affect other negotiations. See Sections "Changes in Prices and Units" and "Unit Closing Costs and Adjustments" which discloses and explains the closing costs and adjustments that a Purchaser must pay.

Sponsor reserves the right to negotiate with Purchasers all aspects of the purchase price, including but not limited to: renovations or improvements to the Units, fixtures or equipment contained therein or credits or allowances therefor; amount of Down Payment; terms of financing contingency in the event Sponsor agrees to permit same including extension of period to secure financing and amount of financing to be obtained; default clause; application of the Interim Lease rental payment towards the purchase price; payment of all or part of purchaser's closing or financing costs such as closing costs, attorneys' fees, origination fees, commitment fees and waiver or reduction of the attorney's fees set forth in the Offering Plan; and any and all other costs relating to the cost of acquiring title to the Unit. Further, Sponsor will amend the Plan from time to time in order to add and/or delete negotiable terms.

- (3) In accordance with Section 339-i(1)(iv) of the Condominium Act, the Common Interests of each of the Units have been allocated 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.
- (4) Common Charges have been estimated by Sponsor and include fire insurance for Units and liability insurance for Common Elements, and maintenance and operation of the Common Elements. Common Charges do not include decoration, maintenance or repair to the inside of the Units, electricity, air conditioning or heating for each Unit or insurance for personal effects. Common Charges have been estimated by Sponsor based on the estimated operating budget annexed as Schedule B and certified by Stone Edge Management. See Schedule B-1 for individual electricity and gas expenses for the Units.
- (5) The real estate tax estimates set forth in Schedule A are based on a letter from Sponsor's expert, RE Tax Service, 670 Myrtle Avenue, PMB 260, Brooklyn, NY 11205, January 9, 2025. The tax expert has been involved in the review of property tax assessments in the New York City area for over ten (10) years and has filed applications and petitions for reductions in such tax assessments in New York City.

Since the Building is completed and existing, the projected real estate taxes for the first year of operation contained in Schedule A are based on the full assessed valuation of the Building which is projected to be approximately \$1,107,108.00 resulting in total taxes of approximately \$138,389.00 based on a tax rate of \$12.500 per One Hundred Dollars of assessed valuation.

Estimated real estate tax assessments are determined using various factors including sales price, square footage, location of the Unit, availability of Limited Common Elements and/or access to Common Elements. No assurances can be given that the taxing authorities will assess the Building and allocate assessments in the same manner and the actual assessments may not be in the same proportion as the Common Interests set forth in Schedule A.

After separate tax lots are apportioned, each unit will be taxed as a separate lot for real estate tax purposes and the 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. See section "Real Estate Taxes" for further details.

As per rules and regulations set by the Department of Finance, this Building would be categorized as a tax class 2, with a tax rate of 12.500% for the 2025/2026 tax year. However, it is not possible to accurately determine what the assessed valuation will be and it is equally impossible to predict any future increases in real estate tax rates which may affect the amount of tax due on the Property.

Since no mortgage financing is offered by Sponsor, the only deductible item is real estate taxes which is limited under current law to a total deduction of \$10,000 for state and local taxes, including property tax. If a Purchaser obtains a mortgage loan, interest on such loan is deductible under current law. The Internal Revenue Code of 1986, as amended, limits the deductions of mortgage interest to mortgages incurred in acquiring, constructing or

substantially improving the first and second residences of a taxpayer. The deduction is also limited to interest paid on acquisition indebtedness not to exceed \$750,000. The projected amount deductible may vary in future years due to changes in the assessed value, the tax rate or in the method of assessing real property which results in a change in real property taxes, or due to changes in interest rates or in the allocation of constant debt service payments to interest and principal, or such other changes as may reasonably be expected to affect deductions.

THE ABOVE IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL LIMITATIONS IMPOSED BY THE CODE, PARTICULARLY FOR INVESTORS. ALL PURCHASERS ARE ADVISED TO SEEK ADVICE FROM THEIR TAX CONSULTANTS CONCERNING TAX CONSEQUENCES OF PURCHASE OF A UNIT IN A CONDOMINIUM.

- (6) All projected total carrying charges are for the projected first year of operation beginning October 1, 2025. NOTE: Sponsor has not obtained, nor is it offering, financing commitments to purchasers. Therefore, if a purchaser obtains financing, debt service on such financing will be a monthly expense additional to the total charge listed. In addition, prospective Purchasers will be required to pay at closing, among other things: (i) two (2) months' Common Charges; (ii) New York City and State transfer taxes because Sponsor is transferring its statutory obligation to pay these taxes onto the Purchaser and (iii) Sponsor's attorney fee. (iv) \$1,500.00 to defray Sponsor's costs of creating the Condominium; See section entitled "Closing Costs and Adjustments" below.



**H. SCHEDULE B**  
**Budget for First Year of Condominium Operations**  
**The 385 Vernon Avenue Condominium**  
**385 Vernon Avenue, Brooklyn, New York**  
Year Projected: October 1, 2025 – September 30, 2026

|                                      |           |                   |
|--------------------------------------|-----------|-------------------|
| <b><u>INCOME:</u></b>                |           |                   |
| Common Charges (1):                  | \$        | 100,016.00        |
| License Fees (2):                    | \$        | 3,600.00          |
| <b>Total Income:</b>                 | <b>\$</b> | <b>103,616.00</b> |
| <b><u>EXPENSES:</u></b>              |           |                   |
| Salaries & Wages (3):                | \$        | -                 |
| Management (3):                      | \$        | 11,520.00         |
| Service Contracts (4):               |           |                   |
| Fire Alarm and Phone Lines           | \$        | 2,000.00          |
| Janitor and Cleaning Service         | \$        | 12,000.00         |
| Sprinkler System                     | \$        | 3,000.00          |
| Elevator                             | \$        | 7,500.00          |
| Exterminator                         | \$        | 2,500.00          |
| Gas (5):                             | \$        | 1,544.00          |
| Electricity (6):                     | \$        | 7,500.00          |
| Franchise taxes (7):                 | \$        | 1,000.00          |
| Water & sewer (8):                   | \$        | 20,252.00         |
| Repairs, services & supplies (9):    | \$        | 5,800.00          |
| Insurance (10):                      | \$        | 13,000.00         |
| Legal fees (11):                     | \$        | 2,000.00          |
| Audit fees (11):                     | \$        | 3,500.00          |
| Reserve Fund for Major Repairs (12): | \$        | 10,500.00         |
| <b>Total Expenses:</b>               | <b>\$</b> | <b>103,616.00</b> |

If the First Closing actually occurs, or is revised by amendment to the Plan to be projected to occur, six (6) months or more from the stated anticipated date of the First Closing, Sponsor will amend the Plan to include a revised budget disclosing updated projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind their offer to purchase and to have their Down Payments refunded. If such right to rescind is exercised within fifteen (15) days after presentation of the amendment, the Down Payment and unexpended sums for special work ordered will be refunded within ten (10) days of Sponsor's receipt of the notice of rescission. Sponsor may not declare the plan effective where there are any material changes to the budget which have not been disclosed by a duly filed amendment to the Offering Plan.

## H1. NOTES TO SCHEDULE B

All amounts listed in the budget are projections for the first twelve (12) months of Condominium operation, which shall commence with the First Closing, anticipated to be October 1, 2025 under this plan. The actual first year of condominium operation may begin earlier or later.

Sponsor reserves the right to modify, renew and replace existing service, maintenance, employment concessionaire and other agreements and insurance policies, and to enter into new agreements and policies that will be binding on the Board on the Closing date. Services must remain comparable to what is in the budget. Any such new agreement which has the effect of materially increasing Common Charges or is binding on the Board of Managers will be disclosed by a duly filed amendment to this Plan and Purchaser will be entitled to rescission if there are any material and adverse changes.

**In the opinion Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206, a real estate management company, the projected receipts are adequate to meet the estimated expenses for the Condominium's first year of operation. The foregoing schedule, however, is not intended and should not be taken as a guarantee by anyone that the annual Common Charges or expenses for the first year of operation or any subsequent year of operation will be as set forth in said schedule. It is likely that the actual annual Common Charges or expenses will vary from the amounts shown in the schedule.**

### Income

1. Common Charges. Based upon the budget, the board shall allocate and assess amongst Unit Owners, pro-rata, in accordance with their respective Common Interests, an annual Common Charge payment, payable in monthly installments (unless otherwise instructed by the Board). The Board has the right to allocate certain items on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of the particular Common Elements, pursuant to N.Y. Real Property Law (RPL) Section 339-m (2). The current projected Common Charges are included in Schedule A and are shared proportionately between all Units in accordance with the Unit's percentage of Common Interest.

While Sponsor owns Unsold Units, Sponsor may, in its sole discretion, delay the collection of Common Charges and pay the expenses of the Building instead. During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to, insurance premiums and any reserve fund payments. Such expenses will not include individual Unit Owner expenses such as real estate taxes or utility charges. Upon commencement of collection of Common Charges, there will not be any assessment for any item in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget and certified financial statements for the Condominium as required by governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the Notice of Closing and in the post-closing amendment to the offering Plan. Such amendment shall also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days

prior to the commencement of collection of Common Charges and will disclose such fact in the following amendment to the offering Plan.

2. License Fees. There are six parking spaces. The Condominium will charge each Parking Licensee a monthly license fee of \$50.00 for the use of the parking space. The Common Charges payable by Residential Units needed to fund Common Expenses will be reduced by the income derived from the License fees. The License Fees may be increased or decreased by the Board as it sees fit in accordance with the Bylaws. Any License Fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute “additional Common Charges” under the terms of the Condominium Documents. Licensee’s failure to pay the License Fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents. Notwithstanding any provision to the contrary, the collection of the License Fees shall be subject to the same means of enforcement of collection as Common Charges.

### **Expenses**

3. Labor. The Condominium is not expected to have any employees. It is anticipated that any necessary labor will be contracted for through service contracts.

4. Service Contracts. Sponsor or the Managing Agent will enter into agreements for specific services to the Building on or before the First Closing. Amounts indicated below are estimates made by Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206 based upon their experience of managing similar properties and certain written proposals set forth below. No maintenance or service contracts have been entered into as of the filing date of the Plan.

A. Management. On or before the First Closing, Sponsor will enter into a management agreement with a third party, Stone Edge Management (“Managing Agent”), to manage the Condominium. The Managing Agent’s duties will include, among other things: collecting Common Charges; writing checks; paying bills such as water and sewer charges or insurance premiums; and making arrangements for repairs to the Common Elements, garbage disposal, snow removal, etc. The Managing Agent shall bear the responsibility to assure that all assessments have been paid, that each Unit Owner adheres to the Rules and Regulations of the Declaration & By-Laws and to collect any amounts payable to the Condominium. For further discussion, see the By-Laws and the Addendum to By-Laws in Part II of the offering Plan and the section entitled “Contracts.” The annual fee for the Managing Agent will be at prevailing rates. The Board shall be obligated to reimburse the Managing Agent for expenses incurred and to indemnify the Managing Agent against liability for acts properly performed by it pursuant to the agreement. The agreement will automatically renew each year unless cancelled within sixty (60) days of the expiration of the term. The agreement may be canceled by either party after default on ten (10) days’ prior notice. The agreement may be assigned by the Managing Agent to another competent Managing Agent.

The Managing Agent may charge individual Unit Owners or the Board separate fees for additional work requested of Managing Agent by the Unit Owner or Board, as the case may be. See “Contracts” for more information.

- B. Fire Alarm System – For both the fire alarm system equipment maintenance and fire alarm system monitoring, including the required phone lines, a combined and consolidated contract will be entered.
- C. Sprinkler System – The sprinkler system must be inspected once per month and once more comprehensively, annually, by a Licensed Master Fire Suppression Contractor. Written records of these monthly inspections must also be kept at the Building.
- D. Exterminator - Extermination treatments will be provided to the Building on a monthly basis.
- E. Elevator System - Under New York City law, it is required that an elevator service contract be maintained. The budgeted amount includes monthly inspections, general maintenance, and one annual CAT 1 & CAT 5 inspection.
- F. Janitor and cleaning services: The Managing Agent shall provide for janitorial services to be available on a twenty-four hour basis in accordance with §27-2053 of New York City Administrative Code and all applicable housing and labor laws. The janitor will be responsible for general upkeep of the common areas, including the garbage chute, cleaning common areas, making of minor repairs, snow removal and refuse removal.

It is expected that the janitorial service will provide on site personnel three times per week and will be available twenty-four hours per day, seven days per week.

The amount budgeted for this item is inclusive of all taxes. The level of staffing set forth above complies with housing and labor and minimum wage laws presently applicable to the Property and meets minimum wage standards. If, however, any of these laws are changed in the future to require additional Building staff or higher wages, the amount allocated for the first year of operation will be greater than that shown above. It is not possible to predict whether any such laws will be changed, or to anticipate the amount of any increase in expense.

5. Gas. There is gas service to the common areas in connection with the common dryers in the cellar. The amount set forth below is based upon a survey and estimate by Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206, based on their experience managing buildings of similar size and condition and includes a 10% increase to provide for inflation:

|                            |        |
|----------------------------|--------|
| Estimated usage in therms: | 900    |
| Cost per therm:            | \$1.56 |

Estimated total annual cost:     \$1,544.40

The cost of gas to the Units in connection with heating, hot water and cooking is separately metered and the charges therefor will be paid directly to the utility company by Unit Owners. A projection is set forth in Schedule B-1, inclusive of consumption, rates, sales tax and a reasonable anticipated increase due to inflation.

6.     Electricity.     This item includes the cost of electricity servicing the Common Elements only, which includes common stairways, elevator, hallways, mechanical room lights, common air conditioning pumps and common heating. The amount set forth below is based upon a survey and estimate by Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206, based on their experience managing buildings of similar size and condition and includes a 10% increase to provide for inflation:

|                              |               |
|------------------------------|---------------|
| Estimated usage in KWH:      | 21,307        |
| Cost per KWH:                | <u>\$0.32</u> |
| Estimated total annual cost: | \$7,500.06    |

The cost of electricity to the Units is separately metered and the charges therefor will be paid directly to the utility company by Unit Owners. A projection is set forth in Schedule B-1, inclusive of consumption, rates, sales tax and a reasonable anticipated increase due to inflation.

7.     Franchise Taxes.     The budgeted item (\$1,000.00) is for annual New York State franchise taxes payable by the Condominium pursuant to section 209.1 of the Tax Law. This figure includes the minimum franchise taxes payable by the Condominium Association to both New York City and New York State taking into account any possible tax increases. The Condominium Association must file annual franchise tax reports for all taxable years that it is subject to tax under Article 9-A.

8.     Water and Sewer.     The Building will be metered for water and sewer usage by the City of New York Department of Environmental Protection in accordance with current law. The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Units and the Common Elements, based on buildings of similar size and nature by Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206. This estimate includes a 10% increase to provide for inflation:

Estimated daily usage = 400 cubic feet  
Estimated annual usage = 146,000 cubic feet  
Convert to hundred cubic feet (HCF) = 1,460 HCF  
Combined Water and Sewer Rate: \$12.61 per HCF

|           |               |                |
|-----------|---------------|----------------|
| Usage     | Rate per HCF  | Cost           |
| 1,460 HCF | x \$12.61/HCF | = \$ 20,251.66 |

9. Repairs and Maintenance; Services and Supplies. This item represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including normal repairs to the interior of the Building, the exterior of the Building (including walls, foundations, windows, doors, and locks), common heating, plumbing and electrical systems, common equipment, and includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies), equipment for snow removal (shovels and salt), painting of common areas and administrative expenses and supplies, such as postage, tips, and paper. The projected amount does not include repairs, painting, maintenance, or supplies for the interior of the Units or Limited Common Elements, all of which are the responsibility of the individual Unit Owners. These items represent repairs and maintenance needed in the ordinary course of business and no funds are being provided for future capital improvements. The following is a breakdown of the repairs and maintenance based on the experience of Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206, managing buildings of similar size and condition:

|                    |                 |
|--------------------|-----------------|
| Supplies           | \$ 2,000        |
| City Fees          | \$ 2,000        |
| Telephone/Internet | <u>\$ 1,800</u> |
| TOTAL:             | \$5,800         |

10. Insurance. The insurance premium is based on the letter dated January 8, 2025 by Gold River Insurance Brokerage Inc., a licensed insurance broker with an address at 60 Rutledge Street, Brooklyn, New York 11249 setting forth the following coverages:

| Items Covered                       | Coverage Limits                                      |
|-------------------------------------|------------------------------------------------------|
| Building Coverage, Replacement Cost |                                                      |
| Special Form All-Risk               | \$13,000                                             |
| Equipment Breakdown                 | Included                                             |
| Flood                               | Included                                             |
| Comprehensive General Liability     | \$1,000,000 per occurrence/<br>\$2,000,000 aggregate |
| Total Premium                       | \$13,000.00                                          |

The total projected premiums for these various coverages are based upon the current replacement cost for the Building (excluding excavation and foundation) estimated by the insurance broker, which, in its opinion, is adequate so that the insured will not be a co-insurer. The insurance coverage will meet the requirements of Sponsor or any mortgage lender procured by Sponsor. The total projected premiums for these various coverages are subject to underwriting review and consideration at the time of placement.

The fire, casualty and general liability insurance will be on terms that provide: (1) that each Unit Owner is an insured party; (2) that there will be no cancellation without notice to the Board and the

Unit Owners; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) a waiver of pro rata reduction if Unit Owners obtain additional coverage. The Condominium will have public liability insurance at the First Closing. In the event of a loss, the claim is made payable to the named insured (the Board).

In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Board should periodically review the amount of casualty insurance for the Building to ensure that the amount of coverage equals the Building's then replacement cost.

The coverage provided under the master policy listed above will cover the structure of the Building, the fixtures and furnishings in Common Element areas and any other personal property owned by the Condominium. The following coverages are not included in the premium and may be available at extra cost: construction and demolition; rent insurance in an amount equal to the Common Charges for one (1) year; workers' compensation and New York State disability benefits insurance (should the Board hire employees); hazard insurance; elevator collision.

This coverage does not include claims for damage to interior of Units. As such, Unit Owners must obtain an HO6 insurance policy, effective as of the date of Closing, to cover fire or casualty losses to the interior of his or her Unit. The coverage under the master policy further excludes personal injury or property damage resulting from occurrences in a Unit, and coverage of the furniture or personal property of Unit Owners. Therefore, each Unit Owner shall also consider the desirability to obtain additional insurance at his or her own cost covering among other items: (i) any replacements, additions, upgraded fixtures and improvements within their Unit; (ii) personal property; and (iii) liability for personal injury as a result of occurrences in the individual Unit.

11. Professional Fees.

A. Accounting Fees. A portion of the budgeted item will be used for auditing fees in connection with the preparation of the Condominium's first year's audited financial statements and its Franchise tax returns, and its Federal, State and City income tax returns. The estimate for accounting fees is based on a letter from A. Kahan, C.P.A., 266 Broadway, Suite 502, Brooklyn, New York 11211.

B. Legal Fees. An allowance is provided for miscellaneous (but not major) legal services, in the event the Board decides to engage an attorney for services which might include counseling on Board rights or overseeing unit owners' meetings. There is no attorney on retainer, and the Board may choose an attorney when needed.

12. Reserve Fund for Major Repairs. This item is to provide for major capital expenses, which is the maintenance, improvement or replacement of any aspect of the property that will either enhance the overall value of the property, adapt it to new uses, or increase its useful life. Examples of a major repair or major capital expense are replacement of the roof or the windows, etc. The basis of the figure projected for this item is greater than ten percent (10%) of the Common Charges.

At this time, the following items are assumed to need repair or replacement within the first five (5) years of condominium operation: curb for chain link fence which requires repointing; roof which is approximately 14 years old. The estimated cost to repair the aforementioned items is \$21,000.00. Therefore, the Reserve Fund over the next five years is anticipated to be adequate. In the event there is a need for major capital expenditure in excess of the funds available from the reserve fund, the Condominium Board will assess a charge to each Unit Owner in accordance with its percentage of Common Interest. The Reserve Fund for Major Repairs may not be used to reduce projected Common Charges.

The Reserve Fund will be funded by monthly Common Charge payments made by Unit Owners including Sponsor so long as Sponsor still owns Units. Of each Common Charge payment, 10% of said payment shall be deposited into the Reserve Fund bank account. As such, the Reserve Fund will not be fully funded until after the first year of operation.

In addition to the monthly contributions, the reserve fund shall also be supplemented by 10% of the Initial Capital Payment to the working capital fund which is collected from all initial Purchasers at Closing. Because of this supplement, the actual amount of the Reserve Fund at the end of the first full year of Condominium operations will be greater than the amount projected in Schedule B.



**I. SCHEDULE B1**  
**ENERGY COSTS FOR UNITS DURING**  
**FIRST YEAR OF CONDOMINIUM OPERATION**  
385 Vernon Avenue, Brooklyn, New York  
For the Year October 1, 2025 – September 30, 2026

| Units | Electricity Usage<br>(KWH) | Cost Per KWH | Cost per Month | Cost per Year |
|-------|----------------------------|--------------|----------------|---------------|
| All   | 7100                       | \$.30        | \$195.25       | \$2,343.00    |

| Units | Gas Usage<br>(Therms) | Cost Per Therm | Cost per Month | Cost per Year |
|-------|-----------------------|----------------|----------------|---------------|
| All   | 770                   | \$1.56         | \$110.11       | \$1,321.32    |

NOTES TO SCHEDULE B-1

1. Each Unit Owner will be responsible for the cost of electricity service supplied to his Unit. The Building contains electric meters for each of the Units and one electric meter for the Common Elements (common electric charges are set forth in Schedule B). The building has gas service in connection with heating, hot water and cooking for which units are metered separately. There is also a common gas meter for the common laundry appliances.
2. The above information is based upon a survey and estimate provided by Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, NY 11206 based on experience with buildings of similar size and nature. Electricity costs are roughly the same for all Units as the Units are similarly sized. The yearly electricity costs are estimated based on current Con Edison rates of \$0.30 per KWH and projected usage of 7,100 KWH per year, for approximately \$2,343.00, including taxes and a 10% increase. Gas estimates are provided at roughly 770 therms at \$1.56 per therm for an annual cost of approximately \$1,321.32. This assumes thermostat settings of 70 degrees for 16 hours (day) and 60 degrees for 8 hours (night). The other Units have been calculated accordingly.
3. The estimated costs are subject to change based on changes in Con Edison and National Grid delivery rates.

ALTHOUGH SPONSOR BELIEVES THAT THE FOREGOING IS ACCURATE, NO WARRANTY OR GUARANTY IS BEING MADE BY SPONSOR, MANAGING AGENT, OR ANY OTHER PERSON OR ENTITY AS TO WHAT THE SEPARATELY METERED ELECTRICITY AND GAS COSTS MAY BE.



## J. COMPLIANCE WITH REAL PROPERTY LAW § 339-i

May 27, 2025

Re: 385 Vernon Avenue, Brooklyn, New York  
Condominium Offering Plan  
Compliance with Real Property Law § 339-i

To Whom It May Concern:

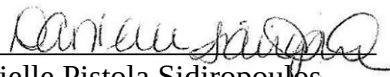
I am the attorney representing the Sponsor of this Offering Plan. I am not the Selling Agent or Managing Agent for this Property and have no beneficial interest in the project. I have been involved in the initial phases of development and in the preparation of many condominium offering plans in New York City. I have advised developers and sponsors as to the allocation of common interests of condominiums as it relates to the value of such units. This opinion is based on other factual determinations, including consultation with a real estate broker.

The method selected for calculating the percentage of Common Interests in the Condominium pursuant to Real Property Law Section 339-i(1) is subparagraph (iv), which provides:

“(iv) the Common Interests of each of the Units have been allocated 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.”

The percentages of interest in the Common Elements in this Condominium have been allocated to the Units in accordance with the above factors in compliance with Real Property Law Section 339-i(1)(iv). They were allocated in this manner as each Unit is unique based on its location in the Building.

Very truly yours,  
Jeffrey Zwick & Associates, PC

By:   
Danielle Pistola Sidiropoulos

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Brooklyn, NY 11210

New Jersey:  
1515 Pine Street  
Lakewood, NJ 07033

## **K. CHANGES IN PRICES AND UNITS**

### **1. Changes in Offering Price**

The offering prices set forth in Schedule A may be changed by Sponsor from time to time, in Sponsor's sole discretion subject to this Section. The offering prices: may be changed both prior and subsequent to the date of the First Closing; may be increased or decreased; may be changed on one Unit or on a line of Units.

The offering prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in price is: (i) an across-the-board increase or decrease affecting one (1) or more lines of Units; (ii) is to be advertised; or (iii) is a price increase for an individual Purchaser. In all other cases, the prices for the Units are negotiable and Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices lower from those set forth in Schedule A without filing an amendment. Sponsor and its principals and the Managing Agent and its principals will not discriminate against any person in negotiating the terms of the Purchase Agreement, including incentives to buy the Units, on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds that are prohibited by law.

If the purchase price for a Unit is changed, the purchaser of one Unit may pay or may have paid more or less than other purchasers of comparable Units having the same Common Interest. However, such change shall not affect the Common Charges or Common Interest of any Unit (including Units whose purchase prices have changed), nor affect the purchase price stated in any Purchase Agreement then in effect.

### **2. Offering Prices and Price-Related Terms are Negotiable**

Offering Prices and price related terms are negotiable on an individual basis, except Sponsor may not change the escrow provisions of the Purchase Agreement or any other provision in violation of Article 23-A of the General Business Law or Part 20 of the regulations issued by the Department of Law. In addition, Sponsor may not modify a Purchase Agreement to waive Sponsor's obligations or representations in the Plan or to reduce or abridge any rights Purchasers may have under Article 23-A.

The results of negotiation for one Unit are independent of other negotiations and will not affect other negotiations. Sponsor reserves the right to negotiate with Purchasers all aspects of the purchase price, including but not limited to: renovations or improvements to the Units or the fixtures or equipment contained therein or credits or allowances therefor; amount of Down Payment; terms of financing contingency in the event Sponsor agrees to permit same; extension of period to secure financing; default clause; application of the Interim Lease rental payment towards the purchase price; payment of all or part of Purchaser's closing costs such as the waiver or reduction of the attorney's fees set forth in the offering plan; and any and all other fees relating to the cost of

acquiring title to the Unit within Sponsor's control. Further, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

3. Changes in Size, Layout and Number of Units

A. In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right from time to time, both before and after the First Closing to make the following changes to Units:

- (i) to subdivide the Unit and establish new boundary walls separating the new Units established;
- (ii) to combine all or portions of the or more Units and to incorporate walls, floors, ceilings, and/or other portions of the Common Elements or to establish new boundary walls, floors, ceiling and/or other portions of the Common Elements;
- (iii) to raze, move and relocate the boundary walls, floors and/or ceilings of the Unit to incorporate a portion of the Common Elements;
- (iv) to alter the Unit including changing the number of rooms and bathrooms or the layout and configuration of the Unit;
- (v) to change the description of portions of the Unit and the affected Common Elements involved in a Unit change so that such applicable portions of the Common Elements become part of the Unit and/or portions of the Unit become Common Elements.

B. All Unit changes listed above may be made by Sponsor from time to time, both before and after the First Closing, and without the consent or approval of the Selling Agent, Managing Agent, Board, any Unit Owner, or any mortgagee, so long as such changes do not compromise the structural integrity of the Building. However, Sponsor shall first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law. All Unit changes made by Sponsor must comply with all of the following:

- (i) No change will be made in the size or number of Units and/or their respective percentages 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. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of Unsold Units, will have the right itself to so amend the Declaration to effectuate any such change to the Unsold Units without the Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment

provided that all required consents, if applicable, as described in clauses (ii) and (iii) below, and elsewhere in the Plan, have first been obtained..

- (ii) Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default.
- (iii) Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

## **L. INTERIM LEASES TO PURCHASERS**

1. Sponsor's Option to Rent to Purchaser. Sponsor has the exclusive option to enter into a lease with the Purchaser of a Unit to allow the Purchaser to occupy the Unit for the interim period between the Purchase Agreement signing and the Closing of Title to that Unit both before and after consummation of the offering. In the absence of such Interim Lease, no purchaser shall have the right to occupy, use, decorate, alter or store belongings in the Unit purchased by him prior to the Closing.
2. No Rent Laws Applicable. These Units are not subject to rent stabilization or rent protection laws. As a result, if an Interim Lease for a Unit is signed, the rent will not be subject to any rent limitations or laws regulating rents and shall be a free-market, unregulated use and occupancy fee as determined by Sponsor in its sole discretion. Sponsor and its agents shall not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or any other grounds prohibited by law.
3. Lease Form. The Interim Lease shall be prepared substantially in accordance with the form set forth as Document No. 8 in Part II of the Plan, which is applicable to Units not under any rental protection laws. The term of such Interim Lease shall be subject to negotiation. In the event of any inconsistencies between the Interim Lease and the Plan, the Plan shall govern. If Sponsor elects to lease a Unit pursuant to this section, the Interim Lease will be for such rent and other terms as may be mutually agreed upon. Any dispute under the lease shall seek to be settled by arbitration in accordance with article 10 of the Bylaws.
4. Rent Security Deposit. If Purchaser is a tenant pursuant to an Interim Lease, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the Closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to bring an action against the tenant to the extent such rent security is insufficient.
5. Cross-Default Provisions. Such Interim Lease will provide that an uncured default by the Purchaser under his Purchase Agreement will automatically constitute a default under the Interim Lease and Purchaser shall have only the grace period stated under the Purchase Agreement to cure the default under both instruments. Sponsor must make a written demand to cure after default at least 30 days before forfeiture of the Down Payment may be declared. If the default under the Purchase Agreement is not timely remedied and the Purchase Agreement is cancelled, the Interim Lease shall simultaneously be cancelled.

The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event the Purchaser fails to cure a default under his Interim Lease within the applicable grace period (if any). Before Sponsor may utilize the default under the Interim Lease to declare a default under the Purchase Agreement, 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. Effective on the date such order of eviction is issued or the Unit is vacated (as applicable), the Purchase Agreement will be cancelled and Sponsor shall be entitled to receive and retain Purchaser's Down Payment and any earned interest thereon (if any) without giving the Interim Lessee/Purchaser any further grace period to cure the default under the Purchase Agreement.

6. 30 Days to Vacate. If the Purchase Agreement is cancelled based on an uncured default of Purchaser; Sponsor's election to abandon the Plan; or the exercise of a right of rescission under the Purchase Agreement, the Plan, or an amendment, the Interim Lessee will have thirty (30) days to vacate and surrender vacant possession of the Unit, free of all occupants, furniture, furnishings, household items and personal belongings, broom clean and in the same condition as existed at the start of the Interim Lease (reasonable wear and tear expected). Said 30-day period shall begin to run on the date of the cancellation or rescission of the Purchase Agreement. Time is of the Essence to surrender vacant possession of the Unit within the 30-day period. Failure to surrender vacant possession by the deadline shall result in Purchaser's liability for all costs and expenses incurred by Sponsor for the delay and to recover vacant possession including, but not limited to, reasonable legal fees (if Sponsor is the prevailing party) and disbursements; court costs and litigation expenses; carrying costs of the Unit; per diem interest on the Unit's purchase price at the rate of 10% per annum. The amount of interest charged will not exceed NYS usury or other applicable laws. Sponsor reserves the right to retain said fees, if applicable, from the Down Payment.

7. Risk of Loss. Sponsor assumes the risk of loss from fire or other casualty until the Purchaser assumes such risk by taking possession of the Unit. If the Purchaser becomes the tenant or actually occupies the unit before the closing of title thereto, he cannot insure the Unit since there is no ownership interest. ACCORDINGLY, IF THE PURCHASER BECOMES THE TENANT OR ACTUALLY OCCUPIES THE UNIT BEFORE THE CLOSING OF TITLE THERETO AND, BEFORE SUCH CLOSING, THE UNIT IS DAMAGED BY CASUALTY OR OTHERWISE, SUCH PURCHASER SHALL ASSUME THE RISK OF LOSS AND THE OBLIGATION TO REPAIR THE DAMAGE IN EXCESS OF INSURANCE PROCEEDS AVAILABLE TO THE SPONSOR PRIOR TO THE FIRST CLOSING, AND TO THE BOARD THEREAFTER, UNLESS THE CAUSE THEREOF ORIGINATED OUTSIDE OF THE UNIT AND DID NOT RESULT FROM THE ACTS OF SUCH PURCHASER OR OTHER OCCUPANTS OF THE UNIT OR SUCH PURCHASER'S GUESTS, INVITEES, OR WORKMEN. Purchasers should consult with an insurance adviser regarding insurance for the Unit.

In addition, Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit not covered by insurance resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its installations. However, until closing, Sponsor will remain responsible to make those repairs required of it as a landlord.

8. Smoking Policy. Smoking and/or use of electronic cigarettes is prohibited in all locations on the property. This policy is in compliance with the NYC Smoke Free Air Act ("SFAA") and

shall apply to all Unit Owners and tenants and their respective invitees as well as other persons on the Property.



## **M. PROCEDURE TO PURCHASE**

This section describes the procedure to purchase a Unit and the essential terms of the Purchase Agreement, which is reproduced in full as Document Number 2 in Part II of the Plan. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed.

1. Procedure to Purchase. Purchasers shall have at least three (3) business days to review the Plan and all duly filed amendments prior to executing a Purchase Agreement.

A. Purchase Documents. A person desiring to purchase a Unit will be required to execute a Purchase Agreement in the form set forth as Document 2 in Part II of the Plan including the rider for a parking space if such license is also being acquired for the exclusive use of such space. Purchaser must also deliver the IRS Form W-8 (for foreign entities or non-resident aliens) or W-9 (for US Citizens or resident aliens). All of the above documents must be sent via email or via overnight delivery with tracking services to Sponsor's attorney's office. Purchasers should note that the Unit Deed and other closing documents must match exactly the name or names of the purchaser as signed on the purchase agreement. If legal ownership is to be in the name of two (2) individuals (e.g., husband and wife), both must sign the Purchase Agreement.

B. Down Payment. Together with the above documents, Purchasers must pay a sum equal to 10% of the purchase price, subject to negotiation. Said funds should be payable to "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA" and can be sent via overnight delivery with tracking services to Sponsor's attorney's office. The Down Payment can also be wired to the Sponsor's attorney upon request.

C. Countersigned Purchase Agreement. A Purchase Agreement submitted by any prospective Purchaser will not be binding on Sponsor until a fully executed duplicate of such Purchase Agreement is returned to such prospective Purchaser. Within five (5) business days after Purchaser delivers an executed Purchase Agreement together with the required Down Payment, Sponsor will either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser, or if not returned within such time, the Purchase Agreement will be deemed rejected and all monies submitted with such Purchase Agreement will be returned to such prospective Purchaser, with interest, if any within ten (10) business days thereafter. Sponsor may reject any Purchase Agreement without cause or explanation so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, or any other ground prohibited by law.

All representations set forth in the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the Closing date shall survive delivery of the deed. However, no provisions of the Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated therein or to be performed subsequent to the Closing or set forth under all applicable laws.

In the event a Purchase Agreement is cancelled, both Sponsor and Purchaser shall be relieved of all further obligations and liabilities thereunder and under the Plan, and Sponsor shall be free to sell the Unit to another as though such Purchase Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale. The parties may be required to sign a general release to this effect.

D. Notice of Closing. Each Purchaser will receive written notice of the date of the Closing, containing the time and place (in The City of New York) for the transfer of title to such Unit after the last of the following events to occur: (a) plan is declared effective; (b) Declaration is recorded and (c) Final or Temporary Certificate of Occupancy is issued. The Notice of Closing will be served in compliance with the Purchase Agreement no less than thirty (30) days before the date set for the Closing of the Unit. Time is of the Essence to close on said date. Time of the Essence shall mean that Purchaser must close by the date indicated on the Notice of Closing or else forfeit his Down Payment. Purchaser, at his option, may waive the thirty (30) day notice provision as provided in the Purchase Agreement.

E. Title Closing. At Closing, Purchaser shall pay the Balance stated in the Purchase Agreement by official cashier's check drawn on a New York bank, a member of the New York Clearing House Association. Purchaser will also be responsible for payment of other fees and costs described in detail in Section "Unit Closing Costs and Adjustments." A Purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any). It is possible that a Purchaser's financing commitment may expire prior to the Closing and Purchaser will incur additional fees and costs.

The Financial Crimes Enforcement Network ("FinCEN") has issued a Geographic Targeting Order ("GTO") most recently updated in April 2025, which requires US title insurance companies to report the personal identity of purchasers in certain residential real estate transactions in all NYC boroughs which meet the following criteria: (a) purchaser is a legal entity as defined in the GTO; (b) total purchase price is in excess of \$300,000.00; (c) purchase is made without a bank loan or other similar form of external financing; and (d) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, virtual currency or a funds transfer. As long as the GTO remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria.

In addition, at Closing, Purchaser shall execute a Unit Owner's Power of Attorney. This document allows the Board to acquire a Unit from an individual Unit Owner if such Unit Owner sells the Unit to the Board, or in a foreclosure sale, and enables the Board to sign documents and act on the Unit Owners' behalf in connection with the maintenance and operation of the Condominium and Common Elements, including the filing of amendments to the Condominium Documents. Every Purchaser is required to sign a Power of Attorney to the Board of Managers at the Closing. Failure to sign a Unit Owner's Power of Attorney at Closing will result in immediate

cancellation of the Purchase Agreement and forfeiture of the Purchaser's Down Payment. Purchaser will obtain title via a bargain and sale deed with covenants against grantors act. See Document 5 in Part II of this Offering Plan for the form deed to be issued. If Purchaser is also obtaining a parking space, a License must also be executed to evidence the transfer of the space. The form License is included in Part II of the Plan as Document 5A.

F. Estimate of Commencement. Sponsor anticipates the First Closing to occur by approximately October 1, 2025. Purchasers will be offered a right of rescission if: (i) the actual date of the First Closing; or (ii) the projected date of the First Closing occurs later September 30, 2026, which is twelve months after the currently 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, Purchasers should note that even if the First Closing occurs on or before October 1, 2025, (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve-month period thereafter, 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.

If the First Closing actually occurs or is revised by amendment to the Plan to be projected to occur six (6) months or more from the stated anticipated date of the First Closing, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind their offer to purchase and to have their Down Payments refunded. If such right to rescind is exercised within fifteen (15) days after presentation of the amendment, the Down Payment and unexpended sums for special work ordered will be refunded within ten (10) days of Sponsor's receipt of the notice of rescission. Sponsor may not declare the Plan effective where there are material changes to the budget which have not been disclosed by a duly filed amendment to the Offering Plan.

Purchasers are advised that the force majeure provision included in the Purchase Agreement may impact the Purchaser's ability to close on her/his unit in the time frame originally contemplated in the Purchase Agreement and may limit the Purchaser's remedies for any such delay in the Closing date. Purchasers are advised to consult with their attorneys regarding any risks associated with executing a Purchase Agreement containing such provision prior to executing the Purchase Agreement.

2. Terms of Purchase Agreement. The following is a summary of certain material provisions of the Purchase Agreement but is not intended as a complete statement of these or other important provisions of the same. Reference should be made to the form of Purchase Agreement set forth as Document No. 2 of the Plan for the complete terms of these and other material provisions.

A. Incorporation of the Plan. The Plan (including without limitation the Condominium Documents contained in Part II of the Plan) and any amendments thereto duly filed by Sponsor are incorporated into each Purchase Agreement by reference. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan (Parts I and II) and his agreement to abide and be bound by the terms of same, as well as all amendments to the Plan duly filed by Sponsor. No such duly filed amendment will excuse a Purchaser from performing his obligations under a Purchase Agreement or entitle such Purchaser to any credit or offset against the purchase price set forth therein.

However, if an amendment is submitted after a Purchase Agreement has been executed, Purchaser may be entitled to consent to material changes contained therein. In addition, if the amendment materially adversely affects the rights or status of then-existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within not less than fifteen (15) days of the presentation of such amendment and will receive a refund of their Down Payment and unexpended sums for special work ordered, with interest, if any, within ten (10) business days after Sponsor's receipt of Purchaser's election to rescind. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. The parties may be required to sign a general release to that effect. Notwithstanding the foregoing, Sponsor may not declare the plan effective where there are material changes to the budget which have not been disclosed in a duly filed amendment to the Offering Plan.

B. Funds. All funds received from prospective Purchasers by Sponsor will be handled in accordance with the provisions of Sections 352-h and 352-e(2)(b) of the GBL and Section 71-a(3)(a) of the Lien Law and shall be used by Sponsor only in connection with the consummation of the Plan. Section 71-a(3) of the Lien Law requires, at Purchaser's option, that the Down Payment be placed in an escrow account in a bank trust company, savings bank, or state or federal savings and loan association located in New York State. Said monies must be deposited by Escrow Agent within five (5) business days of receipt. Escrow Agent must advise Purchaser in writing within ten (10) business days after the deposit has been made of the name of the depository where the funds have been placed. Funds may be released (a) pursuant to the terms and conditions set forth in the Purchase Agreement upon Closing of Title to the Unit; or (b) in a subsequent writing signed by both Sponsor and Purchaser; or (c) by a final, non-appealable order or judgment of a court.

All funds received by Sponsor for upgrades or extras must initially be placed in the Escrow Account. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent as long as Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of

any funds used for upgrades or extras unless Sponsor abandons the Plan, in which case Purchaser will receive a refund of the entire Down Payment.

C The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose his entire Down Payment if unable to otherwise raise the funds for the Balance. Sponsor makes no representation as to the availability or cost of such financing. Prospective purchasers who will need financing to purchase are advised to consult with a lending institution before execution of a Purchase Agreement to ascertain the likelihood of obtaining financing.

However, Sponsor may, in its sole discretion, approve a mortgage contingency request from any Institutional Lender prior to signing a Purchase Agreement. If Sponsor consents to permit a mortgage contingency, the Purchaser may condition his Purchase Agreement upon obtaining a loan from any Institutional Lender doing business in New York of not more than 80% of the sales price of the residential Unit, or such other amount as to which the parties may agree, and the Purchase Agreement will be modified by appending to same the Secured Loan Condition Rider set forth as Exhibit B to the Purchase Agreement in Part II of this Plan (the terms of which are also set forth below). Purchasers should note that the financing commitment may expire or that the terms of the commitment may change prior to the Closing. The following are the terms of the Secured Loan Condition Rider:

(i) Contingency Period and Terms of Loan. The obligations of Purchaser hereunder are conditioned upon issuance on a date which is on or before forty-five (45) days from date the Purchaser receives an executed Purchase Agreement ("Mortgage Contingency Expiration Date"), of a written commitment from any Institutional Lender (which shall include a mortgage banker and broker) pursuant to which such Institutional Lender agrees to make a first mortgage loan to Purchaser, at Purchaser's sole cost and expense, of an amount equal to 80% of the purchase price of the residential unit or such lesser sum as Purchaser shall be willing to accept, or such other sum as to which the parties may agree, at prevailing interest rates for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditional upon any factors.

(ii) Application Procedure. Within two (2) weeks of receipt of the fully executed Purchase Agreement, Purchaser must make a mortgage application. Within seven (7) business days thereafter, Purchaser must provide Seller and/or Seller's attorney with the name and address of the bank or mortgage broker to which application has been made. Purchaser shall authorize the mortgage broker or lending institution to talk directly to Seller's attorney regarding the status of the mortgage application. Failure to send such notice, after receiving written notice from the Seller, will be considered to be a waiver of the mortgage contingency.

(iii) Purchaser's Responsibilities. Upon making an application pursuant to this section, Purchaser shall: (1) furnish accurate and complete information regarding Purchaser and Purchaser's Family Members, as required, (2) pay all fees, points and charges required in connection with such application and loan, which may include the appraisal, credit checks, and origination fees, (3) pursue such application with diligence, and (4) cooperate in good faith with

such Institutional Lender to obtain such commitment. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish Seller with a copy thereof promptly after receipt.

(iv) Failure to Obtain Commitment. The Purchaser will have the right to terminate the Purchase Agreement and be refunded all monies deposited thereunder, without interest, and unexpended sums for special work ordered in the event:

(a) an institutional lender fails, through no fault of the purchaser, to issue its commitment on the terms described above by the Mortgage Contingency Expiration Date, provided the purchaser gives notice of termination not later than five (5) business days after the expiration of the aforementioned period. In such event, if Seller has reasonably determined there is a high probability that Purchaser will be approved for a mortgage commitment with equal or better terms than those applied for under the original commitment, the Seller may, at its option within fifteen (15) days after receipt of the notice of rejection or expiration of the contingency period, whichever the case may be, cause Purchaser to submit an application together with the required fees to another Institutional Lender chosen by Sponsor and Purchaser shall be required to accept the commitment under the same terms and conditions as stated above. The terms of such commitment will be Equal to or Better than the terms originally sought by the Purchaser. If Seller elects to return the Down Payment, it will be returned within ten (10) days of Purchaser's notice; or

(b) the commitment issued by the lender lapses, expires or is not funded by the Closing through no fault of the Purchaser, provided the Purchaser acts in good faith and gives notice of termination no later than ten (10) days before the scheduled Closing unless Purchaser did not receive sufficient notice and is therefore unable to give notice to Sponsor within ten days of Closing. This is because 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.

(v) Failure to Notify. If Purchaser fails to give timely notice of cancellation in accordance with paragraph (iv), then Purchaser shall be deemed to have waived the right to cancel the Purchase Agreement and to receive a refund of the Down Payment and unexpended sums for special work ordered by reason of the contingency. The Purchase Agreement will remain in full force and effect and the mortgage contingency will no longer apply. In addition, Sponsor may, at its option, cancel the Purchase Agreement and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this Purchase Agreement, and upon cancellation the Down Payment and unexpended sums for special work ordered shall be promptly refunded to Purchaser.



D. Escrow and Trust Fund Requirements. This Plan shall be in compliance with the provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds. All Down Payments shall be held in compliance with the foregoing regulations. Details regarding the escrow requirements are as follows:

(i) The Escrow Agent: The law firm of Jeffrey Zwick & Associates, P.C., 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210, telephone number 718-513-2050, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated Jeffrey Zwick and Daniel Cohen to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(ii) The Escrow Account: Escrow Agent has established an escrow account at Dime Community Bank at its branch located at 898 Veterans Memorial Highway, Hauppauge, NY 11788 ("Bank") which is authorized to do business in the State of New York. The escrow account is entitled "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA" ("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 Purchaser has other accounts at the bank or branches, the assets in all of Purchaser's accounts will be aggregated together with the escrow deposit accounts for the purpose of determining whether the maximum FDIC insured amount is achieved.

All Down Payments shall be in the form of checks or wire transfers and shall be made payable to or endorsed by the Purchaser to the order of "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA" as Escrow Agent. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account and released in accordance to the terms of the Purchase Agreement.

The account is a duly filed Interest on Lawyer Account "IOLA" which is an unsegregated interest bearing account for funds that are determined to be too small in amount or held for too short a time to generate net interest. Any interest earned on funds held in the IOLA account will benefit the IOLA Fund. Purchasers will therefore not receive any interest on their deposits. 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.

(iii) The Purchase Agreement: The Purchase Agreement is attached hereto as Document Number 2 in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 5 of the Purchase Agreement, which must be executed by Escrow Agent.

(iv) Notification to Purchaser: Within five (5) business days after the fully executed Purchase Agreement has been tendered to Sponsor along with the Down Payment, Sponsor shall either sign the Purchase Agreement and place the Down Payment into the Escrow Account or return any Down Payment tendered by Purchaser. Within ten (10) business days of the fully executed Purchase Agreement, Escrow Agent shall provide written notice to Sponsor and Purchaser confirming the deposit. The notice shall provide the account name and account number. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account and released in accordance with the terms of the Purchase Agreement.

Escrow Agent is obligated to send notice to Purchaser once the Down Payment 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 Down Payment, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Down Payment to Sponsor or 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, 21<sup>st</sup> Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to Purchaser.

(v) Escrow revisions. Before funds are transferred to any new Escrow Account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the any new account, the Escrow Agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the Escrow Account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the provisions of paragraph (iv) of this subdivision.

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

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

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



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

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

Sponsor shall not object to the release of the Down Payment to:

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

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

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

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

(ix) Records on file. The Escrow Agent shall maintain all records concerning the Escrow Account for seven years after release of the funds. 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

(x) Trust obligation of Sponsor. 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 Down Payments, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL section 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 any bankruptcy, incapacity or death.

E. Events of Default. Time is of the Essence to cure defaults. If Purchaser (i) defaults in paying the Balance on the date scheduled by Sponsor for Closing; or (ii) defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within thirty (30) days after Sponsor sends written notice to Purchaser specifying the nature of the default, Sponsor's sole remedy is to cancel the Purchase Agreement by sending thirty (30) days' written notice to such Purchaser and, if Purchaser fails to cure such default within said period, to retain, as and for liquidated damages the amount of the Down Payment except that the actual cost incurred by Sponsor for any special work ordered by Purchaser may also be retained as liquidated damages. Any payments received by Sponsor in excess of the Down Payment plus actual cost incurred by Sponsor for any special work ordered by Purchaser, together with any interest earned on such excess payments, if any, shall be refunded to Purchaser with reasonable promptness. Sponsor may not seek specific performance of the Purchase Agreement.

F. Interim Lease. If a Purchaser is or becomes a tenant or occupant of the Building pursuant to an Interim Lease and fails to pay rent or otherwise to comply with his lease obligations, or vacates or abandons the Unit, then Sponsor may cancel his Purchase Agreement as set forth above whether or not Purchaser is evicted by reason thereof. However, before the Sponsor may utilize the default under the Interim Lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Interim Lessee unless the Interim Lessee has vacated the Unit. The Interim Lessee will have thirty (30) days to vacate the Unit after a default under the Purchase Agreement or in the event the Interim Lessee defaults on the Purchase Agreement. However, if such Purchaser is not evicted from the Building by reason of such default, by vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under the Purchase Agreement, together with the interest earned thereon, if any.

The Purchaser may not occupy the Unit or perform any work in the Unit prior to Closing without the prior written consent of Sponsor. If Purchaser occupies the Unit or performs any work

in the Unit prior to Closing without the prior written consent of Sponsor, such event shall constitute a default under the Purchase Agreement.

G. Fixtures and Appliances. The Units are being sold “as is” on the date the Purchase Agreement is executed, normal wear and tear excepted. Each Unit contains a refrigerator and range which are approximately 15 years old and are in fair condition. Sponsor is not providing any other appliances or hook ups, or blinds or shades to the Units. It will be the responsibility of the Unit Owners to provide them at his or her own cost.

H. Fee to Sponsor's Counsel. Purchaser shall pay a fee of \$3,200.00 to Jeffrey Zwick and Associates, P.C., 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210 for services rendered in connection with preparing documents. Should Sponsor's counsel be required to attend a Closing outside their office at the request of Purchaser or its representatives, Purchaser will be responsible for paying an attendance fee of \$500.00. In addition, there shall be a fee of \$200.00 per hour if the duration of the in person closing exceeds two (2) hours due to the fault of Purchaser or its representatives and a fee of \$300.00 if Purchaser requests a remote closing.

I. Closing of Title. The Closing of title to each Unit will be held at Sponsor's attorney's office on such date and at such hour as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Purchaser may waive this notice provision. Sponsor has the right to postpone the Closing Date and to fix a new Closing Date within a reasonable time period. In such event, Sponsor shall give Purchaser not less than ten (10) days' notice of the new date and time of Closing. In the event Purchaser does not close on the date set forth in the Notice of Closing and Sponsor elects not to cancel the Purchase Agreement, or if Sponsor approves Purchaser's request to adjourn the Closing of his Unit, interest shall accrue on the unpaid amount of the purchase price from the Closing date or adjourned Closing date until such amount is paid. The interest rate shall be 10% per annum, in effect for as long as there are any unpaid amounts owing towards the full purchase price. In the event 10% per annum exceeds NYS usury or other applicable laws, the amount of interest charged will be the maximum amount allowable under law.

The First Closing shall take place only after or concurrently with the following events: (a) Plan is declared effective; (b) Declaration is recorded and (c) Final or Temporary Certificate of Occupancy is issued. Purchasers desiring to arrange for the Closing to take place at another location in New York City should promptly notify Sponsor's attorney of that address and, in addition, will be responsible for the payment of an attendance fee.

The foregoing shall not affect Sponsor's right to abandon the Plan as set forth in section “Effectiveness”. In the event the Plan is abandoned, the Purchase Agreement will be deemed cancelled and the Down Payment paid by Purchaser thereunder, together with interest earned, if any, and all funds received for upgrades or extras shall be disbursed as discussed in the subsection entitled "Funds" of the Purchase Agreement and Plan. After the funds are so disbursed, neither Purchaser nor Sponsor shall have any claims against each other or against the Selling Agent in connection with the Purchase Agreement or the Plan, and all of the same shall be released and

discharged from all liabilities under the Purchase Agreement and the Plan. The parties may be required to sign a general release to this effect.

J. Broker. Purchaser will disclose all relationships with brokers in connection with the acquisition of his or her Unit and will indemnify Sponsor against the claims of any other broker in connection with its representation of Purchaser, if such broker is not disclosed to Sponsor at the time of the Purchase Agreement.

K. No Lien. Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

M. Damage to Units. The risk of loss from fire and other casualty remains with the Sponsor until the Purchaser closes title or takes possession of the unit. However, a non-owner occupant cannot insure the Unit since there is no ownership interest and the Unit cannot be doubly insured. Thus, If the Purchaser becomes the tenant of the Unit pursuant to an Interim Lease and, before the Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage in excess of insurance proceeds available to the Sponsor prior to the First Closing, and to the Board thereafter, unless the cause thereof originated outside of the Unit and did not result from the acts of the Purchaser or other occupants of the Unit, or such Purchaser's guests, invitees, or workmen. No Purchaser shall have the right to occupy a Unit purchased by him prior to Closing unless Sponsor agrees to permit such occupancy under an Interim Lease. See "Interim Leases" for further discussion.

Except as set forth above, all other risk of loss or damage in excess of insurance proceeds prior to Closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair the damage. Sponsor shall be notified by the Board of damages within fifteen (15) days of the occurrence of the damage and will make a determination whether or not to repair the damage within fifteen (15) days of receipt of said notice at which time it will notify Purchaser of its decision. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Within ten (10) days thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any.

If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and purchaser shall not be required to pay the Balance unless and until (i) the Unit has been repaired in compliance with the Offering Plan and the repairs result in a condition that is Equal or Better Quality than immediately prior to the casualty, (ii) essential services (such as electricity, and heat) and a reasonable means of ingress and egress to the street have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of the tenant to cure or that are caused by the act or omission of the tenant. Sponsor will remove subsequent to Closing all violations of record which it is obligated to correct within ninety (90) days of the violation posting.

Additionally, if Sponsor elects to repair or replace the loss or damage and the Purchase Agreement is contingent on the purchaser obtaining financing, if, after making a good faith effort to extend the term of the commitment to enable Sponsor to repair the damage, an extension is not obtained, the Purchaser will be afforded a right of rescission.

N. Purchaser's Remedy. Sponsor may abandon the Offering Plan any time before it is declared effective. After the Plan is declared effective, if Sponsor shall be unable to convey and deliver the Units in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform his obligations under the Offering Plan) and Sponsor is unable to cure the defects because of : (a) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering, or (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering, or (c) the taking of any material portion of the Property in condemnation proceedings or by eminent domain, Sponsor may abandon the Plan and the sole remedy of Purchaser shall be to rescind the Purchase Agreement and be refunded the entire Down Payment with interest, if any, plus all sums provided for special work ordered. These are the only three reasons Sponsor may abandon the Plan after it is declared effective. In the event Sponsor shall be unable to convey and deliver the Units in accordance with the terms of the Purchase Agreement, for any reason other than the three bases referenced herein above, Sponsor must cure such defects within a reasonable time. See Section "Effectiveness" for further details.

O. Conflict Between Governing Documents. To the extent there are any inconsistencies between the terms of the Purchase Agreement and the Plan, the terms of the Plan shall govern. If there is any conflict between the Plan and the Purchase Agreement, it will be resolved in favor of the Plan (except for negotiable terms). The Purchase Agreement does not contain nor will it be modified to contain a provision waiving a Purchaser's right or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law.

P. Arbitration. In order to resolve any dispute, controversy, claim or question arising with respect to the Condominium or the Purchase Agreement, including the disposition of Down Payments, or to break any deadlock in voting, the dispute or question shall be submitted to arbitration through the American Arbitration Association ("AAA"), which will give any party the rights he is entitled to under New York law. The arbitration proceeding will follow the rules of the AAA. The arbitrator will be neutral and independent of Sponsor and its principal and will be designated by the AAA. The hearing will take place in the county where the building is located.

The parties are giving up the right to bring suit in court, including the right to a trial by jury, concerning disputes over the disposition of escrowed funds, except as provided by the rules of the arbitration forum in which a claim is filed. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment and said decision shall be final and binding. A party's ability to have a court reverse or modify an arbitration award is very limited. The ability of the parties to obtain documents, witness statements and other discovery may be more limited in arbitration than in court proceedings. The arbitrators may not have to explain the reason

for their award. Unlike litigation, New York law does not authorize the filing of a notice of pendency based on ongoing arbitration proceedings. There may be time limits within which to bring a claim to arbitration.

The fees, costs and expenses of the arbitrators shall be shared equally by the disputants. Each disputant shall also bear the fees and expenses of his or her own counsel and expert witnesses. The rules and fees of the AAA can be found on their website: <http://www.adr.org>. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL. The Board shall follow the directions of the Arbitrators. The panel will have the authority to file their decision with the Court under the New York Arbitration Law and Article 75 of the CPLR. Any decision rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The decision shall be enforceable in a court of competent jurisdiction. If the arbitration proceeding concerns an escrow dispute under the purchase agreement, the Down Payment shall not be released from escrow until at least 90 days has elapsed from the issuance of a final arbitration award. If the purchaser brings a proceeding pursuant to CPLR §7511 to vacate the award, the funds must remain in escrow until that proceeding is finally adjudicated.

## **N. ASSIGNMENT OF PURCHASE AGREEMENT**

The Purchase Agreement is not assignable without the consent of the Sponsor. Any request for assignment shall be submitted to Sponsor's attorney in writing at least fifteen (15) days prior to the scheduled Closing. Sponsor may, in its sole and absolute discretion, permit the Purchase Agreement to be assigned to allow Purchaser to add, delete or substitute the name of a Purchaser's Family Member or to take title in the name of an entity controlled by Purchaser. If Sponsor consents to an assignment, Purchaser must provide an executed assignment and assumption agreement prepared by Sponsor's attorney pursuant to which Purchaser assigns the Purchase Agreement and Down Payment to the new party named as Purchaser, who shall assume all of Purchaser's obligations thereunder, along with a new IRS W-8 or W-9 form (as applicable) for the new Purchaser at least five (5) days prior to the scheduled Closing. In no event will Purchaser be entitled to delay or postpone the Closing of Title to effectuate such name change or assignment. Sponsor, Managing Agent, Selling Agent or any principal thereof will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. There is no additional fee for an assignment agreed to by Sponsor.

## O. EFFECTIVENESS

The offer to sell the Units under this Plan is contingent upon the Plan being declared effective in accordance with the provisions set forth below.

1. Minimum Effectiveness Requirements. The Plan may not be declared effective unless *bona fide* Purchasers, including Purchasers for investment, have signed Purchase Agreements for at least fifteen percent (15%), or three (3) of the residential Units not including units of a primarily ancillary nature such as parking spaces, offered under the Plan. Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, in the event all of the Purchasers counted toward effectiveness rescind or terminate their Purchase Agreements prior to the First Closing, the Plan will be declared effective again, regardless of whether the Declaration has been recorded.

The Plan will not be declared effective based on Purchase Agreements:

- (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (b) where the Purchaser did not have three (3) business days to review the Offering Plan and all duly filed amendments prior to executing a Purchase Agreement; or
- (c) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent, or is a principal of Sponsor, the Selling Agent, or the Managing Agent, or is related to Sponsor, the Selling Agent or the Managing Agent or any principal of Sponsor, the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser, other than a Sponsor or a principal of Sponsor, may be included in the count if Sponsor has submitted proof satisfactory to the Department of Law establishing that such Purchaser is *bona fide*.

2. Mandatory Effectiveness. The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80% of the residential Units under the Plan. In this offering, Sponsor must declare effective by accepting Purchase Agreements for thirteen (13) residential Units, which satisfies the eighty percent threshold.

3. Procedure to Declare Effective. The Plan may be declared effective by (a) an amendment to the Plan or (b) in accordance with section 20.1(d) of this Part, personal service of notice on every Purchaser or by commencement of service by mail, addressed to the offeree at the last known residence of such offeree, stating that the Plan is declared effective and submitting an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. No Closing shall occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.



4. Abandonment. Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective. If Sponsor has accepted any Purchase Agreements at that point, Sponsor shall promptly file an amendment together with a notice of abandonment on form RS-3. All monies paid by Purchasers shall be refunded to them in full, with interest earned, if any, within five (5) days after the amendment abandoning the Plan has been accepted for filing. If there are no outstanding Purchase Agreements, Sponsor shall submit a form RS-3 only.

Sponsor may not abandon the Plan after effectiveness for any reason other than (a) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering, or (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering, or (c) the taking of any material portion of the Property in condemnation proceedings or by eminent domain. Any amount relied upon as a basis for abandonment after effectiveness excludes attorney fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to Sponsor or are a matter of public record. Sponsor cannot abandon the Plan for any judgments or liens against the property resulting from acts of Sponsor or any of its principals or which are known to Sponsor or any of its principals on the date of the Plan.

## **P. TERMS OF SALE**

1. Deed and State of Title. Upon delivery to Sponsor of: (i) the Balance, (ii) a Unit Owner's Power of Attorney in favor of the Board and Sponsor (iii) license, if a licensed space will be acquired, (iv) countersigned license agreement and (v) a transferee affidavit or a transfer tax return in the form required to be filed with The City of New York, each of which must be executed and acknowledged by the Purchaser, Sponsor will execute, acknowledge and deliver to the Purchaser a Bargain and Sale Deed with covenant against grantor's acts substantially in the form set forth as Document Number 5 in Part II of the Plan, conveying title to such Unit to Purchaser subject only to the title exceptions reproduced in this section and in Exhibit A to the Purchase Agreement.

2. Title Exceptions. Title to each Unit and its Appurtenant Interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than permitted encumbrances which are reproduced below and repeated in the Purchase Agreement Exhibit A. Title exceptions include the state of facts shown on a stated survey and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title unmarketable. The title company will affirmatively insure that none of the same affect the use of the premises as a Condominium, if so requested by Purchaser in writing to the title company and Sponsor's attorney at least ten (10) days prior to the Closing of Title, by the issuance of a title insurance binder insuring fee title to the Unit in the Purchaser, at Purchaser's expense, subject only to the encumbrances set forth in Purchaser's Purchase Agreement (all other liens will be removed or insured against enforcement or collection by Purchaser's title company prior to or at Closing), which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act. (See Section "Unit Closing Costs and Adjustments" for an estimate of the cost to the Purchaser to obtain title insurance). Such permitted encumbrances include:

A. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.

B. State of facts which an accurate survey or personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes nor render title unmarketable.

C. The terms, burdens, covenants, restrictions, conditions, easements, and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Board and Selling Sponsor and the Floor Plans, all as may be amended from time to time.

D. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.

E. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other

service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

F. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).

G. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

H. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

I. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

J. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that Selling Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).

K. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

L. Any lease covering the Unit.

M. Any violations against the Property (other than the Unit) which are the obligation of the Board or another Unit Owner to correct, provided the same does not affect the health or safety of the unit owner.

N. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Purchaser's title to the Unit.

O. The certificate of occupancy.

P. Any matters of record which do not prohibit the use of the premises.

3. Certificate Of Occupancy. The Closing to a residential Unit will take place only after or concurrently with the issuance of a final or temporary certificate of occupancy for the Building. There is currently a valid certificate of occupancy issued for the building which is included in Part II.

4. Condominium Documents. The Declaration, By-Laws, and Floor Plans for the Condominium and such other documents as required by law will be recorded or filed by Sponsor, at its expense, prior to the First Closing in accordance with the Condominium Act or applicable state and local law in the Register's Office.

5. Warranties. Sponsor shall assign any manufacturers' warranties with respect to equipment and appliances in the Unit or Limited Common Elements to the Unit Owner and with respect to the equipment and appliances in the Common Elements, to the Board. Any personal property located in the Unit on the day the Purchase Agreement is signed or in the Common Elements on the date the Declaration is filed that is owned by the Sponsor is not included in the conveyance unless specifically excepted in the Purchase Agreement. Sponsor will remove any such personal property located in a Unit prior to the Closing for that Unit and located in the Common Elements within ninety (90) days of the First Closing.

6. Existing Mortgages. There is a loan on the property with Arion Fund, LLC, 777 Chestnut Ridge Road, Suite 301, Chestnut Ridge, NY 10977. If the loan is not satisfied at or prior to the First Closing, the mortgagee will either (a) consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.

7. Risk of Loss. Sponsor shall assume the risk of loss until Purchaser is conveyed legal title or occupies the Unit. However, an occupant cannot insure the Unit since there is no ownership interest and the Unit cannot be doubly insured. Thus, if Purchaser is or becomes the tenant or the occupant of the Unit before the Closing of Title thereto pursuant to an Interim Lease and, before the Closing of Title to the Unit, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage in excess of the Condominium's insurance proceeds available to Sponsor prior to the First Closing and to the Board thereafter, and the full risk of loss to repair damage to his/her personal belongings and any other property not covered by the insurance for the Condominium, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. A prospective Purchaser should carefully consider the aforementioned risk of loss before occupying a Unit prior to the Closing. Such risk of loss may also affect the Purchaser's ability to close the loan under any financing commitment.

Except as set forth in the preceding paragraph, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. The By-laws include a provision that in the event Sponsor has relinquished control of the Board, the Board will notify Sponsor of any damage to Unsold Units. Sponsor shall be notified by

the Board of damages within fifteen (15) days of the occurrence of the damage and will make a determination whether or not to repair the damage within fifteen (15) days of receipt of said notice at which time it will notify the Purchaser. If Sponsor or (in the event the Declaration is filed) the Board does not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Within ten (10) days thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor, including sums paid for special work, with any interest earned thereon.

If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been repaired in compliance with the Offering Plan and the repair is in Equal or Better condition than immediately prior to the casualty, (ii) its essential services (such as electricity, and heat) and a reasonable means of ingress and egress to the street have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of the Interim Lessee to cure or that are caused by the act or omission of the Interim Lessee. Sponsor will remove subsequent to Closing all violations of record it is obligated to correct within 90 days of the violation posting. Additionally, if Sponsor elects to repair or replace the loss or damage, and the Purchase Agreement is contingent on the Purchaser obtaining financing, if, after making a good faith effort to extend the term of the commitment to enable Sponsor to repair the damage, an extension is not obtained, the Purchaser will be offered a right of rescission. See section "Procedure to Purchase" for further details.

8. Tentative Tax Assessment. Transfer tax is typically a seller's expense, however, the terms of this Offering Plan transfer the statutory obligation to pay the New York City transfer taxes and New York State Documentary Stamp Taxes from the seller to the Purchaser, so that the cost of such taxes represent an additional closing cost, and an additional item of consideration on which transfer taxes must be paid. Both the Purchaser and Seller shall comply with the requirements of the New York State Department of Taxation and Finance.

## Q. UNIT CLOSING COSTS AND ADJUSTMENTS

1. Closing Adjustments. At the Closing of Title to each Unit, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the New York fiscal year beginning July 1 of the year for which assessed, including water charges and sewer rents (if separately assessed) and escrows for real estate taxes, if any; and (ii) rent and other charges, if any, pursuant to an Interim Lease for, or tenancy of, such Unit.

There will be no adjustments between the Board and Sponsor. The insurance figures for the first year's premium will be adjusted between the Purchaser and Sponsor at Closing. This provision shall only apply to Units which close within the first year of Condominium operations.

2. Closing Costs. At closing, each Purchaser will pay certain closing costs in addition to the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan.

A. Title Insurance. If such Purchaser elects to obtain fee title insurance, he will pay a premium therefor to the title insurance company which will vary depending upon the amount of insurance requested. **Purchaser is free to use a title company of his or her choosing without incurring a penalty.** The premium for fee title insurance should be \$774.00 for the first \$100,000.00 of fee insurance plus \$4.36 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00 and \$3.98 for each \$1,000.00 or fraction thereof of additional fee insurance over \$500,000.00. The premium for mortgage title insurance should be \$654.00 for the first \$100,000.00 of insurance plus \$3.64 for each \$1,000.00 or fraction thereof of additional insurance up to \$500,000.00 and \$3.31 for each \$1,000.00 or fraction thereof of additional insurance over \$500,000.00. Meister Abstract Corp., 151 South Main Street, Suite 300, New City, NY 10956 has been retained by Sponsor to clear any title issues affecting the Property, and to record the Condominium Declaration and any other documents requiring recording with respect to this Offering Plan. A copy of the title report may be furnished to the Purchaser upon request.

B. Recording Fees. A fee for recording the deed and Unit Owner's Power of Attorney of \$32.00 for each instrument plus \$5.00 per page, together with a service charge to the title company for such recording for a total of approximately \$350.00;

C. Mortgage Fees. If Purchaser obtains a mortgage loan, Purchaser will pay:

(i) a fee and service charge for recording the mortgage of approximately \$250.00;

(ii) mortgage recording tax in the amount provided for by law, currently 2.05% (1.8% paid by the purchaser, 0.25% paid by the Lending Bank) of the face amount of the mortgage for mortgages under \$500,000.00 and 2.175% (1.925% paid by the purchaser, 0.25% paid by the Lending Bank) for mortgages over \$500,000.00);

(iii) Purchasers will pay a premium through the title company for the mortgage title insurance policy. In addition, such Purchaser shall pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee (2) of the Condominium Act. All such payments shall be made upon execution of the loan documents;

(iv) Sponsor at its option may request any Purchaser who is obtaining a mortgage to have his lender accept an assignment of a portion of Sponsor's existing mortgage. In such event, Purchaser shall pay to the Sponsor such amount that the Purchaser is saving with respect to the mortgage that the Purchaser would have paid if there was no assignment of mortgage. The severance and assignment of the portion of the mortgage on the Property as contemplated herein would not result in any additional cost or risk to the Purchaser and will be initiated only after Purchaser has procured financing. Should the Purchaser's lender refuse to accept the assignment, Sponsor may require Purchaser to continue with the transaction without the assignment or may refund the Purchaser's Down Payment and terminate the Purchase Agreement. Accordingly, Purchaser may apply for a mortgage with a lending institution that will accept an assignment of mortgage. Because this transaction would require additional coordination between the parties, it may potentially delay the Closing. In the event Sponsor exercises such option, the above paragraph regarding the mortgage tax credit will be inapplicable and the Purchaser will not be required to make any payments to the Sponsor in respect to the mortgage tax credit.

(v) all costs and expenses in connection with such loan in amounts determined by the lender, *i.e.*, application, points, credit report, survey, appraisal, bank's attorney's fees, Residential and Condominium Endorsements (title insurance forms required by banks) and any other fees required by lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

D. **Transfer Taxes. Transfer taxes are typically a seller expense, however the terms of this Offering Plan transfer the statutory obligation to pay the transfer taxes to the Purchaser.** New York City transfer taxes are in the amount of 1.425% of the purchase price for residential Units over \$500,000.00 and 1.4% of the purchase price for residential Units under \$500,000.00. New York State Documentary Stamp Taxes are in the amount of \$2.00 per \$500.00. For any residential conveyance in which consideration is at least \$3,000,000.00, there is an additional base tax of \$1.25 per \$500.00. For commercial Units, the transfer tax is in the amount of 2.625% of the purchase price for NYC and \$2.00 per \$500.00 plus an additional .25% of the purchase price for commercial Units of \$2,000,000.00 or more in New York State. Additionally, there is a mansion tax of 1% of the purchase price for conveyances in the amount of \$1,000,000 or more and a supplemental tax on the conveyance of residential real property in the amount of 0.25% for transfers of \$2,000,001-\$2,999,999; and 0.5% for transfers of \$3,000,000 to \$4,999,999, which are both imposed on Purchaser. For purposes of calculating NYC taxable consideration, NYC and

NYS taxes are added to the Purchase Price and the taxes are calculated on that sum. For purposes of calculating NYS taxable consideration, only NYC transfer taxes are added to the purchase price and tax is calculated on that sum and consideration is not grossed up by the NYS transfer tax paid by Purchaser.

E. Initial Capital Payment. Purchaser will be required to deposit with the Board two (2) months' estimated monthly Common Charges for his unit.

F. Sponsor's Attorney Fees. Purchaser shall pay a fee of \$3,200.00 to Jeffrey Zwick and Associates, P.C., 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210 for services rendered in connection with preparing documents. Should Sponsor's counsel be required to attend a Closing outside their office at the request of Purchaser or its representatives, Purchaser will be responsible for paying an attendance fee of \$500.00. In addition, there shall be a fee of \$200.00 per hour if the duration of the in person Closing exceeds two (2) hours due to the fault of Purchaser or its representatives and a fee of \$300.00 if Purchaser requests a remote closing.

G. Defrayment of Sponsor Expenses. Each Purchaser shall pay an additional \$1,500.00 at Closing to defray Sponsor's costs, e.g, architectural costs, filing fees, legal fees and other costs incurred in creating the Condominium. See Sections "Schedule A" and "Unit Closing Costs and Adjustments".

3. Closing Cost Example. All fees are cumulative to the extent applicable to an individual Purchaser. If, for example, a Unit has a purchase price and a mortgage shown below and title insurance, the following closing costs are estimated:

|                                  |                     |
|----------------------------------|---------------------|
| Purchase Price:                  | \$ 625,000.00       |
| Mortgage Amount:                 | \$ 500,000.00       |
|                                  |                     |
| Owner's policy:                  | \$ 2,520.00         |
| Loan Policy:                     | \$ 522.42           |
| Residential Endorsement:         | \$ 25.00            |
| Condominium Endorsement:         | \$ 25.00            |
| NY State transfer tax:           | \$ 2,535.00         |
| NYC Real Property transfer tax:  | \$ 9,158.00         |
| Mansion Tax:                     | \$ 8,033.00         |
| Mortgage tax:                    | \$ 6,338.00         |
| Legal fee to Sponsor's Attorney: | \$ 3,200.00         |
| Deed Recording:                  | \$ 350.00           |
| Mortgage Recording:              | \$ 250.00           |
| Municipal searches:              | \$ 250.00           |
| 2 months est. Common Charges     | \$ 1,116.38         |
| Defrayment Fee                   | \$ 1,500.00         |
| <b>TOTAL:</b>                    | <b>\$ 35,822.79</b> |



4. Real Estate Tax Apportionment.

A. After Assessment. Once units are separately assessed by the NYC Department of Finance, each Unit Owner will be responsible for the real estate taxes, assessments, fines and other fees for his or her own Unit.

B. Prior to assessment. In the event units have not been separately assessed for real estate tax purposes at the time of the First Closing, Sponsor shall place in escrow, in the name of the Board, an amount equal to the unpaid real estate taxes which will be levied against the Property for the six (6) month period following the First Closing. The amount placed in escrow will be disclosed in the initial post-closing amendment to the Plan.

When the real estate taxes are next due, the Board will pay the real estate taxes from the escrow account. Sponsor, as funder of the escrow account, will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. As such, at each Unit Closing, Sponsor will collect the estimated amount of taxes attributable to such Unit based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. In the event the lots have not been apportioned for the following tax bill, the Board shall collect from each Unit Owner its proportionate share of the tax bill levied against the Property, and the Board shall make such payment.

## **R. RIGHTS AND OBLIGATIONS OF SPONSOR**

In addition to Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units and to comply with all applicable laws and regulations, the remainder of this Section sets forth certain other rights and obligations of Sponsor applicable while Sponsor still owns Unsold Units under this Plan. Some rights and obligations listed below may be repeated in other sections of the Offering Plan, and some other sections of the Offering Plan may contain additional rights and obligations of Sponsor. Nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements.

Obligations of Sponsor under this section with respect to the Condominium, the Common Elements or the Limited Common Elements shall be enforceable only by the Board on behalf of all Unit Owners. In no event shall any obligations of Sponsor to the Condominium be enforceable by individual Unit Owners unless: (1) the alleged construction defect relates to one (1) Unit only and is not a common defect affecting two (2) or more Units; or (2) if the Board has not commenced any action within (a) ninety (90) days after notice or (b) within thirty (30) days or less of the expiration of the statute of limitations, whichever occurs earlier.

The Board has a fiduciary duty to act in the best interest of the Condominium, even during the Initial Control Period when Sponsor will be in control of the Board. Any provision that gives Sponsor control of the enforcement of Sponsor's obligations is not lawful. If there are non-sponsor-controlled Board members and there is a vote on whether to sue the Sponsor, Sponsor's Board representatives cannot vote on that issue. Because Sponsor might not enforce the obligations of Sponsor under the Plan or as otherwise required by law during the Initial Control Period (as a result of the Sponsor's control thereof), the Unit Owners may have to undertake enforcement of the obligations of Sponsor. This may be funded with the line item from the budget to cover attorney fees, or the Board may impose an assessment. The Board agrees that it will enforce such obligations pursuant to a resolution passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting called for such purpose. Any dispute between the Board and the Unit Owners will be resolved through arbitration in accordance with article 10 of the Bylaws.

A. Rights of Sponsor. The following are additional rights of Sponsor with regard to the Units:

A. Sponsor is reserving the unconditional right to rent rather than sell Units after consummation of the Plan. Accordingly, there is no commitment by Sponsor to sell more than 15%, or three (3) of the Units, which is necessary to declare the Plan effective and Sponsor does not have to endeavor in good faith to sell all Units in a timely manner. However, in the event all of the Purchasers counted toward effectiveness rescind or terminate their Purchase Agreements prior to the First Closing, the effectiveness will become invalidated, and the Offering Plan will be declared effective again regardless of whether the Declaration has been recorded. In addition, the By-laws do not contain a provision that, after the Initial Control Period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principal(s). Purchasers should note that owner-occupants may never gain effective control of the Condominium.

B. So long as Sponsor owns Unsold Units, Sponsor may, without obtaining the consent of the Board or the other Unit Owners, use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale of the Unsold Units or for any other purpose, subject only to compliance with current laws, statutes or regulations.

C. Sponsor reserves the right to amend or modify from time to time the Plans and Specifications (including, without limitation, changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details) and to substitute materials, appliances, equipment and fixtures in place of those described in the Plans and Specifications or the Architect's Report, provided such substitutions are of Equal or Better Quality and design. Notwithstanding the foregoing, Sponsor may not change the size, location of Buildings or Units or other improvements or Common Elements if such changes affect the Percentage of Common Interest or adversely affects the value of and Unit to which title has closed, or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners and Purchasers consent in writing to the change.

D. Any change to Unsold Units not under contract may be made by Sponsor without prior notice to or authorization from the Board or any other party. Should any Unit Change be required to be disclosed in an amendment to the Declaration and/or Floor Plans, Sponsor or its designee, as the Owner of Unsold Units, will have the right itself to so amend the Declaration to effectuate any such change to the Unsold Units without the Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan. The right of access is subject to the rights of existing tenants and other occupants of Unsold Units, on not less than two day's prior notice to the Owner of the Unit to which access is required, except in cases of Emergency when such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present. To the extent any damaged is caused by Sponsor o

E. Except as provided under applicable law, Sponsor will not be obligated to correct and will not be liable to any Unit Purchaser as a result of a variation that is deemed immaterial from: (i) the Plans and Specification or the Architect's Report contained in Part II of the Offering Plan; or (ii) Plans and Specifications or the Architect's Report set forth in the Plan which are neither in violation of applicable building codes nor require the approval of any governmental authority having jurisdiction or which are necessitated by site conditions or job requirements, or (iii) the dimensions or arrangement of rooms, walls or other areas within Units, provided (A) such variations are of Equal or Better Quality and Design than that originally set forth in the Plans and Specifications, and (B) such changes do not affect the Common Interests or adversely affect the value of any Unit to which title has Closed or for which a Purchase Agreement has been executed and is in effect, unless all Unit Owners affected by such change consent in writing to such change. The foregoing shall not affect Sponsor's obligations to complete construction of the Building, including the Units, with materials of Equal or Better Quality and design than those set forth in the Plan.

F. There is a certificate of occupancy covering the Unit which evidences that the Unit is habitable. The Units are being offering in their "as is" condition on the date the Purchase Agreement

is entered into, normal wear and tear excepted. Subsequent to the date a Unit Owner is given possession of, or Closes Title to, his Unit, Sponsor shall not be responsible for repairs. This includes items such as paint touch-ups, repair of dented appliances, porcelain or formica chips and scratches, marks, breaks, or other blemishes in the following: windows, sliding glass doors, screens, electric fixtures, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, saddles, wood flooring, appliances, woodwork and doors. The Purchaser will have the right to inspect the Unit for any defects within the ten (10) days prior to Closing. Pursuant to the Purchase Agreement, Purchaser may note certain items which they deem to be unfinished ("Punchlist Items"). Notwithstanding the creation of a Punchlist, Purchaser shall be obligated to close on the date set by Sponsor for Closing. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to produce a Punch List, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. Sponsor will use reasonable efforts to complete Punchlist Items specified on a signed document by Sponsor and prior to Closing or within sixty (60) days, subject to availability of labor and material, following the Closing, weather permitting, subject to force majeure delays and subject also to availability of material and labor and Purchaser's provision of access to the Unit. Sponsor will not place any funds in escrow to ensure completion of these items. Sponsor shall deliver the Units in broom swept condition containing the appliances listed in this Plan, the Unit and appliances in "as-is" condition, normal wear and tear excepted.

G. The Units and Common Elements are being sold "as is", normal wear and tear excepted. Except as set forth in this section and/or as required by applicable law or regulation, Sponsor makes no undertaking or warranty and shall not be obligated to correct or repair any conditions in the Building, including (without limitation) the Units, the Common Elements and the Building systems, appliances and all other installations, apparatus, fixtures and appurtenances.

H. Sponsor is reserving the right to delay the collection of Common Charges for an indeterminate period. During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to, insurance premiums and any reserve fund payments. Such expenses will not include individual Unit Owner expenses such as real estate taxes or utility charges. During such delay in the collection of Common Charges, Sponsor shall remain obligated to update the Condominium budget, and, if Sponsor controls the Board, to provide certified financial statements for the Condominium, as required by the regulations promulgated by the Department of Law. Sponsor shall provide written notice of the expiration of the delay period to all Unit Owners and Purchasers in contract at least 30 days prior to the commencement of the collection of Common Charges. Upon commencement of collection of Common Charges, there will not be any assessment for any item in the certified budget for the Condominium. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose the anticipated period of delay in the collection of common charges in the initial post-closing amendment to the Plan. Sponsor shall provide written notice of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor shall disclose the expiration of the delay period in the next substantive amendment to the Plan and include a copy of the notice and an affidavit of service with the submission of the amendment.

2. Construction Obligations. Sponsor has undertaken the obligations listed below in connection with the offering of Units pursuant to schedule A and the construction of the Building. All references in this Plan to Plans and Specifications shall mean the plans and specifications for the Building filed with the Department of Buildings and other appropriate governmental authorities, as the same may be amended or changed from time to time. Unless otherwise stated in this section and/or required by applicable law or regulation, the construction obligations of Sponsor under this subsection shall survive the delivery of the deed to the Unit Owners.

A. To the extent any work is being performed, Sponsor is obligated to complete the Condominium in accordance with the Plans and Specifications and will, at its sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials necessary to complete the Building and its appurtenances in accordance with the Plans and Specifications and with a quality of construction comparable to currently prevailing local standards. Units will be delivered in "as-is" condition, normal wear and tear excepted.

B. Prior to Closing, Sponsor will assign any manufacturer's warranties with respect to equipment or appliances installed in the Unit to the Unit Owner and any warranties with respect to equipment and appliances installed in the Common Elements to the Board.

C. Sponsor agrees to pay for the authorized and proper work involved in the construction, establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan and shall cause all mechanic's liens with respect to such construction to be promptly discharged or bonded.

D. The Sponsor will deliver a set of "as-built" floor plans to the Board.

H. Housing Merchant Implied Warranty: Notwithstanding any other provision of the Offering Plan the Housing Merchant Implied Warranty is not applicable to this Offering since this is not a new construction. 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, filed plans and specifications and locally accepted building practices for items which are not covered by codes. Any conflict between the disclaimers and 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.

3. Other Obligations.

A. Sponsor shall be liable for and obligated to defend any suits or proceedings arising out of the acts or omissions of Sponsor, representations made by Sponsor in this Plan, or any obligations imposed by statutes and/or regulations. With respect to such suits and proceedings, Sponsor shall indemnify the Board of Managers and the Unit Owners and shall defend such proceedings on their behalf.

B. All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

C. Sponsor agrees to pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Such obligations shall be funded through the sales of Unsold Units and from other funds of the Sponsor. No bond or other security has been posted to secure Sponsor's obligations. Should Sponsor fail in its obligation to pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units, the Board may file a lien against the Unsold Units in accordance with law and Purchasers under contract will be offered rescission.

D. Sponsor will cause the Board to maintain the Property in substantially the same condition and manner as on the date of First Closing until expiration of the Initial Control Period.

E. If Purchaser is or becomes the tenant or the occupant of the Unit before the Closing of title thereto pursuant to an Interim Lease and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage to his/her personal belongings and any other property not covered by the insurance for the Condominium, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same.

The Sponsor shall be notified by the Board of damages within fifteen (15) days of the damage and will make a determination whether or not to repair the damage within fifteen (15) days thereafter, at which point it will notify Purchaser. If Sponsor or (in the event the Declaration is filed) the Board does not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Within ten (10) days thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with any interest earned thereon.

If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and purchaser shall not be required to pay the Balance unless and until (i) the Unit has been repaired in compliance with the offering plan and the repairs done with equal quality or in better condition than immediately prior to the casualty, (ii) its essential services (such as electricity, and heat) and a reasonable means of ingress and egress to the street have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of the tenant to cure or that are caused by the act or omission of the tenant. Sponsor will remove subsequent to closing all violations of record it is obligated to correct within ninety (90) days of the violation posting. Additionally, if Sponsor elects to repair or replace the loss or damage, and the Purchase Agreement is contingent on the Purchaser obtaining financing, if, after making a good faith effort to extend the term of the commitment to enable Sponsor to repair the damage, an extension is not obtained, the Purchaser will be offered a right of rescission.

Any work required to be completed in order to repair the damage or otherwise complete construction on the Building shall as best as possible not interfere with the Purchasers' or Unit Owners' use and shall, whenever practicable, be performed during workday hours.

F. Sponsor shall procure fire and casualty insurance in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

G. In the event of dissolution or liquidation of the Sponsor or a bulk sale, which is defined as the transfer of ten or more Units or the sale of more than one Unit constituting twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, to one Purchaser who will not use the Units for personal occupancy, 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. In this project, selling two or more Units to one buyer who will not use the units for personal occupancy would constitute a bulk sale.

H. There is a loan on the project with Arion Fund, LLC, 777 Chestnut Ridge Road, Suite 301, Chestnut Ridge, NY 10977. If the loan is not satisfied at or prior to the First Closing, the mortgagee will either (a) consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.



## S. CONTROL BY SPONSOR

### 1. Voting Control.

As provided in the Bylaws, Sponsor will have voting control over the Board of Managers for five (5) years after the First Closing or until Sponsor owns no Units, whichever is sooner ("Initial Control Period"). During this period, there shall be three Board Members designated by Sponsor.

Within thirty days of the expiration of the Initial Control Period, a meeting will be held to elect a new Board consisting of five (5) Members. At such time, Sponsor may appoint one (1) member so long as Sponsor owns an Unsold Unit and each Unit Owner, including Sponsor, so long as Sponsor still owns Unsold Units, may vote for Board Members. Sponsor may relinquish control at any time prior to the expiration of the Initial Control Period by calling a special meeting of Unit Owners to elect a new Board. The By-laws do not include a provision requiring a majority of the Board be owner occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals after the Initial Control Period. Purchasers for their own occupancy may never gain effective control of the Board of Managers. Owner occupants and non-resident owners may have inherent conflicts on the management of the condominium.

Since Sponsor is retaining the unconditional right to rent Units after the consummation of the Plan and there is no obligation to sell more than the 15%, or three (3) of the Units, required to declare the Plan effective, Sponsor may retain ownership of Majority of the Units in this Plan. Thus, it is possible the Sponsor will retain voting control of decisions which require a vote of Unit Owners.

### 2. Veto Control.

A. Right to Veto. For five (5) years after the First Closing or until the Unsold Units constitute less than twenty-five percent (25%) of the total Units, whichever is sooner, the Board must obtain Sponsor's prior written approval with regard to the below items. During this time, Sponsor may veto these actions.

- (i) Raise Common Charges or levy a special assessment to:
  - a. make an alteration to the Common Elements;
  - b. create an additional reserve fund for repairs, alterations, unanticipated expenses and/or contingencies which exceed 5% of the projected common expenses for the budget year;
  - c. increase, decrease, eliminate or otherwise change the number, type, classification or working hours of the building's service staff (if any), or to hire additional service staff.
  - d. increase, decrease, or eliminate building services;
  - e. increase, decrease, eliminate or otherwise change the amounts or types of insurance coverage from the coverages existing on the date of the First Closing.
- (ii) Borrow money on behalf of the Condominium Association.

B. Limitations on Veto Control. Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations;



(ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer; or (iv) to remedy any immediately hazardous condition which affects the health and/or safety of the occupants.

3. Document Control. For five (5) years after the First Closing or until there are no Unsold Units, whichever is sooner, the Declaration, By-Laws and Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or its designee without the prior written consent of every Unit Owner affected by such amendment, including Sponsor or its designee.

4. Control Limitation. Any provision that gives Sponsor control of the enforcement of Sponsor's obligations is not lawful. If there are non-sponsor-controlled Board Members and there is a vote on whether to sue the Sponsor, Sponsor's Board representatives cannot vote on that issue.

## **T. BOARD OF MANAGERS**

This section describes how the affairs of the Condominium will be governed and restates certain portions of the By-Laws and Declaration, included in full as Documents 6 and 7 in Part II of the Plan. Purchasers should review said documents carefully.

1. Composition and Eligibility of Board Members. The affairs of the Condominium will be governed by the Condominium Board comprised of five (5) members, each having one (1) vote. Notwithstanding the foregoing, during the Initial Control Period there shall be three members, anticipated to be the Principal of Sponsor, Yitzchok Schwartz, and Devora Schwartz, a family member, and Levi Goldberger, a business associate. The By-laws do not include a provision requiring that Majority of Board members be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board may serve. Any person over 18 may serve on the Board. No member of the Board shall be compensated for acting as such.

2. Board's Fiduciary Responsibility. The Board has a fiduciary duty to act in the best interest of the Condominium, even during the Initial Control Period when the Sponsor is in control of the Board. During this time in capacity as the Board of Managers, Sponsor and its principals will act in the best interests of the Condominium and will not engage in sweetheart deals. Any provision that gives Sponsor control of the enforcement of Sponsor's obligations is not lawful. If there are non-sponsor controlled Board members and there is a vote on whether to sue the Sponsor, Sponsor's Board representatives cannot vote on that issue. Because Sponsor might not enforce the obligations of Sponsor under the Plan or as otherwise required by law during the Initial Control Period, (as a result of the Sponsor's control thereof), the Unit Owners may have to undertake enforcement of the obligations of Sponsor. The Board agrees that it will enforce such obligations pursuant to a resolution passed by a Majority of the Unit Owners, excluding Sponsor, at a special meeting called for such purpose. Any dispute between the Board and the Unit Owners will be resolved through arbitration in accordance with article 10 of the Bylaws.

3. Meetings. As stated in the By-Laws, Board members shall be appointed by Unit Owners.

A. First Meeting. The first meeting to elect Board members will be held within thirty days of the expiration of the Initial Control Period. At this meeting, Unit Owners shall vote for Board members. The term of office of each member of the Board shall continue for one (1) year with elections held annually.

B. Annual Meetings. Unit Owners shall hold annual meetings on or about the anniversary of the first meeting and every anniversary thereafter. At each annual meeting, the Unit Owners shall conduct such business as may properly be conducted. When desirable, meetings (including the first meeting) may be held via teleconference upon consent of all unit owners.

C. Special Meetings. Pursuant to section 2.6(C)(3) of the Bylaws, special meetings of Unit Owners may be held from time to time whenever necessary for the affairs of the Condominium. The Board shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Board or upon receipt of a petition calling for such a meeting signed by a Unit Owner. Each such

resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes as set forth in section.

D. Quorum. Pursuant to section 4 of the Bylaws, the presence, in person or by proxy, of Majority of all Unit Owners shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, the decision of a Majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners.

E. Voting. When votes of the Unit Owners are required (to elect Board members and otherwise), each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own at least one (1) Unit) shall be entitled to cast one (1) vote for each Unit owned. If a Unit is owned by an entity or two (2) or more Persons, they shall designate one Person amongst them to vote on behalf of their Unit in a writing given to the Board, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons or members, as the case may be, shall mutually exercise the vote appurtenant to such Unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present to establish a quorum.

F. Board Member Meetings. Board meetings shall be held at least annually on or about the anniversary of the date of the first unit owners meeting, and as often as necessary to govern the affairs of the Condominium. After the first board meeting, board meetings may be in person or via teleconference. Any member of the Board may call a special meeting of the Board whenever he or she deems the same to be necessary or desirable. A quorum for Board meetings is a Majority of the Board members. All decisions or acts requiring a vote, resolution, approval, agreement or consent of the Board of Managers must be made by the affirmative vote, approval, resolution, agreement, or consent of a majority of the Board Members at which a quorum is present.

#### 4. Removal and Vacancy of Board Members.

A. Removal. At any regular or special meeting of Unit Owners, any one or more of the members of the Board may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board whose removal has been proposed shall be given an opportunity to be heard at the meeting. Any member of the Board whose removal has been proposed shall be given an opportunity to be heard at the meeting. Regardless of whether an appointed member is removed by the Sponsor, its designee or the other unit owners or board members, only the Unit Owner who made the appointment or its designee shall have the right to designate a replacement for such appointee.

B. Withdrawal. Any board member may voluntarily withdraw his or her position as board member by sending written notice to the other board members. In said case, the withdrawal will be effective immediately and the withdrawing member may appoint someone to serve in his or her place. In the event the withdrawing member does not appoint anyone within five (5) business days by a writing to the board, the other board members may elect amongst themselves someone to fill the vacancy.

Notwithstanding the foregoing, if an appointed board member withdraws, only the Unit Owner who made the appointment or its designee shall have the right to designate a replacement for such Sponsor-appointee.

5. Officers of the Condominium. Officers shall consist of President, Vice President/Secretary and Treasurer, all of whom shall be elected by the Board. Officers shall serve without compensation from the Condominium. All officers must be members of the Board. Any officer may be removed, without cause, by vote of a Majority of the Board at a meeting called for such purpose.

6. Liability of the Condominium Board and the Unit Owners. The Board has a fiduciary duty to act in the best interests of the Condominium. The Board members will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith, willful misconduct or gross negligence. Every contract made by the Board, by any Condominium officer, or any superintendent or Managing Agent of the Building, shall state (if obtainable) that (a) it is made only as agent for all Unit Owners, and the members of the Board or such officer, superintendent, or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interest, unless otherwise provided by law.

All Unit Owners shall severally indemnify each Board Member against any liability or claim, contractual or otherwise, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of the indemnification of the Board will be limited to such proportionate share thereof as the Common Interests of such Unit Owner bear to the aggregate Common Interests of all Unit Owners.

7. Powers and Duties of the Board. The Board shall have the powers and duties necessary for administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the following:

A. Common Elements: to operate, maintain, repair, restore, add to, improve, lease, license, alter and replace the Common Elements, including, without limitation, as the Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

B. Acquisition of Property: to acquire, in the name of the Board or its designee, corporate or other, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Board for use in connection with the ownership and operation of the Property as a residential Condominium;

C. Financial Records: to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the

Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

D. Budget: to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

E. Common Charges: to determine amounts and establish the means and methods of payment of, and to collect, Common Charges and special assessments from Unit Owners, and to use the Common Charges and special assessments collected from Unit Owners, as well as all other funds held by the Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

F. Loans: to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) with respect to the borrowing of any sum in excess of \$25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) in addition to the affirmative consent of a majority of the members of the Board, the affirmative consent of a majority of all Unit Owners (including Sponsor if Sponsor owns at least one unit) at a duly constituted Unit Owners meeting shall be required and if approved, the Board may, in its discretion, assess each Unit Owner the pro rata share of the cost of the additions, alterations, or improvements according to the Common Interest, as part of Common Charges.; (b) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (c) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Board pursuant to this subparagraph (vi) shall not be repaid by the Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

G. Bank Accounts: to open and maintain bank accounts on behalf of the Condominium and to designate the required signatories;

H. Insurance: to obtain insurance for the Property, including the Units, pursuant to the terms of the By-laws;

I. Claims: to adjust and settle claims under insurance policies obtained pursuant to the terms of the bylaws, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

J. Contracts: to make, or contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after

damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, in accordance with By-Laws;

K. Acquire Units: to accept the surrender of any Unit pursuant to the bylaws, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners, or to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners, or to purchase Units at foreclosure or other judicial sales, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners provided, however, that all Units acquired or leased by the Board or its designee shall be held on behalf of all Unit Owners and any rent, purchase price, closing costs and closing adjustments payable in connection therewith shall be assessed against all Unit Owners as a Common Expense, and that no Units held by the Board or its designee shall carry voting rights;

L. Sell Units: to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to exercise the votes appurtenant to any such Unit;

M. Rules and Regulations: to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

N. Enforce Condominium Documents: to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

O. Incorporation: to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

P. Create Entities: to organize corporations to act as the designees of the Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium;

Q. Execute Documents: to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, renovation, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Board deems necessary or appropriate; and to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or By-Laws, whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

R. Review Real Estate Assessments: to review, appeal and file anything necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the Unit Owners until such time as the Units have been separately assessed;

S. All Other Duties: to carry out any other duties imposed upon the Board pursuant to the Declaration and the By-Laws.

T. Amendments to the Condominium Documents. Unless otherwise noted in the Condominium Documents, any provision of the Declaration or the By-Laws, may be amended, modified, added to or deleted by the vote of 66 2/3 Units in number and Common Interest, taken in accordance with Article 4 of the By-Laws subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained. However, this section may only be amended with unanimous consent of all Unit Owners. The Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by the vote of 75% of the Unit Owners.

Until the earlier of five (5) years after the First Closing or until Sponsor owns no Units, the Declaration, By-Laws and Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or its designee without the prior written consent of every Unit Owner affected by such amendment, including Sponsor or its designee.

Notwithstanding the foregoing, any amendment which affects only Unsold Units may be made by Sponsor, without the consent or approval of the Board or any other Unit Owner, subject to section K of this Plan. In such event, Sponsor may sign any required document in connection therewith on behalf of the Board.

## **U. RIGHTS AND OBLIGATIONS OF UNIT OWNERS & BOARD OF MANAGERS**

### **1. Sales and Leases of Units**

A. No Discrimination. Each Unit Owner may sell or lease his or her Unit without limitation except that no Unit Owner may discriminate against any Person on the basis of race, creed, color, national origin, sex, age, disability, marital status or any other grounds prohibited by law. Any lease terms, including rent, shall be subject to state and local law.

B. No Severance of Ownership. Each conveyance of a Unit shall include, as part of the property to be conveyed, such Unit Owner's (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) an undivided interest in any other assets of the Condominium.

C. No Arrears. Title to a Unit may not be conveyed unless all unpaid Common Charges and liens against the Unit, except Permitted Mortgages, are paid and satisfied at or prior to Closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Board and Sponsor, in accordance with the Declaration.

D. Sale Voidable. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Board.

E. No Right of First Refusal. The Board does not have a right of first refusal with respect to any sale or lease.

### **2. Mortgages of Units**

A. Restriction on Mortgages. Each Unit Owner has the right to mortgage his or her Unit, provided that, with respect to Units other than the Unsold Units, the conditions set forth in Article 8 of the By-Laws are first complied with. As more fully set forth in said Article 8, these conditions include the requirements that:

(i) no Unit Owner shall be permitted to mortgage, pledge or hypothecate his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens;

(ii) no Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein so that at all times, all of the Units interests in the Condominium shall remain and shall not be severed;



(iii) any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan;

(iv) the Board is notified in writing of the making of such mortgage and is given a copy thereof.

B. Sponsor's Rights. Sponsor or its designee, as the owner of Unsold Units, shall have the right to mortgage the Unsold Units subject only to provision (ii) above, and subject to all other applicable law and regulations.

C. Mortgagee Rights.

(i) Whenever requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Board has knowledge then exists.

(ii) Mortgagee shall be permitted to pay any sum of money due from the mortgagor and the Board shall be obligated to accept such payment.

(iii) Mortgagee shall have the right to inspect the books and records of the Condominium.

(iv) Mortgagee shall receive notice:

- i. In the event the Building, Common Elements or any part thereof is taken in condemnation or by eminent domain;
- ii. Whenever mortgagor defaults in performing any act or making any payment which is that party's responsibility hereunder, including common charges and or special assessments, for a period of sixty (60) days after the obligation to pay, and said default is not cured within fifteen (15) days of written notice of said default;
- iii. If any insurance policies insuring the Building and all service machinery contained therein covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear may are to be either cancelled, or be allowed to lapse, or substantially modified, at least 10 days in advance;
- iv. If the Declaration and the By-Laws are to be amended and such amendment would materially interfere with any right or interest

of any mortgagee or if there is any proposed action which requires the consent of a specified percentage of mortgagees.

- (v) Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and special assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or such Purchaser. In the event of a foreclosure of a Permitted First Mortgage, the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid sums that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied (including the new Unit Owner of the subject Unit).

3. Common Charges: Assessment, Collection and Lien for Non-Payment

A. Commencement of Collection.

- (i) The Board will commence collection of Common Charges upon the Closing of Title to the first Unit provided the Sponsor has not exercised its option to pay all expenses of operation of the Property in lieu of collecting Common Charges.
- (ii) Sponsor may, in its sole discretion, elect to pay the expenses of the Building in lieu of collecting Common Charges. During any such delay, 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's expenses such as real estate taxes or utility charges. Upon commencement of collection of Common Charges, there will not be any assessment for any item in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget and provide certified financial statements for the Condominium as required by governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the Notice of Closing to Purchasers and in the post-closing amendment to the Offering Plan. Such amendment shall also disclose the anticipated period of delay. Sponsor will notify all unit owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of common charges and will disclose such fact in the following amendment to the Offering Plan.

B. Budget. The Board will prepare and distribute to all Unit Owners, at least annually, a budget setting forth its projection of the Common Expenses for the upcoming fiscal year of the Condominium.

(i) Such Common Expenses will include, among other things:

- (a) all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any required alteration, to the Common Elements;
- (b) water charges and sewer rents in connection with the Building (unless the same are separately assessed to individual Units);
- (c) and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and
- (d) amounts for such other items as the Board may deem proper (such as amounts for reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium, or to purchase or lease Units).

(ii) Determination of Common Charges. Based upon such budget, the Board will promptly determine and advise each Unit Owner of the Common Charges payable by such Unit Owner during the ensuing fiscal year, which Common Charges shall represent a portion of the projected Common Expenses of the Condominium assessed to such Unit Owner pro-rated according to the Common Interest of his or her Unit. Notwithstanding the foregoing, the Board has the right to allocate certain budgeted items on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of the particular Common Elements, pursuant to N.Y. Real Property Law (RPL) Section 339-m (2). Where the allocation of Common Expenses is not based on Common Interest, the budget and budget notes so indicate.

(iii) Revision of Budget. Pursuant to the terms of Article 6 of the By-Laws, the Board has the right to revise its projection of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such new determination.

C. Payable in Monthly Installments. Unless otherwise determined by the Board, Common Charges will be payable in monthly installments, in advance, on the first day of each month. No Unit Owner will be relieved from liability for the payment of his or her Common Charges by waiving the use of any of the Common Elements or by abandonment of his Unit. No Unit Owner will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale and transfer, or other conveyance by him or her of such Unit.

D. Exemption from Accrual of Common Charges. Any Unit Owner may, by conveying his or her Unit, without consideration, to the Board and complying with certain conditions

set forth in the By-Laws in connection therewith, exempt himself or herself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his or her Unit and such Unit being free and clear of all liens and encumbrances other than any statutory lien for unpaid Common Charges. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing, unless:

- (i) the aggregate Common Interests of the Unsold Units constitutes fifteen (15%) percent or less of the total Common Interests appertaining to all Units;
- (ii) at least five (5) years have elapsed since the First Closing; and
- (iii) at the time of conveyance, Sponsor shall pay the Board a sum equal to the product of the then current aggregate monthly Common Charges for the Unsold Units being conveyed multiplied by 24.

E. Common Charges due on Resale. On a resale of any Unit, the Purchaser of such Unit shall be required to pay unpaid Common Charges assessed against such Unit prior to his acquisition, except that a mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale shall not be liable, and such mortgaged Unit shall not be subject to, a lien for the payment of any Common Charges assessed subsequent to the recording of such mortgage and prior to the acquisition of title to such Unit by the mortgagee or a purchaser at a mortgage foreclosure sale and such assessments shall be the liability of the owner of the Unit at the time of the assessments. In the event that the Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale shall not be sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or purchaser at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner shall remain personally liable for the balance of such unpaid Common Charges. The Board shall have the right to assess such unpaid balance amongst all those who are Unit Owners at the time that the same is levied.

F. Assessments. In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board shall have the right, subject, in all respects, to the strictures contained in Section 2.4 of the bylaws, to levy special assessments to meet the Common Expenses. All special assessments may be payable either in one lump sum or in installments, as the Board shall determine, provided, however that the Board shall give each Unit Owner not less than thirty (30) days' notice prior to the date upon which such special assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Board shall have all rights and remedies for the collection of special assessments as are provided herein for the collection of Common Charges. The Board has the right to allocate certain assessments on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of the particular Common Elements, pursuant to N.Y. Real Property Law (RPL) Section 339-m (2). Special assessments shall be levied against all Unit Owners in proportion to their respective Common Interests as follows:

(i) assessment or increase in Common Charges to repair, maintain or improve the Common Elements shall be levied against all Units proportionately in accordance with the percentage of Common Interest;

(ii) assessment or increase in Common Charges to repair, maintain or improve the Common Elements which only benefit specific Units shall be levied against the Units (or Licensees, as the case may be) so benefitting proportionately in accordance with the percentage of Common Interest.

G. Board's Lien for Unpaid Common Charges.

(i) Lien for Unpaid Common Charges. Under the provision of Section 339-z of the Real Property Law, and Article 6 of the By-Laws, the Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges and expenses assessed against such Unit together with interest and costs thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit.

(ii) Effectiveness of Lien. Any lien for unpaid Common Charges and expenses against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office and until all sums secured thereby, with interest and costs accrued thereon, shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever is sooner. Such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board to recover unpaid Common Charges without foreclosing the lien.

(iii) Lien during Initial Control Period. In accordance with Section 339-aa of the Real Property Law, while Sponsor is in control of the Board, Sponsor will cause the Board to file a lien on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges.

H. Failure by Non-Occupying Owner to Make Payments on its Unit. Section 339-kk of the Real Property Law of the State of New York (the "Condominium Act") applies to all condominium plans in existence after July 22, 1998. It is intended to provide financial protection for a condominium association if a non-occupying owner fails to make monthly payments for its units. The terms of Section 339-kk are as follows:

(i) For purposes of this section, "non-occupying owner" means a Condominium Unit Owner who does not occupy the dwelling unit.

(ii) 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 60 days of the expiration of any grace period after they are due, the Board shall provide

written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Board.

(iii) Such notice shall provide that commencing immediately and until such time as all such payments are made current, all rental payments due subsequent to the issuance of such notice are to be made to the Condominium Association at the address listed on the notice. However, where a majority of the Board has been elected by Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Board.

(iv) When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 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.

(v) A non-occupying owner who disputes the Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such position at the next scheduled meeting of the Board of Managers, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.

(vi) Nothing in Section 339-kk shall limit any rights of Unit Owners or of the Board existing under any other law or agreement.

(vii) Payment by a rental tenant to the Board made in connection with Section 339-kk 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.

I. Reports to Unit Owners. All Unit Owners will receive copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by a certified public accountant (as long as Sponsor is in control of the Board), a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the Annual Unit Owners' meeting. In addition, it is the obligation of the Board to give all Unit Owners annually a copy of the proposed annual budget of the condominium at least ten (10) days prior to the date set for the adoption of such budget.

4. Capital Reserves. The Board has the power to accumulate reserve funds for capital replacements or other purposes to meet the needs of the Condominium in accordance with the Declaration and By-Laws. There are no restrictions on these powers.

5. Repair and Maintenance Of Units and Common Elements

A. Maintenance.

- (i) First Class Condition. Each Unit and all portions of the Common Elements shall be kept in first-class (same as new, excepting normal wear and tear) condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof or other part of the Property exposes to the elements) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof, and such Unit Owner

or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work that is necessary in connection therewith. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Board may, at the expense of such Unit Owner, enter his or her Unit to perform such acts as are necessary to cure such default.

- (ii) Responsibility for Maintenance and Repairs. Generally, all painting, decorating, maintenance, repairs and replacements: (a) in or to any Unit or Limited Common Element (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, plumbing, gas and heating fixtures) shall be performed by the Owner of such Unit at his sole cost and expense; and (b) in or to the Common Elements which are not covered in subsection (a) shall be performed by the Board as a Common Expense. Notwithstanding the foregoing, structural repairs and replacements to a Unit or Limited Common Element shall be performed by the Board but at the sole cost and expense of the affected Unit Owner. Notwithstanding anything to the contrary, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or non-extraordinary, necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by such the Board at the Unit Owner's sole cost and expense.

B. Repair or Restoration After Fire or Other Casualty. Except as set forth in the next paragraph, in the event that the Building or any Common Elements is damaged or destroyed by fire or other casualty, the Board will arrange for the prompt repair and restoration thereof.

- (i) Insufficient Insurance Proceeds for Building or Common Element Repair. If the insurance proceeds are insufficient to cover the cost of repairs or restorations of the Building or any Common Elements thereof, the Board may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to reduce unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.
- (ii) Insufficient Insurance Proceeds for Unit Repair. If a Unit is damaged by casualty and the proceeds of insurance obtained by the Board are not sufficient to cover the repair of the Unit, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Building will be an expense of the individual Unit Owner. In order to protect himself against the possibility of such an expense, the Unit Owner should obtain additional fire insurance coverage above and beyond that coverage maintained by the Board.
- (iii) Substantial Damage. If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and if all Unit Owners do not promptly resolve to proceed



with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in accordance with the factors set out in the Condominium Act Section 339-i(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Unit and the fair market value of such Unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

6. Alterations and Improvements

A. Units.

- (i) Unit Owner's Rights. Each Unit Owner shall have the right to:
  - (a) make alterations, additions, or improvements in the interior of his Unit, including subdivision thereof or combination of two adjacent Units;
  - (b) make alterations, additions, or improvements to any part of the Property allocated to his Unit; and/or
  - (c) change the layout of his Unit;
- (ii) Limitation of Unit Owner's Rights. With respect to any such alteration, addition, improvement or change in, to, of or upon a Unit listed above:
  - (a) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;
  - (b) the Unit Owner shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom; and
  - (c) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.
- (iii) Procedure. In the event that any Unit Owner other than Sponsor wishes to make any modifications to its Unit or Limited Common Elements allocated to its Unit in accordance with the forgoing, such Unit Owner shall apply to the Board for approval. The Board must respond within fifteen (15) days of receiving notice from the Unit Owner. The Board's failure to timely respond shall be deemed a waiver of its right to reject the proposed modifications. In connection therewith, the Board, on behalf of the



Unit Owner, shall execute any applications to any departments or to any governmental agencies having jurisdiction thereof, for any and all permits required in connection the making of alterations, additions, improvements, or repairs in or to a Unit. Notwithstanding the foregoing, no Board approval shall be required for work that is cosmetic in nature and for which no permit is required.

(iv) Result of Subdivision or Merger. In the event that any Unit is subdivided, the resultant Units shall jointly exercise and share the vote allocated to the original Unit. The percentage of Common Interest allocated to the original Unit shall be divided proportionately between the resultant Units. In the event any Units are merged, the resultant Unit shall enjoy the number of votes originally allocated to the original Units. The percentage of Common Interest allocated to the original Units shall be aggregated and assigned to the resultant Unit.

(v) Sponsor's Rights. Sponsor or its designee as respective Unit Owners shall have the right, without the approval of the Board, the Selling Agent, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to (a) make alterations, additions, improvements, or repairs in or to any Unsold Unit(s) or Limited Common Elements allocated thereto, whether structural or non-structural, interior or exterior, ordinary or extraordinary; and (b) to subdivide, combine and change the boundary walls of Unsold Units.

(a) Limitation on Sponsor's Rights. No change will be made in the size or number of Units and/or their respective percentages of Common Interest except by amendment to the Plan and, when applicable, the Declaration. In addition, substitutions of equipment or materials must be of Equal or Better quality and design. Material changes to a Unit's size, layout, or percentage of Common Interest must be consented to by affected Purchasers who are not in default. .

(b) Board's Obligation to Execute. At the request of Sponsor, its designee or the Unit Owner, the Board will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair proposed to be made by Sponsor or Unit Owner, at which time Sponsor or Unit Owner shall execute an agreement to indemnify and hold harmless the Board and the Unit Owners from any expense or liability by virtue of the execution of the application or such other documents.

B. Common Elements. Generally, all alterations, additions, or improvements in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to Unit Owners as a Common Expense. Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements. No material change will be made by Sponsor in the size or quality of Common Elements, except by amendment to the Plan and, when applicable, the Declaration. Unless all Purchasers consent, Sponsor may not make any material change in the size nor any material adverse change in the quality of Common Elements.

7. Insurance Coverage

A. Coverage Provided.

- (i) **Property/Fire Insurance.** The Board shall maintain fire insurance policies insuring the Building (including all Units, kitchen and bathroom fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners), and covering the interests of the Condominium, the Board, the Unit Owners and the holders of all Permitted Mortgages, as their replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation.
- (i) **Public Liability.** Until the first meeting of the Board elected by Unit Owners, the public liability insurance will be \$1,000,000.00 per occurrence or \$2,000,000.00 aggregate covering all claims for personal injury or property damage in respect of any one occurrence, and the fire insurance will be at least in the amount set forth in Schedule B. The Board shall review such limits annually. Such public liability insurance will also cover cross-liability claims of one insurer against another, and liability claims for personal and advertising injury and products/completed operations. However, such insurance will not cover individual liability of a Unit Owner arising from any occurrence within the Unit. It will also cover claims against directors and officers of the Board acting in their capacity as such.
- (ii) **Form of Insurance.** Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear; subject, however, to the loss payment provisions in favor of the Board and the Insurance Trustee as set forth below. The cost of all such insurance shall be paid by the Board and shall be borne by the Unit Owners as part of the Common Charges. All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' written notice to all of the insured, including Unit Owners, the Board of Managers and Permitted Mortgagees. Each Unit Owner shall be named as an additional insured on all such policies. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Permitted Mortgagees ten (10) days prior to expiration of the then current policies, and Unit Owner shall receive a certificate of such insurance.

B. **Proceeds.** The proceeds of all such policies of physical damage insurance shall be payable to the Board. Such proceeds shall be applied for the purpose of repairing, restoring or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his or her Unit unless, in accordance with the By-Laws, there shall be a determination not to rebuild the Building. An Insurance Trustee may be appointed

instead of the Board to hold and apply insurance proceeds in accordance with this section if (i) a Permitted Mortgagee so requires; (ii) the Board appoints one; or (iii) the Unit Owners vote in accordance with the Bylaws to appoint one.

C. **Additional Condominium Insurance Available.** The following coverages are not included in the premium and may be available at extra cost; rent insurance in an amount equal to the Common Charges for one (1) year; workers' compensation and New York State disability benefits insurance, in the event the Board hires any employees; elevator liability and collision insurance (if an elevator is present); hazard insurance; boiler and machinery; excess liability; auto liability. In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals the Building's then replacement cost. Any insurance maintained by the Board may provide for such deductible amounts as the Board may determine. The cost of all such insurance shall be paid by the Board and shall be borne by all Unit Owners as part of the Common Charges.

D. **Additional Unit Owner Insurance.** This coverage does not include claims for personal injury or property damage resulting from occurrences in a Unit, nor does it include coverage of the furniture or personal property of Unit Owners. Therefore, each Unit Owner should consider the desirability of obtaining additional insurance at his or her own cost covering among other items: (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein; (ii) personal property; and (iii) liability for personal injury as a result of occurrences in the individual Unit. In the event of a loss, the claim is made payable to the named insured (the Board). Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided such policies contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance procured by the Board shall not be affected or diminished by reason of any Unit Owner's other insurance.

8. **Restrictions on the Use of Units.** As more fully set forth in the Declaration and By-Laws, each Unit may be used in accordance with local law and zoning regulations and the Certificate of Occupancy. Sponsor may have certain rights as Sponsor and owner of Unsold Units, however, any such right shall only apply so long as Sponsor owns at least one Unit.

Unit Owners must notify the Managing Agent or Board in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall provide and install, at the Unit Owner's expense, the required window guards in all windows of the Unit and shall not remove them until permitted by the law and, in any event, without the full knowledge of the Managing Agent.

Inasmuch as there is no restriction on the leasing of Units in this Condominium, there are no special restrictions regarding Units owned by corporations, partnerships or fiduciaries. However, the Board may, at its option, require any such unit Owner to designate an individual to guarantee payment of Common Charges.

Pets are permitted in the Building, however, in no event shall any bird, reptile, or animal be permitted in any public area of the Building or in any of the public portions of the Building, unless

carried or on leash. No pigeons or other birds or animals shall be fed from the windowsills, patios, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. There are no aesthetic controls in the Building. The Units and Common Elements are limited to residential use and no business or professional use may be carried on in the Units except partially as a home office. Such limitations are more restrictive than those applicable to the Sponsor. So long as Sponsor owns at least one Unsold Unit, Sponsor may, without obtaining the consent of the Board or other Unit Owners, use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale of the Unsold Units or for any other purpose, subject only to compliance with current laws, statutes or regulations.

Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

No nuisance, or immoral, improper, offensive, or unlawful use, as determined by a reasonable person standard, shall be allowed in the Building or any portion thereof. Any question as to whether a use is a nuisance, immoral, improper, offensive, or unlawful shall be determined by the Board in its sole discretion. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board, whomever shall have the obligation to maintain or repair such portion of the Property. Guests are permitted to use all areas of the Common Elements permitted to Unit Owners so long as they are accompanied by a resident. Unit Owners are responsible for their tenants and guests. The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Board, provided that copies of such amendments are furnished to each Unit Owner at least thirty (30) days prior to the time that they become effective. For further discussion, see the "Addendum to the Bylaws - Rules and Regulations" attached as part of Document No. 7 in Part II of the Plan.

Smoking and/or use of electronic cigarettes is prohibited in all locations on the property. This policy is in compliance with the NYC Smoke Free Air Act ("SFAA") and shall apply to all Unit Owners and tenants and their respective invitees as well as other persons on the Property.

Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed except in accordance with the Bylaws.

Parking spaces may only be used to park 1 personal vehicle. All vehicles must be fully insured.

9. Rights of Access. As more fully set forth in the By-Laws, the Board, and the Managing Agent, superintendent and other persons authorized by the Board, will have a right of access to any Unit for the purposes, among others, of making inspection of, or removing violations of governmental laws or regulations against any part of the Property, curing defaults committed by the owner of such Unit under the Condominium Documents, or correcting conditions originating in any Unit and threatening another

Unit or any Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan. The right of access is subject to the rights of existing tenants and other occupants of Unsold Units, on not less than two day's prior notice to the Owner of the Unit to which access is required, except in cases of Emergency when such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

10. Self-Help. In the event that any Unit Owner fails to maintain or repair parts of the Building required to be maintained or repaired by such Unit Owner, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Board shall have certain rights, subject to all applicable laws and regulations, to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

11. Mechanic's Liens. Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created against only the several Units and their respective Common Interests. A lien for labor performed in or materials supplied to a Unit may be filed against the Unit of an owner who has expressly requested or consented to the performance of such work or the supplying of such materials, but may not be filed against the Unit of any other owner who has not expressly requested or consented to the same, except in the case of Emergency repairs. No labor performed in, or materials furnished to, the Common Elements shall be the basis for a lien thereon, but all Common Charges received by the Board shall constitute Trust Funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or Managing Agent.

12. Compliance with the Terms of the Declaration, By-laws and the Rules and Regulations. Each Unit Owner must strictly comply with the provisions of the Condominium Documents, including, but not limited to the Declaration, By-Laws, or any other rules, regulations or requirements promulgated by the Board, and as the same may be amended, modified, deleted, or added to from time to time pursuant to the terms thereof. Failure to strictly comply is grounds for an action for damages, including but not limited to attorney's fees (in the event the Board is the prevailing party), late charges and interest at the highest legal rate allowable, or injunctive relief, or both.

13. Arbitration. In order to resolve any dispute, controversy, claim or question arising with respect to the Condominium or the Purchase Agreement, or to break any deadlock in voting, the dispute or question shall be submitted to arbitration through the American Arbitration Association ("AAA"), which will give any party the rights he is entitled to under New York law. The arbitration proceeding will follow the rules of the AAA. The arbitrator will be neutral and independent of Sponsor and its principal and will be designated by the AAA. The hearing will take place in the county where the Building is located. The parties are giving up the right to bring suit in court, including the right to a trial by jury, concerning disputes over the disposition of escrowed funds, except as provided by the rules of the arbitration forum in which a claim is filed. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment and said decision shall be final and binding. A party's ability to have a court reverse or modify an arbitration award is very limited. The ability of the parties to obtain documents, witness statements and other discovery may be more limited in arbitration than in court proceedings. The arbitrators may not have to explain the reason for their

award. Unlike litigation, New York law does not authorize the filing of a notice of pendency based on ongoing arbitration proceedings. There may be time limits within which to bring a claim to arbitration. The fees, costs and expenses of the arbitrators shall be shared equally by the disputants. Each disputant shall also bear the fees and expenses of his or her own counsel and expert witnesses. The rules and fees of the AAA can be found on their website: <http://www.adr.org>. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL. The Board shall follow the directions of the Arbitrators. The panel will have the authority to file their decision with the Court under the New York Arbitration Law and Article 75 of the CPLR. Any decision rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The decision shall be enforceable in a court of competent jurisdiction.

14. Termination of Condominium; Partition of Common Elements: The Condominium shall continue (unless terminated by casualty loss, condemnation, or eminent domain as provided by the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so by at least eighty percent (80%) of the vote, taken in accordance with the By-Laws. In addition, written consent of Mortgage Representatives, if any, shall be required before such vote is effective. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in accordance with the value of each of the Units. If there is a dispute, the issue shall be presented for arbitration in accordance with the By-Laws. Before paying any of the proceeds to a Unit Owner, the shares of such proceeds payable to such Unit Owner shall first be applied to the payment of any liens on his or her Unit, in the order of priority of such liens.



## V. REAL ESTATE TAXES

1. Separate Assessments. After tax lots are apportioned and the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment or non-payment of taxes on any other Units, nor will his or her Unit be subjected to any lien arising from same.

2. No Separate Assessment before the First Closing. In the event that the Units are not separately assessed at the time of the Closing, the following procedure will be applicable:

A. Sponsor shall place in escrow in the name of the Board an amount equal to the real estate taxes which will be levied against the Property for the six (6) month period following the First Closing. Sponsor will collect at each Unit Closing the estimated amount of taxes attributable to such Unit for that period and authorize reimbursement from the Escrow Agent for said amount. The amount in the Escrow Account will be disclosed in the post-closing amendment. The Board will pay the taxes from the Escrow Account when taxes are due and payable and the funder of the Escrow Account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

B. To the extent that the taxes have been paid by the Condominium for the initial period, there will be an adjustment made at the time of the Closing in the amount of prepaid taxes with respect to this Unit, which will be based on the percentage Common Interest allocated to the Unit.

C. The Unit Owner will be required to pay the entire amount of tax allocated to his Unit at the time that the Board is required to make its real estate tax payment to the City of New York. The allocation for taxes will be based on the Unit's percentage of Common Interest.

3. Real Estate Tax Estimates. The real estate tax estimates set forth in Schedule A are based on a letter from Sponsor's expert, RE Tax Service, 670 Myrtle Avenue, PMB 260, Brooklyn, NY 11205, dated January 9, 2025. The tax expert has been involved in the review of property tax assessments in the New York City area for over ten (10) years and has filed applications and petitions for reductions in such tax assessments in New York City.

Since the Building is completed and existing, the projected real estate taxes for the first year of operation contained in Schedule A are based on the full assessed valuation of the Building which is projected to be approximately \$1,107,108.00 resulting in total taxes of approximately \$138,389.00 based on a tax rate of \$12.500.

See Schedule A for the estimated real estate taxes for the units for the first year of condominium operation. Since actual figures are not currently available, the figures set forth in Schedule A are based on estimated data. THERE IS NO ASSURANCE THAT THE TAXING AUTHORITY WILL ASSESS THE MINIMUM TAX PAYABLE WITH RESPECT TO THE UNITS, IF ANY, IN PROPORTION TO EACH UNIT'S COMMON INTEREST (AND IF NOT SO ASSESSED, UNITS HAVING THE SAME COMMON INTEREST MAY PAY DIFFERENT REAL ESTATE TAXES).

4. Determination of Real Estate Taxes. Estimated real estate tax assessments are determined using various factors including sales price, square footage, location of the Unit, availability of Limited

Common Elements and/or access to Common Elements. No assurances can be given that the taxing authorities will assess the Building and allocate the assessments in the same manner and the actual assessments may not be in the same proportion as the Common Interests set forth in Schedule A. As of the date of submission, no tax certiorari proceedings are pending on the Property.

5. Review of Real Estate Assessments. In accordance with Section 5.11 of the Bylaws, the Board will be responsible for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the Unit Owners for such time as the lots are not apportioned. Such Unit Owners shall execute any documents required for such filing. After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

PURCHASERS ARE ADVISED TO CONSULT WITH THEIR OWN PRIVATE COUNSEL OR EXPERT REGARDING THE TAX CONSEQUENCES OF PURCHASING A CONDOMINIUM UNIT.





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January 9, 2025

385 VERNON ESTATES LLC  
385 Vernon Avenue  
Brooklyn, NY 11206

Reference: 385 Vernon Avenue  
Brooklyn, NY 11206  
Block 1586 Lot 44

To Whom This May Concern,

Pursuant to your request, RE Tax Service, LLC a tax Certiorari firm was retained to perform an analysis, in reference to your real estate tax matters for the above captioned property.

The Subject Project is located at 385 Vernon Avenue, Brooklyn, NY 11206. The subject will be converted into a condominium, consisting of 16 residential units and 6 parking units.

The new value will be based on the current assessment as no construction work will be performed. The value will be allocated per unit by the percentage of common interest.

Currently, the 2024/25 Final Assessed Value for the subject property is \$1,085,400. The current class 2 tax rate for the 2024/25 tax year is 12.5000% (\$12.5000 per \$100 of assessed value) which equals to \$135,675 in taxes. The 2025/26 value is projected to be increased to \$1,107,108. Assuming the Class 2 tax rate remains unchanged, the taxes will be \$138,389.

This letter was prepared at the client's request with the client's info. However, we make no representation that the tax rates set each year by the City Council, or the assessed valuation determined by the city's assessors will reflect our projected estimate. In no event will my firm, the Sponsor, or any other person be accountable if the assessed valuation when actually made is lesser or greater than predicted.

May you have any additional questions, please feel free to contact me at 718-222-3500 Ext 106.

Sincerely,

*Moshe Gutman*

RE Tax Service, LLC

Trust | Experience | Results



## W. COUNSEL'S INCOME TAX OPINION

May 27, 2025

Re: Offering Plan ("Plan") for the Condominium Ownership  
of the Premises known as 385 Vernon Avenue, Brooklyn, New York  
(the "Property")

To Whom It May Concern:

You have requested our opinion with regard to certain Federal, New York State and New York City income tax matters relating to a person ("Unit Owner") who purchases a Condominium Unit under the Plan.

In connection with this opinion, we have reviewed the Plan including the exhibits thereto and such other documents as we considered necessary for the purposes of this opinion.

The opinion expressed herein is based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms and condominium ownership of the Property is validly established. All terms not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

The method selected for calculating the percentage of Common Interests in the Condominium pursuant to Real Property Law Section 339-i(1) is subparagraph (iv), which provides:

“(iv) the Common Interests of each of the Units have been allocated 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.”

The percentages of Interest in the Common Elements in this Condominium have been allocated to the Units in accordance with the above factors in compliance with Real Property Law Section 339-i(1)(iv). They were allocated in this manner as each Unit is unique based on its location in the Building.

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I. Tax Deductions for Unit Owners Under the Plan:

(1) a Unit Owner will receive legal title in fee simple to the Unit coupled with ownership of an individual interest in the Land and appurtenances and all other parts of the Building held in common with other Units Owners in its Building (the "Common Elements");

(2) each Unit will be a separate tax lot for the purposes of The New York City real estate tax, and the Unit Owner will be directly liable to The City for the real estate tax assessment with respect to his Unit, but not with respect to any other Unit;

(3) subject to certain restrictions as to form, a Unit Owner may mortgage his Unit as he wishes, and will be individually liable for payment of principal and interest (and/or finance charges) on such mortgage but the Unit will not be subject to the lien of any mortgage placed on other Units; and

(4) a Unit Owner may separately transfer his Unit subject, with certain exceptions, to certain rights of the Board of his Building.

Accordingly, it is our opinion that a Unit Owner who itemizes deductions will be entitled to deduct, for Federal income tax purposes, real estate taxes assessed against his Unit as well as interest on any mortgage indebtedness secured by his Unit.<sup>1</sup> See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1986, as amended (the "Code"); Revenue Ruling 64-31, 1964-1 (Part I) Cum. Bull. 300.<sup>2</sup> These expenses will be deductible when paid or accrued in accordance with the Unit Owner's method of accounting. Under the Tax Cuts and Jobs Act of 2017, the amount of the all state and local taxes able to be deducted, including property tax, is limited to \$10,000.00 and the mortgage interest

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<sup>1</sup> However, the Internal Revenue Code of 1986, as amended, provides that if the Unit Owner has more than two (2) residences, he/she will not be able to deduct his/her interest of his/her condominium unit loan. See section "Taxes: Deductions to Unit Owners and Tax Status of the Condominium."

<sup>2</sup> The New York State and City tax laws incorporate by reference Federal itemized deductions in regard to resident individuals (see N.Y. Tax Law Section 615; N.Y.C. Admin. Code Section T42-115.0) and for corporations (see N.Y. Tax Law Section 208.9; N.Y.C. Admin. Code R42-2.0.8). Hence, all Federal authorities hereinafter referred to should, for the most part, apply under the New York State and/or City income tax statutes and to the extent that deductions are permitted for Federal tax purposes, they will be permitted for New York State and New York City tax purposes. It should be noted, however, that (i) for New York State and New York City income tax purposes, the interest and real estate tax deductions discussed herein may be reduced for a taxpayer who has certain specified items of tax preference (see N.Y. Tax Law Section 622; N.Y.C. Admin. Code Section T42-122.0); and (ii) for Federal income tax purposes, a Unit Owner may be liable for an alternative minimum tax based upon certain deductions taken (including interest on mortgages) (see Section 55 of the Internal Revenue Code). New York State also imposes a minimum tax based on certain Federal tax preference items including adjusted itemized deductions. See N.Y. Tax Law Sections 601-A and 622.

deduction is limited to the interest on a mortgage up to \$750,000.00 in principal. In addition to the interest and real estate tax deductions discussed above, a Unit Owner who uses all or part of his Unit in the conduct of his trade or business or for the production of income may deduct a portion of Common Charges allocable to such use. Each such Unit Owner will be entitled to deduct cost recovery on his Unit (similar to depreciation), computed separately and based upon the cost of his Unit (see Code Section 1012). Such deduction may be determined under Code Section 168 by using the straight-line method or under ACRS tables which approximate the use of 175% declining balance method, switching to straight-line recovery in later years. The excess of accelerated cost recover deductions over deductions computed using the straight-line method is an item of tax preference and may result in Unit Owners incurring alternative minimum tax. The amount of permitted deductions has been modified by the Internal Revenue Code 1986. The deduction of Common Charges is limited to that portion which does not exceed the Unit Owners' share of expenses paid or incurred through the Condominium and which would constitute trade or business expenses under Code Section 162 or would constitute expenses for the production of income under Code Section 212, if they were paid directly by the Unit Owner. Common Charges may exceed the deductible amount to the extent that Common Charges are used by the Board to finance capital expenditures or reserves. The amount used to fund capital expenditures or reserves are not deductible and must be capitalized by Unit Owners, increasing the basis in the Unit and thus the cost recovery deduction available for that Unit.

## II. Tax Treatment of Condominium and Board of Managers

Under the Plan, each Condominium, via the Board, will determine, assess to, and collect from, its Unit Owners, in proportion to their respective Common Interests, the Common Charges to pay the costs and expenses of operating, repairing and maintaining the Common Elements of that Building.

The tax status of the Board is uncertain and turns upon whether the Condominium Board is treated as a mere conduit for Unit Owners or as an association taxable as a corporation.

If the Board is deemed to be the conduit for the Unit Owners, all income of the Condominium, such as investment income earned on interim investments or rent on any Unit it acquires, less the applicable expenses of earning such income, will be deemed income to the Unit Owners and taxable to them. However, Common Charges will not be considered income to the Condominium Board.

The Service, however, may take the position that the Unit Owners, acting through the Condominium Board, constitute an association taxable as a corporation (an "Association")<sup>3</sup> because of, e.g.:

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<sup>3</sup>

If such an association were found to exist, it is our view that it would not constitute a tax exempt organization under Section 501(c) as an organization operated exclusively for the promotion of social welfare (cf. Rev. Rul. 74-99, 1974-1 Cum. Bull. 131).

(1) the Board's centralized management powers over the Building;

(2) the attempt to limit contractual liability of Unit Owners, for the contracts entered into by the Condominium, to the Unit Owners' proportionate share of such liability in accordance with their common interest in the entire Condominium; and

(3) the possibility of perpetual life. (See Treas. Reg. 301.7701-2, and discussion in Shapiro, Commercial Condominiums: Tax Considerations for Unit Purchasers and the Association, 41 J. TAXATION 204, 206-08 (Oct. 1984) and Wolitzer, Condominium -- Organization, Taxes and Accounting, XL N.Y.C.P.A. 893, 899-900 (Nov. 1970).)

If the Condominium were treated as an association taxable as a corporation it would be subject to Federal income tax on the excess of the portion of its receipts including Common Charges and laundry concession income which is deemed to constitute gross income over any deductible expenses.

To the extent that any portion of the Common Charge receipts is segregated and used to finance specified capital expenditures or reserves, said portion may be excluded from gross income of the Association. (See Rev. Rul. 74-563, 1974-2 Cum. Bull. 38; L.R.B. 1974-47.6; and *Lake Petersburg Ass'n v. Commissioner*, 33 CCH Tax Ct. Mem. 259 (1974)). In such event, the Unit Owners might be required to pay further Common Charges to fund the Federal income tax liability of the Association. Any such Common Charges would probably be deemed to constitute additional gross income to the Association -- upon which further Federal tax would be owed. See *Old Colony Trust Co. v. Commissioner*, 279 U.S. 716 (1929), and cf. Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

In an effort to resolve the above uncertainty, Section 528 was added to the Code, pursuant to which the Board may, if qualified, elect to exclude from income the Common Charges payable by Unit Owners. (New York State and New York City have not adopted a similar statute.) This exemption is available to the Board only if:

(i) 60% or more of the gross income for the taxable year is received as fees or assessments from owners of Units ("Exempt Function Income");

(ii) 90% or more of the expenditures for the taxable year are for management, acquisition, maintenance and care of Common Elements;

(iii) 85% or more of the total square footage of all Units within the Condominium must be used by individuals for residential purposes;

(iv) No part of the net earnings may inure to the benefit of any private individual except through the rebate of excess assessments or indirectly through the acquisition, management and maintenance of association property.

A Condominium meeting the requirements of Section 528 of the Code and electing to be exempt from federal income tax on exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income.

It is our opinion that the Condominium will meet the requirements for election of Section 528 during its first year of operation. Thus, the Condominium may make such election during the first year if it is advantageous. However, since the requirements for election under Section 528 are applied annually it cannot now be determined whether the Condominium may elect Section 528 treatment in any subsequent tax year.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those explicitly discussed in this opinion. Nor do we express any view as to the tax status and tax consequences of the Plan under the laws of any other U.S. or foreign jurisdictions. This opinion does not deal with tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Board or with respect to whether a Unit Owner may be deemed a resident of New York City due to ownership of a Unit. We therefore strongly advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters (including the tax matters discussed in this opinion).

We make no warranty that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of The City of New York will accept any or all of the views stated above. Moreover, the Federal, State and City tax laws and regulations (and the rulings and decisions thereunder) may change and thereby affect, in whole or in part, the views stated above.

IN OUR OPINION, EACH UNIT OWNER WILL BE ENTITLED TO INCOME TAX DEDUCTIONS AS DESCRIBED ABOVE. HOWEVER, THIS OPINION IS NOT A GUARANTEE; IT IS BASED UPON 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 BASE THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD, 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 ON WHICH COUNSEL RELIED WHICH CAUSE THE CONDOMINIUM TO CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE

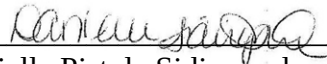


OF 1986, AS AMENDED, OR THE NEW YORK STATE TAX LAW, AS AMENDED. IN SUCH CASE, THIS LETTER MAY NOT BE RELIED UPON AND SHOULD BE UPDATED TO REFLECT THE THEN-CURRENT LAW AND FACTS.

PURCHASERS ARE ADVISED TO CONSULT WITH THEIR OWN PRIVATE COUNSEL OR EXPERT REGARDING THE TAX CONSEQUENCES OF PURCHASING A CONDOMINIUM UNIT.

We consent to the incorporation of this opinion in the Plan.

Very truly yours  
Jeffrey Zwick & Associates, P.C.

By:   
Danielle Pistola Sidiropoulos

## **X. RESERVE FUND**

The budget and section 2.4(A)(xxv) of the bylaws provides for a reserve fund to provide for major capital expenses, which is the maintenance, improvement or replacement of any aspect of the property that will either enhance the overall value of the property, adapt it to new uses, or increase its useful life. Examples of a major repair or major capital expense are replacement of the roof or the windows. The basis of the figure projected for this item must be at least ten percent (10%) of the Common Charges. It is intended that the Board, at all times, maintain the reserve fund in an amount equal to 10% of Common Expenses.

The Reserve Fund will be funded from part of the monthly Common Charge payments made by Unit Owners including Sponsor so long as Sponsor still owns Units. Of each Common Charge payment, 10% of said payment shall be deposited into the separate Reserve Fund bank account. As such, the Reserve Fund will not be fully funded until after the first year of operation.

In addition to the monthly contributions, the reserve fund shall also be supplemented by 10% of the Initial Capital Payment to the working capital fund which is collected from all Purchasers at Closing. Because of this supplement, the actual amount of the Reserve Fund at the end of the first full year of Condominium operations will be greater than the amount projected in Schedule B. Since Sponsor is not a purchaser, Sponsor does not contribute this portion.

At this time, the following items are assumed to need repair or replacement within the first five (5) years of condominium operation: curb for chain link fence which requires repointing; roof which is approximately 14 years old. The estimated cost to repair the aforementioned items is \$21,000.00. Therefore, the Reserve Fund over the next five (5) years is anticipated to be adequate.

If the amount in the reserve fund is inadequate to cover major capital improvements needed, there may be an increase in Common Charges or the Board may impose a special assessment. The reserve fund may not be used to reduce projected Common Charges in the Plan.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND.



## **Y. WORKING CAPITAL FUND**

Sponsor, as agent of the Board, will collect from each original Purchaser at the time of the Closing an Initial Capital Payment equal to two (2) months' estimated Common Charges for the Unit. Since Sponsor is not a Purchaser, Sponsor does not contribute to this account. The Sponsor will deliver the funds so collected to the Board to provide the necessary working capital for the Condominium which amount shall be deposited into a bank account. 10% of this contribution shall be deposited into the separate Reserve Fund bank account. The remaining funds may be used for certain prepaid items, organizational costs, and for such other purposes as the Board of Managers may determine and may be replenished as the Board sees fit.

While the Sponsor is in control of the Board, the working capital fund shall not be used to reduce estimated Common Charges. There will be no adjustments at Closing between the Board and the Sponsor.

NO REPRESENTATION IS MADE THAT THE INITIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THE INITIAL CAPITAL FUND, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE THE COMMON CHARGES OR IMPOSE AN ASSESSMENT ON UNIT OWNERS. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE INITIAL WORKING CAPITAL FUND.

## **Z. CONTRACTS**

### Management Agreement

On or about the First Closing, the Board shall enter into an agreement to manage the property with a third party agent, Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, New York 11206 (“Managing Agent”) to manage the Condominium. The agreement will automatically renew each year unless cancelled within sixty (60) days of the expiration of the term. The agreement may be canceled by either party after default on ten (10) days’ prior notice or within the sixty (60) days prior to the expiration of the term. The Board of Managers may cancel the agreement without cause. The agreement may be assigned by the Managing Agent.

The Managing Agent’s main duties, among others, will be: to bill and collect Common Charges and other charges; bookkeeping; to maintain the Building as advised by the Board, to contract for necessary services, supplies, etc.; and to supervise, hire and discharge employees. The Board shall be obligated to reimburse the Managing Agent for expenses incurred and to indemnify the Managing Agent against liability for acts properly performed by it pursuant to the agreement.

### Other

There are no other agreements in place that will be binding on the Condominium at this time. If Sponsor enters into agreements that will affect Unit Owners, the Offering Plan will be amended to disclose all pertinent information.

## AA. IDENTITY OF PARTIES

1. Sponsor and Selling Agent. Sponsor and Selling Agent is 385 Vernon Estates LLC, a New York limited liability company with an address at 309 Rutledge Street, Suite 4A, Brooklyn, NY 11211. The principal of the Sponsor is Yitzchok Schwartz, who is actively involved in real estate development and management as owner of Secured Management, a real estate management firm.

Principal of the Sponsor has no felony convictions and no convictions, injunctions or judgments which are material to the Offering Plan or an offering of securities generally during the past 15 years. There are no other members of the Sponsor with any felony convictions or any convictions, injunctions or judgments which are material to the Offering Plan or an offering of securities generally during the past 15 years.

2. Prior Offerings.

- (i) Sponsor/Selling Agent. Sponsor/Selling Agent has not had any prior offerings, nor any prior experience as a selling agent.
- (ii) Principal. The principals of the Sponsor have been principal of the sponsor and selling agent in the following prior offerings during the past five (5) years :

| Plan ID Number | Condominium Name                   | Filing Date |
|----------------|------------------------------------|-------------|
| CD190135       | The 948 Myrtle Avenue Condominium  | 6/12/2020   |
| CD190402       | The 16 Bartlett Street Condominium | 6/26/2020   |

- (iii) Current Holdings. Sponsor does not own 10% of the interests in any condominium or cooperative. Principal of the Sponsor owns 10% or more of the interests in the following condominiums:

| Plan ID Number | Condominium Name                   | Filing Date |
|----------------|------------------------------------|-------------|
| CD190135       | The 948 Myrtle Avenue Condominium  | 6/12/2020   |
| CD190402       | The 16 Bartlett Street Condominium | 6/26/2020   |

Offering plans for the above captioned buildings are on file with the Department of Law. Sponsor and principal of the sponsor of these plans are current in its obligations under these plans, including payment of Common Charges and real estate taxes, and has been current during the past twelve (12) months.

3. Attorneys. Sponsor is represented by Jeffrey Zwick and Associates, P.C., 2329 Nostrand Avenue, Suite 400, Brooklyn, NY 11210, in connection with this Offering Plan, the recording of the Declaration, the Closings, and as Escrow Agent. The Offering Plan was prepared by Danielle Pistola Sidiropoulos, Esq. The attorney has not passed on any opinion letter or certification in the Plan which was prepared by third parties. The attorney has no financial interest in the Property, the Sponsor, the Condominium or any other party interested in this transaction, except for its fee for services rendered in connection with such Plan. The Condominium does not have independent legal counsel. IT IS

SUGGESTED AND EXPECTED THAT EACH PURCHASER WILL CONSULT WITH AND BE REPRESENTED BY HIS/HER OWN COUNSEL IN CONNECTION WITH THIS OFFERING.

4. Engineer/Architect. Karim Ahmed, R.A., Reform Architecture PLLC, 728 East 136th Street, 6th Floor, #7, The Bronx, NY 10454 has prepared the Architect's Report and the Floor Plan of the Property as set forth in Part II. The architect has been involved in the planning and development of condominiums and the drafting of architectural drawings and reports for such condominiums in New York City and particularly in the Borough of Brooklyn, for more than five (5) years. Some properties he has worked on include 476 Washington Avenue and 1043 Halsey Street in Brooklyn and 46 West 21st Street in Manhattan, New York. The architect has no relationship to or financial interest in the Property, the Sponsor, the Condominium or any other party interested in this transaction, except for its fee for services rendered in connection with such report.
5. Management Company. Stone Edge Management, 670 Flushing Avenue, Suite 313, Brooklyn, New York 11206, shall manage the Property for the first year of Condominium Operations. Neither the Managing Agent nor its principals have had any prior felony convictions nor prior convictions, injunctions or judgments that may be material to the Offering Plan or an offering of securities generally that occurred within fifteen (15) years prior to the submission of this Offering Plan. No funds have been budgeted to reimburse and indemnify the Managing Agent. The Managing Agent has several years' experience managing various properties throughout New York City including 948 Myrtle Avenue and Park Plaza Condominium

## **AB. REPORTS TO UNIT OWNERS**

It is the obligation of the Board of Managers provide to the Unit Owners on an annual basis the following documentation: (a) A financial statement of the Condominium prepared by a certified public accountant or public accountant within four (4) months of the end of the fiscal year as per Article 5 of the Bylaws; such statement shall be certified during the Initial Control Period; (b) At least five (5) days' prior notice of the annual Unit Owners' meeting; and (c) A copy of the proposed annual budget of the Condominium by ten (10) days prior to the date set for adoption thereof by the Board of Managers, which budget shall be certified during the Initial Control Period.

## **AC. RESERVATION OF AIR AND DEVELOPMENT RIGHTS**

Excluded from the Property are that portion of the unused floor area development rights that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution, which shall be retained by the Sponsor and which may be sold, transferred or hypothecated to any other entity for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar agreement. Said rights, if any, may not be used to add space or floors to the subject Property however, when sold, may be used to add space or floors to adjacent buildings. The number of floors that may be added to adjacent buildings is not known at this time as there are no substantial usable development rights available.

## **AD. DOCUMENTS ON FILE**

Offering Plan and Exhibits. Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits and documents referred to herein shall be available for inspection without charge by prospective Purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the office of Sponsor's attorney during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from the First Closing. There will be a charge of forty cents (\$0.40) per page for copying any documents. The Plan and all other exhibits and documents referred to herein shall also be available for inspection (without charge) and copying by appointment (at a current charge of \$0.25 per page) at the Department of Law, 28 Liberty Street, New York, NY 10005.

Recorded Documents. The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing and a copy of same will be provided to the Board of Managers. In addition, a set of the Floor Plans showing the layout, locations, and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Board. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.



## AE. GENERAL

1. No Claims. There are no lawsuits, administrative proceedings, or other proceedings, the outcome of which may materially affect this offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all of their obligations under the Plan, the Condominium, or the operation thereof, except as may be further herein expressly set forth.
2. No Prior Public Offerings. This Property has not been the subject of any prior public offerings. No Purchase Agreement have been entered into and no deposits or advances of funds accepted as of the date the Plan is accepted for filing.
3. No Occupants. None of the Units in the Building which is the subject of this Offering Plan are occupied by residential or commercial tenants as of the date of submission of the Plan to the Department of Law. All units shall remain vacant until consummation of the Plan or until sooner occupied pursuant to an Interim Lease.
4. No Discrimination. In accordance with the provisions of the laws of the State and City of New York, neither Sponsor, Selling Agent or Managing Agent engaged by Sponsor nor any principal thereof will discriminate against any Person because of sex, sexual orientation, race, creed, color, national origin, ancestry, or other ground prescribed by law in the sale of the Units offered by the Sponsor pursuant to the Plan or in the leasing of any such Units or any other portion of the Building.
5. Sponsor's Right to Revise the Offer. Sponsor reserves the right to revise, from time to time, the terms and conditions upon which the Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations, and liabilities of Sponsor, Purchasers, or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in the case of an uncured default), nor unilaterally change the purchase price, the payment terms or change the material terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. Notwithstanding the foregoing, unless an affected Purchaser consents in writing, no material change will be made in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.
6. Purchasers Right of Rescission. Purchasers have a right to rescind Purchase Agreements following material adverse amendments to the Offering Plan. Material adverse amendment is any amendment which discloses a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor. The purchaser shall have a right to rescind by sending written notice to the Sponsor not less than fifteen (15) days after being presented with a copy of the amendment. Sponsor will return any Down Payment with interest earned thereon, if any, to Purchasers who rescind within ten (10) days of the receipt of written notice of rescission. No Down Payment shall be returned to Interim Lessees prior to their vacating of the apartment. See Section "Interim Leases." Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of

all further liability and obligations hereunder and under the Plan. The parties may be required to sign a general release to that effect.

7. No Omissions or Misstatements. This Plan contains all material terms of the offer and does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.
8. General. The Plan is offered only to persons eighteen (18) years of age or over and entities. Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine, or neuter, includes the other two. No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

## **AF. SPONSOR'S STATEMENT OF BUILDING'S CONDITION**

Sponsor adopts the "Description of Property and Building Condition" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property as set forth in the Description of Property and Building Condition. The number and usage of the Units shall be identical to the number and usage of the Units as approved by the Building Department.

The Building was constructed in 2010 and is being offered in as is condition. The Sponsor does not intend to perform any construction work in the Units. The Architect's Report included in Part II contains a description of the property, including the condition of various items and should be reviewed carefully by Purchasers and includes the following special risks:

1. The following items are noted to be in poor condition and are not being repaired by the Sponsor. These items may require repair in the next five (5) years. The estimated cost of the repairs is listed below. The amount projected in the Reserve Fund over the next five (5) years is anticipated to be adequate to address these items. To the extent the Reserve Fund is insufficient, the Board may increase Common Charges or impose an assessment which will be borne by all Unit Owners as a Common Expense:
  - a. Repoint curb for chain link fence estimated to cost \$1,000
  - b. The roof is approximately 14 years old. It is assumed the roof is no longer under warranty. Sponsor has repaired the roof and there are no visible leaks or areas in need of immediate repair. A new roof will cost approximately \$20,000.
2. There are also some Unit conditions which may require repair, the cost of which would be borne by Unit Owners at their sole cost and expense:
  - c. Boilers of the Units are all past their life expectancy, however, can last by repairs which are estimated to cost \$750 to \$2,000. Sponsor estimates the cost to replace a boiler is approximately \$3,000.
  - d. There is no air conditioning in the Building. Each habitable room has an AC sleeve with the ability to insert an air conditioning unit. An air conditioning unit is approximately \$650.00.
3. There is no visible sound insulation between the floors other than the ceiling material, subflooring and finished floor.
4. It is unclear if there is foundation insulation or water proofing.
5. The detention tank is below ground and not visible; its condition is unknown.
6. The hot and cold water pipes are uninsulated.
7. The front fence is located approximately 4.75' beyond the front property line, which is an existing non-complying condition. The degree of non-compliance may not be increased. The non-complying condition appears to be consistent with neighboring buildings on the block.
8. There are no lot line windows, however there are windows which are located approximately 8' from the property line. Any construction on the lots adjacent to property would not inhibit the permitted light and ventilation requirements of this Building. There are no restrictions on

development at neighboring properties. Lighting and ventilation calculations (in the form of window size requirements) appear on the drawings related to application 301774122.

9. Sponsor will undertake the following work to be completed prior to the First Closing at its cost and expense. As Sponsor is repairing/replacing in kind building permits are not required as per the Architect Report. The Contractor will provide a letter of completion as to these items which buyers can also visually inspect.
  - e. Repair the exterior stairs and railings prior to the First Closing, and replacing any portions which are beyond repair.
  - f. Tighten self-closing hinges on doors.
  - g. Repair damaged drywall at cellar and address any source of leaks or infiltration by cleaning the drains which were not being maintained and clearing the pipes. Mold was visible in the cellar supply room and in that location, all items in the room will be discarded and the drywall will be replaced.
  - h. Tile repair at the corridors.
  - i. Pavement repair at the rear yard and eastern side yard.
  - j. Replace 5 missing gas meters.
  - k. Roof leak has been patched and the ceiling and walls of the floor below were repaired and/or replaced.
  - l. Repair and restore connectivity to the existing intercom system.
  - m. Repaint lines delineating parking spaces.

## PART II

Document No. 1

## Description of Property and Specifications

## **ARCHITECT REPORT**

### **THE 385 VERNON AVENUE CONDOMINIUM**

Prepared By:  
Reform Architecture PLLC  
April 7, 2025

#### **SECTION 20.7: DESCRIPTION OF PROPERTY AND SPECIFICATIONS**

##### **(a) LOCATION AND USE OF PROPERTY**

**(1) Address:**

The building is located at 385 Vernon Avenue in the Stuyvesant Heights Section of the Borough of Brooklyn, County of Kings, City and State of New York in zip code 11206.

**(2) Block and lot number:**

The site is located on Tax Lot number 44 in Tax Block number 1586.

**(3) Zoning:**

The site was located in R6 Zone with an C2-3 Overlay as designated on Map number 13b of the 2005 Zoning Resolution at the time of its filing and construction (2008). The site is currently zoned as R6B as per the 2024 Zoning Resolution map.

**(4) Permissible Use:** The Zone permits Residential use as of right.

**(5)** There is no work being filed in association with the conversion. The building shall be converted as an existing building based on its original construction in 2006-2010. The original construction was not required to and does not comply with the NYC Department of Buildings but was not required to, and did not voluntarily comply with the Quality Housing Program.

**(6)** The Property and use complies with all use requirements. The building's existing bulk conforms to the requirements from the time in which it was built. The building's existing bulk would not comply with the current zoning regulations due to the rezoning of the

site.

**(b) STATUS OF CONSTRUCTION**

**(1) Year built:**

The building is an existing building, built in 2006-2010. Construction started in August 2006 and was completed in April 2010.

**(2) Class of construction:**

The Class of Construction is and will remain Construction Class 1-C as described by Table 3-4 of the 1968 New York City Building Code. Exterior bearing and non-bearing walls are of noncombustible materials having the required minimum fire protection rating of two hours. Interior bearing and non-bearing walls are not required to be fire rated. Enclosures of vertical exits, exit passageways, hoistways and shafts are of noncombustible materials having the required minimum fire protection rating of two hours. Structural floor/ceiling carry a one-and-a-half hour fire rating and roof / ceiling assemblies carry a one-hour fire rating under type I-C construction class.

**(3) Certificate of Occupancy, type and number:**

There is a Certificate of Occupancy number 302219258F on file for the property. A new CO is not required or being pursued as part of this conversion.

**(4) Permit numbers and description of work done:**

No work is being performed in association with this conversion. The job number of the new building filing completed in 2010 is 302219258. The work being performed by sponsor throughout this report includes repairing and like-kind replacement. As such the work does not require permits (as indicated by sponsor and sponsor's contractors). Upon completion of the repair of the stairs and railing, sponsor will obtain a scope & completion report from the contractor who performed the work, which shall be provided to the buyers. The remaining items to be repaired such as the drywall in the cellar may be visually inspected by the buyer.

**(c) SITE**

**(1) Size and location:**

The site is located on the north side of Vernon Avenue a distance 110'-0" West from the



corner formed by Vernon Avenue and Stuyvesant Avenue. The site has a frontage of 65'-0" along Vernon Avenue and extends to a depth of 100'-0" perpendicular to the Vernon Avenue property line. The site has an area of approximately 6,475.4 square feet.

(2) Number of buildings and use:

There is one building with 16 residential units.

(3) Streets owned or maintained by the project:

(i) Paving (material and condition);

The streets beyond the lot lines are existing, New York City sidewalks, curbs and roadways. Vernon Avenue is an existing 70' wide two-way street. There were no existing sidewalk vaults and new sidewalk vaults were not part of the construction. There was no required or proposed roadway repaving with the current application. The road is in fair condition.

(ii) Curbing (material and condition);

There is an existing stone curb fronting the property which is in fair condition with some visible erosion. There was no requirement to replace or repair the existing curb as part of this conversion. The sponsor will not be repairing or replacing the existing curb.

(iii) Catch Basins (location and condition);

Existing catch basins are located in the roadway to drain the storm water run-off, into the existing New York City Sewer System. The existing catch basins are in good condition and are constructed of concrete with steel grating covers and are located at the southwest and southeast corners of Vernon Avenue and Stuyvesant Avenue. The existing catch basins have been installed by the N.Y. City Department of Transportation.

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

The existing street lighting is provided by the City of New York, and consists of vertical steel, stanchions surmounted with mercury arc lamps in metal enclosures. The existing street lights are located, at the sidewalk close to the curb, on both sides of the roadway along Vernon Avenue. The existing street lighting is in good

condition.

- (v) Conformity with municipal codes;

This proposed conversion does not require curb, sidewalk and road repair. The existing condition shall remain “as-is”.

- (4) Drives, sidewalks and ramps:

- (i) Paving (material and condition);

There are no requirements to replace or repair the sidewalk in association with this conversion. The flags of the sidewalk are in good condition, but the joints of the sidewalk are in poor condition, with substantially large vegetation growing between the flags. There is a paved driveway on the west side of the building which is in fair condition, with some minor vegetation growing at the joint between the paved flags.

- (ii) Curbing (material and condition);

There is a curbcut approximately 10' wide to enter the driveway from the street.

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

There is one catch basin on the property at the center of the rear yard parking area.

There are cast iron area drains at the cellar floor level which are connected to the building's storm drainage system.

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

There is no street lighting on the property.

- (v) Conformity with municipal codes;

All paving and drainage devices have been designed to conform to the standards of the N.Y. City Department of Buildings and the Building Code.

(d) **UTILITIES**

- **Water**, Is provided by the City of New York, and water consumption shall be a common charge.
- Natural **Gas**, is provided by the National Grid Company, and each unit is separately metered and billed directly, and there shall be one common meter for the cellar laundry .
- **Electricity**, is be provided by the Consolidated Edison Company, and each unit

is separately metered and billed directly. Electrical cost associated with common area lighting shall be paid by the condo association.

- **Telephone** service, is provided by the local phone company, phone line connection to apartment is the responsibility of the unit owner.
- The **Sanitary** waste is carried from the building into the existing New York City Sewer System.
- The **Storm** water runoff is transported to the building's sewage system and to the existing N.Y. City Storm Drainage and Sewer System.

(e) **SUB-SOIL CONDITIONS**

- (1) There is no apparent evidence of uneven foundation movement, settling, cracking, mortar joint decay, etc.
- (2) As of the date of this report, moisture could not be witnessed by the base of the foundation or in the cellar floor.
- (3) There is no apparent danger from flooding due to a water table overflow from other bodies of water. The site and surrounding properties are relatively flat and there is no apparent potential for mudslides or erosion from the surrounding properties. The cellar is above the ground water table.
- (4) There is no evidence of land subsidence or expansive soils. New York City records and New York State records do not indicate the presence of hazardous materials, and/or environmental restrictions on the property.
- (5) The Project is not located in an area designated as a flood zone by any local, state, or federal agency.
- (6) Building foundation is accurately sized to support the calculated load as approved by the plans permitted in 2006.

(f) **LANDSCAPING AND ENCLOSURES**

- (1) There are not any planted areas in any of the yards. The front, side and rear yards are all paved. The rear yard and east side yard are in poor condition, with large cracks

between paving flags and vegetation growing between those cracks, which are as large as 2" high (i.e. between sheared paving flags) and 2 ½" wide. The west side yard and front yard are in fair condition with minor cracks only. Sponsor represents that they will repair the paving of the rear and eastern side yard.

- (2) There are two existing tree pits with young trees approximately 5 inches in diameter (at its trunk) at the front of the property. There were no street tree planting requirements in connection with this conversion.
- (3) There is a chain link fence with privacy screen atop a 20" concrete masonry unit curb with a total height of 6'-0" at the perimeter of the rear yard. Fence is in fair condition and does not require repair. The curb it is resting on appears to be in poor condition with missing mortar joints and efflorescence and is in need of repointing. There is a 6'-0" high metal fence at the front of the property allowing the passage of pedestrians and cars at the driveway. The west side yard has 6'-0" high chain link fence. The east side yard has a 6'-0" high slatted wood fence.
- (4) At the perimeter of the exterior staircases there are a combination of metal and masonry guardrails with a minimum overall height of 42".
- (5) There are no garden walls at open yard areas besides the curbs below the chain link fences.
- (6) There are no retaining walls at open yard areas.
- (7) There are no display pools or fountains at open yard areas.

(g) **BUILDING SIZE**

- (1) The building is a total height of approximately 40'-0" measured from the Baseplane elevation to the top of the roof over the 4th floor.
- (2) There is no crawl space within the building.
- (3) There is one cellar level below the first floor level of the building.
- (4) The building consists of a cellar and 4 stories.
- (5) The approximate gross square footages of each floor (including common areas) are as follows:

- |              |               |                   |
|--------------|---------------|-------------------|
| Cellar Floor | approximately | = 2,680.7 sq. ft. |
| First Floor  | approximately | = 3,185.0 sq. ft. |
| Second Floor | approximately | = 3,185.0 sq. ft. |
| Third Floor  | approximately | = 3,185.0 sq. ft. |
| Fourth Floor | approximately | = 3,185.0 sq. ft. |
- (6) There is a mechanical room in the cellar level which contains seventeen hot water heaters; one for each unit and one for the laundry room and sixteen boilers; one for each unit. There is a laundry room with 3 washers and 3 dryers. There is an open area with electric meters and the water/sprinkler services.
- (7) There is a gas service with 17 gas meters, at the time of inspection, only 12 meters were visible, sponsor represents that the remaining meters shall be installed prior to closing.
- (8) There is a minimum 3'-6" masonry parapet around the roof perimeter.

(h) **STRUCTURAL SYSTEM**

The structural system for the building is a column type system and consists of perimeter and interior load bearing steel wide flange columns which support steel wide flanges and composite concrete poured into metal deck.

The original foundations of the building are not visible.

The concrete foundation walls are existing, at the few points where the foundation is visible, it appears to align with the assemblies detailed in the approved plans from the New Building filing completed in 2010, and appears to be in good condition. No insulation or waterproofing is discernible from the New Building filing, and therefore it is assumed that there is no waterproofing or insulation at the foundation walls. It is unknown if there is any subgrade drainage system at the foundation.

The interior floor at the cellar floor level is tile on concrete in the laundry room and exposed concrete elsewhere. The floor structure and assembly above the first floor is composed mainly of lightweight concrete in a corrugated metal deck on steel beams with scheduled finish floors above the composite deck. The cellar ceiling and cellar floor assembly were not fully visible but the drywall of the inner assembly at the base of the floors and in the supply room appeared in poor condition, the sponsor represents that they will replace any

and all drywall in poor condition prior to closing and address and abate any source of leaks or water infiltration as indicated in section (h)(9)(ii) of this report.

There is no visible sound insulation between the floors other than the ceiling material (sheet rock), subflooring (plywood) and finished floor.

The construction class of the building is combustible Construction Type I-C as per table 3-4 of the 1968 N.Y. City Building Code.

(1) Exterior of buildings:

(i) Walls:

The North, South, East and West exterior walls are mainly of backup non-load-bearing masonry with a brick or stucco finish, any insulation between them is not visible.

The construction of the exterior walls are as follows, front façade are of masonry units with a face brick and stucco in good condition, the rear exterior walls are of masonry units with a stucco and brick finish, the side exterior walls are of masonry units with a brick finish. The interior side of the exterior walls are in fair condition. Neither the front or rear facade were repaired as part of this conversion. The exteriors of the bulkheads are finished with stucco. As mentioned above, in compliance with Construction Class I-C of the 1968 code, the exterior walls are made of incombustible materials or assemblies of materials with a fire resistive rating of at least two hours when walls are nonbearing and near the lot line. The stucco at the exterior is assumed to be of the same age of the original construction, dating to approximately 2010. It appears to be in fair condition, with signs of age and wear but no major or dangerous defects.

The interior finish of all exterior walls will be gypsum wallboards on metal or wood furring or studs at the inside surfaces of the load-bearing, masonry walls.

The building is six stories or less in height and therefore does not have to comply with Local Law 11 of 1998 which supersedes Local Law 10.

(ii) Windows:

The windows appear to be double-glazed and mainly of the sliding type, built with

aluminum frames. They are estimated to have been installed around 2008-2010 and are in fair condition. The manufacturer is unknown. The perimeter of window openings are fitted with a latex-based, caulking compound at interior and exterior surfaces.

Window screens will be not provided, window guards will not be provided by the sponsor. Fixed steel security grilles are provided at the perimeter for 1st floor windows, and at the windows that face directly into the exterior stairs. The grilles are in worn condition, with signs of rust throughout, but no signs of failure.

Window sills are finished with stone at the exterior, the interior is finished in drywall.

The interior finish of the lintels are drywalled at the inside surfaces.

All exterior metals, including fasteners, screens, storm, sash, and hardware are corrosion resistant.

There are no lot line windows. However, there are windows which are located approximately 8' from the property line. Any construction on the lots adjacent to 385 Vernon Avenue would not inhibit the permitted light and ventilation requirements of 385 Vernon Avenue. There are no restrictions on development at neighboring properties. Lighting and Ventilation calculations (in the form of window size requirements) appear on the drawings related to application 301774122 which is referenced in section (b) (4) of this report.

(iii) Landmark status:

The building is not located in a Historic Landmark District.

(2) Parapets and copings:

There is a 3'-6" masonry parapet with a stone coping and aluminium cornice on the front facade, and terra cotta coping on the side and rear facades. There are no visual signs of leaks. The parapets appear to be in good condition, and as of the date of the visit there were no indications of any problems.

(3) Chimney and caps:

There are no traditional chimneys at the property. There are 4 roof vents that serve the kitchens, 4 roof vents that serve the bathrooms, 1 roof vent that serves the boiler and

hot water heating room and vent to the rear yard at the first floor level that serves the common cellar laundry equipment. All the vents and exhausters appear to be in good condition as of the date of the visit.

(4) Balconies and terraces:

There are no balconies or terraces in this project.

- (i) Deck finish:
- (ii) Drainage:
- (iii) Balustrade:
- (iv) Railings:
- (v) Soffits:
- (vi) Doors to balconies, terraces and yards (type, material):

(5) Exterior Entrances:

- (i) Exterior doors and frames:

There are two common exterior entrance doors; one located at the cellar floor level of the building towards the front of the building servicing the cellar floor, one located at the rear of the building serving the cellar floor. All exterior doors are steel, rated for 1 ½ hours fire-rated and self-closing, however, as of the time of visit, the self-closing springs were not properly tightened to self-close. The sponsor represents they will tighten all self-closing spring hinges prior to closing. The rear cellar door only opens as an exit from the cellar. The front cellar door has a keyed privacy lock by an unknown manufacturer.

There shall be 16 private exterior entrance doors, one for each unit. The unit doors have a keyed entry lock by an unknown manufacturer.

Exterior entrances will be built free of tripping hazards. Water runoff from surface area will be conveyed to the existing combined sewer fronting the property. As the building was constructed under older building codes, the exterior entrances are, as existing, not ADA compliant and are not required to be made ADA compliant as part of this conversion. All exterior metals, including fasteners, will be corrosion resistant. All exterior doors date back to the 2010



## New Building.

There are two gates in the front yard fence, one rolling gate for the car parking entry and one single-swing door at the pedestrian entrance. The parking entry rolling gate is secured with a padlock on a steel chain. The pedestrian entry swinging door is secured by a key-code electronic intercom by “Enforcer”. The gate can be opened by a Citywide Standard Key as required and defined under section 506.2.3 for building emergency access.

### (ii) Vestibule doors and frames:

There will be no vestibule door.

### (iii) Exterior stairs:

There are 4 exterior common element stairs located at the southeast, southwest, northeast and northwest corners of the building. The southeast stair connects the roof to the cellar level, the southwest stair connects the first floor level to the roof level, the northwest stair connects the first floor level to the fourth floor level, the northeast stair connects the cellar level to the fourth floor level. All four exterior common element stairs are made of plate steel. As of 2/20/2025, the existing stairs are in terrible condition, with major pieces of metal flaking off due to rust, fasteners that have completely rusted away, uneven rises and runs and holes due to excessive corrosion. Sponsor represents that they will repair the stairs as necessary prior to closing. Repair maybe be in the form of scraping and painting for areas which are less damaged or bracing (with steel plates) for areas more damaged. Any sections which are beyond repair will be replaced in kind (steel stair structure and treads, painted black). Because the stairs will be repaired/replaced in kind, they are not required to file a permit unless the tradesperson’s means and methods require filing a permit. On the sides without a railing, i.e. on the exterior of the building, there are fixed walls finished in glass and stucco in fair condition that partially shelter the stairs. The corridors between the stairs are finished with tile, which is in fair condition, with cracks and uneven tiles - (sponsor represents that they will fix the tiles by filling in the cracks, prior to closing) and are flanked on the exterior side of the building with

walls at least 42" high and finished with stucco. Upon completion of the stair repair sponsor will obtain a scope and completion report from the contractor which will be available to the buyers. Buyers may further visually inspect the stairs to verify that there are no holes or visually corroded areas.

(iv) Railings:

The existing front exterior common element stairs are protected with black painted steel railings, which are in poor condition, with obvious signs of corrosion by the connection to the stair stringer, though not as bad as the stairs they are connected to. All exterior metals including fasteners are painted steel, although much of the paint has flaked off. The sponsor represents they will repair the stair railings along with the body of the stairs. Sponsor will replace in kind (steel, painted black) sections of the railing if and where repair will not be possible. The repair of the railing shall be included in the scope and completion report from the contractor, referenced above.

(v) Mail boxes:

Mailboxes are an exterior post-mounted, model mailbox which shall remain as existing.

(vi) Lighting:

There are wall mounted lighting fixtures provided adjacent to the entrances at the front and rear of the building. The fixtures at the front area of the building are capable of providing an aggregate illumination of 30 watts LED or CFL energy efficient illumination (equivalent to one hundred fifty watts (150) incandescent illumination). The lighting fixture at the main entrances to the units is capable of providing an aggregated illumination of 14 Watts LED or CFL energy efficient illumination (equivalent to sixty (60) watts incandescent illumination). The fixtures at the rear yard areas are capable of providing an aggregate illumination of 28 Watts LED or CFL energy efficient illumination (equivalent to one hundred and twenty (120) watts incandescent illumination). The requirements are in compliance with the New York City Housing maintenance Code and Multiple Dwelling Laws. All lighting fixtures were installed during the

2010 construction.

(6) Service entrances:

There is no separate service entrance to the building therefore the following sub sections are not applicable to this Report:

- (i) Exterior Doors and Frames;
- (ii) Vestibule doors and frames;
- (iii) Exterior Stairs;
- (iv) Railings;

(7) Roof and roof structures:

(i) Types:

There is a flat roof area located above the fourth floor of the building and above the stair bulkheads.

(a) Material:

The flat roof areas (both above the fourth floor and the bulkhead) appear to be made of bituminous sheet roofing, over insulation over concrete-on-metal-deck over wide flanges. The roof was installed between 2007-2010 and is in poor condition, with visible pooling of water, spongy areas of roof, and visible leaking on the floor below. There are some areas that appear to have been repaired but the date of those repairs are unknown. As of the most recent site visit, the roof leak has been patched with new bituminous sheet roofing, the ceiling and walls of the floor below were also repaired and/or replaced - these repairs were performed by sponsor around January-february 2025.

(b) Insulation:

The roof was installed prior to the implementation of New York City Energy Conservation Code. The roof was not probed to confirm the existence of insulation and the copy of the DOB approved plans are not clear enough to determine as such, and as such the roof insulation is unknown.

(c) Surface finish:

The roof surface is finished with thermally welded, bituminous asphalt sheeting.

Daily traffic is not expected for this roof; usage of roof is not suitable for recreational use.

(d) Bond or guarantee:

The roof was installed around 2007-2010. Sponsor has no records from the previous owner of a roof warranty and it is assumed that the roof is no longer under warranty.

(e) Flashing materials including counter flashing:

Flashing at the roof edge is turned down 2" below the roof blocking with sheet metal, the parapets are waterproofed with roofing membrane which turns down to the roof. The flashing is in fair condition, with signs of wear but no major defects.

Penetration ducts, pipes, etc. are met with pitch pockets filled with two parts pourable sealer.

(ii) Drains:

(a) There are three cast iron 4" roof area drains in fair condition. The drain delivers water to the building's storm drainage system to a combined sewer. There is no secondary storm drainage system and such a system was not required by code at the time of construction. The bulkheads are pitched to a scupper which delivers water to a leader which leads to the roof and ultimately the roof drain. The drainage issues previously observed were likely due to a combination of unmaintained drains and an imperfectly pitched roof, which appears to have been repaired by the sponsor. The roof pitch issue was resolved by the sponsor by roofing build-up with bituminous roofing materials.

(iii) Skylights:

There are no skylights.

(iv) Bulkheads:

There is a stair bulkhead above the roof of the fourth floor. The bulkhead is in fair condition and appears to be finished with a bituminous roof, similar to the roof over the fourth floor.

- (a) Stair material;
  - (b) Elevator material;
  - (c) Other;
- (v) Metal work at roof levels:
  - (a) Exterior metal stairs - none
  - (b) Vertical ladders, including gooseneck;  
There are no ladders on the roof.
  - (c) Railings;  
There is no railing at the perimeter of the roof of the stair bulkhead, there is a parapet with a minimum height of 42".
  - (d) Hatches to roof;  
There is no hatch to the roof.
  - (e) Other;  
There is no lightning protection provided or other structures at the roof areas
- (vi) Rooftop Facilities:  
There are no recreational rooftop facilities provided by the sponsor in this offering. There is no indication of the FDNY rooftop access path on the DOB approved plans from the 2006-2010 new building filing. Indication of FDNY rooftop access on the floor plans was not required under the 1968 code or at the time the building was constructed. However, an FDNY rooftop access path was added to the condominium floor plans per current NYC Fire Code. Said access path may not be blocked with any fixtures or furniture at any time.
- (8) Fire escapes:  
There are no fire escapes at the building.
  - (i) Location;
  - (ii) Floors covered;
  - (iii) Drop ladder;
  - (iv) Type;
  - (v) Materials;
- (9) Yard and courts:

There is no front yard.

The building has a yard area in the rear of the building which is in fair condition. The rear yard area will have a depth of approximately 30'-7" measured perpendicular to the rear façade of the existing structure. The rear yard area is accessible from the cellar common element stair and is an exterior-common area. The rear yard facilitates 6 parking spaces as further indicated in this report.

The building has two side yards starting from approximately 4'-5" from the front facade and continue until they intersect with the rear yard. Both side yards are approximately 8'-0" wide measured perpendicular to the side façade of the existing structure. The western side yard is paved and facilitates the driveway for the parking in the rear yard. The pavement condition is fair on the west side with no immediate need of repair. The pavement condition is poor on the east side with significant cracks and uneven paving which poses a tripping hazard. The sponsor represents they will repair the cracks and uneven paving in the rear and eastern side yard prior to closing.

(i) Paving and landscaping:

The front, side and rear yard areas are of paved cement. The east yard and rear yard are in poor condition and the front and west yards are in fair condition. The sponsor will not provide landscaping or grass coverage. The sponsor represents they will repair the cracks and uneven paving in the rear and eastern side yard prior to closing.

(ii) Drainage:

There are a total of two 4" cast iron area drains near the window wells at the perimeter of the building (one in each side yard). DOB records indicate drainage of the yard to a 6' diameter, 6' high concrete detention tank located in the rear yard. The tank was not visible or investigated during the site visit.; its condition is unknown. The drains had not been maintained well at the time of the visit, which was responsible for the water damage at the cellar level. Sponsor indicates that they will clean the area of the drains, remove any accumulated debris, repaired and/or replace damaged areas in the cellar and if necessary, will clear the pipes with a drain auger. The future condo board and/or it's future management

agent shall maintain the drains and courtyard areas periodically by cleaning and removing any accumulated debris.

(iii) Railing:

The existing front exterior common element stairs are protected with black painted steel railings, which are in poor condition, with obvious signs of corrosion by the connection to the stair stringer, though not as bad as the stairs they are connected to. All exterior metals including fasteners are painted steel, although much of the paint has flaked off. The sponsor represents they will repair the stair railings along with the body of the stairs. Where the conditions are damaged beyond repair, the sponsor will replace the existing assemblies in kind as described in section (h)(5)(iv) of this report..

(iv) Stairs:

There are 4 exterior common element stairs located at the southeast, southwest, northeast and northwest corners of the building. The southeast stair connects the roof to the cellar level, the southwest stair connects the first floor level to the roof level, the northwest stair connects the first floor level to the fourth floor level, the northeast stair connects the cellar level to the fourth floor level. All four exterior common element stairs are made of plate steel. As of 2/20/2025, the existing stairs are in terrible condition and will be repaired by sponsor prior to closing. Refer to section (h)(5)(iii) for additional information.

(v) Fencing:

There is a chain link fence with privacy screen atop a 20" concrete masonry unit curb with a total height of 6'-0" at the perimeter of the rear yard. Fence is in fair condition and does not require repair. The curb it is rest on appears to be in poor condition with missing mortar joints and efflorescence and is in need of repointing.

There is a 6'-0" high metal fence at the front of the property allowing the passage of pedestrians and cars at the driveway. The front fence is located approximately 4.75' beyond the front property line, which is an existing non-complying condition. the degree of non-compliance may not be increased. The non complying condition appears to be consistent with the neighboring buildings on

the block.

The west side yard has 6'-0" high chain link fence. The east side yard has a 6'-0" high slatted wood fence.

(vi) Walls:

There are no exterior walls.

(10) Interior stairs:

(i) Number and type:

There are no interior stairs. The following sections are not applicable.

(ii) Enclosure:

(iii) Stair construction:

(iv) Stringers:

(v) Treads:

(vi) Risers:

(vii) Guard rails:

(viii) Balustrade:

(11) Interior doors and frames:

(i) Unit entrance and interior doors and frames:

Unit entry doors and frames will be exterior fireproof, self-closing, hollow steel with New York City ID number and MEA numbers for 1 ½ hour fire rating. Doors have keyed privacy and deadbolt locks by Emtek or equal. Each unit door has a deadbolt and lever lock. Knob lock are passive from inside the apartment. Deadbolts have a thumb turn type release. The existing exterior unit doors will not be replaced but the sponsor represents they will tighten all the self-closing hinges prior to closing.

Interior doors and frames in the apartments are 1 ¾" thick hollow or solid core wood, manufacturer unknown, with passage and privacy locks as appropriate. Door hardware and accessories are unknown. All metal parts including hardware will be corrosion resistant. Fire proofing will be equal to or exceed fire safety standards. All fire proof self-closing doors will be properly labeled.

The interior doors and frames date from the 2010 construction and appear to be in fair



condition.

- (ii) Corridor doors and frames:

There are no corridor doors

- (iii) Stair hall doors and frames:

There are no stair hall doors and frames.

- (iv) Roof Doors, Utility Room Doors and frames:

The roof door to the common stair at the bulkhead level is a fire-proof, self-closing door with a fire rating of one and a half hours. The doors at the cellar level to the utility rooms are two hour rated fireproof self closing doors mounted on a metal frames.

- (12) Elevators: There is no elevator in this building. The following are not applicable

- (i) Number;
- (ii) Manufacturer & capacity;
- (iii) Type of Operation;
- (iv) Automatic (Type of controls);
- (v) Floors served
- (vi) Type (hydraulic, gearless)
- (vii) Doors (sliding, swinging, manual, automatic);
- (viii) Location of machine rooms;
- (ix) DC motor (manufacturer);
- (x) AC motor generator set (manufacturer);
- (xi) Other;

- (13) Elevator cabs:

- (i) Kind (manufacturer);
- (ii) Floor (Material);
- (iii) Walls (Material);
- (iv) Ceiling (Material);
- (v) Lighting;
- (vi) Alarm, Safety system;

(i) **AUXILIARY FACILITIES**

(1) Laundry rooms:

There shall be a common laundry room in the cellar. The hot water heater serving the laundry rooms shall be located in the mechanical room.

(i) Location and number of rooms;

There is a common laundry area with 3 washers (Maytag) and 3 gas dryers (Maytag) in the cellar level. The existing laundry units within the units appear to be approximately 15 years old and appear to be in good condition. The common laundry units are card-operated.

(ii) Clothes washers;

The common are washers by Maytag, model #MHN33PCRWW1. They shall remain as card-operated machines.

(iii) Clothes dryers;

The common area dryer are gas, vented dryers by Maytag, model #MDG20PRAWW0. They shall remain as card-operated machines.

(iv) Room ventilation;

There is mechanical exhaust ventilation provided for the common laundry units in the laundry room. The laundry shall be vented to the rear of the building, it appears to be in fair condition, with signs of age but no major damage.

(v) Dryer ventilation; There is ventilation provided for the common dryers.

(2) Refuse disposal:

(i) Incinerators;

There are and shall be no incinerators in the building.

(ii) Compactors;

There is no trash compactor.

(iii) Approvals by Authority having jurisdiction;

There are no approvals required. Garbage is removed by the N.Y. City Department of Sanitation.

(iv) Storage Location;

Refuse storage shall be in eastern side yard - sponsor represents there is sufficient

room for storage bins. It is the responsibility of each unit owner to follow the rules and regulations for refuse and recyclables as per NYC DSNY guidelines, which are available online or by calling 311.

(v) Pick-up Schedule;

The New York City Sanitation Department (DSNY) will then collect the garbage on days designated for garbage removal. As of the date of this report, the designated pick up days are Tuesday, Thursday and Saturday for refuse; Thursdays for recycling. Additional information available on the DSNY website or by calling 311.

- (3) Bicycle room, storage rooms and package rooms are not required and are not provided for this development.

(j) **PLUMBING AND DRAINAGE**

(1) Water Supply:

Water is supplied to the units through connections to the building, from the New York City Water Distribution System. There is a ductile iron water main 4" in diameter conveying the water into the building as per DEP standards. Each residential unit is to be supplied with cold water from a minimum ½" copper piping. The plumbing system was installed in 2010, upon the visit the piping was not visible to ascertain its condition. The hot and cold water pipes are uninsulated.

The main water shut off valve is located in the cellar floor near the exterior entrance to the front yard.

There is a hot water system described in section K below.

The building relies on normal New York City water pressure for raising the water to the 4th floor.

- (2) Fire Protection System: The entire building is equipped with a wet sprinkler system dating to the original construction in 2010; it appears to be in fair condition, with signs of age but no major defects. No fire pump is provided. The sprinkler system will be equipped with a 3"x3"x4" siamese connection. Each unit shall also be equipped with smoke detectors and carbon monoxide detectors at a maximum distance of fifteen feet from any bedroom door within the unit, as required by the New York City Building Code.

- (i) Sprinkler heads (type, location); Sprinkler heads are installed throughout the building and consist of pendant and upright sprinkler heads as manufactured by Reliable.
  - (ii) Siamese connection (type, location);  
There is a 3"x3"x4" NYC Fire Department approved single connection located at the front façade of the building at a minimum of 18" from grade to a maximum of 36" from grade level.
- (3) Water storage tank(s) and enclosures:
- (i) Number, type, location;
  - (ii) Material (Interior, exterior and roof);
  - (iii) Access to tank;
  - (iv) Capacity (total gallons);
  - (v) Capacity (fire reserve);
- (4) Water pressure: The building is less than 6 stories tall and will rely on natural water pressure from the New York City water system. There will be no water pressure pumps.
- (5) Sanitary sewage system:
- (i) Sewage piping (material);  
Sewage piping material will be constructed of extra heavy cast iron. The system appears to be in fair condition, with signs of age but no major defects.
  - (ii) Sewage pump;  
There is no submersible sewage ejector pump. Sewage from cellar floor and above is disposed by gravity. The house trap is below the cellar elevation permitting disposal by gravity from the cellar fixtures to the house trap and sewer main.
  - (iii) Sewage disposal;  
The sanitary waste is conveyed to the New York City combined sewer system via extra heavy cast iron sewer pipes. The waste travels from the building interior to the house trap located towards the front of the building fronting Vernon Avenue and are fabricated of extra heavy cast iron pipe. The House trap conveys the sewage to a 4" extra heavy cast iron sanitary drain which is then connected to a 6" New York City combined sewer located in the roadway Vernon Avenue.

- (6) Permit(s) required: All proposed work has been completed. There are no permits active with the sponsor.
- (7) Storm drainage system: The system appears to be in fair condition, with signs of age and lack of maintenance but no major defects or need of immediate repair other than the repairs stated in section (h)(9)(ii).

There is one cast iron yard drains in the yard and one at the cellar level of the northeast and southeast stairs.

There are three drains located on the roof over the 4th floor.

The building's storm system (gutters and leaders described in roof drainage section) will connect to the house trap described in section (j)(5)(iii) and expel to the combined sewer system. This system was not tested for adequacy however there are no signs of excess water pulling or water overflow at the house trap.

(i) Catch basins;

Catch basins are located in the public roadway along Vernon Avenue and have been installed and designed by and to the standards of the N.Y. City Department of Transportation. Catch basins are constructed of concrete with steel grating covers.

(ii) Yard and roof drains;

There is one cast iron yard drains in the yard and one at the cellar level of the northeast and southeast stairs.

There are three drains located on the roof over the 4th floor.

(iii) Piping;

There is no exterior piping; all storm drain piping shall be interior or subterranean.

(iv) Ejector or sump pumps;

There is no submersible sump pump.

(k) **HEATING AND HOT WATER**  
**HOT WATER**

- (1) Distribution of Domestic Hot water Capability: Domestic hot water is provided for each unit by a gas powered water heater located in a mechanical room on the cellar floor. The hot water heating system is designed to be capable of providing

peak required services to each residential unit. Domestic water heaters are 5-17 years old and typically have a useful life of 8-12 years.

The hot water heaters are located in the common cellar mechanical room with boilers and are extremely tight to a point that it may be required to remove certain heaters to access other heaters which are in the rear of the room.

(2) Number of boilers and description:

There are 17 water heaters - one for each apartment and one for the common laundry room, and 16 gas boilers. Each boiler shall power a steam radiator system. The boilers are model SE-70 DP by Sentinel, maximum 70,000 BTU, with up to 82.3% efficiency. The boilers are approximately 15 years old. They are all currently past their life expectancy, however, boilers may last beyond their life expectancy by repairs which sponsor estimates would cost in the range of \$750 to \$2,000. Sponsor represents that should a boiler fail, the estimated cost to replace it is approximately \$3,000.

(3) Manufacturer (model, capacity):

The hot water heater for each unit is a gas hot water heater by A.O. Smith:

- A.O. Smith, 40 Gallon Residential Gas Water Heater, model: GCV 40. 40,000 BTU. Rated 59% efficiency. The water heaters of this type appear to be 17 years old and in fair condition and are the original fixtures to each unit. The following units have this model installed: 3A, 1B, 1C & 1D.
- A.O. Smith 40 Gallon Residential Gas Water Heater model: XCR 40. 40,000 BTU. Rated 62% efficiency. The water heaters appear to be 5 years old and in fair condition. The following unit has this model installed: 2C.
- A.O. Smith 38 Gallon Residential Gas Water Heater model: G6-T40. 35,500 BTU. Rated 59% efficiency. The water heaters appear to be 4 years old and in fair condition. The following units have this model installed: 3C & 2B.
- A.O. Smith 40 Gallon Residential Gas Water Heater model: GCR 40. 40,000 BTU. Rated 64% efficiency. The water heaters appear to be 8 years old and in fair condition. The following units have this model installed: 2A, 4A, 4B, 4C, & 4D
- A.O. Smith 40 Gallon Residential Gas Water Heater model: GCRL 40. 40,000 BTU. Rated

58% efficiency. The water heaters appear to be 7 years old and in fair condition. The following units have this model installed: 1A & 2D.

- A.O. Smith 74 Gallon Residential Gas Water Heater model: PCG-75 400. 75,100 BTU. Rated 58% efficiency. The water heaters appear to be 4 years old and in fair condition. The common laundry areas has this model installed.

The units have no warranty.

(4) Manufacturer and age of burners:

None

(5) Type of controls:

Hot water heaters are equipped with thermostats.

(6) Radiators, piping etc.:

None.

(7) Fuel (supply system):

The hot water heaters will be powered by gas.

(8) Location of oil tank:

There will be no oil tanks in the building.

(9) Capacity of oil tank:

There will be no oil tanks in the building.

#### **UNIT HEATING**

(1) Heating System Capability: Heating of each residential unit is achieved by a steam boiler system.

(2) The heating system will be designed to maintain a minimum inside temperature of 70 degrees Fahrenheit, when the outside temperature is 15 degrees Fahrenheit with a 15 mph wind (in accordance with ASHRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport).

(3) Number of boilers and description:

There will be 16 gas boilers. Each boiler shall power a steam radiator system. The boilers are model SE-70 DP by Sentinel, maximum 70,000 BTU, with up to 82.3% efficiency. The boilers are approximately 15 years old. The boilers are not provided with a warranty. The boilers are past their life expectancy,

however, boilers may last beyond their life expectancy by repairs which sponsor estimates would cost in the range of \$750 to \$2,000. Sponsor represents that should a boiler fail, the estimated cost to replace it is approximately \$3,000.

(4) Manufacturer (model, capacity):

See above section for details.

(5) Manufacturer and age of burners:

No burners will be provided.

(6) Type of controls:

(7) Radiators, piping etc.:

There are fin-type baseboard radiators provided in every habitable room. The make and model of the radiators is unknown.

(8) Fuel (supply system):

The heating component of the split system will be powered by gas.

(9) Location of oil tank:

There will be no oil tanks in the building.

(10) Capacity of oil tank:

There will be no oil tanks in the building.

(I) **GAS SUPPLY**

(1) Type:

The existing gas service shall remain.

(2) Meters:

The building accommodates 17 gas meters, one for with in each unit there is a single thermostat for controlling heating in the unit.

each unit, and one for the common spaces. As of the date of the report, there are 5 missing gas meters, the sponsor represents that the remaining gas meters shall be installed prior to closing.

(3) Piping:

All gas piping are schedule 40 black iron, with a minimum diameter of  $\frac{3}{4}$ ".

(m) **AIR CONDITIONING**

There is no air conditioning system. Each habitable room has an AC sleeve with the ability to



insert an airconditioning unit. The sponsor does not intend to provide the actual air conditioning units as part of the offering plan. The following sections are not applicable.

- (1) Type of system,
- (2) Central System (manufacturer, model, capacity):
- (3) Cooling towers or Condensers (number, location, description):
- (4) Air Handling Units Covered by the Offer (number, location, description):
- (5) Controls:
- (6) Warranty & Installation:

(n) **VENTILATION**

The spaces that require mechanical ventilation within the units are the interior bathrooms and kitchens. These spaces within the residential units are equipped with vertical ducts with a fan, which terminates to the outside air. CFM could not be determined and is assumed to be minimum 50CFM. Sound rating could not be determined. Exhaust equipment are New York City M.E.A. or B.S.A. approved. There is no cooking; living or sleeping permitted in the cellar area thus ventilation requirements do not apply as per New York City Building Code. The exhaust fans are approximately 15 years old and appear to be working in good condition. There is a fresh air intake louvered panel for the hot water heater & boiler room located at the rear stairwell to the cellar.

Ventilation for mechanical rooms, utility rooms, laundry and equipment rooms are provided where required.

(o) **ELECTRICAL SYSTEM**

- (1) Service from main service switchgear:

The electrical service to the building is brought in from the terminal point of the Con Edison Company. The service supplied to the building is 400 Amps, 220 / 240 Volt, single phase service.

The electrical service is transported throughout the building via an insulated, 3 wire cables Copper #6

There are no backup generator for cases of electrical outages.

The electrical system is approximately 7 years old and appears to be working in good condition. The light fixtures and outlets are approximately 7 years old and appear to be working in good condition.

- (2) Service to individual units:

There are separate meters for each residential unit and 1 meter for the common areas. Each unit is supplied with 125 Amps of electrical service.

(3) Compartment switchgear:

The sectional meter boards and transformers supplying power to the meter boards are located in an electrical nook at the cellar floor level.

(4) Unit service:

Each residential unit is equipped with at least Amp fuses and with at least 15 circuit breakers in the unit kitchens.

The electrical system is adequate to handle modern usage and appliances such as air conditioners, dishwashers and microwave. AFCI & GFCI are provided.

(5) Adequacy:

(i) Service;

There are a minimum of 15 circuits with circuit breakers provided for each unit. The circuits have the capacity to handle modern appliances such as air conditioners, dishwashers and microwave. Water resistant receptacles for exterior use are provided.

(ii) Lighting and fixtures;

There is a minimum of one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, living room, kitchenette and bathroom within each residential unit. There is an overhead fixture provided in hallways within the units. Each lighting fixture is capable of providing an aggregated illumination of 13 Watts LED or CFL energy efficient illumination (equivalent to seventy five (75) watts incandescent illumination).

Lighting fixtures and electrical outlets were installed by a licensed Electrician, and are in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

(iii) Convenience outlets, appliance outlets;

There are convenience outlets and appliance outlets provided in each bedroom, living room, kitchen, bathroom, toilet room etc. within each unit.

**(p) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV**

Each unit is equipped with an voice only intercom at the entrance, which permits voice contact between the inside of the unit and the exterior. The main exterior panel is located at the exterior pedestrian front gate. The existing intercom model is an unknown model by Linear and appears not to be in working order as of the date of the inspection. The sponsor represents they will repair and restore connectivity to the existing intercom

system prior to closing. Access to the front pedestrian gate entrance is further provided by a keypad without an intercom, of an unknown model, by Enforcer.

There are no security systems or virtual door man systems provided.

**(q) PUBLIC AREA LIGHTING**

Lighting fixtures are provided in public stairways and hallways. Such fixtures are capable of at least an aggregated illumination of 14 Watts LED or CFL energy efficient illumination (equivalent to sixty (60) watts incandescent illumination) per twenty five (25) square feet of floor area. Each lighting fixtures are provided with one or more lights, which can total not less than an aggregated illumination of 14 Watts LED or CFL energy efficient illumination (equivalent to sixty (60) watts incandescent illumination). In addition, lighting fixtures are provided at the front entrances, which can provide an aggregate illumination of an aggregated illumination of 28 Watts LED or CFL energy efficient illumination (equivalent to one hundred and twenty (120) watts incandescent illumination). There is, in the yard area to the rear, at least one light, which can provide an aggregated illumination of 28 Watts LED or CFL energy efficient illumination (equivalent to one hundred and twenty (120) watts incandescent illumination). The lighting units all date back to the original construction in 2010 and are approximately 15 years old.

**(r) GARAGES AND PARKING AREAS**

There is an open parking area at the rear yard:

- (1) Location of garages - open parking area the rear yard
- (2) Location of parking areas;

The rear yard is a parking area for up to 6 cars, in compliance with zoning regulations. One of those parking spaces must be maintained by the building as an ADA accessible parking space. The space required for an ADA parking space is 96" wide for the car with a 60" access aisle (as opposed to the typical 8'-6" wide required by NYC building code) and 18' long. The six parking spaces shall be offered as licenses. Parking is considered as accessory to the residential units within the building and shall be used by residents/condo owners. Sponsor reserves the right to rent unlicensed parking

spaces to residents or outside parties for not less than one week and not more than one month. All off street parking spaces must be made available for purchase to residents within 30 days after written request made to the Sponsor by such resident.

(3) Surfaces;

The surface of the rear yard is paved concrete, in poor condition. The sponsor represents that they will paint new lines (none are visible) to designate the parking spaces.

(4) Parking (attended or unattended);

The parking is and shall remain an unattended system. Access to the parking shall be provided by a padlock and chain at the rolling gate entry to the parking area.

(5) Garage ventilation (method and equipment);

(6) Garage fire protection (method and equipment);

(7) Drainage;

There is one area drain at the center of the rear yard to drain water from the rear yard parking area.

(s) **SWIMMING POOL(S)**

There are no swimming pools in or at the exterior of the building. The following sections are not applicable to this Report:

(1) Type (concrete, material composition) and Location;

(2) Size (length, width, depth, capacity);

(3) Enclosure (material including roof);

(4) Pumping and filter system;

(5) Water heating equipment;

(6) Structural support system (roof location);

(t) **TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES**

There are no tennis courts playgrounds or recreational facilities in or at the exterior of the building. The following sections are not applicable to this Report:

(1) Tennis Courts:

- (i) Type (clay, macadam, turf);
- (ii) Number and Size;
- (iii) Lighting (number and type);
- (iv) Fencing and enclosure;
- (2) Playgrounds (size and location);
- (3) Other Recreation facilities;

(u) **PERMITS AND CERTIFICATES**

The sponsor is not performing any construction associated with this conversion.

Below is a list of required recurring inspections which are the responsibility of the condo board once established:

| INSPECTION                  | CREDENTIALS       | FREQUENCY     |
|-----------------------------|-------------------|---------------|
| RPZ Inspection              | Licensed Plumber  | Annual        |
| Sprinkler system Inspection | S12 Certification | Monthly       |
| *Fire Door Assembly         | Non required      | Annual        |
| **Gas Piping Inspections    | Licensed Plumber  | every 4 years |

\* Required in accordance with NFPA 80. Can be performed by condo board. Records must be maintained by condo board.

\*\* Required in accordance with Local Law 152.

(v) **VIOLATIONS**

At the time of this report there are no violations open under the NYC Department of Buildings Building Information System (NYC DOB BIS).

(w) **UNIT INFORMATION**

The building will have a total of 16 residential units. The residential units will be located at the 1st floor level through 4th floor level. The cellar level is minimum 6'-8" and maximum 7'-0". The 1st, 2nd, 3rd & 4th floor levels are 8'-8" Floor-to-Ceiling. All finishes within the units will be the finishes installed in the construction in 2010, and are all approximately 15 years old. The first floor units (i.e. 1A, 1B, 1C & 1D) of the building are ADA Adaptable, as approved by the NYC DOB.

**Units 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3A, 3B, 3C, 3D, 4A, 4B, 4C & 4D, consist of\*:**

2 bedrooms, 1 bathroom, a living / dining room and a kitchenette.

**UNIT SIZES:**

The dimensions indicated are approximate and are located horizontally approximately to the outside face of the masonry work at the exterior walls of the building and approximately to the non-unit side of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units.

The approximate square footages for each unit are as follows:

| Unit | Location | Size (Sq. Ft.) |
|------|----------|----------------|
| 1A   | 1st fl.  | 745            |
| 1B   | 1st fl.  | 745            |
| 1C   | 1st fl.  | 745            |
| 1D   | 1st fl.  | 745            |
| 2A   | 2nd fl   | 745            |
| 2B   | 2nd fl   | 745            |
| 2C   | 2nd fl   | 745            |
| 2D   | 2nd fl   | 745            |
| 3A   | 3rd fl   | 745            |
| 3B   | 3rd fl   | 745            |
| 3C   | 3rd fl   | 745            |
| 3D   | 3rd fl   | 745            |
| 4A   | 4th fl   | 745            |
| 4B   | 4th fl   | 745            |
| 4C   | 4th fl   | 745            |
| 4D   | 4th fl   | 745            |

(1) Unit Finishes;

The units will be finished as described herein.

The finished floor of the living/ dining and bedroom areas of the residential units have an existing hardwood-patterned vinyl tile flooring in fair condition, all on  $\frac{3}{4}$ " plywood subflooring. The walls and ceilings of residential units are of gypsum wallboard. Finished the walls and ceilings are primed and painted with one coat of each. The walls and ceilings are in fair condition with standard wear and tear for a building of this age. The unit owners may decorate by finishing with paint, wallpaper, paneling, etc. of their own choice. Residential kitchens have ceramic tile covering the floors and gypsum wallboard walls and ceilings.

The walls, ceiling and floors shall be sold in as-is condition.

Full, residential bathrooms are equipped with a washbasin, water closet and a combination bathtub/shower. Bathrooms have ceramic tile floors. Tile around the bathtubs and

showers will extend to the ceiling. All other bathroom walls are of gypsum wallboard. The bathrooms finished shall be sold in as-is condition.

The following interior finishes are generally as follows:

|    | <u>Location</u>    | <u>Floors</u> | <u>Walls</u>        | <u>Ceilings</u> |
|----|--------------------|---------------|---------------------|-----------------|
| 1. | Living/Dining Room | VT            | G.W.B. Painted      | G.W.B. Painted  |
| 2. | Bedroom            | VT            | G.W.B. Painted      | G.W.B. Painted  |
| 3. | Kitchen            | Tile          | G.W.B. Painted      | G.W.B. Painted  |
| 4. | Bathroom           | Tile          | Tile/G.W.B. Painted | G.W.B. Painted  |

Note:

G.W.B : Denotes Gypsum Wallboard

Mas. : Denotes Masonry

VT : Denotes Vinyl Tile

(2) Bathroom Fixture Schedule;

(i) Water Closets:

Are of vitreous china and are floor mounted and equipped with siphon flushing action.

the water closets are existing and are in working order as of the date of this report, make and model unknown.

(ii) Countertop lavatory:

Are of porcelain china with faucet; set in a porcelain finished, wood board vanity countertop. The vanities are in working order as of the date of this report, make and model unknown.

(iii) Bathtubs:

Are of white acrylic, with flow outlet, and shower head and trim. tubs re sold in as-is condition. Manufacturer unknown

(3) Kitchen Equipment Schedule

The kitchen areas are provided with the following fixtures, appliances and equipment in as is condition:

(i) Countertops:

- a. laminate countertop, on MDF wall and base cabinets.
- b. One, 14" wide stainless steel sink, manufacturer unknown.

(ii) Appliances:

- a. One, 30" four burner gas range, manufacturer unknown.
- b. One 24" refrigerator, manufacturer unknown.

Note:

The existing bathroom fixtures are approximately 15 years old and appear to be in fair condition. The existing kitchen fixtures are approximately 15 years old and appear to be in fair condition.

All appliances and fixtures date from around 2010 during the last construction to the property and are sold in as-is condition.

Additional kitchen appliances and fixtures including additional electric ranges will be the responsibility of the unit owners.

**(x) FINISH SCHEDULE (SPACES OTHER THAN UNITS)**

The following interior finishes are existing at the locations as indicated. The finishes in the common hall will be a combination of existing (repaired where required) and new as of the current replacement and repair work being performed by sponsor and as described in this report. The other common area finishes date to the last construction in 2010.

|    | <u>Location</u>    | <u>Base Floor</u> | <u>Floor</u> | <u>Walls</u> | <u>Ceilings</u> |
|----|--------------------|-------------------|--------------|--------------|-----------------|
| 1. | Meter area         | Concrete          | Concrete     | Mas./ G.W.B. | G.W.B. Painted  |
| 2. | Mechanical Room    | Concrete          | Concrete     | Mas./G.W.B.  | G.W.B. Painted  |
| 3. | Laundry Room       | Concrete          | Tile         | Mas./G.W.B.  | G.W.B. Painted  |
| 4. | Exterior Corridors | Concrete          | Tile         | Stucco       | Vinyl           |

Note:

G.W.B : Denotes Gypsum Wallboard Mas.:  
Denotes Masonry

**(y) SAFETY AND WARNING DEVICES**

There are existing hardwired, combined smoke and carbon monoxide detectors provided in each residential unit at a maximum distance of fifteen feet from any bedroom door within the unit and also within each bedroom of the unit as required by the N.Y. City Building Code. The combined smoke and carbon monoxide detectors come equipped with a battery backup. Each Unit owner are responsible to keep and maintain the detectors in good repair and to replace any detectors which have been removed, found missing or rendered inoperable. Sponsor makes no representation whether Unit Owners will comply with the foregoing obligations.



The smoke and carbon monoxide detectors are required by the N.Y. City Building Code. All required safety devices are installed and are subject to inspection by the N.Y. City Department of Buildings.

There is no fire alarm system nor is one required as part of this conversion.

(z) **ADDITIONAL INFORMATION REQUIRED**

No asbestos was used in the construction of this building as it was originally constructed in 2008, after asbestos was banned from being used in construction.

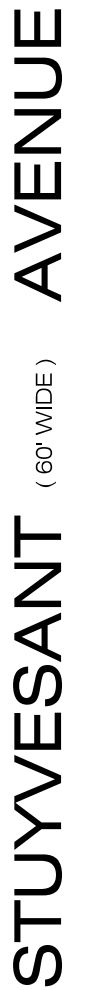
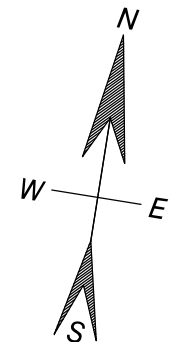
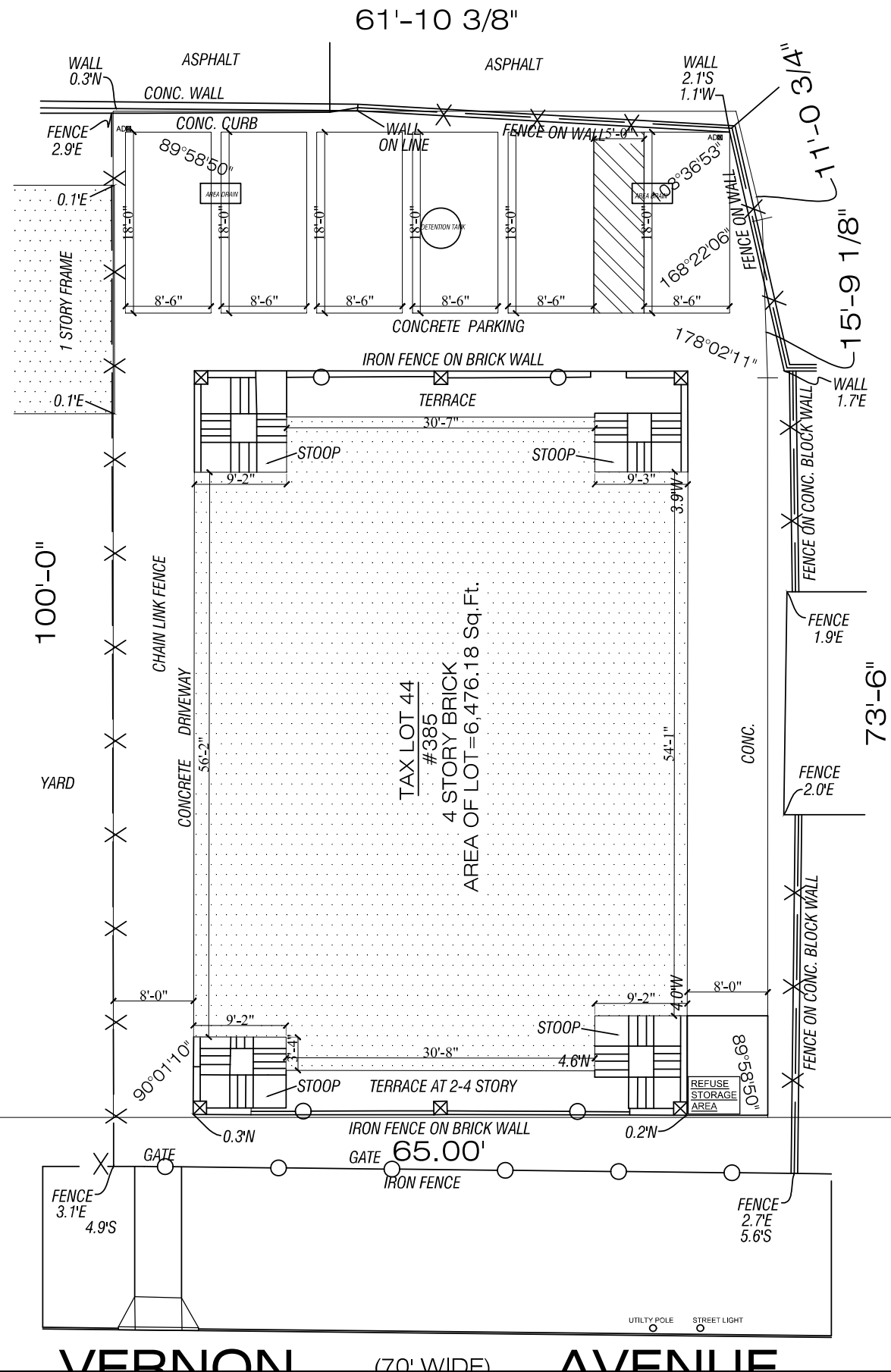
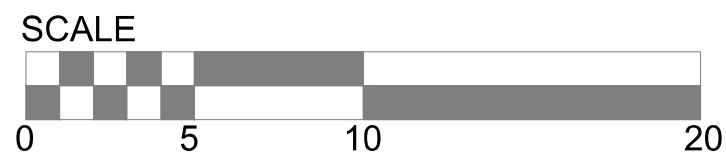
Lead based paint - as this building is a recent construction after the banning of lead based paint no lead pain is expected to be present. .

All drywall materials used in this condominium do not contain "Sulfide". It is to be stated as a Particular Concern that such drywall materials are known to emit a sulfurous odor when heated, are corrosive to copper plumbing and electrical wiring; and are conducive to Sick Building Syndrome. The sponsor represents that they will repair and water damaged drywall throughout the building prior to closing as noted above in section (h) and (h)(9)(ii). No testing for mold was performed however mold was visible in the cellar supply room only. The sponsor represents that all items in the supply room will be discarded and that the drywall in the supply room will be replaced.

The sponsor has no intention to further develop the property upon completion of the construction described in this offering plan.



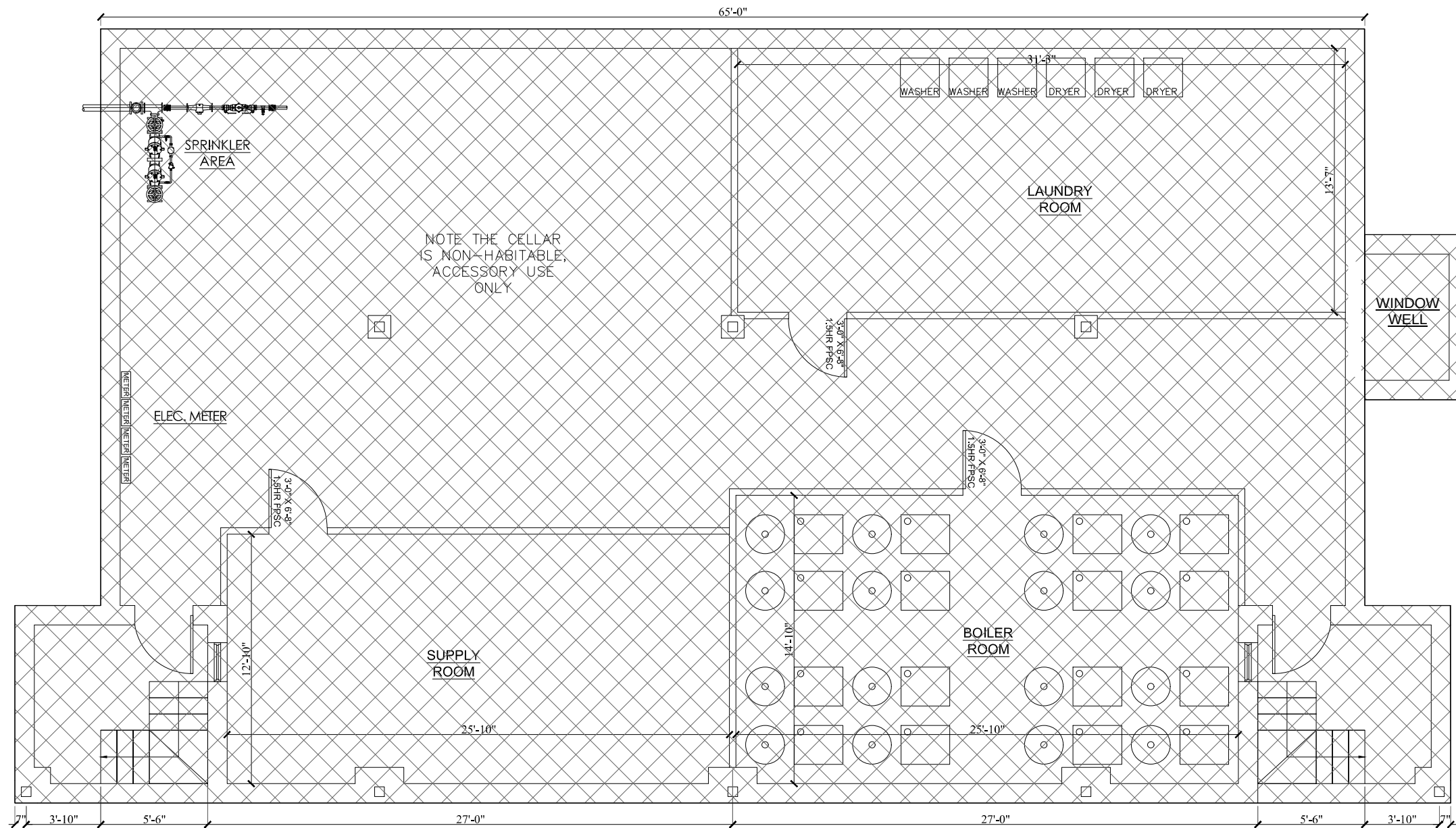
-  UNIT LOCATION
-  COMMON ELEMENTS
-  LIMITED COMMON ELEMENTS
-  MAIN ENTRANCE
-  AREA DRAIN
-  FLOOR DRAIN
-  ROOF DRAIN
- STV. STOVE
- REF. REFRIGERATOR
- CL. CLOSET
- W/D WASHER AND DRYER
- DW DISHWASHER
- H.W.H HOT WATER HEATER



NTS

# PLOT PLAN

INITIAL DATE 01/08/2025  
REVISION DATE 05/09/2025



LEGEND

UNIT LOCATION

COMMON ELEMENTS

LIMITED COMMON ELEMENTS

MAIN ENTRANCE

AD

AREA DRAIN

FD

FLOOR DRAIN

RD

ROOF DRAIN

STV.

STOVE

REF.

REFRIGERATOR

CL.

CLOSET

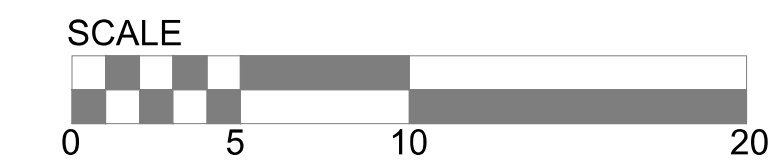
W/D

WASHER AND DRYER

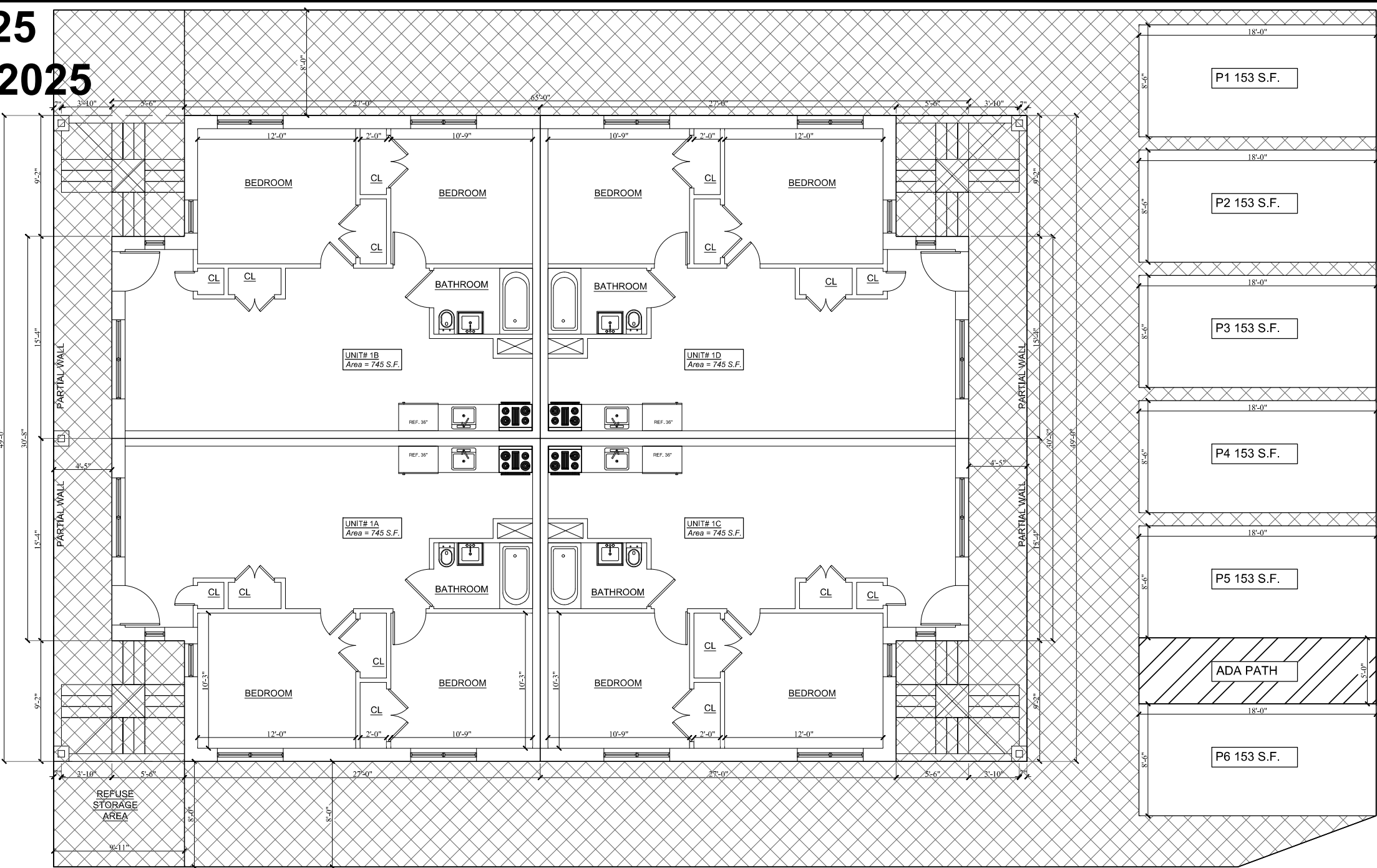
DW

DISHWASHER

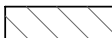
H.W.H

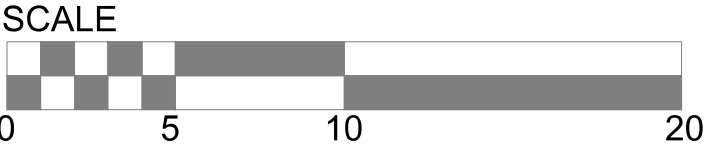
HOT WATER HEATER

INITIAL DATE 01/08/2025  
REVISION DATE 05/09/2025

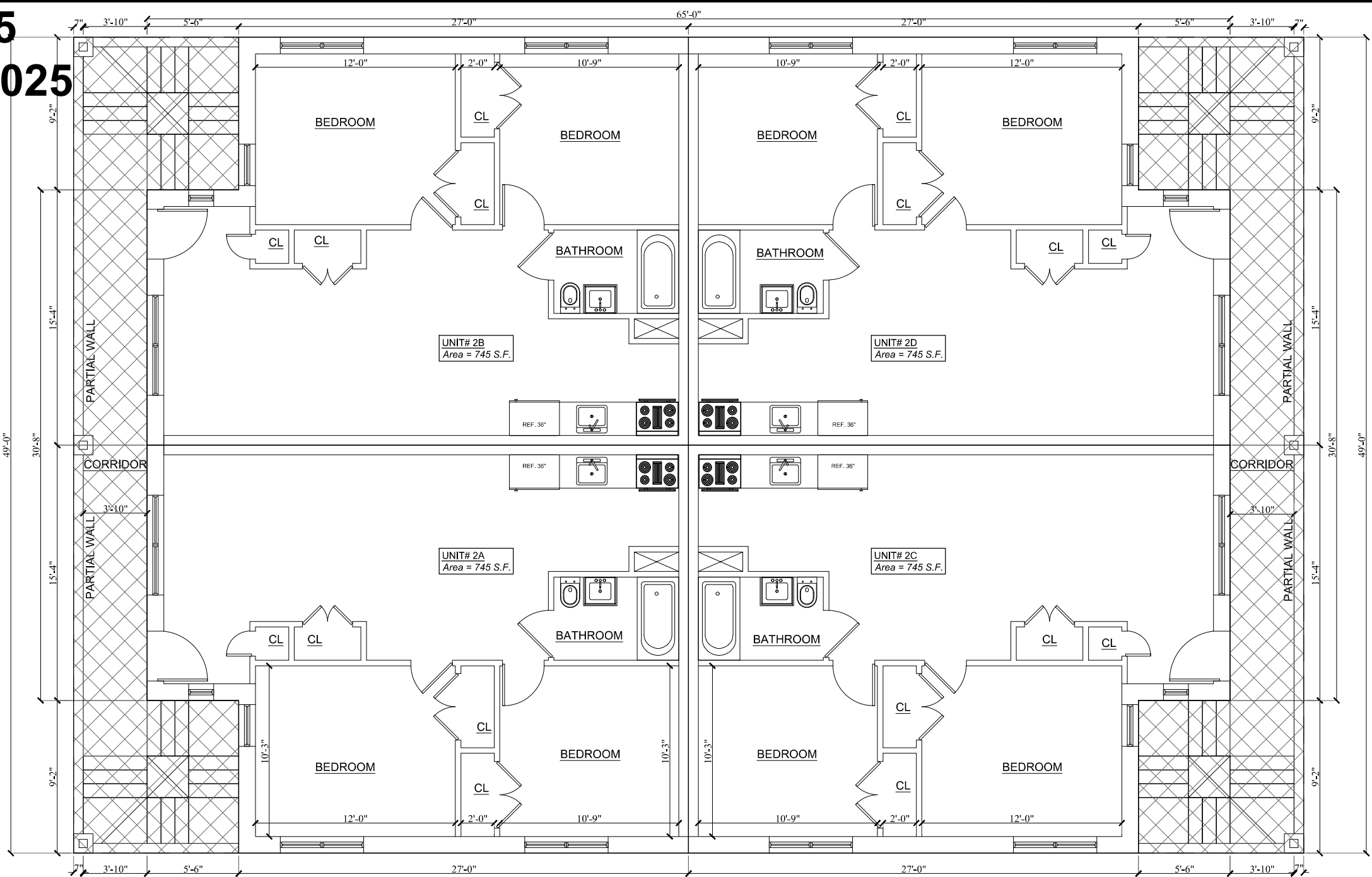


LEGEND

- |                                                                                       |                         |                                                                                       |             |                                                                                       |                   |                                                                                       |                        |
|---------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------|------------------------|
|  | UNIT LOCATION           |  | AREA DRAIN  |  | STV. STOVE        |  | W/D WASHER AND DRYER   |
|  | COMMON ELEMENTS         |  | FLOOR DRAIN |  | REF. REFRIGERATOR |  | DW DISHWASHER          |
|  | LIMITED COMMON ELEMENTS |  | ROOF DRAIN  |  | CL. CLOSET        |  | H.W.H HOT WATER HEATER |
|  | MAIN ENTRANCE           |                                                                                       |             |                                                                                       |                   |                                                                                       |                        |

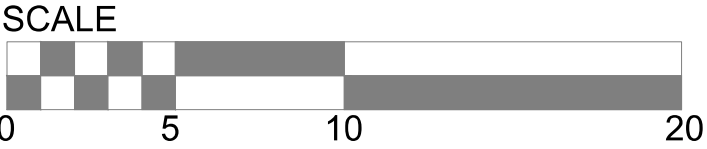


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REVISION DATE 05/09/2025

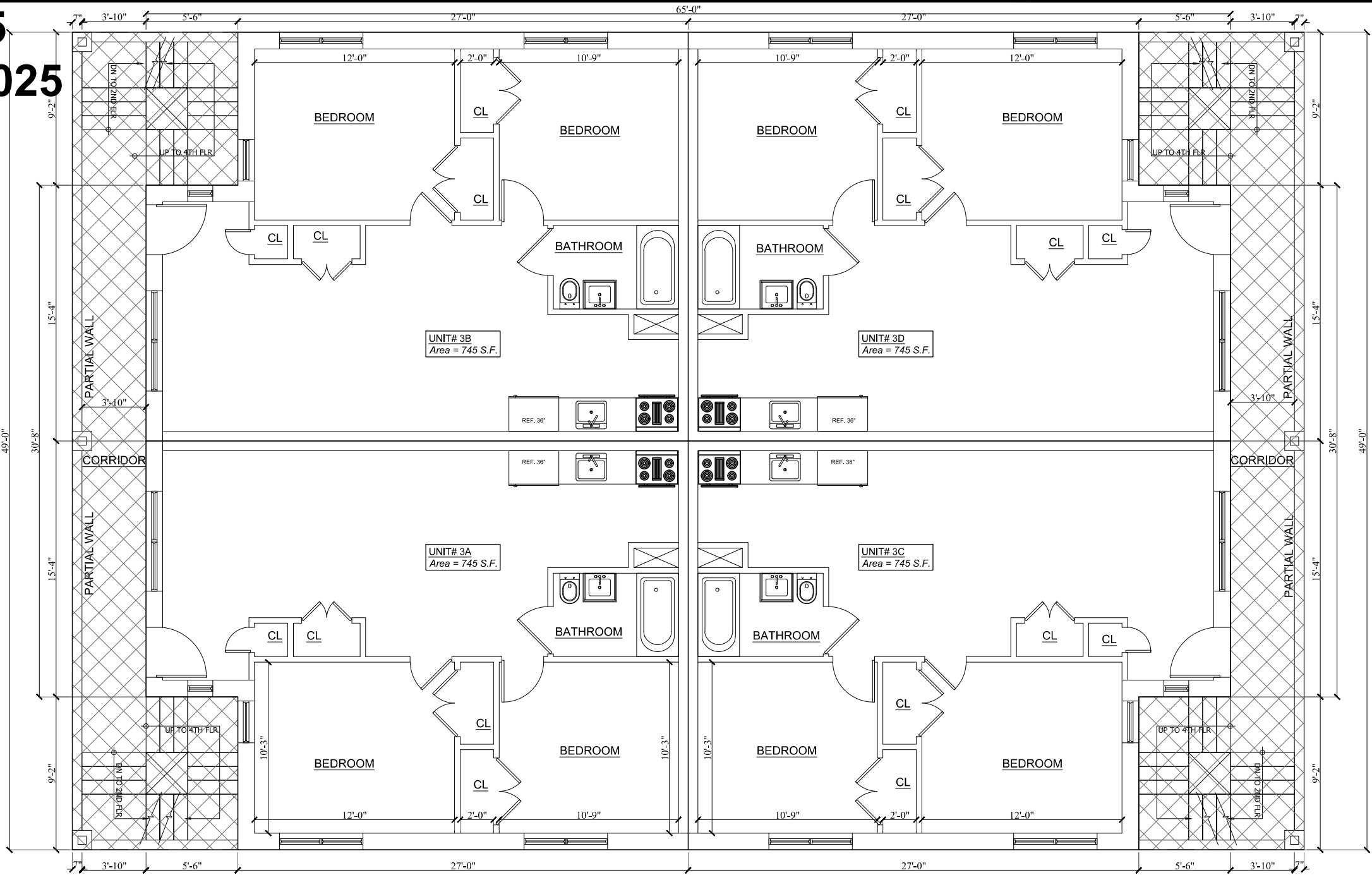


LEGEND

- |                         |             |                   |                        |
|-------------------------|-------------|-------------------|------------------------|
| UNIT LOCATION           | AREA DRAIN  | STV. STOVE        | W/D WASHER AND DRYER   |
| COMMON ELEMENTS         | FLOOR DRAIN | REF. REFRIGERATOR | DW DISHWASHER          |
| LIMITED COMMON ELEMENTS | ROOF DRAIN  | CL. CLOSET        | H.W.H HOT WATER HEATER |
| MAIN ENTRANCE           |             |                   |                        |

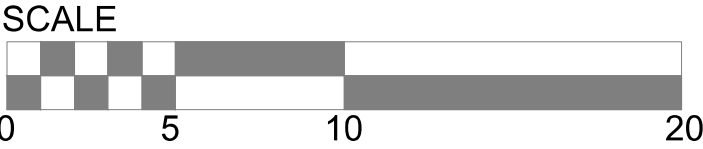


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REVISION DATE 05/09/2025



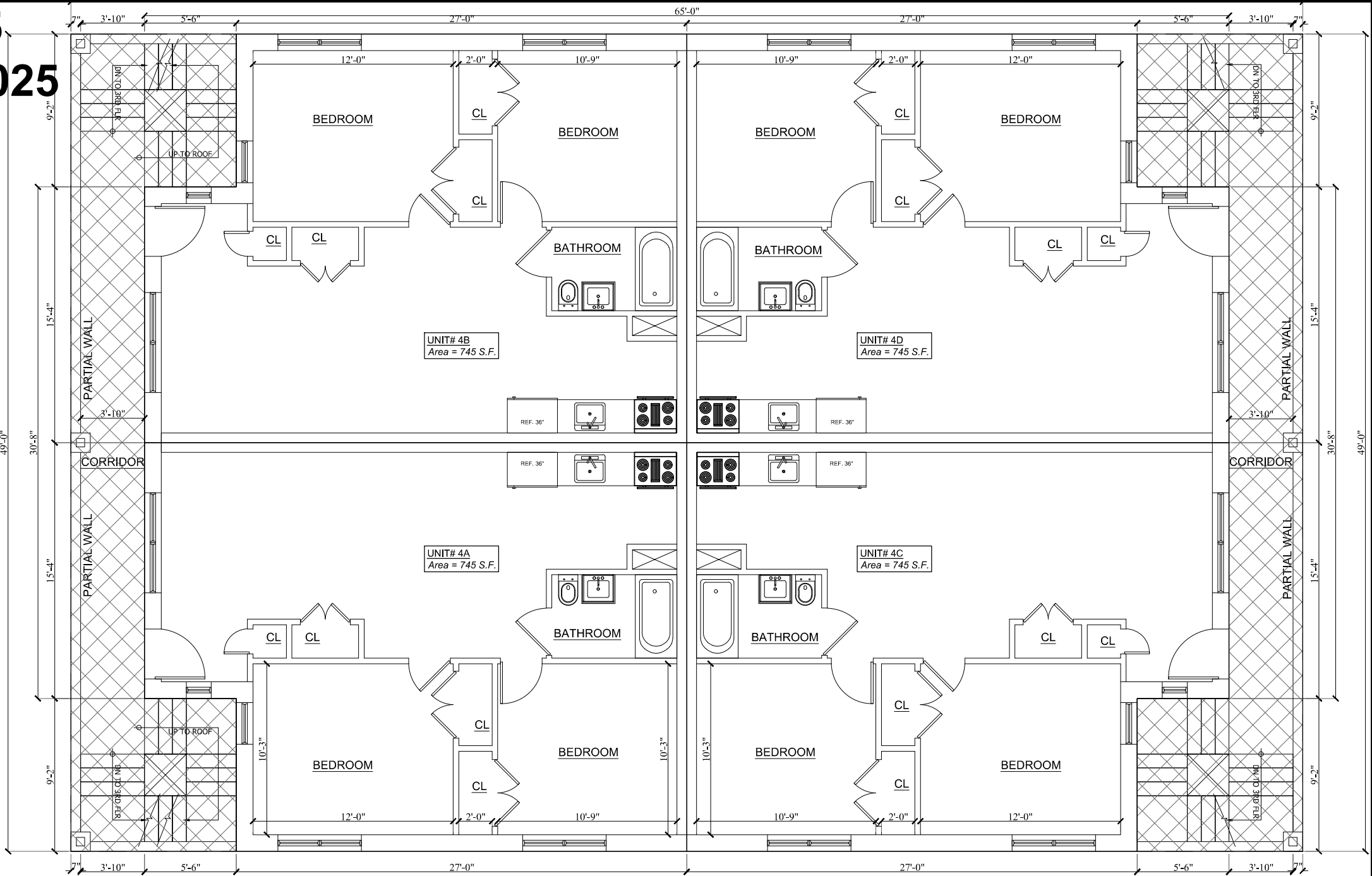
LEGEND

- |  |                         |  |             |  |                   |  |                        |
|--|-------------------------|--|-------------|--|-------------------|--|------------------------|
|  | UNIT LOCATION           |  | AREA DRAIN  |  | STV. STOVE        |  | W/D WASHER AND DRYER   |
|  | COMMON ELEMENTS         |  | FLOOR DRAIN |  | REF. REFRIGERATOR |  | DW DISHWASHER          |
|  | LIMITED COMMON ELEMENTS |  | ROOF DRAIN  |  | CL. CLOSET        |  | H.W.H HOT WATER HEATER |
|  | MAIN ENTRANCE           |  |             |  |                   |  |                        |



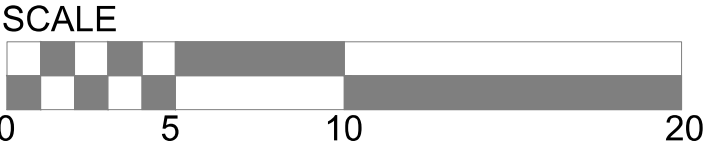


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REVISION DATE 05/09/2025

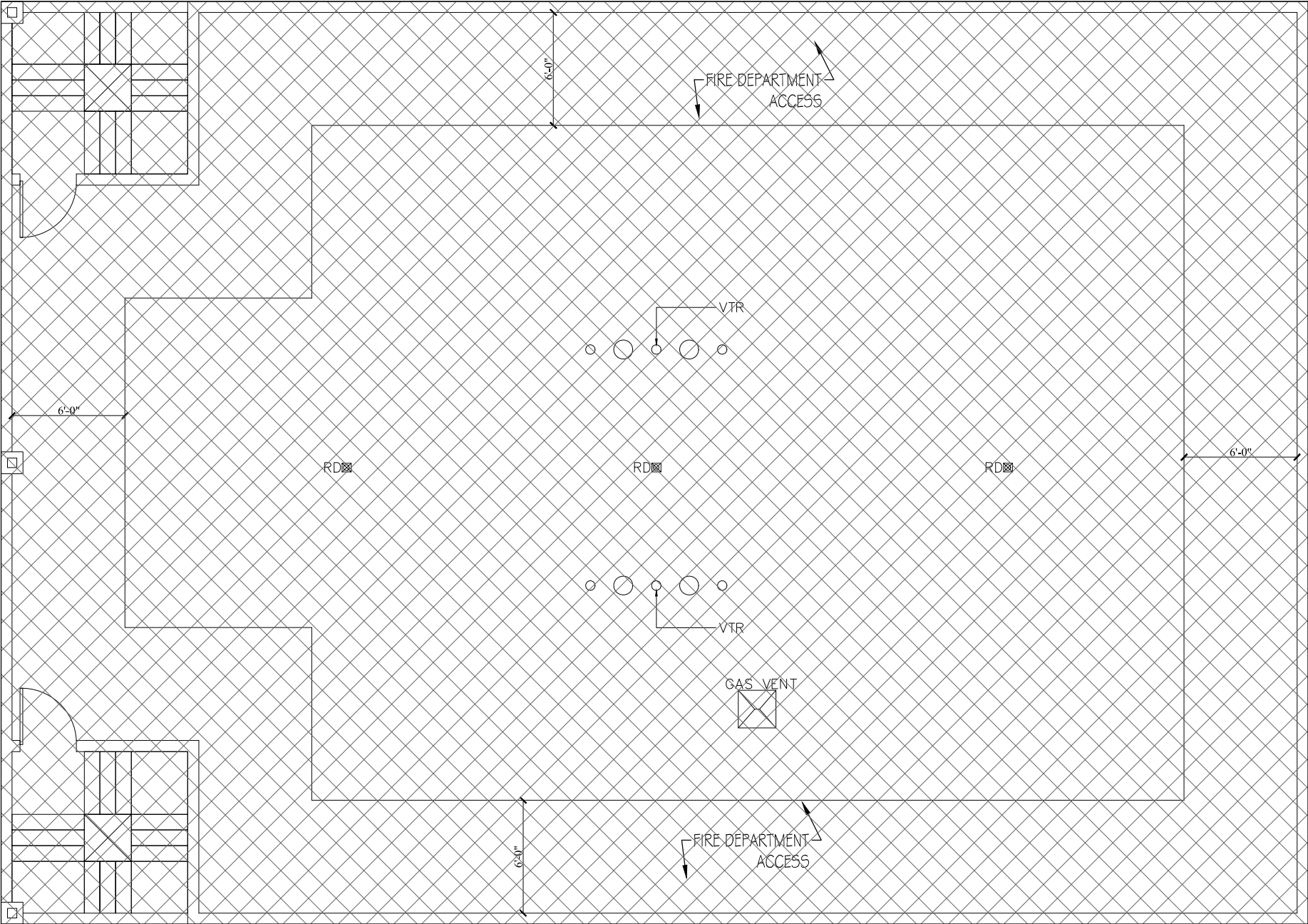


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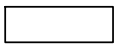
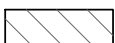
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|  | COMMON ELEMENTS         |  | FLOOR DRAIN |  | REF. REFRIGERATOR |  | DW DISHWASHER          |
|  | LIMITED COMMON ELEMENTS |  | ROOF DRAIN  |  | CL. CLOSET        |  | H.W.H HOT WATER HEATER |
|  | MAIN ENTRANCE           |  |             |  |                   |  |                        |

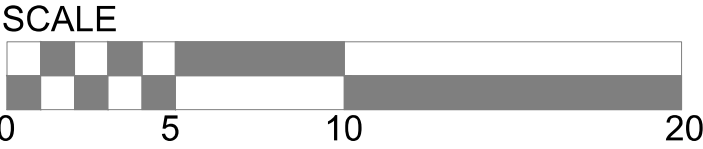


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REVISION DATE 05/09/2025



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|  | UNIT LOCATION           |  | AREA DRAIN  | STV. STOVE        | W/D WASHER AND DRYER   |
|  | COMMON ELEMENTS         |  | FLOOR DRAIN | REF. REFRIGERATOR | DW DISHWASHER          |
|  | LIMITED COMMON ELEMENTS |  | ROOF DRAIN  | CL. CLOSET        | H.W.H HOT WATER HEATER |
|  | MAIN ENTRANCE           |                                                                                       |             |                   |                        |

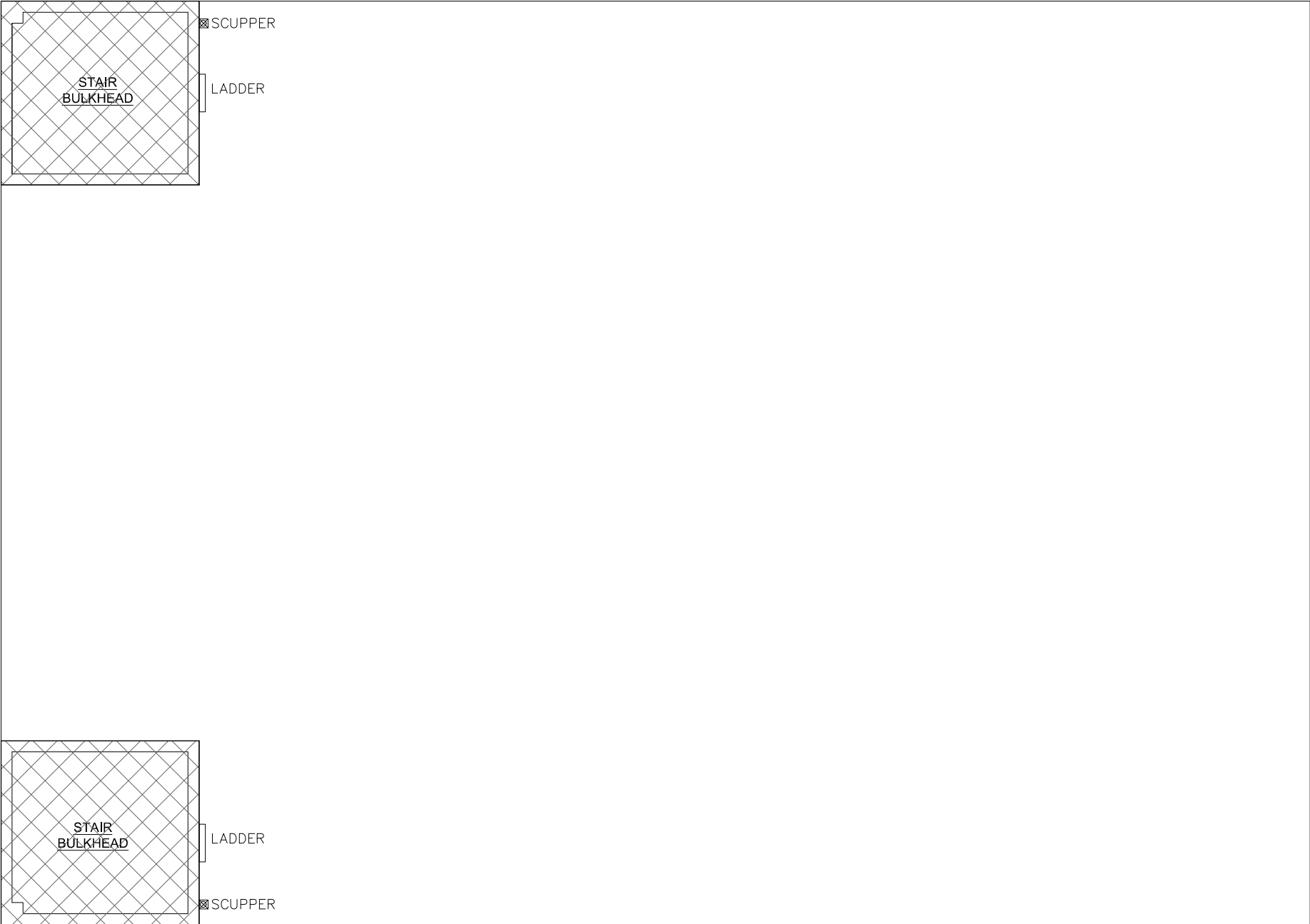


A6 ROOF PLAN

NTS

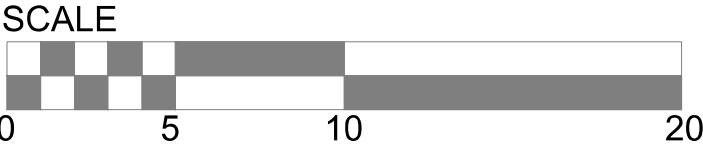


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REVISION DATE 05/09/2025



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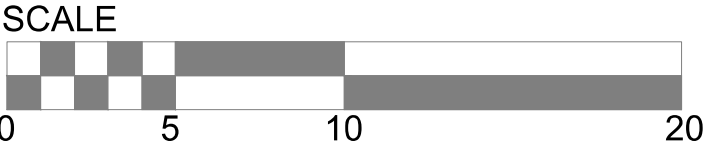
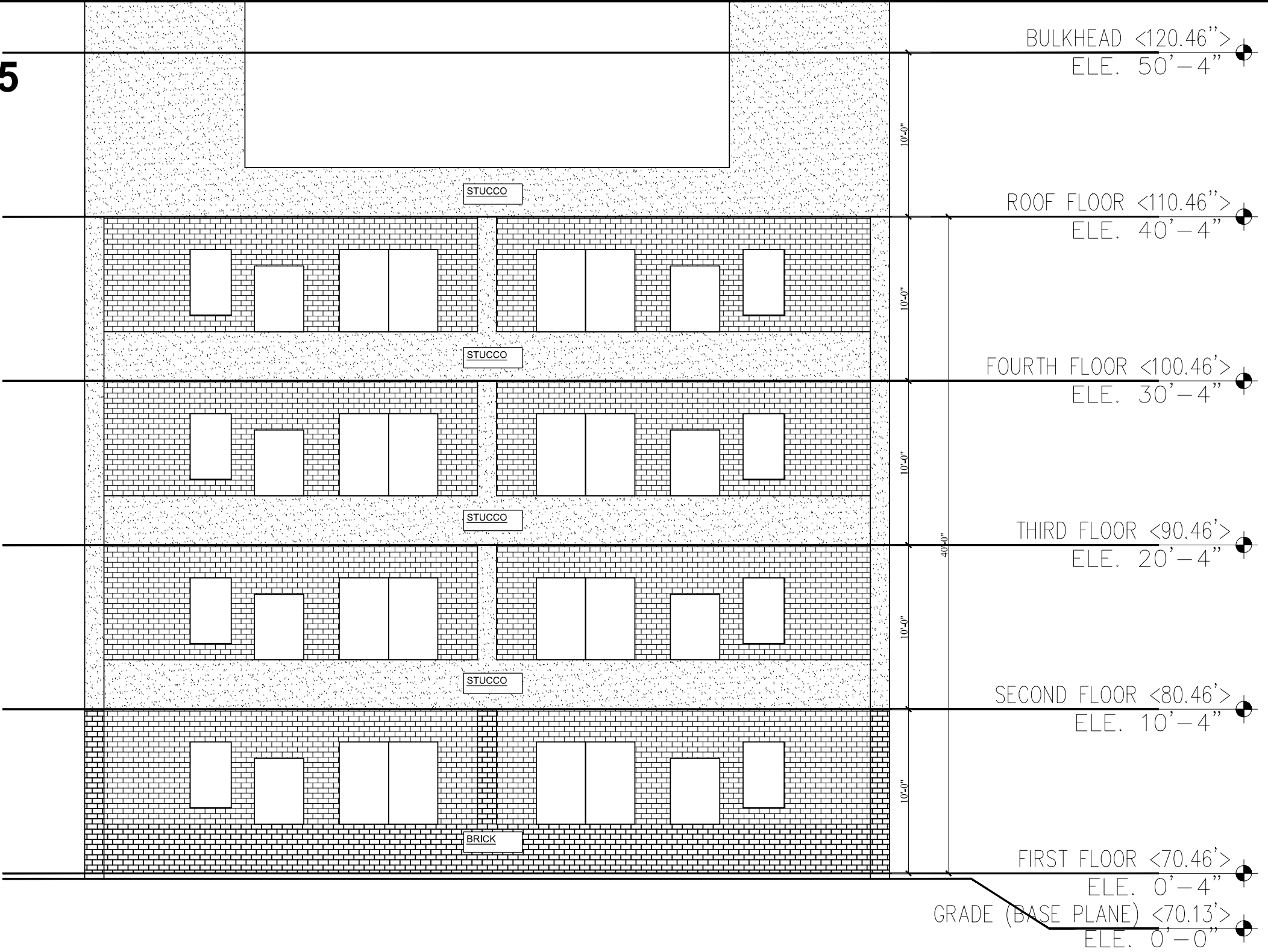
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|  | COMMON ELEMENTS         |  | FLOOR DRAIN | REF. REFRIGERATOR | DW DISHWASHER          |
|  | LIMITED COMMON ELEMENTS |  | ROOF DRAIN  | CL. CLOSET        | H.W.H HOT WATER HEATER |
|  | MAIN ENTRANCE           |  |             |                   |                        |



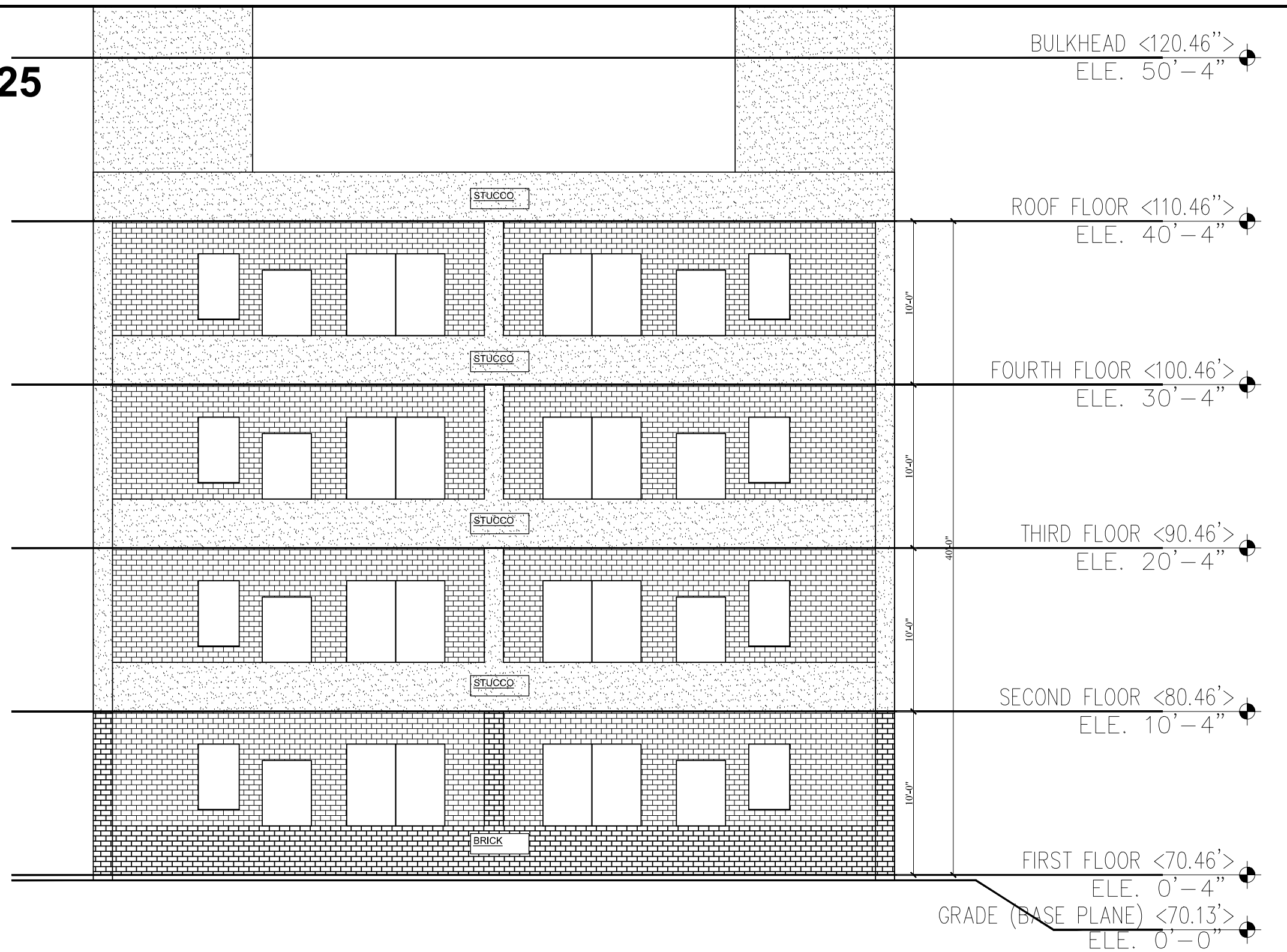
A7 BULKHEAD

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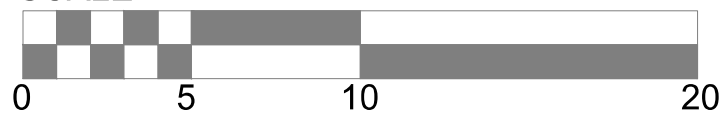
INITIAL DATE 01/08/2025  
REVISION DATE 05/09/2025



**INITIAL DATE 01/08/2025**  
**REVISION DATE 05/09/2025**



SCALE

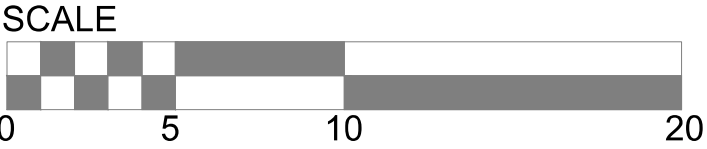
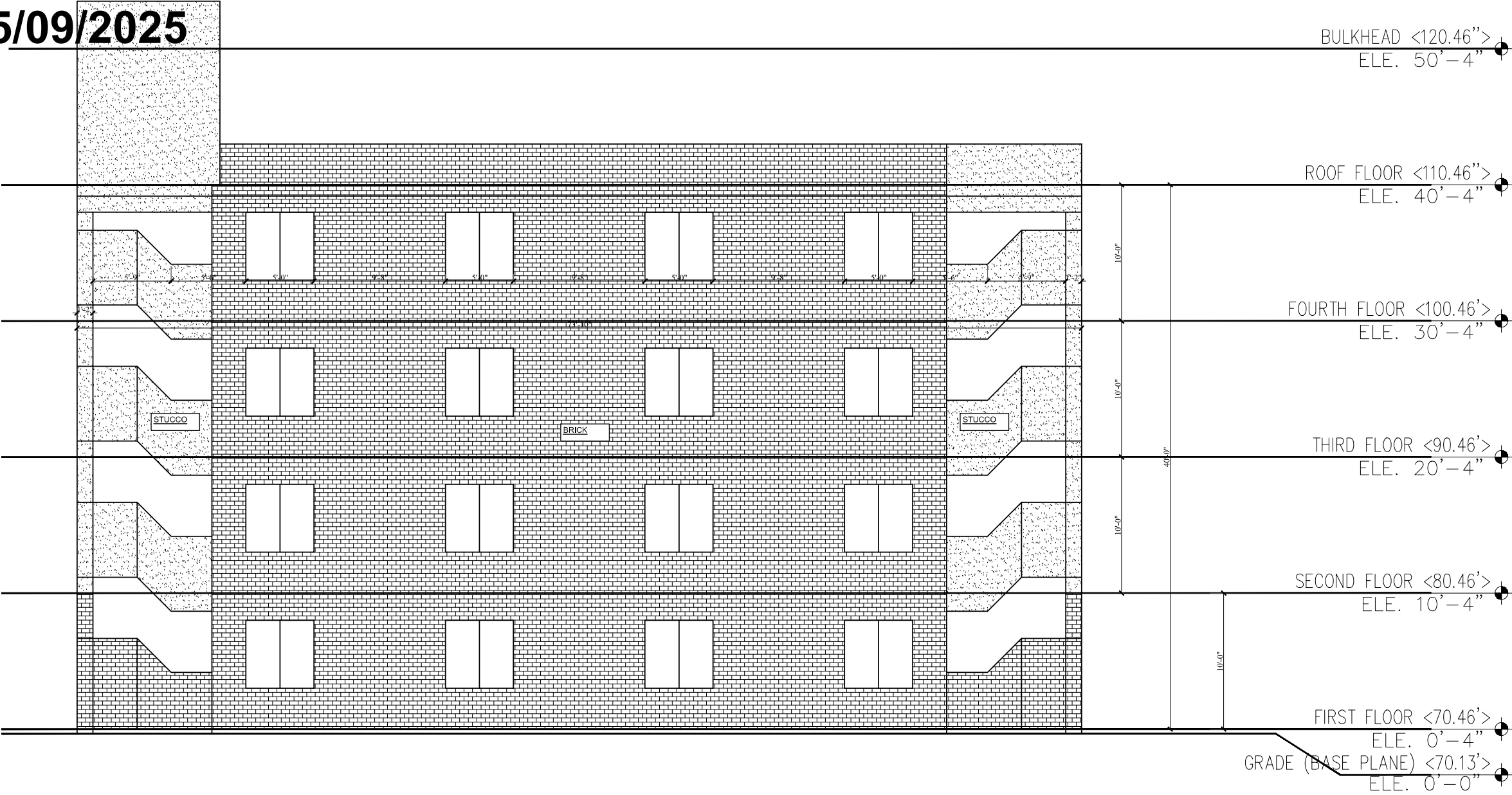


## A9

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## SOUTH ELEVATION

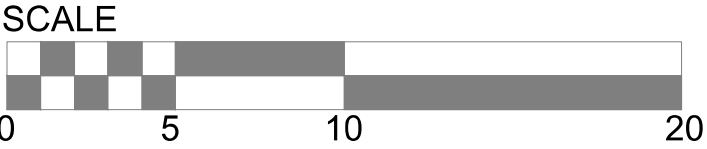
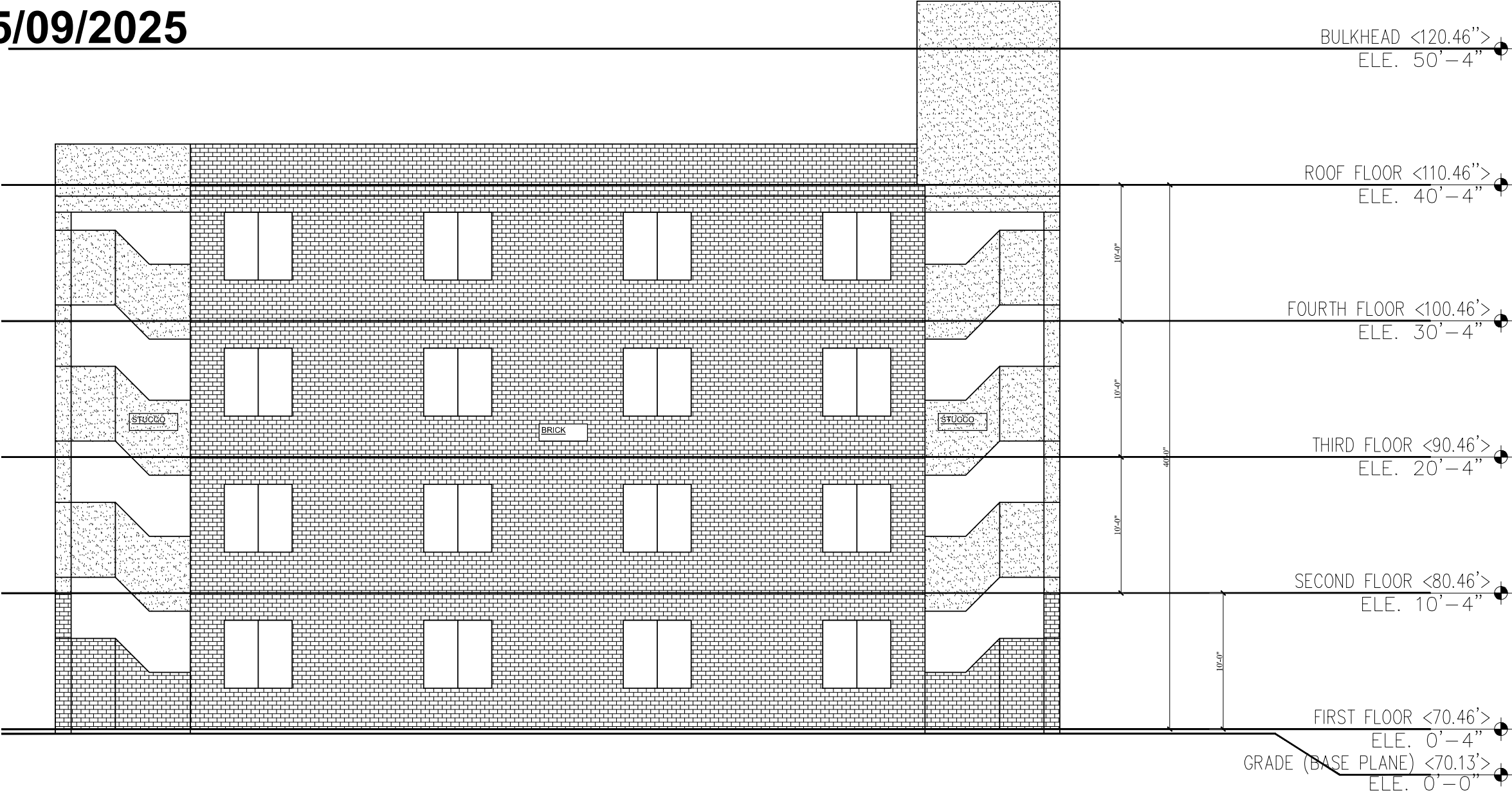
INITIAL DATE 01/08/2025  
REVISION DATE 05/09/2025



A10 EAST SIDE ELEVATION

NTS

INITIAL DATE 01/08/2025  
REVISION DATE 05/09/2025



# Certificate of Occupancy

**CO Number:** 302219258F

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

|                                                                                                                                                                                         |                                                                                     |                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>A.</b><br><b>Borough:</b> Brooklyn<br><b>Address:</b> 385 VERNON AVENUE<br><b>Building Identification Number (BIN):</b> 3830091                                                      | <b>Block Number:</b> 01586<br><b>Lot Number(s):</b> 44<br><b>Building Type:</b> New | <b>Certificate Type:</b> Final<br><b>Effective Date:</b> 04/26/2010 |
| <i>For zoning lot metes &amp; bounds, please see BISWeb.</i>                                                                                                                            |                                                                                     |                                                                     |
| <b>B.</b><br><b>Construction classification:</b> 1-C (1968 Code)<br><b>Building Occupancy Group classification:</b> J2 (1968 Code)<br><b>Multiple Dwelling Law Classification:</b> HAEA |                                                                                     |                                                                     |
| <b>No. of stories:</b> 4 <b>Height in feet:</b> 41 <b>No. of dwelling units:</b> 16                                                                                                     |                                                                                     |                                                                     |
| <b>C.</b><br><b>Fire Protection Equipment:</b><br>Sprinkler system                                                                                                                      |                                                                                     |                                                                     |
| <b>D.</b><br><b>Type and number of open spaces:</b><br>Parking spaces (6), Parking (1800 square feet)                                                                                   |                                                                                     |                                                                     |
| <b>E.</b><br><b>This Certificate is issued with the following legal limitations:</b><br>None                                                                                            |                                                                                     |                                                                     |
| <b>Borough Comments:</b> None                                                                                                                                                           |                                                                                     |                                                                     |



Borough Commissioner



Commissioner

# Certificate of Occupancy

CO Number: 302219258F

| Permissible Use and Occupancy                                                                                                                            |                           |                           |                               |                           |                  |                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|-------------------------------|---------------------------|------------------|-----------------------------------------------|
| All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations. |                           |                           |                               |                           |                  |                                               |
| Floor From To                                                                                                                                            | Maximum persons permitted | Live load lbs per sq. ft. | Building Code occupancy group | Dwelling or Rooming Units | Zoning use group | Description of use                            |
| CEL                                                                                                                                                      |                           | OG                        | B-2                           |                           | 2                | BOILER ROOM & ORDINARY                        |
| OSP                                                                                                                                                      |                           | OG                        | B-2                           |                           |                  | ACCESSORY OFF STREET PARKING SPACE FOR 6 CARS |
| 001                                                                                                                                                      |                           | 40                        | J-2                           | 4                         | 2                | (4) CLASS "A" APARTMENTS                      |
| 002                                                                                                                                                      |                           | 40                        | J-2                           | 4                         | 2                | (4) CLASS "A" APARTMENTS                      |
| 003                                                                                                                                                      |                           | 40                        | J-2                           | 4                         | 2                | (4) CLASS "A" APARTMENTS                      |
| 004                                                                                                                                                      |                           | 40                        | J-2                           | 4                         | 2                | (4) CLASS "A" APARTMENTS                      |
| END OF SECTION                                                                                                                                           |                           |                           |                               |                           |                  |                                               |



Borough Commissioner



Commissioner

END OF DOCUMENT

302219258/000 4/26/2010 8:50:16 AM



Document No. 2  
Purchase Agreement



**Purchase and Sale Agreement  
The 385 Vernon Avenue Condominium**

**AGREEMENT** dated \_\_\_\_\_, 20 , between **385 Vernon Estates LLC**, a New York limited liability company, having an office at 309 Rutledge Street, Suite 4A, Brooklyn, NY 11211 ("**Sponsor**"), and \_\_\_\_\_ ("**Purchaser**"), residing at \_\_\_\_\_ with respect to Unit \_\_\_\_\_ ("**Unit**") in the building located at **385 Vernon Avenue, Brooklyn, New York 11206** ("**Property**").

|                                                    |                                                                                                                |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Selling Agent:</b>                              |                                                                                                                |
| <b>Listing Agent:</b>                              |                                                                                                                |
|                                                    |                                                                                                                |
| <b>Purchaser's Attorney:</b>                       |                                                                                                                |
| <b>Purchaser's Attorney Firm:</b>                  |                                                                                                                |
| <b>Address:</b>                                    |                                                                                                                |
| <b>Telephone:</b>                                  |                                                                                                                |
| <b>Email:</b>                                      |                                                                                                                |
|                                                    |                                                                                                                |
| <b>Unit Purchase Price:</b>                        |                                                                                                                |
| <b>Unit 10% Down Payment:</b>                      |                                                                                                                |
| <b>Unit Balance Due at Closing:</b>                |                                                                                                                |
|                                                    |                                                                                                                |
| <b>Parking Space #:</b>                            |                                                                                                                |
| <b>Parking License Purchase Price:</b>             |                                                                                                                |
| <b>Parking License Down Payment:</b>               |                                                                                                                |
| <b>Parking Balance Due at Closing:</b>             |                                                                                                                |
|                                                    |                                                                                                                |
| <b>Sponsor's Closing Counsel and Escrow Agent:</b> | Jeffrey Zwick & Associates, PC<br>2329 Nostrand Avenue, Suite 400, Brooklyn,<br>New York 11210<br>718-513-2050 |
| <b>Special Notes:</b>                              |                                                                                                                |

1. Definitions. The following terms shall have the stated meanings ascribed to them:

- (i) "Balance" is the purchase price less the Down Payment, due at Closing.
- (ii) "Building" shall mean the structure erected on the land and known as 385 Vernon Avenue, Brooklyn, New York 11206.
- (iii) "Closing" means the settlement of the mutual obligations of the Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the purchase price and the delivery to Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in this Agreement.
- (iv) "Condominium" shall mean The 385 Vernon Avenue Condominium.
- (v) "Declaration" shall mean the Declaration of The 385 Vernon Avenue Condominium establishing ownership of the Property.
- (vi) "Equal or Better Quality" Comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
- (vii) "Interim Lease" Lease entered into between Sponsor and a prospective purchaser to allow for occupancy of a unit for which the purchaser has signed a Contract, for the time between contract signing and title closing.
- (viii) "Plan" shall mean the Offering Plan to convert the Property to condominium ownership and any Amendments thereto filed prior to the date upon which Purchaser signs this Agreement.
- (ix) "Property" shall mean the Building and the land on which it is erected.
- (x) "Selling Agent" shall mean Sponsor or a NY licensed real estate broker appointed by Sponsor to market and sell the condominium units.

All other terms included in this Purchase Agreement which are not defined elsewhere herein shall have the meanings ascribed to them in the Plan.

## 2. Offering Plan and Amendments.

A. Offering Plan. The Offering Plan contains the complete terms of the offer of this unit in the Building. Purchaser acknowledges having received and read the Plan at least three (3) full business

days prior to Purchaser's signing this Purchase Agreement. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. To the extent there is any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

B. Amendments. Purchaser acknowledges that the Offering Plan may be amended from time to time. Purchaser hereby agrees to abide and be bound by the terms and conditions of any amendments which have been duly filed with the Attorney General's Office (including, without limitation, amendments involving any changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, or the "Schedule B-- Budget for First Year of Condominium Operation" of The 385 Vernon Avenue Condominium) at the time this contract is entered into. No such duly filed amendment will excuse a Purchaser from performing his obligations under a Purchase Agreement or entitle such Purchaser to any credit or offset against the purchase price set forth therein.

However, if an amendment is submitted after the contract is signed, Purchaser may be entitled to consent rights if there is a material change that is disclosed. In addition, if said amendment materially adversely affects the rights, obligations, or liabilities of then-existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within not less than fifteen (15) days of the presentation of such amendment and will receive a refund of their Down Payment and unexpended sums for special work ordered, with interest, if any, within ten (10) business days after Sponsor's receipt of Purchaser's election to rescind. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. The parties may be required to sign a general release to that effect. Notwithstanding the foregoing, Sponsor may not declare the plan effective where there are material changes to the Budget which have not been disclosed in a duly filed amendment to the offering plan.

3. Agreement to Purchase and Sell. Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser, the unit designated in the Declaration, together with its undivided interest (hereinafter called the "Common Interest") in the Common Elements, on and subject to, the terms and conditions set forth herein.

#### 4. Purchase Price

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is listed on page 1 of the Purchase Agreement, which Purchaser agrees to pay to the Sponsor, as follows:

(i) The Down Payment is due on Purchaser's signing and submitting of this Agreement and is to be paid by Purchaser's personal check, receipt of which (subject to collection) is hereby acknowledged by Sponsor;

(ii) The Balance of the Purchase Price, is due on the delivery to Purchaser of the deed to the Unit, and must be paid by Purchaser's personal certified check or official cashier's check, in either event drawn on a bank that is a member of the New York Clearing House Association or by wired funds.

B. Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with or prior to closing, all the prerequisites set forth under "Terms of Sale" in Part I of the Plan are met.

C. Funds. All funds received from prospective Purchasers by Sponsor will be handled in accordance with the provisions of Sections 352-h and 352-e(2)(b) of the GBL and Section 71-a(3)(a) of the Lien Law and shall be used by Sponsor only in connection with the consummation of the Plan. Section 71-a(3) of the Lien Law requires, at Purchaser's option, that the Down Payment be placed in an escrow account in a bank trust company, savings bank, or state or federal savings and loan association located in New York State. Funds may be released (a) pursuant to the terms and conditions set forth in the Purchase Agreement upon Closing of title to the Unit; or (b) in a subsequent writing signed by both Sponsor and Purchaser; or (c) by a final, non-appealable order or judgment of a court. All funds received by Sponsor for upgrades or extras must initially be placed in the Escrow Account. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent as long as Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras unless Sponsor abandons the Plan, in which case Purchaser will receive a refund of the entire Down Payment.

THIS PURCHASE AGREEMENT IS NOT CONDITIONED UPON A PURCHASER SECURING SATISFACTORY FINANCING. ANY PROSPECTIVE PURCHASER WHO EXECUTES A PURCHASE AGREEMENT AND DOES NOT OBTAIN FINANCING MAY LOSE HIS DEPOSIT IF HE IS UNABLE TO OTHERWISE RAISE THE MONIES FOR THE BALANCE OF THE PURCHASE PRICE. PROSPECTIVE PURCHASERS WHO WILL NEED FINANCING ARE ADVISED TO CONSULT WITH A LENDING INSTITUTION BEFORE EXECUTION OF A PURCHASE AGREEMENT. NO REPRESENTATION IS MADE BY SPONSOR AS TO THE AVAILABILITY OR COST OF SUCH FINANCING. THE SPONSOR MAY, AT ITS OPTION, CONDITION THE CONTRACT UPON FINANCING, PROVIDED THAT PURCHASER AND SPONSOR BOTH PROPERLY

COMPLETE AND INITIAL A SECURED LOAN CONDITION RIDER, THE  
FORM OF WHICH IS ANNEXED HERETO AS EXHIBIT "B".

5. Purchase Monies Held in Trust

A. The law firm of Jeffrey Zwick & Associates, PC, with an address at 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210, telephone number 718-513-2050, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Jeffrey Zwick and Daniel Cohen. 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.

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

C. Escrow Account: Escrow Agent has established an escrow account at Dime Community Bank at its branch located at 898 Veterans Memorial Highway, Hauppauge, NY 11788 ("Bank") which is authorized to do business in the State of New York. The escrow account is entitled "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. If Purchaser has other accounts at the bank or branches, the assets in all of Purchaser's accounts will be aggregated together with the escrow deposit accounts for the purpose of determining whether the maximum FDIC insured amount is achieved.

D. All Deposits received by Purchaser shall be in the form of checks or wire transfers, and shall be made payable to or endorsed by the Purchaser to the order of "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA", as Escrow Agent.

E. The account is a duly filed Interest on Lawyer Account "IOLA" which is an unsegregated interest bearing account for funds that are determined to be too small in amount or held for too short a time to generate net interest. Any interest earned on funds held in the IOLA account will benefit the IOLA Fund. Purchasers will therefore not receive any interest on their deposits. 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

F. Within five (5) business days after the fully executed 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) business days of the fully executed purchase agreement, Escrow Agent shall provide written notice to Purchaser and Sponsor, conforming the Deposit. The notice shall provide the account name and account number.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the purchase agreement.

G. 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, 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.

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

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

J. The Escrow Agent shall release the Deposit if so directed:

- (1) pursuant to terms and conditions set forth in the Purchase Agreement in upon closing of title to the Unit; or
- (2) in a subsequent writing signed by both Sponsor and Purchaser; or
- (3) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (1) through (3) 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 (1) through (3) 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 shall not object to the release of the Deposit to:

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

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

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

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

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

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

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

O. 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 Deposit by Purchaser.

P. 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.

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

R. Prior to release of the Deposit, Escrow Agent's and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

6. Closing Contingent on Plan Being Declared Effective. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan (see the section in the Plan entitled "Effectiveness" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan, if any. Sponsor shall notify Purchaser, in writing or by a duly filed Amendment to the Plan, when the Plan becomes effective or is abandoned.

7. Closing Date and Place. Sponsor anticipates the First Closing to occur on the date projected in the Plan. Purchasers will be offered a right of rescission if: (i) the actual date of the First Closing; or (ii) the projected date of the First Closing occurs later than twelve months after the currently 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.

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 date and time 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. Purchaser may waive this thirty (30) day provision by initialing below.



I hereby waive the provision requiring thirty (30) days Notice of Closing \_\_\_\_\_

8. The Deed. At closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenant against grantor's acts transferring to Purchaser full ownership (fee simple title) to the Unit(s). The deed shall be substantially in the form reproduced as Document Number 5 in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, to Purchaser or Purchaser's attorney). If Purchaser is obtaining a licensed space, Purchaser will also receive a fully executed License.

9. State of Title. Legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit A to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

10. Title Company Approval. Sponsor shall give marketable title in any form that any member of the New York Board of Title Underwriters will approve and insure. The Permitted Encumbrances in the title shall be the liens, encumbrances and conditions affecting title. Sponsor shall not be obligated to satisfy exceptions to title raised by any title insurance company except for the purchaser's title company insuring this deal.

The Financial Crimes Enforcement Network ("FinCEN") has issued a Geographic Targeting Order ("GTO"), last updated in April 2025, which requires US title insurance companies to report the personal identity of purchasers in certain residential real estate transactions in all NYC boroughs which meet the following criteria: (a) purchaser is a legal entity as defined in the GTO; (b) total purchase price is in excess of \$300,000.00; (c) purchase is made without a bank loan or other similar form of external financing; and (d) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, virtual currency or a funds transfer. As long as the GTO remains in effect, its reporting requirements apply to all residential real property Closings meeting the above criteria.

11. Sponsor's Inability to Convey Title. After the Plan is declared effective, if Sponsor is unable to deliver title to Purchaser in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of half of one percent (½%) of the total offering price to render title marketable or to remove, cure or comply with any violations of record issued prior to the First

Closing, and in such case, Sponsor may abandon the Plan. In no event shall Sponsor be obligated to cure violations of record which are the obligations of tenants to cure or which result from the acts or omissions of tenants, or violations noted with respect to radio or television antennae. Prior to declaring the Plan effective, Sponsor may abandon the plan at any time and for any reason.

12. Purchaser's Remedies. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartments in accordance with the 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 down payment with interest. In such case, Purchaser may be required to execute a general release attesting to the cancellation of all rights and obligations under the plan and the purchase agreement. If the plan is abandoned, Purchaser shall also be refunded any funds given for upgrades or extras. Said deposit shall be returned to Purchaser within ten (10) business days of the notice of cancellation.

To the extent there are any inconsistencies between the terms of the Purchase Agreement and the Plan, the terms of the Plan shall govern. If there is any conflict between the Plan and the Purchase Agreement, it will be resolved in favor of the Plan (except for negotiable terms). Nothing contained in the Purchase Agreement or in the Plan shall be construed to waive a purchaser's rights or abrogate Sponsor's obligations under Article 23-A of the GBL.

13. Closing Adjustments.

A. At closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the closing:

- (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;
- (ii) Common Charges for the month in which title closes; and
- (iii) rent and other charges, if any, pursuant to an Interim Lease or other written agreement for tenancy of the Unit.
- (iv) insurance apportioned to unit for the year of closing (if Sponsor paid the premium).

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed but the closing occurs before the tax rate is

fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing for one year.

D. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

14. Purchaser's Closing Costs. At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Unless otherwise notes on page 1 of this Agreement, such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

A. Title Fees. If such Purchaser elects to obtain fee title insurance, he will pay a premium therefor to the title insurance company which will vary depending upon the amount of insurance requested. Purchaser is free to use a title company of his or her choosing without incurring a penalty. The premium for fee title insurance should be \$774.00 for the first \$100,000.00 of fee insurance plus \$4.36 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00 and \$3.98 for each \$1,000.00 or fraction thereof of additional fee insurance over \$500,000.00. The premium for mortgage title insurance should be \$654.00 for the first \$100,000.00 of insurance plus \$3.64 for each \$1,000.00 or fraction thereof of additional insurance up to \$500,000.00 and \$3.31 for each \$1,000.00 or fraction thereof of Meister Abstract Corp., 151 South Main Street, Suite 300, New City, NY 10956 Agency, 21 Robert Pitt Drive, Suite 206, Monsey, NY 10952 has been retained by Sponsor to clear any title issues affecting the premises, and to record the condominium declaration and any other documents requiring recording with respect to this offering plan. A copy of the title report may be furnished to the purchaser.

B. Recording Fees. A fee for recording the deed and Unit Owner's Power of Attorney of \$32.00 for each instrument plus \$5.00 per page, together with a service charge to the title company for such recording for a total of approximately \$350.00;

C. Mortgage Fees. If Purchaser obtains a mortgage loan, Purchaser will pay:

- (i) a fee and service charge for recording the mortgage of approximately \$250.00;

- (ii) mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax to the purchaser is 1.8% of the face amount of the mortgage for mortgages under \$500,000.00 and 1.925% of the face amount of the mortgage for mortgages over \$500,000.00). (Note: The Lending Bank pays an additional 0.25%);
- (iii) (a) Purchasers will pay a premium through the title insurance company for the mortgage title insurance policy. In addition, such Purchaser shall pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee (2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

(b) Sponsor at its option may request any purchaser who is obtaining a mortgage to have his lender accept an assignment of a portion of Sponsor's existing mortgage. In such event, Purchaser shall pay to the Sponsor such amount that the Purchaser is saving with respect to the mortgage tax that the Purchaser would have paid if there was no assignment of mortgage. The severance and assignment of the portion of the mortgage on the Property as contemplated herein would not result in any additional cost to the Purchaser and will be initiated only after Purchaser has procured financing. Should the Purchaser's lender refuse to accept the assignment, Sponsor may require Purchaser to continue with the transaction without the assignment or may refund the Purchaser's deposit and terminate the purchase agreement. Accordingly, Purchaser may apply for a mortgage with a lending institution that will accept an assignment of mortgage. Because this transaction would require additional coordination between the parties, it may potentially delay the closing. In the event Sponsor exercises such option, the above paragraph regarding the mortgage tax credit will be inapplicable and the Purchaser will not be required to make any payments to the Sponsor in respect to the mortgage tax credit.
- (iv) all costs and expenses in connection with such loan in amounts determined by the lender, *i.e.*, application, points, credit report, survey, appraisal, bank's attorney's fees, Residential and Condominium Endorsements (title insurance forms required by banks) and any other fees required by lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

D. Transfer Tax. Transfer taxes are typically a seller expense, and shall not be payable, either directly or indirectly by the Purchaser unless explicitly provided for under the Purchase Agreement. The terms of this Offering Plan and Purchase Agreement transfer the statutory obligation to pay the transfer taxes to the Purchaser. New York City transfer taxes are in the

amount of 1.425% of the purchase price for residential Units over \$500,000.00 and 1.4% of the purchase price for residential Units under \$500,000.00. New York State Documentary Stamp Taxes are in the amount of \$2.00 per \$500.00. For any residential conveyance in which consideration is at least \$3,000,000.00, there is an additional base tax of \$1.25 per \$500.00. For commercial Units, the transfer tax is in the amount of 2.625% of the purchase price for NYC and \$2.00 per \$500.00 plus an additional .25% of the purchase price for commercial Units of \$2,000,000.00 or more in New York State. Additionally, there is a mansion tax of 1% of the purchase price for conveyances in the amount of \$1,000,000 or more and a supplemental tax on the conveyance of residential real property in the amount of 0.25% for transfers of \$2,000,001-\$2,999,999; and 0.5% for transfers of \$3,000,000 to \$4,999,999, which are both imposed on Purchaser. For purposes of calculating NYS taxable consideration, NYC transfer taxes paid by the buyer are added to the purchase price; for purposes of calculating NYC taxable consideration, NYC and NYS transfer taxes paid by the buyer are added to the purchase price.

- E. Initial Capital Payment. Purchaser will be required to deposit with the Board of Managers two (2) months' estimated monthly common charges for his unit.
- F. Sponsor's Attorney Fees. Purchaser shall be obligated to pay the following fees to sponsor's attorney: (i) \$3,200.00 for services rendered in connection with the preparation of closing documents and conducting the closing; (ii) \$500.00 if the closing is held at any location other than sponsor's attorney's office at the request of purchaser or its representatives; (iii) \$200.00 per hour if the duration of the in person closing exceeds two (2) hours due to the fault of purchaser or its representatives; (iv) and a fee of \$300.00 if Purchaser requests a remote closing.
- G. Defrayment of Sponsor Costs. Purchaser shall pay an additional \$1,500.00 at closing to defray Sponsor's costs, e.g. architectural costs, filing fees, legal fees and other costs incurred in creating the condominium.

All fees are cumulative to the extent applicable to an individual Purchaser.

15. Rent Security Deposit. If Purchaser is or hereafter becomes a tenant of the Unit pursuant to an Interim Lease or other written agreement, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by someone other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at closing to Purchaser, who will, upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and

substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to bring an action against the tenant to the extent such rent security is insufficient.

The Purchaser may not occupy the Unit or perform any work in the Unit prior to closing without the prior consent of the Sponsor. In the event the Purchaser occupies the Unit or performs any work in the Unit prior to closing without the prior consent of the Sponsor, such event shall constitute a default under Section 18 of this Agreement.

16. Power of Attorney to Board of Managers and Sponsor. At closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in the New York City Register's office of the County of Kings, State of New York, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Document Number 4 in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Condominium Board. Failure to execute a Power of Attorney at closing shall constitute a default under this Purchase Agreement.

17. Transfer Tax Return. At closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed with The City and State of New York. The transfer tax return shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. The terms of this offering transfer the statutory obligation to pay said tax from Sponsor to Purchaser, who shall be responsible for said payment, unless otherwise noted.

18. Events of Default

A. The following shall constitute "Events of Default" hereunder:

- (i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor pursuant to paragraph 4 herein;
- (ii) Purchaser's failure to duly sign, notarize and deliver at closing the power of attorney pursuant to paragraph 16 above, the New York City transfer tax return pursuant to Paragraph 17 above, a license agreement or any other document reasonably requested at closing by the managing agent;
- (iii) If Purchaser is or becomes a tenant of the Building, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, which results in Purchaser's eviction from Purchaser's Unit (either by voluntary removal or by court order); or

(iv) If Purchaser occupies the unit or performs any work in the unit prior to closing without the prior consent of the Sponsor;

(v) The failure to pay, perform or observe any of the Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

B. Upon the occurrence of an Event of Default, the Sponsor's sole remedy shall be to cancel the Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which time Purchaser must cure the specified default. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment (but in no event to exceed ten percent (10%) of the Purchase Price of the it) plus the cost of any special work in the Unit ordered by Purchaser, and any sums in excess thereof (together with any interest earned thereon) shall be returned to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. The parties may be required to sign a general release to that effect.

Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

C. In the event a purchaser does not close on the Closing Date set forth in the Notice of Closing, and Sponsor elects not to cancel the Purchase Agreement, or if the Sponsor approves the Purchaser's request to adjourn the closing, 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 10% per annum. This rate shall be in effect for as long as there are any unpaid amounts owing towards the full purchase price.

D. Notwithstanding the occurrence of an Event of Default Sponsor may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from Purchaser's damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection).

E. If Purchaser is or becomes a tenant of the Building pursuant to an Interim Lease or other written agreement and Purchaser fails to pay rent or otherwise comply with Purchaser's lease or tenancy obligations, or if Purchaser vacates or abandons the leased premises, then such failure, vacating or abandonment (as the case may be) shall constitute a default hereunder entitling



Sponsor, at its sole option, to cancel this Agreement, even though Purchaser is not evicted from the leased premises as a result thereof. However, before the Sponsor may utilize the default under the Interim Lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Interim Lessee unless the Interim Lessee has vacated the Unit. The Interim Lessee will have thirty (30) days to vacate the Unit after a default under the Purchase Agreement or in the event the Interim Lessee defaults on the Purchase Agreement. However, if such Purchaser is not evicted from the Building by reason of such default, by vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under the Purchase Agreement, together with the interest earned thereon, if any. However, in no event shall Purchaser be released or excused from paying and performing Purchaser's lease or tenancy obligations.

19. Appliances and Equipment

A. The Unit is being sold AS IS on the date this Purchase Agreement is executed, normal wear and tear excepted, 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. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for immaterial 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 an addendum to this Agreement or separate agreement).

20. Construction.

A. The Building and the Unit including the materials, equipment and fixtures to be installed therein, shall be 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 that the approval of any governmental authorities having jurisdiction thereover and the construction lender are first obtained (if required). Nothing herein contained shall excuse Sponsor from its obligations to correct any defects in construction (to the extent any construction is performed) in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of the Sponsor" within a reasonable time.

B. The construction of the Building and the Unit (if any) and the correction of any defects in construction (to the extent any construction is performed) 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 immaterial variations from the Plan



and "plans and specifications" as indicated in the Plan in subparagraph 2(g) of "Rights and Obligations of Sponsor--Construction Obligations" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in subparagraph 2 of "Rights and Obligations of Sponsor: Construction Obligations."

21. Inspection of Units.

The Units are being sold "AS IS" on the date this Purchase Agreement is executed, normal wear and tear excepted. The Purchaser will have the right to inspect the Unit for any defects within the ten (10) days prior to Closing. Purchaser may note certain items which require attention ("Punchlist Items"). Notwithstanding the creation of a Punchlist, Purchaser shall be obligated to close on the date set by Sponsor for Closing. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to produce a Punch List, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. Sponsor will use reasonable efforts to complete Punchlist Items specified on an inspection statement signed by Sponsor and Purchaser prior to Closing or within a reasonable period of time following the Closing, weather permitting, subject to force majeure delays and subject to Purchaser's provision of access to the Unit to Sponsor and/or Sponsor's contractors and/or agents. Sponsor will not place any funds in escrow to ensure completion of these items. Nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor -- Construction Obligations" as set forth in the offering plan.

22. Possession; Risk of Loss

A. Purchaser shall not be entitled to occupy the Unit until the deed is delivered to Purchaser at closing. Sponsor may, in its discretion, grant Purchaser possession of the Unit prior to the closing under an Interim Lease.

B. Smoking and/or use of electronic cigarettes is prohibited in all locations on the property. This policy is in compliance with the NYC Smoke Free Air Act ("SFAA") and shall apply to all Unit Owners and tenants and their respective invitees as well as other persons on the Property.

C. A person in possession who is not an owner cannot insure the building since he or she has no ownership interest, and the unit cannot be doubly insured. As such, if Purchaser is given possession of the Unit prior to Closing under an Interim Lease or otherwise, the Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit not covered by insurance resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its installations. However, until closing Sponsor will remain responsible to make those repairs required of it as a landlord under any existing or interim lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Documents.

D. If, during Purchaser's occupancy, the Unit is damaged by casualty or otherwise, the Purchaser shall assume the risk of loss and the obligation to repair the damage in excess of insurance proceeds available to the Sponsor prior to the First Closing and to the Board thereafter, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

E. Except as provided in the preceding subparagraph, all other risk of loss prior to closing in excess of insurance proceeds has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing. Sponsor will remove subsequent to Closing all violations of record which it is obligated to correct within ninety (90) days of the violation posting. Additionally, if Sponsor elects to repair or replace the loss or damage and the Purchase Agreement is contingent on the Purchaser obtaining financing, if, after making a good faith effort to extend the term of the commitment to enable Sponsor to repair the damage, an extension is not obtained, the Purchaser will be afforded a right of rescission

F. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Down Payment plus other advances made for upgrades or extras pursuant to Paragraph 18 above.

23. No Representation. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, including, but not limited to, any relating to the description or physical

condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan and Purchaser, having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any obligations hereunder by reason of any immaterial inaccuracy or error. The provisions of this Paragraph shall survive the closing of title.

24. 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.

Notice to Purchaser shall also be satisfied by email transmission to Purchaser or Purchaser's attorney. Seller's attorney may send all notices to Purchaser's attorney and/or Purchaser via email at the email address listed on the first page of this Agreement.

Purchasers should note that the actual receipt of any notice by the intended recipient may occur later than when deemed sent, in which event the recipient will not be granted an extension of time to respond in instances where the recipient is required to respond to or otherwise take action regarding the notice within a certain, specified time period.

An email confirmation printout by Seller's attorney showing transmission was complete is sufficient evidence that the email has been transmitted and the notice has been served. Parties should always check their spam folder to ensure no emails are missed. If emails bounce back, the notice is not deemed to be sent and will have to be sent again.

25. Broker. Purchaser and Seller each represents to the other that he or she has disclosed all brokers or sales agents with whom Purchaser has dealt in connection with this transaction, which are listed on page 1 of the Purchase Agreement. Sponsor agrees to pay the commission due the listed brokers pursuant to separate agreement. The parties agree that should any claim be made against Sponsor for commissions by any other broker or sales 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 25 shall survive the closing.

26. No Lien; Agreement Subject to Mortgage

A. No lien or encumbrance 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.

B. In furtherance and not in limitation of the provisions of the preceding paragraph A, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at closing.

27. Entire Agreement. This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

28. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several. If Purchaser is an entity, the Board may require an individual to provide a guarantee for payment of maintenance.

29. Liability of Sponsor. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of G-d, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused. Purchaser's time to perform its obligations under this Purchase Agreement also may be tolled pursuant to applicable laws. Sponsor cannot limit any rights which Purchaser may have pursuant to Art. 23A of the GBL, NYCRR regulations as may be specified in

the Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order.

30. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

31. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. 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.

33. Governing Law. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York.

34. Arbitration. In order to resolve any dispute, controversy, claim or question arising with respect to the Condominium or the Purchase Agreement, or to break any deadlock in voting, the parties shall submit such dispute or question to arbitration through the American Arbitration Association (“AAA”), which will give any party the rights he is entitled to under New York law. The arbitration proceeding will follow the rules of the AAA, who will designate an arbitrator who will be neutral and independent of the Sponsor and its principal. The hearing will take place in the county where the building is located. The parties to the purchase agreement are giving up the right to bring suit in court, including the right to a trial by jury, concerning disputes over the disposition of escrowed funds, except as provided by the rules of the arbitration forum in which a claim is filed. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment, and said decision shall be final and binding. A party’s ability to have a court reverse or modify an arbitration award is very limited. The ability of the parties to obtain documents, witness statements and other discovery may be more limited in arbitration than in court proceedings. The arbitrators may not have to explain the reason for their award. Unlike litigation, New York law does not authorize the filing of a notice of pendency based on ongoing arbitration proceedings. The fees, costs and expenses of the arbitrators shall be shared equally by the disputants. Each disputant shall also bear the fees and expenses of his or her own counsel and

expert witnesses. The rules and fees of the AAA can be found on their website: <http://www.adr.org>. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL.

The Board shall follow the directions of the Arbitrators. The panel will have the authority to file their decision with the Court under the New York Arbitration Law and Article 75 of the CPLR. Any decision rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The decision shall be enforceable in a court of competent jurisdiction. If the arbitration proceeding concerns an escrow dispute under the purchase agreement, the deposit shall not be released from escrow until at least 90 days has elapsed from the issuance of a final arbitration award. If the purchaser brings a proceeding pursuant to CPLR §7511 to vacate the award, the funds must remain in escrow until that proceeding is finally adjudicated.

35. Gender. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

36. Certain References. The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraph, subparagraphs or other provisions of this Agreement.

37. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provisions hereof.

38. Successors and Assigns. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

39. No Oral Changes. This Agreement cannot be changed nor any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

40. Acceptance of Purchase Agreement

The submission of this Purchase Agreement to Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within five (5) days after the Selling Agent receives this Purchase Agreement signed by Purchaser, a duplicate of this Agreement signed by Sponsor or its authorized

agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be refunded within ten (10) business days thereafter, with interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status or other ground proscribed by law.

41. Purchase Agreement Not Conditioned on Financing. Unless Exhibit B to this Agreement is fully executed by all Parties, Purchaser may partially finance the purchase of this unit by obtaining a mortgage loan for the purchase price but the obligations of purchaser under this Purchase Agreement are not conditional on the purchaser's obtaining financing. Any prospective purchaser who executes a Purchase Agreement without the Rider in Exhibit B and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by Sponsor as to the availability or cost of such financing.

42. Agreement Not Assignable; Binding Effect. The Purchase Agreement is not assignable without the consent of the Sponsor. Any request for assignment shall be submitted to Sponsor's attorney in writing at least fifteen (15) days prior to the scheduled closing. Sponsor may, in its sole and absolute discretion, permit the Contract to be assigned to allow Purchaser to add, delete or substitute the name of a Purchaser's Family Member or to take title in the name of an entity related to or controlled by Purchaser. If Sponsor consents to an assignment, Purchaser must provide an executed assignment and assumption agreement prepared by Sponsor's attorney pursuant to which Purchaser assigns the Contract and Deposit to the new party named as Purchaser, who shall assume all of Purchaser's obligations thereunder, along with a new IRS W-8 or W-9 form (as applicable) for the new Purchaser at least five (5) days prior to the scheduled closing. In no event will Purchaser be entitled to delay or postpone the closing of title to effectuate such name change or assignment. Sponsor, Managing Agent, Selling Agent and the principals of the foregoing entities will not discriminate on any ground prohibited by law. There is no additional fee for an assignment agreed to by Sponsor.

This Purchase Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Purchaser:

\_\_\_\_\_  
\_\_\_\_\_

Accepted and Agreed to:  
385 Vernon Estates LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Accepted: \_\_\_\_\_

Escrow Terms Agreed To:  
Jeffrey Zwick & Associates, PC

By: \_\_\_\_\_



**EXHIBIT A**  
**Permitted Encumbrances**

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.
2. State of facts which an accurate survey or personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes nor render title unmarketable.
3. The terms, burdens, covenants, restrictions, conditions, easements, and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.
4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.
5. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
7. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).
11. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.
12. Any lease covering the Unit.
13. Certificate of Occupancy.
14. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct, provided the same does not affect the health or safety of the unit owner.
15. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Purchaser's title to the Unit.
16. Any matters of record which do not prohibit the use of the premises.

EXHIBIT B  
TERMS OF SECURED LOAN CONDITION RIDER

THE TERMS SET FORTH IN THIS SECURED LOAN CONDITION RIDER SHALL APPLY, AT SELLER'S SOLE OPTION, ONLY IF AGREED TO BY THE SPONSOR IN THE SPACE PROVIDED BELOW. PURCHASER'S SIGNATURE ALONE DOES NOT EFFECTUATE THIS SECURED LOAN CONDITION RIDER.

A. Contingency Period and Terms of Loan. The obligations of Purchaser hereunder are conditioned upon issuance on a date which is on or before forty-five (45) days from date the Purchaser receives an executed Purchase Agreement ("Mortgage Contingency Expiration Date"), of a written commitment from any Institutional Lender (which shall include a mortgage banker and broker) pursuant to which such Institutional Lender agrees to make a first mortgage loan to Purchaser, at Purchaser's sole cost and expense, of an amount equal to 80% of the purchase price of the residential unit or such lesser sum as Purchaser shall be willing to accept, or such other sum as to which the parties may agree, at prevailing interest rates for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditional upon any factors.

B. Application Procedure. Within two (2) weeks of receipt of the fully executed Purchase Agreement, Purchaser must make a mortgage application. Within seven (7) business days thereafter, Purchaser must provide Seller and/or Seller's attorney with the name and address of the bank or mortgage broker to which application has been made. Purchaser shall authorize the mortgage broker or lending institution to talk directly to Seller's attorney regarding the status of the mortgage application. Failure to send such notice, after receiving written notice from the Seller, will be considered to be a waiver of the mortgage contingency.

C. Purchaser's Responsibilities. Upon making an application pursuant to this section, Purchaser shall: (1) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (2) pay all fees, points and charges required in connection with such application and loan, which may include the appraisal, credit checks, and origination fees, (3) pursue such application with diligence, and (4) cooperate in good faith with such Institutional Lender to obtain such commitment. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish Seller with a copy thereof promptly after receipt.

D. Failure to Obtain Commitment. The Purchaser will have the right to terminate the Purchase Agreement and be refunded all monies deposited thereunder, without interest, and unexpended sums for special work ordered in the event:

- (a) an institutional lender fails, through no fault of the Purchaser, to issue its commitment on the terms described above by the Mortgage Contingency Expiration Date, provided the Purchaser gives notice of termination not later than five (5) business days

after the expiration of the aforementioned period. In such event, if Seller has reasonably determined there is a high probability that Purchaser will be approved for a mortgage commitment with equal or better terms than those applied for under the original commitment, the Seller may, at its option within fifteen (15) days after receipt of the notice of rejection or expiration of the contingency period, whichever the case may be, cause Purchaser to submit an application together with the required fees to another Institutional Lender and Purchaser shall be required to accept the commitment under the same terms and conditions as stated above. The terms of such commitment will be Equal to or Better than the terms originally sought by the Purchaser; or

(b) the commitment issued by the lender is not funded by the Closing through no fault of the Purchaser, provided the Purchaser acts in good faith and gives notice of termination no later than ten (10) days before the scheduled Closing unless Purchaser did not receive sufficient notice and is therefore unable to give notice to Sponsor within ten days of Closing. This is because 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.

E. Failure to Notify. If Purchaser fails to give timely notice of cancellation in accordance with paragraph D, then Purchaser shall be deemed to have waived the right to cancel the contract and to receive a refund of the Deposit and unexpended sums for special work ordered by reason of the contingency contained in this Rider. The contract will remain in full force and effect and the mortgage contingency will no longer apply. In addition, Seller may, at its option, cancel the contract and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract, and upon cancellation the down payment and unexpended sums for special work ordered shall be promptly refunded to Purchaser.

SELLER:

By: \_\_\_\_\_

\_\_\_\_\_ Purchaser

\_\_\_\_\_ Purchaser

**Exhibit C**

**RIDER TO PURCHASE AGREEMENT**

**RE: Parking Space Licenses**

The 385 Vernon Avenue Condominium

1. At Closing, Purchaser shall sign a License, the form of which is set forth in Part II of the Plan, for Purchaser's use of the specific parking space and/or cabana designated by Sponsor and noted on page 1 of this Agreement. Sponsor reserves the right at or prior to Closing to designate a different parking space in lieu of the space set forth on page 1, provided the new space is equal to or greater in size and has the same Purchase Price.
2. If there is a fire or other casualty to the parking space and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Down Payment tendered toward the License(s) noted on page 1, if any, shall be returned to Purchaser within ten (10) days and the only balance due at Closing shall be for the Unit.
3. Sponsor reserves the right to withdraw the offering of the parking. Such withdrawal will be disclosed by Sponsor in an amendment to the Plan and Purchaser shall only be relieved of Purchaser's obligation to purchase the withdrawn area, but shall remain obligated to purchase the Unit and any non-withdrawn area to which this Exhibit applies. In such event, the Down Payment tendered toward the License of the area which is withdrawn noted on page 1, if any, shall be returned to Purchaser within ten (10) days and the only balance due at Closing shall be for the Unit and any License of an area that was not withdrawn.
4. Purchaser shall be obligated to close title to the Unit regardless of whether the Licensed space is completed or able to be used. In the event the parking space is not accessible or usable at the time of Closing, no monthly license fee shall be due until such time as the space is usable, as evidenced in writing by the management company or Board.

\_\_\_\_\_  
[Purchaser 1]

\_\_\_\_\_  
[Purchaser 2]

Document No. 3

New York State and New York City Tax Forms

# REAL PROPERTY TRANSFER TAX RETURN

(Pursuant to Title 11, Chapter 21, NYC Administrative Code)

**Instructions:** If you are filing this form as part of a Non-Recorded Transfer, mail your completed RPT form to:  
**NYC Dept. of Finance, Non-Recorded RPTT Return Processing, 66 John Street, 13th Floor, New York, NY 10038.**  
See Instructions on page 17 of this form for further details.

▲ DO NOT WRITE IN THIS SPACE ▲  
FOR OFFICE USE ONLY

| GRANTOR                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="radio"/> Name                                                                                                                                                                                                                                                                                                 | <div style="text-align: center;">SOCIAL SECURITY NUMBER</div> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div> |
| <input type="radio"/> Grantor is a(n): <input type="checkbox"/> individual <input type="checkbox"/> partnership (see instructions) <input type="checkbox"/> corporation<br><input type="checkbox"/> single member LLC <input type="checkbox"/> multiple member LLC (see instructions) <input type="checkbox"/> other _____ | Telephone Number                                                                                                                                                                                                                                                                                                                                         |
| <input type="radio"/> Permanent mailing address <u>after</u> transfer (number and street)                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                          |
| <input type="radio"/> City and State                                                                                                                                                                                                                                                                                       | Zip Code                                                                                                                                                                                                                                                                                                                                                 |
| <input type="radio"/> Single member's name if grantor is a single member LLC (see instructions)                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                          |

**OR**  
 EMPLOYER IDENTIFICATION NUMBER  
  
 SINGLE MEMBER EIN OR SSN

| GRANTEE                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="radio"/> Name                                                                                                                                                                                                                                                                                                 | <div style="text-align: center;">SOCIAL SECURITY NUMBER</div> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div> |
| <input type="radio"/> Grantee is a(n): <input type="checkbox"/> individual <input type="checkbox"/> partnership (see instructions) <input type="checkbox"/> corporation<br><input type="checkbox"/> single member LLC <input type="checkbox"/> multiple member LLC (see instructions) <input type="checkbox"/> other _____ | Telephone Number                                                                                                                                                                                                                                                                                                                                         |
| <input type="radio"/> Permanent mailing address <u>after</u> transfer (number and street)                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                          |
| <input type="radio"/> City and State                                                                                                                                                                                                                                                                                       | Zip Code                                                                                                                                                                                                                                                                                                                                                 |
| <input type="radio"/> Single member's name if grantee is a single member LLC (see instructions)                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                          |

**OR**  
 EMPLOYER IDENTIFICATION NUMBER  
  
 SINGLE MEMBER EIN OR SSN

| PROPERTY LOCATION                                                        |          |         |       |     |             |             |                                                  |
|--------------------------------------------------------------------------|----------|---------|-------|-----|-------------|-------------|--------------------------------------------------|
| LIST EACH LOT SEPARATELY. ATTACH A RIDER IF ADDITIONAL SPACE IS REQUIRED |          |         |       |     |             |             |                                                  |
| Address (number and street)                                              | Apt. No. | Borough | Block | Lot | # of Floors | Square Feet | <input type="radio"/> Assessed Value of Property |
|                                                                          |          |         |       |     |             |             |                                                  |
|                                                                          |          |         |       |     |             |             |                                                  |
|                                                                          |          |         |       |     |             |             |                                                  |

● DATE OF TRANSFER TO GRANTEE: \_\_\_\_\_
● PERCENTAGE OF INTEREST TRANSFERRED: \_\_\_\_\_ %

| CONDITION OF TRANSFER. See Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ● Check (✓) all of the conditions that apply and fill out the appropriate schedules on pages 5-11 of this return. Additionally, Schedules 1 and 2 <b>must</b> be completed for all transfers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| a. <input type="checkbox"/> .....Arms length transfer<br>b. <input type="checkbox"/> .....Transfer in exercise of option to purchase<br>c. <input type="checkbox"/> .....Transfer from cooperative sponsor to cooperative corporation<br>d. <input type="checkbox"/> .....Transfer by referee or receiver (complete Schedule A, page 5)<br>e. <input type="checkbox"/> .....Transfer pursuant to marital settlement agreement or divorce decree (complete Schedule I, page 9)<br>f. <input type="checkbox"/> .....Deed in lieu of foreclosure (complete Schedule C, page 6)<br>g. <input type="checkbox"/> .....Transfer pursuant to liquidation of an entity (complete Schedule D, page 6)<br>h. <input type="checkbox"/> .....Transfer from principal to agent, dummy, strawman or conduit or vice-versa (complete Schedule E, page 7)<br>i. <input type="checkbox"/> .....Transfer pursuant to trust agreement or will (attach a copy of trust agreement or will)<br>j. <input type="checkbox"/> .....Gift transfer not subject to indebtedness<br>k. <input type="checkbox"/> .....Gift transfer subject to indebtedness<br>l. <input type="checkbox"/> .....Transfer to a business entity in exchange for an interest in the business entity (complete Schedule F, page 7)<br>m. <input type="checkbox"/> .....Transfer to a governmental body | n. <input type="checkbox"/> .....Correction deed<br>o. <input type="checkbox"/> .....Transfer by or to a tax exempt organization (complete Schedule G, page 8).<br>p. <input type="checkbox"/> .....Transfer of property partly within and partly without NYC<br>q. <input type="checkbox"/> .....Transfer of successful bid pursuant to foreclosure<br>r. <input type="checkbox"/> .....Transfer by borrower solely as security for a debt or a transfer by lender solely to return such security<br>s. <input type="checkbox"/> .....Transfer wholly or partly exempt as a mere change of identity or form of ownership. Complete Schedule M, page 9)<br>t. <input type="checkbox"/> .....Transfer to a REIT or to a corporation or partnership controlled by a REIT. (Complete Schedule R, pages 10 and 11)<br>u. <input type="checkbox"/> .....Other transfer in connection with financing (describe): _____<br>v. <input type="checkbox"/> .....A grant or assignment of a leasehold interest in a tax-free NY area<br>w. <input type="checkbox"/> .....Other (describe): _____ |

| ● TYPE OF PROPERTY (✓)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ● TYPE OF INTEREST (✓)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|---------------------------------------------|--------------------------|---------------------------------------------------------|--------------------------|---------------------------------------------------------------------------|--------------------------|--------------------------------------------------|--------------------------|-------------------------------------------------------------|--------------------------|------------------------------------------------------------|--------------------------|-----------------------------------------------|--------------------------|--------------------------------------------------------------|--------------------------|------------------------------------------------------------|--------------------------|
| a. <input type="checkbox"/> ..... 1-3 family house<br>b. <input type="checkbox"/> ..... Individual residential condominium unit<br>c. <input type="checkbox"/> ..... Individual cooperative apartment<br>d. <input type="checkbox"/> ..... Commercial condominium unit<br>e. <input type="checkbox"/> ..... Commercial cooperative<br>f. <input type="checkbox"/> ..... Apartment building<br>g. <input type="checkbox"/> ..... Office building<br>h. <input type="checkbox"/> ..... Industrial building<br>i. <input type="checkbox"/> ..... Utility<br>j. <input type="checkbox"/> ..... OTHER. (describe): _____ | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">           Check box at LEFT if you intend to record a document related to this transfer. Check box at RIGHT if you do not intend to record a document related to this transfer.         </div> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left; padding: 2px;">REC.</th> <th style="width: 50%; text-align: left; padding: 2px;">NON REC.</th> </tr> </thead> <tbody> <tr> <td>a. <input type="checkbox"/> ..... Fee .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>b. <input type="checkbox"/> ..... Leasehold Grant .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>c. <input type="checkbox"/> ..... Leasehold Assignment or Surrender .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>d. <input type="checkbox"/> ..... Easement .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>e. <input type="checkbox"/> ..... Subterranean Rights .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>f. <input type="checkbox"/> ..... Development Rights .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>g. <input type="checkbox"/> ..... Stock .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>h. <input type="checkbox"/> ..... Partnership Interest .....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>i. <input type="checkbox"/> ..... OTHER. (describe): .....</td> <td><input type="checkbox"/></td> </tr> </tbody> </table> | REC. | NON REC. | a. <input type="checkbox"/> ..... Fee ..... | <input type="checkbox"/> | b. <input type="checkbox"/> ..... Leasehold Grant ..... | <input type="checkbox"/> | c. <input type="checkbox"/> ..... Leasehold Assignment or Surrender ..... | <input type="checkbox"/> | d. <input type="checkbox"/> ..... Easement ..... | <input type="checkbox"/> | e. <input type="checkbox"/> ..... Subterranean Rights ..... | <input type="checkbox"/> | f. <input type="checkbox"/> ..... Development Rights ..... | <input type="checkbox"/> | g. <input type="checkbox"/> ..... Stock ..... | <input type="checkbox"/> | h. <input type="checkbox"/> ..... Partnership Interest ..... | <input type="checkbox"/> | i. <input type="checkbox"/> ..... OTHER. (describe): ..... | <input type="checkbox"/> |
| REC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | NON REC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| a. <input type="checkbox"/> ..... Fee .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| b. <input type="checkbox"/> ..... Leasehold Grant .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| c. <input type="checkbox"/> ..... Leasehold Assignment or Surrender .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| d. <input type="checkbox"/> ..... Easement .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| e. <input type="checkbox"/> ..... Subterranean Rights .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| f. <input type="checkbox"/> ..... Development Rights .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| g. <input type="checkbox"/> ..... Stock .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| h. <input type="checkbox"/> ..... Partnership Interest .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |
| i. <input type="checkbox"/> ..... OTHER. (describe): .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |          |                                             |                          |                                                         |                          |                                                                           |                          |                                                  |                          |                                                             |                          |                                                            |                          |                                               |                          |                                                              |                          |                                                            |                          |

### SCHEDULE 1 - DETAILS OF CONSIDERATION

COMPLETE THIS SCHEDULE FOR ALL TRANSFERS AFTER COMPLETING THE APPROPRIATE SCHEDULES ON PAGES 5 THROUGH 11.  
 ENTER "ZERO" ON LINE 11 IF THE TRANSFER REPORTED WAS WITHOUT CONSIDERATION.

|                                                                                                                                      |       |    |  |
|--------------------------------------------------------------------------------------------------------------------------------------|-------|----|--|
| 1. Cash.....                                                                                                                         | ● 1.  |    |  |
| 2. Purchase money mortgage.....                                                                                                      | ● 2.  |    |  |
| 3. Unpaid principal of pre-existing mortgage(s) .....                                                                                | ● 3.  |    |  |
| 4. Accrued interest on pre-existing mortgage(s) .....                                                                                | ● 4.  |    |  |
| 5. Accrued real estate taxes .....                                                                                                   | ● 5.  |    |  |
| 6. Amounts of other liens on property .....                                                                                          | ● 6.  |    |  |
| 7. Value of shares of stock or of partnership interest received .....                                                                | ● 7.  |    |  |
| 8. Value of real or personal property received in exchange.....                                                                      | ● 8.  |    |  |
| 9. Amount of Real Property Transfer Tax and/or other taxes or expenses of the grantor which are paid by the grantee.....             | ● 9.  |    |  |
| 10. Other (describe): .....                                                                                                          | ● 10. |    |  |
| 11. <b>TOTAL CONSIDERATION</b> (add lines 1 through 10 - must equal amount entered on line 1 of Schedule 2) (see instructions) ..... | ● 11. | \$ |  |

**See instructions for special rules relating to transfers of cooperative units, liquidations, marital settlements and transfers of property to a business entity in return for an interest in the entity.**

### SCHEDULE 2 - COMPUTATION OF TAX

| A. <b>Payment</b>                                                             | Pay amount shown on line 12 - <i>See Instructions</i> | Payment Enclosed |   |
|-------------------------------------------------------------------------------|-------------------------------------------------------|------------------|---|
| 1. Total Consideration (from line 11, above).....                             | ● 1.                                                  |                  |   |
| 2. Excludable liens (see instructions) .....                                  | ● 2.                                                  |                  |   |
| 3. Consideration (Line 1 less line 2) .....                                   | ● 3.                                                  |                  |   |
| 4. Tax Rate (see instructions).....                                           | ● 4.                                                  |                  | % |
| 5. Percentage change in beneficial ownership (see instructions) .....         | ● 5.                                                  |                  | % |
| 6. Taxable consideration (multiply line 3 by line 5) .....                    | ● 6.                                                  |                  |   |
| 7. Tax (multiply line 6 by line 4) .....                                      | ● 7.                                                  |                  |   |
| 8. Credit (see instructions).....                                             | ● 8.                                                  |                  |   |
| 9. Tax due (line 7 less line 8) (if the result is negative, enter zero) ..... | ● 9.                                                  |                  |   |
| 10. Interest (see instructions) .....                                         | ● 10.                                                 |                  |   |
| 11. Penalty (see instructions) .....                                          | ● 11.                                                 |                  |   |
| 12. <b>Total Tax Due</b> (add lines 9, 10 and 11) .....                       | ● 12.                                                 | \$               |   |



**SCHEDULE 3 - TRANSFERS INVOLVING MULTIPLE GRANTORS AND/OR GRANTEES****NOTE** If additional space is needed, attach copies of this schedule or an addendum listing all of the information required below.**GRANTOR(S)**

|                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                      |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ● Name                                                                                                                                                                                                                                                                                                             |  | SOCIAL SECURITY NUMBER<br><div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div> |  |
| ● Grantor is a(n): <input type="checkbox"/> individual <input type="checkbox"/> partnership (see instructions) <input type="checkbox"/> corporation<br>(check one) <input type="checkbox"/> single member LLC <input type="checkbox"/> multiple member LLC (see instructions) <input type="checkbox"/> other _____ |  | Telephone Number                                                                                                                                                                                                                                                                                                     |  |
| ● Permanent mailing address <u>after</u> transfer (number and street)                                                                                                                                                                                                                                              |  |                                                                                                                                                                                                                                                                                                                      |  |
| ● City and State                                                                                                                                                                                                                                                                                                   |  | Zip Code                                                                                                                                                                                                                                                                                                             |  |
| ● Single member's name if grantor is a single member LLC (see instructions)                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                      |  |

**OR**

EMPLOYER IDENTIFICATION NUMBER

SINGLE MEMBER EIN OR SSN

|                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                      |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ● Name                                                                                                                                                                                                                                                                                                             |  | SOCIAL SECURITY NUMBER<br><div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div> |  |
| ● Grantor is a(n): <input type="checkbox"/> individual <input type="checkbox"/> partnership (see instructions) <input type="checkbox"/> corporation<br>(check one) <input type="checkbox"/> single member LLC <input type="checkbox"/> multiple member LLC (see instructions) <input type="checkbox"/> other _____ |  | Telephone Number                                                                                                                                                                                                                                                                                                     |  |
| ● Permanent mailing address <u>after</u> transfer (number and street)                                                                                                                                                                                                                                              |  |                                                                                                                                                                                                                                                                                                                      |  |
| ● City and State                                                                                                                                                                                                                                                                                                   |  | Zip Code                                                                                                                                                                                                                                                                                                             |  |
| ● Single member's name if grantor is a single member LLC (see instructions)                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                      |  |

**OR**

EMPLOYER IDENTIFICATION NUMBER

SINGLE MEMBER EIN OR SSN

**GRANTEE(S)**

|                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                      |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ● Name                                                                                                                                                                                                                                                                                                             |  | SOCIAL SECURITY NUMBER<br><div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div> |  |
| ● Grantee is a(n): <input type="checkbox"/> individual <input type="checkbox"/> partnership (see instructions) <input type="checkbox"/> corporation<br>(check one) <input type="checkbox"/> single member LLC <input type="checkbox"/> multiple member LLC (see instructions) <input type="checkbox"/> other _____ |  | Telephone Number                                                                                                                                                                                                                                                                                                     |  |
| ● Permanent mailing address <u>after</u> transfer (number and street)                                                                                                                                                                                                                                              |  |                                                                                                                                                                                                                                                                                                                      |  |
| ● City and State                                                                                                                                                                                                                                                                                                   |  | Zip Code                                                                                                                                                                                                                                                                                                             |  |
| ● Single member's name if grantee is a single member LLC (see instructions)                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                      |  |

**OR**

EMPLOYER IDENTIFICATION NUMBER

SINGLE MEMBER EIN OR SSN

|                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                      |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ● Name                                                                                                                                                                                                                                                                                                             |  | SOCIAL SECURITY NUMBER<br><div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div> |  |
| ● Grantee is a(n): <input type="checkbox"/> individual <input type="checkbox"/> partnership (see instructions) <input type="checkbox"/> corporation<br>(check one) <input type="checkbox"/> single member LLC <input type="checkbox"/> multiple member LLC (see instructions) <input type="checkbox"/> other _____ |  | Telephone Number                                                                                                                                                                                                                                                                                                     |  |
| ● Permanent mailing address <u>after</u> transfer (number and street)                                                                                                                                                                                                                                              |  |                                                                                                                                                                                                                                                                                                                      |  |
| ● City and State                                                                                                                                                                                                                                                                                                   |  | Zip Code                                                                                                                                                                                                                                                                                                             |  |
| ● Single member's name if grantee is a single member LLC (see instructions)                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                      |  |

**OR**

EMPLOYER IDENTIFICATION NUMBER

SINGLE MEMBER EIN OR SSN

**GRANTOR'S ATTORNEY**

|                                      |                                             |                              |                                                                                                 |
|--------------------------------------|---------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------|
| Name of Attorney                     |                                             | Telephone Number<br>(      ) |                                                                                                 |
| Address (number and street)          |                                             | City and State               | Zip Code                                                                                        |
| EMPLOYER<br>IDENTIFICATION<br>NUMBER | <input type="text"/> - <input type="text"/> | <b>OR</b>                    | SOCIAL<br>SECURITY<br>NUMBER <input type="text"/> - <input type="text"/> - <input type="text"/> |

**GRANTEE'S ATTORNEY**

|                                      |                                             |                              |                                                                                                 |
|--------------------------------------|---------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------|
| Name of Attorney                     |                                             | Telephone Number<br>(      ) |                                                                                                 |
| Address (number and street)          |                                             | City and State               | Zip Code                                                                                        |
| EMPLOYER<br>IDENTIFICATION<br>NUMBER | <input type="text"/> - <input type="text"/> | <b>OR</b>                    | SOCIAL<br>SECURITY<br>NUMBER <input type="text"/> - <input type="text"/> - <input type="text"/> |

**CERTIFICATION**

I swear or affirm that this return, including any accompanying schedules, affidavits and attachments, has been examined by me and is, to the best of my knowledge, a true and complete return made in good faith, pursuant to Title 11, Chapter 21 of the Administrative Code and the regulations issued thereunder.

**GRANTOR**

|                                                                                               |                                                                                         |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>S</b> worn to and subscribed to<br><br>before me on this _____ day<br><br>of _____, _____. | EMPLOYER IDENTIFICATION NUMBER OR<br>SOCIAL SECURITY NUMBER<br><br><input type="text"/> |
|                                                                                               | Name of Grantor<br><br><input type="text"/>                                             |
|                                                                                               | Signature of Grantor<br><br><input type="text"/>                                        |
| Signature of Notary<br><br><input type="text"/>                                               |                                                                                         |

Notary's  
stamp  
or seal

**GRANTEE**

|                                                                                               |                                                                                         |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>S</b> worn to and subscribed to<br><br>before me on this _____ day<br><br>of _____, _____. | EMPLOYER IDENTIFICATION NUMBER OR<br>SOCIAL SECURITY NUMBER<br><br><input type="text"/> |
|                                                                                               | Name of Grantee<br><br><input type="text"/>                                             |
|                                                                                               | Signature of Grantee<br><br><input type="text"/>                                        |
| Signature of Notary<br><br><input type="text"/>                                               |                                                                                         |

Notary's  
stamp  
or seal

**GRANTEE:** To ensure that your property and water/sewer tax bills are sent to the proper address, please visit the Finance website at [nyc.gov/finance](http://nyc.gov/finance). If you do not have internet access, call 311.

**SCHEDULE A - TRANSFER BY REFEREE OR RECEIVER****NOTE**

The consideration for a transfer by a referee or receiver under foreclosure or execution is the amount bid for the property or economic interest therein and the costs paid by the purchaser, plus the amount of any pre-existing mortgages, liens or other encumbrances remaining on the property after the transfer, whether or not the underlying indebtedness is assumed.

1. Was this transfer the result of a court ordered sale pursuant to foreclosure or execution? (✓) ..... ☐ YES ☐ NO  
If "YES," complete lines 2a through 2f below. If "NO," complete line 3 below.

2a. Status of grantee: (✓)  
☐ Nominee of plaintiff ☐ Plaintiff in foreclosure action ☐ Assignee of plaintiff ☐ Transferee of successful bidder  
☐ Other (describe): \_\_\_\_\_

2b. Priority of mortgage foreclosed upon: ☐ first ☐ second ☐ third or other

2c. Amount of foreclosure judgment .....2c. \$ \_\_\_\_\_

|                                                                                                                          |    |  |
|--------------------------------------------------------------------------------------------------------------------------|----|--|
| 2d. Price bid by grantee (enter here and on Schedule 1. See instructions) .....2d.                                       | \$ |  |
| 2e. Costs paid by grantee (enter here and on line 10, Schedule 1).....2e.                                                | \$ |  |
| 2f. Amount of remaining mortgages, liens or other encumbrances (enter here and on Schedule 1. See instructions) .....2f. | \$ |  |

3. If the answer to line 1 above is "NO", state the reason for this transfer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SCHEDULE B - TRANSFER OF SHARES OF STOCK IN A COOPERATIVE HOUSING CORPORATION**

A. Name and address of cooperative housing corporation: \_\_\_\_\_  
 \_\_\_\_\_ Zip Code: \_\_\_\_\_

B. 1) Is this an initial transfer of shares from either a cooperative housing corporation or a sponsor? (✓) ☐ YES ☐ NO

2) If "YES," enter the date the NYC Real Property Transfer Tax was paid on the transfer of land and/or building to the cooperative housing corporation .....  
 MONTH DAY YEAR  
 If this initial transfer is more than 2 years from the above date, enter the date the first of these initial transfers was made .....  
 MONTH DAY YEAR

C. Is this a transfer of an individual unit in a housing company organized and operating pursuant to the provisions of articles two, four, five, or eleven of the Private Housing Finance Law? (✓) ☐ YES ☐ NO  
 If "YES," you are not subject to the Real Property Transfer Tax. However, you must file a return.

**NOTE** If you answered "YES," to question B above, you may be entitled to a credit. Complete lines 1 through 4 below.  
 If you answered "NO," to question B above, you are not entitled to a credit.

**CREDIT CALCULATION**

|                                                                                                                                                 |    |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----|--|
| 1. Enter the amount of NYC Real Property Transfer Tax paid on conveyance of underlying real property to cooperative housing corporation .....1. | \$ |  |
| 2. Enter the number of shares transferred in this transaction .....2.                                                                           |    |  |
| 3. Enter the total number of outstanding shares of the cooperative housing corporation including any shares held by the corporation .....3.     |    |  |
| 4. Amount of credit (divide line 2 by line 3 and multiply the result by line 1. Enter here and on line 8, Schedule 2) .....4.                   | \$ |  |

**SCHEDULE C - TRANSFER IN LIEU OF FORECLOSURE****NOTE**

A conveyance by a defaulting mortgagor to the mortgagee (or to a nominee or assignee of the mortgagee) in consideration of the cancellation of the mortgage debt is taxable. The consideration is the amount of the outstanding mortgage debt and unpaid accrued interest, plus the amount of any other mortgages, liens or encumbrances remaining on the property or economic interest or the underlying real property after the transfer, whether or not the underlying indebtedness is assumed and irrespective of whether the cancellation of the mortgage was recorded.

## 1. Status of grantee: (✓)

- ☐ Mortgagee                      ☐ Nominee of mortgagee                      ☐ Assignee of mortgagee
- ☐ Other (describe): \_\_\_\_\_

2. Priority of mortgage in default: ☐ first                      ☐ second                      ☐ third or other

## 3. Amount of debt owed by grantor to mortgagee at time of transfer:

a. Outstanding principal (enter here and on line 3 of Schedule 1) .....3a.

b. Accrued interest (enter here and on line 4 of Schedule 1) .....3b.

## 4. Amount of mortgages, liens or other encumbrances remaining on the real property or economic interest therein after the transfer (enter here and on Schedule 1. See instructions).....4.

|    |  |
|----|--|
| \$ |  |
| \$ |  |
| \$ |  |

**SCHEDULE D - TRANSFER PURSUANT TO PARTIAL OR COMPLETE LIQUIDATION OF CORPORATION, PARTNERSHIP OR OTHER ENTITY**

SEE INSTRUCTIONS AND SCHEDULE M.

**NOTE**

A distribution of real property or an economic interest therein within 12 months of liquidation of the distributing entity is presumed to be a distribution in liquidation. *Attach a balance sheet reflecting the grantor's assets and liabilities at the time of the liquidation.*

**COMPUTATION OF TAX BASE**

## 1. Fair market value of real property or economic interest therein at the time of liquidation .....1.

## 2. Amount of mortgages or other liens or encumbrances on real property or economic interest therein.....2.

## 3. Tax base: Compare line 1 and line 2, enter the greater of the two here and on line 11, Schedule 1 .....3.

|    |  |
|----|--|
| \$ |  |
| \$ |  |
| \$ |  |

IF, PURSUANT TO THE INSTRUCTIONS, YOU ARE FILING MORE THAN ONE SCHEDULE D, IDENTIFY THE PROPERTY THAT THIS SCHEDULE D REFERS TO.

| BOROUGH | BLOCK | LOT | ADDRESS | FAIR MARKET VALUE |
|---------|-------|-----|---------|-------------------|
|         |       |     |         |                   |

**NOTE** A transfer from an agent, dummy, strawman or conduit to a principal or from a principal to an agent, dummy, strawman or conduit is exempt from the Real Property Transfer Tax. Complete questions 1 through 8 below to establish the claim of exemption.

1. Name and address of party from whom the property or economic interest was acquired by grantor.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

| NUMBER AND STREET | CITY  | STATE | ZIP CODE |
|-------------------|-------|-------|----------|
| _____             | _____ | _____ | _____    |

2. Date of acquisition: \_\_\_\_\_

3. Is this conveyance either a transfer from an agent to a principal or from a principal to an agent? (✓) ..... ☐ YES ☐ NO  
If "YES," attach a copy of agency agreement or affidavit of explanation.

4. Amount of Real Property Transfer Tax paid upon acquisition by grantor.....

5. Is this transfer part of a transfer to and from a corporation for the sole purpose of acquiring mortgage financing? (✓). ☐ YES ☐ NO

6. Is this transfer to a dummy, strawman, or conduit from a principal or vice versa? (✓) ..... ☐ YES ☐ NO

7. If this is a transfer to an agent, dummy, strawman, or conduit, is the grantee actively engaged in a business? (✓)..... ☐ YES ☐ NO

8. If the answers to questions 3, 5, 6 and 7 above are all "no," describe the relationship of the grantor and the grantee and the purpose of the transfer:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## SEE SCHEDULE M AND INSTRUCTIONS.

A transfer of property or an economic interest therein to a corporation in exchange for shares of its capital stock may be taxable, even where there is no simultaneous exchange of shares of stock for the real property or economic interest therein, if the transfer is part of a plan to form a corporation for the purpose of holding the property or economic interest therein. A transfer to a partnership as a contribution of partnership assets may be similarly taxable.

1. Relationship of grantee to grantor(s) immediately after the transfer: (✓)

☐ Corporation wholly owned by grantor(s) ☐ Partnership consisting wholly of grantor(s)

☐ Corporation owned by grantor(s) and other(s) ☐ Partnership consisting of grantor(s) and other(s)

☐ Other (describe): \_\_\_\_\_

2. If this transfer has more than one grantor, state the percentage of interest transferred by each grantor. (If the grantor is a partnership or limited partnership, state the percentage of interest transferred by each individual partner or limited partner.)

| Name of Grantor/Partnership _____ | Percentage of interest |
|-----------------------------------|------------------------|
| _____                             | _____ %                |
| _____                             | _____ %                |
| _____                             | _____ %                |

3. Date of formation of grantee business ..... 3.

4. Fair market value of the real property or economic interest therein at time of transfer ..... 4. \$

5. Basis used for depreciation of the real property on federal tax return by the grantor before this transfer ..... 5.

6. Basis to be used for depreciation of the real property on federal tax return by the grantee after this transfer ..... 6.

7. Amount of mortgages, liens or encumbrances on the real property transferred ..... 7. \$

8. Other consideration received from the business entity (attach schedule) ..... 8. \$

9. Value of shares of stock or partnership interest received in exchange for the real property or interest therein (line 4 less the sum of lines 7 and 8) (enter here and on line 7, Schedule 1) ..... 9. \$

**SCHEDULE G - TRANSFER BY OR TO A TAX EXEMPT ORGANIZATION****NONPROFIT ORGANIZATIONS PLEASE REFER TO THE INSTRUCTIONS "EXEMPTIONS FROM THE TRANSFER TAX"****NOTE**

A transfer by or to an eligible tax exempt organization is exempt from the Real Property Transfer Tax. To be eligible, an organization must be operated exclusively for religious, charitable or educational purposes and must provide proof of the organization's tax exempt status. If claiming tax exempt status, please answer questions 1 and 2. Additionally, the organization must provide copies of any letters granting an IRS or New York State sales tax exemption or New York City exemption and ATTACH AN AFFIDAVIT stating whether such an exemption remains in effect.

1. Is the grantor or grantee an organization exempt from taxation pursuant to IRS Code Section 501(c)(3)? (✓) ..... ☐ YES ☐ NO  
If "YES", attach a copy of the letter from the U. S. Treasury Department granting the exemption.
2. Has the grantor or grantee received an exemption from sales tax from the NYS Department of Taxation and Finance? (✓) .. ☐ YES ☐ NO  
If "YES", attach a copy of the letter from the NYS Department of Taxation and Finance granting the exemption.

**SCHEDULE H - TRANSFER OF CONTROLLING ECONOMIC INTEREST**

- A. Indicate name, address and Employer Identification Number (EIN) of entity with respect to which a controlling economic interest has been transferred:

Name : \_\_\_\_\_

Address: \_\_\_\_\_

NUMBER AND STREET

CITY

STATE

ZIP CODE

Employer Identification Number: **NOTE**

If the real property that is the subject of this transfer is owned by an entity other than the entity listed above, check (✓) the box and attach a schedule listing the name, address and Employer Identification Number of the entity. .... ☐

- |                                                                                                                                                               |    |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| B. Total percentage of economic interest transferred in this transaction .....                                                                                | B. | % |
| C. Total percentage of economic interest transferred by this grantor(s) or others in related transfers or pursuant to plan (including this transaction) ..... | C. | % |
| D. Total percentage of economic interest transferred by this grantor(s) or others within the preceding three years (including this transaction) .....         | D. | % |
| E. Total percentage of economic interest acquired by this grantee(s) or others in related transfers or pursuant to plan (including this transaction) .....    | E. | % |
| F. Total percentage of economic interest acquired by this grantee(s) or others within the preceding three years (including this transaction) .....            | F. | % |

**NOTE**

If any of the above percentages is 50% or more, complete lines 1 and 2 below and Schedules 1 and 2. Attach a rider explaining apportionment of consideration.

**COMPUTATION OF CONSIDERATION**

- |                                                                                                 |    |    |  |
|-------------------------------------------------------------------------------------------------|----|----|--|
| 1. Total consideration for this transfer .....                                                  | 1. | \$ |  |
| 2. Amount apportioned to item of NYC real property or interest therein (see instructions) ..... | 2. | \$ |  |

## NOTE

1. What was the fair market value of property at the time of transfer? ..... \$ \_\_\_\_\_
2. Is the property a 1, 2 or 3 family house, residential condominium or residential cooperative apartment? .. ☐ YES ☐ NO  
 If yes, was there a mortgage on the property at the time of transfer? ..... ☐ YES ☐ NO  
 If yes, what was the balance due? (Enter also on Schedule 2, line 2) ..... \$ \_\_\_\_\_
3. What was the Grantor's percentage of ownership at the time of the transfer? ..... \_\_\_\_\_ %  
 If the transfer was between husband and wife jointly as Grantor and either husband or wife individually as Grantee it is presumed that the percentage of ownership transferred will be 50% unless the deed specifies another percentage.
4. **Rebuttable Presumption of Fair Market Value:** if the marital settlement agreement, separation agreement or divorce decree specifies a value for the portion of the property or interest transferred that is different from fair market value, enter that value here. You may choose to submit relevant portions of your separation agreement, marital settlement agreement or divorce decree, or any other information in support of the value attributed to the transferred property if you have evidence that the consideration was other than fair market value ..... \$ \_\_\_\_\_

## SCHEDULE M - MERE CHANGE OF FORM TRANSFERS

- For each person or entity who, prior to the transaction being reported on this Schedule M, owned a beneficial interest in the property or economic interest therein transferred, report above the percentage of beneficial interest in that real property or economic interest therein owned by that owner before and after the transfer, and describe the relationship of each beneficial owner to the grantor and grantee. Attach additional pages, if necessary.
- If, for any owner, the amount reported in column D is less than the amount reported in column E, enter zero in column F.

9

**SCHEDULE R - REAL ESTATE INVESTMENT TRUST TRANSFERS**

Real Estate Investment Trust Transfers ("REIT Transfers") are taxed at one-half of the otherwise applicable rate. (NYC Administrative Code Section 11-2102(e)) **Attach a copy of the prospectus to Form NYC-RPT and write "REIT Transfer" on the top of the first page of Form NYC-RPT.** If you are filing Form NYC-RPT reporting a REIT Transfer that qualifies as a mere change in identity or form of ownership or organization, you must also complete Schedule M.

**General Information****REIT TRANSFER**

A REIT Transfer is any deed or other instrument or transaction conveying or transferring real property or an economic interest in real property to a Real Estate Investment Trust as defined in Section 856 of the Internal Revenue Code (a "REIT"), or to a partnership or corporation in which a REIT owns a controlling interest immediately following the transaction and any issuance or transfer of an interest in a REIT or in such a partnership or corporation in connection with such a transaction, provided either:

1. the transaction occurs on or after June 9, 1994 in connection with the initial formation of the REIT and conditions 1(a), 2 and 3 below are met, or
2. the transaction occurs on or after July 13, 1996 and before September 1, 2002 (or after August 30, 2002 if the transfer is made pursuant to a binding written contract entered into before September 1, 2002, with a REIT or a partnership or corporation in which the REIT owns a controlling interest, and the date of execution of that contract is confirmed by independent evidence satisfactory to the Department), and conditions 1 (b) and 2 below are met.

For a definition of "controlling interest", see General Information for Form NYC-RPT, "Imposition of Tax."

**CONDITIONS**

- 1a. The value of the ownership interests in the REIT or in the partnership or corporation controlled by the REIT received by the grantor as consideration for the transaction must be equal to 40 percent or more of the excess of the value of the total consideration received over the amount of mortgages and other liens and encumbrances on the property or on the grantor's economic interest in the property, other than mortgages and other liens and encumbrances created in contemplation of the formation of the REIT.
- b. This condition is the same as Condition 1(a), except that the value of the ownership interests received as consideration must be equal to at least 50 percent rather than 40 percent of

the excess of the total consideration received over mortgages and other liens and encumbrances on the property or economic interest transferred excluding mortgages and other liens or encumbrances created in contemplation of the transaction reported on this Schedule R.

Use the worksheet on the following page of this Schedule to make this determination.

2. The interests in the REIT or in the partnership or corporation controlled by the REIT may not be transferred by the grantor or owners of the grantor within two years following the date of the transaction other than transfers within the two-year period resulting from the death of an individual grantor or owner of a grantor.
3. At least 75 percent of the cash proceeds of the initial public offering of REIT shares must be used for the following:
  - a. payments on loans secured by an interest in the real property or an economic interest therein owned directly or indirectly by the REIT, or payments into reserves therefor;
  - b. capital improvements to real property owned directly or indirectly by the REIT, or payments into reserves therefor;
  - c. brokerage fees and commissions, professional fees and payments to or on behalf of a tenant as an inducement to enter into a lease or sublease of real property owned directly or indirectly by the REIT, or payments into reserves therefor; or
  - d. payments to acquire real property or an economic interest therein other than an acquisition that would qualify as a REIT Transfer without regard to this condition 3.

**If condition 2 or 3, where applicable, ceases to be met after this Schedule R is filed, an amended Form NYC-RPT must be filed and any additional tax due must be paid.**



**WORKSHEET FOR CONDITIONS 1(a) and 1(b)**

1. Add lines 1, 2, 7, 8, 9 and 10 from Form NYC-RPT, Schedule 1 and enter total here.....1. \$ \_\_\_\_\_

2a. Enter total number of REIT shares received .....a. \_\_\_\_\_

b. Enter maximum number of REIT shares into which ownership interests may be converted .....b. \_\_\_\_\_

c. Add lines a and b.....c. \_\_\_\_\_

d. Enter offering price per share of REIT shares on the date of the transaction reported.....d. \_\_\_\_\_

e. Multiply line 2c by line 2d .....e. \_\_\_\_\_

f. Enter value of ownership interests received not convertible into REIT shares .....f. \_\_\_\_\_

g. Add lines e and f .....2g. \_\_\_\_\_

3. Multiply line 1 by .40 for condition 1(a) or .50 for condition 1(b) .....3. \_\_\_\_\_

● If line 3 is greater than line 2g, the transaction does not qualify as a REIT transfer. DO NOT FILE THIS SCHEDULE. You must file Form NYC-RPT and compute your tax due on Schedule 2.

● If line 3 is less than or equal to line 2g, the transaction will qualify as a REIT Transfer, provided the other conditions are met. You should complete Form NYC-RPT substituting on line 4 of Schedule 2:

- .5% instead of 1%;
- .7125% instead of 1.425%;
- 1.3125% instead of 2.625%

SEE INSTRUCTIONS TO DETERMINE WHICH TAX RATE APPLIES

**Instructions for Completing Worksheet****LINE 1**

Where the value of the underlying property transferred or interest therein is used in determining the consideration for a REIT Transfer, you may, but are not required to, report as the value of the real property or interest therein (Form NYC-RPT, Schedule 1, line 7), the estimated market value as determined by the Department of Finance as reflected on the most recent Notice of Assessment issued by the Department. (*See Statements of Audit Procedure 93-2-GCT/RPTT, 3/1/93 and 95-1-GCT/RPTT, 7/28/95*) Add to the amount reported on line 1 the amount of any mortgages and other liens and encumbrances created in contemplation of the formation of the REIT in the case of condition 1(a) or in contemplation of the transaction reported on this Schedule R in the case of condition 1(b).

**LINE 2**

If the grantor received REIT shares as consideration for the transfer, enter on line 2a the number of REIT shares received. If the grantor received interests in a partnership or corporation controlled by the REIT that may be converted into REIT shares, enter on line 2b the maximum number of REIT shares into which such interests may be converted and attach an explanation of the terms of the conversion. If the grantor received interests that may be converted into REIT shares but you believe that the offering price for the REIT shares into which such interests may be converted is not a proper measurement of the value of the interests received, do not complete line 2b. Instead, attach an explanation of the terms of the conversion and enter on line 2f the fair market value of the interests received. If the grantor received interests in a partnership or corporation controlled by the REIT that cannot be converted into REIT shares at any time, enter on line 2f the fair market value of the interests received. If you enter an amount on line 2f, attach an explanation of the method used for determining the value of the interests received.

**Certification**

I swear or affirm under penalties of perjury that the grantor has no present intention to transfer or convey the REIT shares or interests in a partnership or corporation controlled by the REIT received by the grantor as consideration in the transaction reported on this Schedule R within two years of the date of the transfer, other than a distribution of such shares or interests to the partners or shareholders of the grantor, and that, to the best of my knowledge, condition 3 above regarding the use of the cash proceeds of the REIT offering will be satisfied, if applicable. I further swear or affirm that I will file an amended Form NYC-RPT and pay any additional tax due if any such transfer or conveyance occurs within such two-year period or if condition 3 above, if applicable, ceases to be met.

**GRANTOR**

Sworn to and subscribed to

before me on this \_\_\_\_\_ day

of \_\_\_\_\_,

Signature of Notary

Name of Grantor

Signature of Grantor

Notary's  
stamp  
or seal

**GRANTEE**

Sworn to and subscribed to

before me on this \_\_\_\_\_ day

of \_\_\_\_\_,

Signature of Notary

Name of Grantee

Signature of Grantee

Notary's  
stamp  
or seal

**AFFIDAVIT OF COMPLIANCE  
WITH SMOKE DETECTOR REQUIREMENT  
FOR ONE- AND TWO-FAMILY DWELLINGS**

State of New York }  
County of } SS.:

The undersigned, being duly sworn, depose and say under penalty of perjury that they are the grantor and grantee of the real property or of the cooperative shares in a cooperative corporation owning real property located at

\_\_\_\_\_, \_\_\_\_\_,  
Street Address Unit/Apt.  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
Borough New York, Block Lot (the "Premises");

That the Premises is a one or two family dwelling, or a cooperative apartment or condominium unit in a one- or two-family dwelling, and that installed in the Premises is an approved and operational smoke detecting device in compliance with the provisions of Article 6 of Subchapter 17 of Chapter 1 of Title 27 of the Administrative Code of the City of New York concerning smoke detecting devices;

That they make affidavit in compliance with New York City Administrative Code Section 11-2105 (g). (The signatures of at least one grantor and one grantee are required, and must be notarized).

|                                                                                                                                                      |  |                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>_____<br/>Name of Grantor (Type or Print)</p> <p>_____<br/>Signature of Grantor</p> <p>Sworn to before me<br/>this _____ date of _____ 20____</p> |  | <p>_____<br/>Name of Grantee (Type or Print)</p> <p>_____<br/>Signature of Grantee</p> <p>Sworn to before me<br/>this _____ date of _____ 20____</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------|

These statements are made with the knowledge that a willfully false representation is unlawful and is punishable as a crime of perjury under Article 210 of the Penal Law.

**NEW YORK CITY REAL PROPERTY TRANSFER TAX RETURNS FILED ON OR AFTER FEBRUARY 6th, 1990, WITH RESPECT TO THE CONVEYANCE OF A ONE- OR TWO-FAMILY DWELLING, OR A COOPERATIVE APARTMENT OR A CONDOMINIUM UNIT IN A ONE- OR TWO-FAMILY DWELLING, WILL NOT BE ACCEPTED FOR FILING UNLESS ACCOMPANIED BY THIS AFFIDAVIT.**

**Combined Real Estate Transfer Tax Return,  
Credit Line Mortgage Certificate, and  
Certification of Exemption from the  
Payment of Estimated Personal Income Tax**

See Form TP-584-I, Instructions for Form TP-584, before completing this form. Print or type.

**Schedule A – Information relating to conveyance**

|                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>Grantor/Transferor</b><br><input type="checkbox"/> Individual<br><input type="checkbox"/> Corporation<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Estate/Trust<br><input type="checkbox"/> Single member LLC<br><input type="checkbox"/> Multi-member LLC<br><input type="checkbox"/> Other | Name (if individual, last, first, middle initial) ( <input type="checkbox"/> mark an <b>X</b> if more than one grantor) | Social Security number (SSN)         |
|                                                                                                                                                                                                                                                                                                                        | Mailing address                                                                                                         | SSN                                  |
|                                                                                                                                                                                                                                                                                                                        | City State ZIP code                                                                                                     | Employer Identification Number (EIN) |
|                                                                                                                                                                                                                                                                                                                        | Single member's name if grantor is a single member LLC (see instructions)                                               | Single member EIN or SSN             |
|                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |                                      |
| <b>Grantee/Transferee</b><br><input type="checkbox"/> Individual<br><input type="checkbox"/> Corporation<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Estate/Trust<br><input type="checkbox"/> Single member LLC<br><input type="checkbox"/> Multi-member LLC<br><input type="checkbox"/> Other | Name (if individual, last, first, middle initial) ( <input type="checkbox"/> mark an <b>X</b> if more than one grantee) | SSN                                  |
|                                                                                                                                                                                                                                                                                                                        | Mailing address                                                                                                         | SSN                                  |
|                                                                                                                                                                                                                                                                                                                        | City State ZIP code                                                                                                     | EIN                                  |
|                                                                                                                                                                                                                                                                                                                        | Single member's name if grantee is a single member LLC (see instructions)                                               | Single member EIN or SSN             |
|                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |                                      |

**Location and description of property conveyed**

| Tax map designation –<br>Section, block & lot<br>(include dots and dashes) | SWIS code<br>(six digits) | Street address | City, town, or village | County |
|----------------------------------------------------------------------------|---------------------------|----------------|------------------------|--------|
|                                                                            |                           |                |                        |        |

**Type of property conveyed (mark an **X** in applicable box)**

- 1 ☐ One- to three-family house  
2 ☐ Residential cooperative  
3 ☐ Residential condominium  
4 ☐ Vacant land  
5 ☐ Commercial/industrial

- 6 ☐ Apartment building  
7 ☐ Office building  
8 ☐ Four-family dwelling  
9 ☐ Other \_\_\_\_\_

Date of conveyance

|       |     |      |
|-------|-----|------|
|       |     |      |
| month | day | year |

Percentage of real property  
conveyed which is residential  
real property \_\_\_\_\_ %  
(see instructions)

**Condition of conveyance  
(mark an **X** in all that apply)**

- |                                                                                                                                                     |                                                                                                                                                            |                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| a. <input type="checkbox"/> Conveyance of fee interest                                                                                              | f. <input type="checkbox"/> Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F) | i. <input type="checkbox"/> Option assignment or surrender                                                         |
| b. <input type="checkbox"/> Acquisition of a controlling interest (state percentage acquired _____ %)                                               | g. <input type="checkbox"/> Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G)                         | m. <input type="checkbox"/> Leasehold assignment or surrender                                                      |
| c. <input type="checkbox"/> Transfer of a controlling interest (state percentage transferred _____ %)                                               | h. <input type="checkbox"/> Conveyance of cooperative apartment(s)                                                                                         | n. <input type="checkbox"/> Leasehold grant                                                                        |
| d. <input type="checkbox"/> Conveyance to cooperative housing corporation                                                                           | i. <input type="checkbox"/> Syndication                                                                                                                    | o. <input type="checkbox"/> Conveyance of an easement                                                              |
| e. <input type="checkbox"/> Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E) | j. <input type="checkbox"/> Conveyance of air rights or development rights                                                                                 | p. <input type="checkbox"/> Conveyance for which exemption from transfer tax claimed (complete Schedule B, Part 3) |
|                                                                                                                                                     | k. <input type="checkbox"/> Contract assignment                                                                                                            | q. <input type="checkbox"/> Conveyance of property partly within and partly outside the state                      |
|                                                                                                                                                     |                                                                                                                                                            | r. <input type="checkbox"/> Conveyance pursuant to divorce or separation                                           |
|                                                                                                                                                     |                                                                                                                                                            | s. <input type="checkbox"/> Other (describe) _____                                                                 |

|                             |                             |               |                    |
|-----------------------------|-----------------------------|---------------|--------------------|
| For recording officer's use | Amount received             | Date received | Transaction number |
|                             | Schedule B, Part 1 \$ _____ |               |                    |
|                             | Schedule B, Part 2 \$ _____ |               |                    |

Schedule B – Real estate transfer tax return (Tax Law Article 31)

Part 1 – Computation of tax due

|   |                                                                                                                                                                                                   |                                                   |    |  |  |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----|--|--|
| 1 | Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, mark an <b>X</b> in the Exemption claimed box, enter consideration and proceed to Part 3) ..... | <input type="checkbox"/> <b>Exemption claimed</b> | 1. |  |  |
| 2 | Continuing lien deduction (see instructions if property is taken subject to mortgage or lien) .....                                                                                               |                                                   | 2. |  |  |
| 3 | Taxable consideration (subtract line 2 from line 1) .....                                                                                                                                         |                                                   | 3. |  |  |
| 4 | Tax: \$2 for each \$500, or fractional part thereof, of consideration on line 3 .....                                                                                                             |                                                   | 4. |  |  |
| 5 | Amount of credit claimed for tax previously paid (see instructions and attach Form TP-584.1, Schedule G) .....                                                                                    |                                                   | 5. |  |  |
| 6 | Total tax due* (subtract line 5 from line 4) .....                                                                                                                                                |                                                   | 6. |  |  |

Part 2 – Computation of additional tax due on the conveyance of residential real property for \$1 million or more

|   |                                                                                                                                          |    |  |  |
|---|------------------------------------------------------------------------------------------------------------------------------------------|----|--|--|
| 1 | Enter amount of consideration for conveyance (from Part 1, line 1) .....                                                                 | 1. |  |  |
| 2 | Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property, as shown in Schedule A) ... | 2. |  |  |
| 3 | Total additional transfer tax due* (multiply line 2 by 1% (.01)) .....                                                                   | 3. |  |  |

Part 3 – Explanation of exemption claimed on Part 1, line 1 (mark an **X** in all boxes that apply)

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |   |                          |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------|
| a. | Conveyance is to the United Nations, the United States of America, New York State, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) .....                                                                                                                                                                                                                                         | a | <input type="checkbox"/> |
| b. | Conveyance is to secure a debt or other obligation.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | b | <input type="checkbox"/> |
| c. | Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance.....                                                                                                                                                                                                                                                                                                                                                                                                                         | c | <input type="checkbox"/> |
| d. | Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts.....                                                                                                                                                                                                                                                                                                                                                                                    | d | <input type="checkbox"/> |
| e. | Conveyance is given in connection with a tax sale.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | e | <input type="checkbox"/> |
| f. | Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F .....                                                                                                                                                                                                         | f | <input type="checkbox"/> |
| g. | Conveyance consists of deed of partition .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | g | <input type="checkbox"/> |
| h. | Conveyance is given pursuant to the federal Bankruptcy Act.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | h | <input type="checkbox"/> |
| i. | Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property.....                                                                                                                                                                                                                                                                                                       | i | <input type="checkbox"/> |
| j. | Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than \$200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment..... | j | <input type="checkbox"/> |
| k. | Conveyance is not a conveyance within the meaning of Tax Law, Article 31, § 1401(e) (attach documents supporting such claim) .....                                                                                                                                                                                                                                                                                                                                                                                                        | k | <input type="checkbox"/> |

\* The total tax (from Part 1, line 6 and Part 2, line 3 above) is due within 15 days from the date of conveyance. Make check(s) payable to the county clerk where the recording is to take place. For conveyances of real property within New York City, use Form TP-584-NYC. If a recording is not required, send this return and your check(s) made payable to the **NYS Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-0045. If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

**Schedule C – Credit Line Mortgage Certificate** (Tax Law Article 11)**Complete the following only if the interest being transferred is a fee simple interest.**This is to certify that: *(mark an X in the appropriate box)*

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.
  2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
    - a ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
    - b ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
    - c ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
    - d ☐ The maximum principal amount secured by the credit line mortgage is \$3 million or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

**Note:** for purposes of determining whether the maximum principal amount secured is \$3 million or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.

  - e ☐ Other *(attach detailed explanation)*.
3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
    - a ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
    - b ☐ A check has been drawn payable for transmission to the credit line mortgagee or mortgagee's agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.
  4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in \_\_\_\_\_ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is \_\_\_\_\_. No exemption from tax is claimed and the tax of \_\_\_\_\_ is being paid herewith. *(Make check payable to county clerk where deed will be recorded.)*

**Signature (both the grantors and grantees must sign)**

The undersigned certify that the above information contained in Schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of their knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

\_\_\_\_\_  
Grantor signature\_\_\_\_\_  
Title\_\_\_\_\_  
Grantee signature\_\_\_\_\_  
Title\_\_\_\_\_  
Grantor signature\_\_\_\_\_  
Title\_\_\_\_\_  
Grantee signature\_\_\_\_\_  
Title

**Reminder:** Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you marked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place? If no recording is required, send this return and your check(s), made payable to the **NYS Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-0045. If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Schedule D – Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, § 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part 2, mark an X in the second box under *Exemption for nonresident transferors/sellers*, and sign at bottom.

Part 1 – New York State residents

If you are a New York State resident transferor/seller listed in Form TP-584, Schedule A (or an attachment to Form TP-584), you must sign the certification below. If one or more transferor/seller of the real property or cooperative unit is a resident of New York State, **each** resident transferor/seller must sign in the space provided. If more space is needed, photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferors/sellers

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor/seller as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law § 663(a) upon the sale or transfer of this real property or cooperative unit.

|           |                 |      |
|-----------|-----------------|------|
| Signature | Print full name | Date |
| Signature | Print full name | Date |
| Signature | Print full name | Date |
| Signature | Print full name | Date |

**Note:** A resident of New York State may still be required to pay estimated tax under Tax Law § 685(c), but not as a condition of recording a deed.

Part 2 – Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Form TP-584, Schedule A (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law § 663(c), mark an **X** in the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor/seller, that transferor/seller is not required to pay estimated personal income tax to New York State under Tax Law § 663. **Each** nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*. For more information, see *Payment of estimated personal income tax*, on Form TP-584-I, page 1.

Exemption for nonresident transferors/sellers

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor/seller (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law § 663 due to one of the following exemptions:

- ☐
The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from \_\_\_\_\_ Date to \_\_\_\_\_ Date (see instructions).
- ☐
The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.
- ☐
The transferor or transferee is an agency or authority of the United States of America, an agency or authority of New York State, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

|           |                 |      |
|-----------|-----------------|------|
| Signature | Print full name | Date |
| Signature | Print full name | Date |
| Signature | Print full name | Date |
| Signature | Print full name | Date |

Document No. 4  
Form of Unit Owner's Power of Attorney



## UNIT OWNER'S POWER OF ATTORNEY

### The 385 Vernon Avenue Condominium

Any terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known as The 385 Vernon Avenue Condominium and by the street number 385 Vernon Avenue, Brooklyn, New York 11206, under Article 9-B of the Real Property Law of the State of New York, dated \_\_\_\_\_, and recorded in the Kings County office of the Register in The City of New York (hereinafter referred to as "Declaration"), or (b) in the By-Laws of The 385 Vernon Avenue Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, \_\_\_\_\_, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. \_\_\_\_\_ in The 385 Vernon Avenue Condominium, said Unit being designated as Tax Lot \_\_\_\_\_ in Block 1586 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with any interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owner's respective Common Interests, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant,



restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned have executed this Unit Owner's Power of Attorney as of the       day of       , 20

\_\_\_\_\_

STATE OF NEW YORK       )  
COUNTY OF                )       ss.:

On the day of       in the year 20       , before me, the undersigned, a notary public in and for said state, 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 the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_

**POWER OF ATTORNEY**

to

CONDOMINIUM BOARD OF  
THE 385 VERNON AVENUE CONDOMINIUM

Premises:  
Unit No. \_\_\_\_  
385 Vernon Avenue  
Brooklyn, New York 11206

County: Kings

Block: 1586

Lot:

Record and return to:

THE BOARD OF MANAGERS OF  
THE 385 VERNON AVENUE CONDOMINIUM  
385 Vernon Avenue  
Brooklyn, New York 11206

Document No. 5  
Form of Condominium Unit Deed

## CONDOMINIUM UNIT DEED

THIS INDENTURE, made the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between 385 Vernon Estates LLC, having an address at 309 Rutledge Street, Suite 4A, Brooklyn, New York 11211 (hereinafter referred to as the "Grantor"); and \_\_\_\_\_ with an address at \_\_\_\_\_ (hereinafter referred to as the "Grantee").

### W I T N E S S E T H:

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

ALL OF THE PROPERTY DESCRIBED IN "SCHEDULE A"  
ANNEXED HERETO, KNOWN AS CONDOMINIUM UNIT NO.\_\_\_\_ IN  
THE 385 VERNON AVENUE CONDOMINIUM,  
385 VERNON AVENUE, BROOKLYN, NEW YORK 11206

TAX BLOCK 1586, F/K/A LOT 44, N/K/A LOT \_\_\_\_\_

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

Together with, and subject to, the rights, obligations, easements, restrictions, agreements and other provisions set forth in the Declaration and the By-Laws of The 385 Vernon Avenue Condominium, as the same may be amended from time to time (hereinafter referred to as the "By-Laws"), all of which shall constitute the covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

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 Building, of which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or of the Unit, after damage or destruction by fire or other casualty, or any taking in condemnation or eminent domain proceeds, or by alteration or repair to the Common Elements made by or with the consent of the board of Managers, so that any such encroachment may remain as long as the units stand.

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property").

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the residential Units are intended for residential use.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, 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 improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The Grantee has examined the Unit and is purchasing the same in its existing condition.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:  
385 Vernon Estates LLC

GRANTEE:

\_\_\_\_\_  
BY:

STATE OF NEW YORK )  
COUNTY OF ) ss.:  
On the    day of            in the year            , before me, the undersigned, a notary public in and for said state, 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 the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
COUNTY OF ) ss.:  
On the    day of            in the year            , before me, the undersigned, a notary public in and for said state, 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 the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

SCHEDULE A  
DESCRIPTION OF THE UNIT

The Condominium Unit (hereinafter referred to as the "Unit") known as Unit No. \_\_\_\_\_ in the building (hereinafter referred to as the "Building") known as The 385 Vernon Avenue Condominium and by the street number 385 Vernon Avenue, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described as Unit No. \_\_\_\_\_ in a certain declaration dated \_\_\_\_\_ made pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "Property") upon which the Building is situate (which Land is more particularly described in Description of the Land, below, and by this reference made a part hereof), which declaration was recorded in the Kings County office of the Register of The City of New York as Condominium number \_\_\_\_\_ on \_\_\_\_\_, City Register File No. \_\_\_\_\_, together with the Maps of the Condominium recorded on \_\_\_\_\_ in CRFN \_\_\_\_\_. This Unit is also designated as Tax Lot \_\_\_\_\_ in Block 1586 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified and filed with the Real Property Assessment Department of The City of New York as Condominium.

Together with an undivided \_\_\_\_\_% interest in the Common Elements (as such term is defined in the Declaration) and situated on the land described as follows:

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

See Attached.

SAID premises being known as and by the street address 385 Vernon Avenue, Brooklyn, New York 11206.

## CONDOMINIUM UNIT DEED

GRANTOR:

385 Vernon Estates LLC  
309 Rutledge Street, Suite 4A  
Brooklyn, New York 11211

to

GRANTEE:

Premises:  
Unit No.  
385 Vernon Avenue  
Brooklyn, New York 11206

County: Kings

Block: 1586

Lot:

Record and return to:



Document 5A  
Form License

## **PARKING LICENSE**

AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“Parking License”) by and between 385 Veron Estates LLC, having an office at 309 Rutledge Street, Suite 4A, Brooklyn, NY 11211 (“Sponsor”), and the Condominium Board of the 385 Vernon Avenue Condominium on behalf of all Unit Owners, having an address at 385 Vernon Avenue, Brooklyn, New York 11206 (“Condominium Board”) (Sponsor and the Condominium Board are sometimes collectively referred to as “Licensor”) and \_\_\_\_\_ (“Licensee”);

### W I T N E S S E T H :

WHEREAS, the 385 Vernon Avenue Condominium (“Condominium”) is governed by a certain Declaration of Condominium recorded in the Office of the Register of the City of New York, County of Kings as the same has been or may be amended from time to time (“Declaration”), the by-laws of the Condominium, as the same has been or may be amended from time to time (“By-Laws”) and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time (“Rules and Regulations”) (“Declaration,” the “By-Laws” and the “Rules and Regulations” are collectively, referred to as the “Condominium Documents”); and

WHEREAS, the Condominium is located at 385 Vernon Avenue, Brooklyn, New York 11206 (“Property”); and

WHEREAS, Parking spaces have been installed in a portion of the Property (“Parking Area”); and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Unit No. \_\_\_\_\_ in the Condominium; and

WHEREAS, the Condominium Board granted Sponsor the exclusive right to sell the parking spaces via a Parking License and the Condominium will not be entitled to any of the proceeds from such sale; and

WHEREAS, Licensee desires the right to the exclusive use of a Parking Space (“Parking”) for so long as Licensee owns a Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a Parking License for the exclusive use of Parking Space #\_\_\_\_\_ (“Parking License”) and Licensee hereby accepts such Parking License from Licensor for a term commencing on the date hereof.
2. Licensee shall pay a monthly fee to the Condominium Board in the amount of Fifty Dollars (\$50.00). Any fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute “additional Common Charges” under the terms of the Condominium Documents. Licensee’s failure to pay the fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents.

3. The Parking Space may be used for parking a single vehicle and may not be used to store any personal effects of the Licensee or any tenant thereof.
4. Except for Sponsor and the Condominium Board, only a Unit Owner may be a Licensee of a parking space.
5. Only Licensee and occupants of the Unit owned by Licensee, including valid tenants, may use the Parking Space.
6. This Parking License may be assigned by Licensee at any time provided that (i) the assignee is a Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder in the form annexed hereto, (iii) the assignee delivers notification of the assignment which is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) the assignee and the Licensee do not owe any outstanding monies to the Condominium. This Parking License shall automatically terminate at such time as Licensee no longer owns a Residential Unit in the Condominium unless this Parking License is assigned to and assumed by another Residential Unit Owner. Upon termination, Sponsor or the Board, as the case may be, shall be able to resell to any other Residential Unit Owner.
7. Licensee represents that Licensee has made a thorough inspection of the Parking and the Parking Area and agrees to take same in its "as is" condition as of the date of this Parking License.
8. Licensee represents that Licensee shall, throughout the term of this Parking License, maintain the Parking with a proper manner of care.
9. Any vehicle parking in the Parking Space must have valid insurance, proof of which shall be provided to the Board and at all times maintained.
10. The parking areas may be closed to vehicles by the Board in their discretion for up to two weeks per year. There shall be no credit in license fees during this time.
11. The terms of this Parking License are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Parking License and the Condominium Documents shall be resolved in favor of the Condominium Documents.
12. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Parking until Licensee cures such default or (ii) if Licensee fails to cure such default within thirty (30) days of written notice by the Condominium Board of such default, terminate this Parking License upon written notice to Licensee.
13. This Parking License shall constitute a license only and shall not be construed under any circumstances to be a sale of the Parking or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between Licenser and Licensee with respect to this Parking License.
14. Licensee shall indemnify and hold Licenser and their respective officers, directors, shareholders, unit owners, members, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including legal fees and expenses, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family members, servants, employees, agents, guests and invitees in connection with this Parking License.

15. Neither this Parking License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

16. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Parking License, which alone fully and completely express their agreement and that this Parking License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

17. If any provision of this Parking License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Parking License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Parking License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

18. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Parking License or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

19. Any failure by Licensor to insist upon strict performance by Licensee of any of the provisions of this Parking License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Parking License to be performed by Licensee.

20. Licensee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

21. This License may be executed by the parties hereto in any number of separate counterparts, each of which shall be an original, and all of which taken together shall be deemed to constitute one and the same instrument. A facsimile signature or PDF signature by any of the parties below shall be deemed binding for all purposes hereof, without necessity of an original signature being thereafter required

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

Agreed to and Acknowledged by:

LICENSOR:  
Board of Managers

\_\_\_\_\_

LICENSEE:

Document No. 6 and 7

Declaration of Condominium  
including  
Bylaws

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## DECLARATION

Establishing a Plan for Condominium Ownership  
of the Premises known as

385 Vernon Avenue  
Brooklyn, New York 11206

Pursuant to Article 9-B of the Real Property  
Law of the State of New York

Name:

The 385 Vernon Avenue Condominium

Declarant:

385 VERNON ESTATES LLC  
309 RUTLEDGE STREET, SUITE 4A  
BROOKLYN, NEW YORK 11211

Date of Declaration:

Record & return to:

385 Vernon Estates LLC  
309 Rutledge Street, Suite 4A  
Brooklyn, New York 11211

The land affected by the within instrument lies in Block 1586  
formerly known as Lot 44 and now known as  
Lots        through        inclusive on the  
Tax Map of the Borough of Brooklyn,  
City and State of New York

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## **DECLARATION OF THE 385 VERNON AVENUE CONDOMINIUM**

Pursuant to Article 9-B of the Real Property Law of the State of New York

385 Vernon Estates LLC, with an address at 309 Rutledge Street, Suite 4A, Brooklyn, New York 11211 (the “Declarant”), hereby declares as follows:

### **Article 1 – Definitions**

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, and to verbs of any tense.

### **Article 2 - Submission of the Property**

Declarant hereby submits the land (“Land”) hereinafter described, together with the building and improvements thereon erected ( “Building”) owned by Declarant in fee simple absolute (the Land and Building referred to collectively as the “Property”), to the provisions of Article 9-B of the Real Property Law of the State of New York (the “Condominium Act”).

Excluded from the Property are that portion of the unused floor area development rights, if any, that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution, which shall be retained by the Sponsor and which may be sold, transferred or hypothecated to any other entity for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar agreement. Said rights, if any, may not be used to add space or floors to the subject Property however, when sold, may be used to add space or floors to adjacent buildings.

### **Article 3 - Description of the Land**

Included in the Property described in Article 2 is all that certain plot, piece, and parcel of land described in Schedule A annexed hereto and made a part hereof (the “Land”). The land is located in the Borough of Brooklyn, County of Kings, in the City and State of New York, and designated on the Tax Map of Kings County as Block 1586 formerly known as Lot 44 and being designated herein as Lots        through        , inclusive.

### **Article 4 - Description of the Building**

Included in the Property described in Article 2 is the Building, which is an existing building that contains four (4) stories and a cellar and is comprised of sixteen (16) residential Units and six (6) parking spaces as well as hallways, vestibules, corridors and other service, utility and mechanical areas. The principal materials of which it is constructed are block, brick, wood and steel.



### **Article 5 - Name of the Condominium**

The Property shall be designated and known as “The 385 Vernon Avenue Condominium.”

### **Article 6 - The Units**

A. Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) designation number; (ii) tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location and areas of each Unit within the Building and all of the areas and installations which are included as part of the Units are shown on the as built Floor Plans of the Building, certified by \_\_\_\_\_, intended to be filed in the Office of the City Register simultaneously with the recording of this Declaration and are made a part of this Declaration. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

B. Statement of Dimensions. Dimensions of the Units shown on the Floor Plans reflect the approximate gross dimensions of each unit. Accordingly, they measure to the outside of the exterior walls to the centerline of the partitions separating one Unit from another Unit and to the exterior side of a partition separating the Unit from a common area. Vertically, each unit consists of the space between the upper face of the subfloor and the upper face of the dry wall ceiling.

No Unit Owner shall be deemed to own the structural walls, supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Any area and/or installation which is designated on the Floor Plans as part of a Unit shall be considered as part of said Unit.

C. Notwithstanding anything contained in this Article to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of the Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no installation shall impair the structural integrity of such Unit or of the Building.

### **Article 7 - The Common Elements**

The Common Elements are made up of the general common elements and the limited common elements.

A. General Common Elements. The general common elements consist of the Land and those rooms, areas and corridors and other portions of the Building (other than Units or limited common areas), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the

foregoing in any respect, and unless otherwise provided for in the Floor Plans, General Common Elements include the following:

- (i) The Land not specifically designated to any of the Units on the Floor Plans.
- (ii) foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, and ceilings in, on or under the Building, to the extent that same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;
- (iii) all vestibules, stairs, elevators, mechanical and electrical equipment spaces, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;
- (iv) All central and appurtenant installations and facilities for services such as power, light, telephone, sewer, plumbing, drainage, hot and cold water distribution, ventilation, garbage disposal, and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof, if any.
- (v) All sewer and drainage pipes.
- (vi) All other parts of the Property and all apparatus and installations existing in the Buildings or Premises for common use of the Unit Owners or which are, or may be necessary or convenient for the existence, maintenance or safety of the Buildings.

B. Limited Common Elements.

- (i) Limited Common Elements are those Common Elements which service a specific Unit or to which a specific Unit or Unit Owner has exclusive right to use. Limited Common Elements may be allocated to one or more, but not all, Units. The Limited Common Element areas are shown on the floor plans and described on Exhibit B to the Declaration.
- (ii) Unit Owners' right to make alterations, additions or improvements to the Limited Common Elements shall be subject to the provisions of Article 9 and 12 which shall also govern alterations, additions, or improvements allocated to the Units.
- (iii) Unit Owners shall be responsible for the maintenance and repair of Limited Common Elements allocated to their Unit.

C. The Common Elements shall remain undivided and are not subject to partition nor are they severable from the Units except in accordance with The Condominium Act (Article 9-B of the Real Property Law), or as expressly permitted pursuant to Section 5.5 of the By-Laws.

### **Article 8 - Determination of Common Interests**

In accordance with Section 339-i(1)(iv) of the New York State Condominium Act, the Common Interests of each of the Units have been allocated 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.

### **Article 9 - Use of Units**

As more particularly set forth in the By-Laws, each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy, and not more than one family may occupy a Unit at once. Sponsor may, without obtaining the consent of the Board or other Unit Owners, use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale of the Unsold Units or for any other purpose, subject only to compliance with current laws, statutes or regulations.

### **Article 10 - Easements for the Enjoyment of Common Elements**

Subject to the terms of the By-Laws and the Rules and Regulations, Sponsor, the Unit Owners, the Selling Agent, the Managing Agent, the Board and all officers, partners, employees, agents, guests, invitees, appointees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

### **Article 11 - Other Easements**

A. Subject to the terms of the By-Laws and Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his or her Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, each Unit Owner shall have a reasonable right of access through any other Unit for the purpose of entry to any part of his Unit where there is no other means of access to such part of his Unit or Limited Common Elements allocated to his Unit. In addition, the Board shall have an easement and a right of access to each Unit and to Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted only upon reasonable notice, except that no such notice shall be necessary in the event of repairs or replacements immediately

necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building. Each unit may maintain or replace its porches or balconies.

B. The Board shall have, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as the Board shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agent, shall have the right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

C. Each unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

D. If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws, by, or with the consent of, the Board, or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

E. In addition, a right of access is hereby granted to the unit owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such unit owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his Unit or as a Common Element. However, the right shall only be exercised in a reasonable manner.

F. In addition to the specific easements set forth in this Declaration, the Property and shall be subject to all easements and rights of access prescribed in the Condominium Act.

### **Article 12 - Alterations, Addition, Improvements and Changes to Units**

Subject to Article 9, each Unit Owner shall have the right to (i) make alterations, additions, or improvements inside his unit, including subdivision thereof or combination of two adjacent units; (ii) make alterations, additions, or improvements to any part of the property allocated to his unit; and (iii) change the layout of his unit; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit: (1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto; (2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; (3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property; and (4) such alteration, addition, improvement or change may not commence until the final certificate of occupancy is procured. Any unit owner who wishes to undertake such addition, alteration or improvement must follow the procedures set forth in the Bylaws. Notwithstanding the foregoing, Sponsor or its designee or respective unit owners shall have the right, without the approval of the Board, the Selling Agent, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to (a) make alterations, additions, improvements, or repairs in or to any Unsold Unit or Units, or limited common elements allocated thereto, whether structural or non-structural, interior or exterior, ordinary or extraordinary; and (b) to subdivide, combine and change the boundary walls of Unsold Units or Units subject only to the limitations set forth in the Bylaws and in the offering plan.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote and the percentage of common interest allocated to the original unit.

### **Article 13 - Acquisition of Units by the Condominium Board**

If (i) any Unit Owner surrenders his or her Unit, together with its Appurtenant Interests, to the Board pursuant to the terms of the By-Laws or of Section 339-x of the Condominium Act or (ii) the Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, and to such Unit and such Appurtenant Interests shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

### **Article 14 - Power of Attorney to the Condominium Board**

A. Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Board, jointly, to (1) acquire or lease any unit, together with its

Appurtenant Interests, any unit whose owner desires to sell, convey, transfer, assign, lease or surrender the same or that becomes subject to a foreclosure or other similar sale, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (2) convey, sell, lease, mortgage, or otherwise deal with (but not to exercise the vote appurtenant to) any Unit so acquired or to sublease any Unit so leased; and (3) execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium that the Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (ii) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board deems necessary or appropriate.

B. In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of the Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form provided.

#### **Article 15 - Termination of Condominium**

The Condominium shall continue until terminated by (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by at least eighty percent (80%) of the vote. In the event that said withdrawal is authorized as aforesaid, but only in such event, 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 Unit Owners in accordance with the factors set out in The New York State Condominium Act Section 339-i(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, the overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens.

#### **Article 16 - Covenant of Further Assurances**

A. Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Board, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

B. If any Unit Owner or any other person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

C. If any Unit Owner or the Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of the Managing Agent, then the Managing Agent is hereby authorized as attorney-in-fact for the Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner, or other Person, and such document or action shall be binding on the Board, such Unit Owner, or other Person, as the case may be.

#### **Article 17 - Covenants to Run with the Land**

A. All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights, in, or for the benefit of, the general public. All present and future owners, tenants 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, as may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into 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, conveyance, or lease.

This Declaration of Condominium is subject also to such other liens, covenants, easements, restrictions, consents, agreements, and other matters of record and any agreements as pertain to the Units, the Land and/or the Building.

B. If any provision of this Declaration or of the By-Laws is invalid under, or would cause



this Declaration and 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 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 provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and 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 as part of this Declaration or the By-Laws, as the case may be for the purposes of submitting the Property to the provisions of the Condominium Act.

C. Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the 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 provision as a covenant running with the Land.

#### **Article 18 - Amendments to this Declaration**

A. Unless otherwise stated, any provision of this Declaration, including the Bylaws, may be amended, modified, added to, or deleted by the vote of 66 2/3 Units in number and Common Interest, taken in accordance with the provisions of the By-Laws, provided, however, that no amendment shall be made which limits or affects the rights of the mortgagee against the mortgagor. No such amendment, modification, addition, or deletion shall be effective until recorded in the Kings County Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee or any Unsold Units, any such amendment, modification, addition, or deletion may be executed either (i) by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest as provided for in Article 14 hereof; or (ii) by the Unit Owner or Unit Owners whose Unit or Units are affected by such amendment, modification, addition or deletion.

B. If the amendment requires the approval of a specified percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this



Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

C. For five (5) years after the First Closing, or there are no until unsold units, whichever is sooner, the Declaration may not be amended or modified so as to adversely affect Sponsor or its designee without the prior written consent of every Unit Owner affected by such amendment, including Sponsor or its designee

D. Notwithstanding the foregoing, any amendment which affects only unsold units may be made by Sponsor, without the consent or approval of the board or any other unit owner. In such event, Sponsor may sign any required document in connection therewith on behalf of the board.

#### **Article 19 - Consents of Sponsor**

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

#### **Article 20 - Person to Receive Service**

The Secretary of State is designated as agent of the Board upon whom process against it may be served. The post office address within or without this state to which the secretary of state shall mail a copy of any process against the Board served upon him or her is: 385 Vernon Avenue , Brooklyn, NY.

#### **Article 21 - Incorporation by Reference**

The terms, covenants, conditions, descriptions, and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof. In the event of any inconsistency between the terms of the Declaration and those in the offering plan, the terms of this Declaration shall govern.

#### **Article 22 - 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, regardless of the number of violations or breaches that may occur.

#### **Article 23 - Severability**

Subject to the provisions of paragraphs (b) and (c) of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the

Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

#### **Article 24 - Gender**

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

#### **Article 25 - Captions**

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first written above.

Declarant:

By:\_\_\_\_\_

State of New York       )  
County of Kings       )       ss.:

On the    day of                               in the year                               , before me, the undersigned, a notary public in and for said state, 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 the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) acted and executed the instrument.

\_\_\_\_\_  
Notary Public

## **EXHIBIT A**

### **DESCRIPTION OF THE LAND**

## **EXHIBIT B**

### **DESCRIPTION OF THE UNITS**

[INTENTIONALLY OMITTED – TO BE PROVIDED WITH RECORDED  
DECLARATION]

## EXHIBIT C

### DEFINITIONS

1. Appurtenant Interest: With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designees, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Unit of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
2. Architect's Report: The written description of the Property and the condominium floor plans as prepared by Sponsor's architect available in Part II of the Offering Plan, as the same may, from time to time have been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the Plan.
3. Balance: The purchase price less the down payment, which is due and payable at Closing.
4. Bank: The bank at which the Escrow Account is located, which is Dime Community Bank, 898 Veterans Memorial Highway, Hauppauge, NY 11788.
5. Below Grade: Below first floor or ground floor level.
6. Board of Managers: (the "Board") The governing body of the Condominium selected, authorized and directed to manage and operate the Condominium individually as provided by the Condominium Act, the Declaration and the By-Laws.
7. Building: The structure to be erected on the Property.
8. By-Laws: By-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof. The bylaws outline the procedures and methods for the operation of the condominium.
9. Closing: The settlement of the mutual obligations of the Sponsor and Purchaser under a Purchase Agreement, or the date thereof as context requires, including the payment to Sponsor of the purchase price and the delivery to Purchaser of the deed transferring full ownership to the Unit on the terms set forth in the Purchase Agreement.
10. Common Charges: Assessments by the Board upon the Unit Owners, in proportion to their respective interests (unless otherwise indicated in the Condominium

Documents)\_in the Common Elements for the purpose of paying common Expenses. NOTE: These charges are payable by the Unit Owners of its building on a monthly basis.

11. Common Elements: All that part of the Condominium Property or facilities servicing or benefitting all the Units comprising the Condominium, as defined in Section 339-e of the Condominium Act. The Common Elements include generally, and without limitation: (i) all parts of that building (other than the Units in that building) including but not limited to the foundation, common areas of the roof and supports of the building; and (ii) all areas or facilities for the common use of all the Units of the building and Unit Owners. Common Elements consist of all portions of the Condominium Property which are not designated as Units or parts thereof.
12. Common Expenses: Expenses and costs for which Unit Owners shall be proportionately liable, in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.
13. Common Interest: The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration of Condominium.
14. Condominium: The 385 Vernon Avenue Condominium which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.
15. Condominium Act: Article 9-B of the Real Property Law of the State of New York, as amended, which sets forth provisions governing the creation and operation of condominiums, and to which the Condominium is the subject of this Offering Plan, is submitted.
16. Condominium Association: The unincorporated association of Unit Owners in the Condominium.
17. Condominium Documents: This Offering Plan, and the Declaration, Floor Plans, By-Laws and rules and regulations of the Condominium and all Exhibits for the foregoing, as amended from time to time.

18. Declaration: The instruments by which the Building is submitted to the provisions of the Condominium Act and that instrument as from time to time amended, consistent with the provisions of the Condominium Act and the By-Laws of the Condominium.
19. DOB: The New York City Department of Buildings.
20. Down Payment: A sum equal to 10% of the purchase price of a Unit, subject to negotiation, which shall be tendered along with a fully executed Purchase Agreement.
21. Emergency: A condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building.
22. Equal or Better Quality: Comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
23. Escrow Agent: Jeffrey Zwick & Associates, PC, 2329 Nostrand Avenue, Suite 400, Brooklyn, New York 11210.
24. Escrow Account: The account existing at Dime Bank entitled "Jeffrey Zwick & Associates, P.C. Attorney Trust Account IOLA" into which Down Payments will be placed.
25. Family Members: Spouse, children (natural and adopted), stepchildren, parents, grandchildren, grandparents, siblings, and parents-in-law of a Unit Owner who reside in such Unit Owner's Unit.
26. First Class Condition: Same as new, excepting normal wear and tear.
27. First Closing: Date on which title to the first Condominium Unit is transferred and operations, including the budget year, commences.
28. Floor Plans: The floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and By-Laws and the Floor Plans.
29. Initial Capital Payment: The amount of money collected at closing from each initial Purchaser equal to two (2) month's Common Charges for its Unit.



30. Initial Control Period: Period during which Sponsor exercises voting and veto control over the Board.
31. Institutional Lender: (i) a savings bank, savings and loan associations, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.
32. Insurance Trustee: An individual who is a resident of the State of New York, or a bank or trust company having an office in The City of New York, from time to time appointed to serve as such by the Condominium Board.
33. Interim Lease: Lease entered into between Sponsor and a prospective purchaser to allow for occupancy of a Unit for which the Purchaser has signed a Purchase Agreement, for the time between signing the Purchase Agreement and Closing.
34. Interim Lessee: Purchaser and other occupants who sign an Interim Lease and occupies a Unit prior to closing, pursuant to such Interim Lease.
35. Law: The laws and ordinances of any or all of the Federal, New York State, New York City, in the particular County, and Borough governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
36. License: Type of agreement by which a Unit Owner may use a parking space.
37. Licensee: The party that is entitled to use the space subject to the license.
38. License Fees: The monthly fee associated with use of a license.
39. Limited Common Elements: Limited Common Elements generally are those Common Elements which service or which are reserved for use and enjoyment by one or more (but not all) Units. Examples of a Limited Common Element can be a facility like a boiler located in the cellar which provides hot water to a specific Unit, or an area like a balcony connected to a dwelling Unit.
40. Lot Line: The boundaries of the tax lot as determined by the City of New York Department of Finance, Real Property Assessment Bureau. Lot line windows are windows located on such boundaries; in the event the building is constructed on the lot lines.

41. Managing Agent: A Person or company employed by the Condominium Board pursuant to paragraph (C) of Section 2.5 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.
42. Majority of Unit Owners: Those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.
43. Mortgage Contingency Expiration Date: A date which is on or before forty-five (45) days from date the Purchaser receives an executed Purchase Agreement after which the mortgage contingency, if granted, will expire.
44. Notice of Closing: Letter sent to Purchasers setting a closing date for the respective Unit which will be at least thirty (30) days after the date of the notice.
45. Permitted Mortgage: Any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.
46. Permitted Mortgagee: Any holder of a Permitted Mortgage at the time in question.
47. Person: Any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.
48. Plan: That certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.
49. Plans and Specifications: The plans and specifications identified in the Offering Plan for the Building filed with the Department of Buildings and other appropriate governmental authorities, as the same may be amended or changed from time to time.
50. Property: 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, as more particularly described in Exhibit A to the Declaration, which is subject to the Condominium Act by the Declaration, together with all improvements thereon and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof as fully detailed in the Declaration.

51. Purchaser: A Person who tendered the appropriate Down Payment and who has received a fully executed Purchase Agreement for a Unit in the Condominium.
52. Purchase Agreement: The written agreement to purchase a Unit.
53. Register's Office: The Office of the Register of the City of New York, Kings County.
54. Rules and Regulations: The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
55. Selling Agent: Sponsor or a NY licensed real estate broker appointed by Sponsor to market and sell the Condominium Units.
56. Special Assessments: The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (D) of Section 6.1 of the By-Laws.
57. Sponsor: As per New York State regulations for newly constructed and vacant condominiums, means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty."
58. Time of the Essence: Purchaser must cure a default or satisfy a condition in the Purchase Agreement by the date indicated or commit an incurable breach and forfeit his down payment.
59. Trust Funds: The moneys actually received from the insurance company pursuant to a claim for damage.
60. Unit: Any Unit designated as such in the Declaration of the Condominium and further described in the Floor Plans to be filed simultaneously with the Declaration.
61. Unit Owner: The Person or Persons owning, on record, a unit in fee simple absolute.
62. Unsold Units: Any Unit owned by Sponsor or its designee at the time in question, excluding any unit occupied by the Sponsor or any Family Member.

**EXHIBIT D**

**BY-LAWS**

BYLAWS

of

The 385 Vernon Avenue Condominium

385 Vernon Avenue  
Brooklyn, New York 11206

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## **ARTICLE 1 - GENERAL**

### **Section 1.1. Purpose.**

The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is described in Exhibit A to the Declaration of Condominium of The 385 Vernon Avenue Condominium; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

### **Section 1.2. Definitions.**

All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

### **Section 1.3. Applicability of By-Laws.**

These By-Laws are applicable to the Property and to the use and occupancy thereof.

### **Section 1.4. Application of By-Laws.**

All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of the foregoing, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with. The terms of these Bylaws shall govern in the event of any inconsistency between same and those terms contained in other condominium documents such as the offering plan or in other portions of this Declaration.

### **Section 1.5. Principal Office of the Condominium.**

The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

## **ARTICLE 2 - BOARD OF MANAGERS**

### **Section 2.1. General.**

As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By- Laws.

### **Section 2.2. Status of the Condominium Board.**

Unless and until the Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

### **Section 2.3. Principal Office of the Condominium Board.**

The principal office of the Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Board.

### **Section 2.4. Powers and Duties of The Condominium Board.**

(A) The Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and By-Laws, may not be delegated to the Board by Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Board shall have the following specific powers and duties:

- (i) to operate, maintain, repair, restore, lease, license, add to, improve, alter and replace the Common Elements, as the Board shall deem necessary or proper including, but not limited to in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;
- (ii) to acquire, in the name of the Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Board for use in connection with the ownership and operation of the Property as a condominium;
- (iii) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed

accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

- (iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;
- (v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from Unit Owners;
- (vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of all of the members of the Board shall be required for the borrowing of any sum in excess of \$25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of all of all Unit Owners shall be required for the borrowing of any sum in excess of \$25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Board pursuant to this subparagraph (vi) shall not be repaid by the Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;
- (vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;
- (viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Board or received in connection with the operation of the Property, for the

administration of the Condominium, including, without limitation:  
(a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

- (ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof. During the period which the Sponsor controls the Board, the insurance coverage shall not be less than what is required by the governing regulations (Part 20 of Title 13 NYCRR);
- (x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;
- (xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;
- (xii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;
- (xiii) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;
- (xiv) to purchase Units at foreclosure or other judicial sales, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;
- (xv) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Board or its designees shall in no event be entitled to the vote appurtenant to any such Unit;
- (xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

- (xvii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;
- (xviii) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;
- (xix) to organize corporations to act as the designees of the Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;
- (xx) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Board deems necessary or appropriate;
- (xxi) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;
- (xxii) to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all units in the Condominium, unless written notice is received by the Board from any Unit Owner not to so on behalf of his or her condominium unit;
- (xxiii) unless and until real estate taxes, water charges and sewer rents are billed directly to the Unit Owners by the New York City Department of Finance and/or the Department of Environmental Protection, the Board shall promptly pay such taxes, charges and rents as a common expense;

(xxiv) to carry out any other duties imposed upon the Board pursuant to the Declaration and these By-Laws; and

(xxv) to create and maintain a reserve fund to pay for major capital expenditures and/or a contingency fund to pay for unanticipated expenses.

(B) The Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

**Section 2.5. Exercise and Delegation of Powers and Duties.**

(A) Any act within the power of the Board to perform, and deemed necessary or desirable to be performed by the Board, shall be performed by the Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Board.

(B) The Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section and such additional exceptions and limitations as the Board may from time to time deem appropriate, during the intervals between the meetings of the Board. In addition, the Board may from time to time appoint, by duly adopted resolutions, such other committees as the Board may deem appropriate to perform such duties and services as the Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section.

(C) The Board may employ a Managing Agent to serve at a compensation to be established by the Board and to perform such duties and services as the Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section, the Board may delegate to the Managing Agent any of the powers granted to the Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section shall have, or be entitled to exercise, any of the powers of the Board, except to the extent permitted by Law.

**Section 2.6. Number, Election and Qualification of Members.**

(A) Qualifications of Board Members. After the Initial Control Period, the affairs of the Condominium will be governed by the Condominium Board, each having one (1) vote. After the Initial Control Period, there is no requirement that Board Members must be

owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board may serve. Any person over 18 may serve on the board. No member of the board shall be compensated for acting as such.

(B) Number of Board Members.

- (i) Initial Control Period. Sponsor will have voting control over the Board of Managers for five (5) years after the First Closing or until Sponsor owns no Units, whichever is sooner ("Initial Control Period"). During this period, there shall be three board members designated by Sponsor.
- (ii) Expiration of Initial Control Period. Within thirty days of the expiration of the Initial Control Period, a meeting will be held to elect a new Board consisting of five (5) Members. At such time, Sponsor may appoint one (1) member so long as Sponsor owns an Unsold Unit and each Unit Owner, including Sponsor, so long as Sponsor still owns Unsold Units, may vote for Board Members. Sponsor may relinquish control at any time prior to the expiration of the Initial Control Period by calling a special meeting of Unit Owners to elect a new Board. The By-laws do not include a provision requiring a majority of the Board be owner occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals after the Initial Control Period. Purchasers for their own occupancy may never gain effective control of the Board of Managers. Owner occupants and non-resident owners may have inherent conflicts on the management of the condominium

(C) Election of Board Members.

- (i) First Meeting. The first meeting to elect new Board Members will be held within thirty days after the expiration of the Initial Control Period. The term of office of each member of the Board shall continue for one (1) year with elections held annually.
- (ii) Annual Meetings. Unit Owners shall hold annual meetings on or about the anniversary of the first meeting and every anniversary thereafter, unless such date shall occur on a legal holiday, in which event the meeting shall be held on the succeeding business day. At each annual meeting, the Unit Owners shall conduct such business as may properly be conducted. When desirable, meetings (including the first meeting) may be held via teleconference upon consent of all unit owners.
- (iii) Special Meetings. The Board shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Board or upon receipt of a petition calling for such a meeting signed by a Unit Owner. Each such resolution or petition shall set forth, in reasonable



detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

- (iv) Quorum. The presence, in person or by proxy, of Majority of all Unit Owners shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, the decision of a Majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners.
- (v) Voting. When votes of the Unit Owners are required, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own at least one (1) Unit) shall be entitled to cast one (1) vote for each Residential unit owned. If an entity or two (2) or more Persons own a Unit, they shall designate one Person to vote on behalf of their Unit in a writing given to the Board, and the vote of such designee shall be binding for the Unit Owner(s). Failing such a designation, the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present to establish a quorum. Any deadlock in voting shall be settled by arbitration.

**Section 2.7. Term of Office of Members.**

The term of office of each member of the Board shall continue for one (1) year with elections held annually. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board may serve.

**Section 2.8. Vacancies.**

(A) Removal. At any regular or special meeting of Unit Owners, any one or more of the members of the Board may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Board Member and was specified in the notice of the meeting. Regardless of whether an appointed member is removed by the Sponsor, its designee or the other unit owners or board members, only the Unit Owner who made the appointment or its designee shall have the right to designate a replacement for such appointee.

(B) Resignation. Any Board Member may voluntarily withdraw his or her position as Board Member by sending written notice to the other Board Members. In said case, the withdrawal will be effective immediately and the withdrawing member may appoint someone to serve in his or her place. In the event the withdrawing member does not appoint anyone within five (5) business days by a writing to the board, the other Board Members may elect amongst themselves someone to fill the vacancy. Notwithstanding the foregoing,



if an appointed board member withdraws, only the Unit Owner who made the appointment or its designee shall have the right to designate a replacement for such Sponsor-appointee.

**Section 2.9. Meetings.**

Board meetings shall be held at least annually on or about the date of the first unit owners meeting, and as often as necessary to govern the affairs of the condominium. Board meetings may be in person or via teleconference. Any member of the Board may call a special meeting of the Board whenever he or she deems the same to be necessary or desirable.

**Section 2.10. Notice of Meetings.**

(A) Notice of regular and special Board meetings shall be sent by regular mail, posting in the lobby of the subject building, or by email to the Board Members at least five (5) days prior to the meeting.

(B) Any member of the Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver by him or her of notice of the time and place thereof.

**Section 2.11. Quorum of the Board.**

For purposes of all meetings of the Board, the attendance of a Majority of all Board Members shall be required for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes.

**Section 2.12. Conduct of Meetings.**

The minutes of the meetings of the Board shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order shall govern the conduct of meetings of the Board unless the same shall be in conflict with the terms of the Declaration, By-Laws or the Condominium Act.

**Section 2.13. Decision by the Board.**

Except as otherwise expressly provided in the Declaration or these By-Laws, the affirmative vote of a Majority of the Board Members shall constitute the decision of the Board. Alternatively, any decision that is required or permitted to be made by the Board may be made without a meeting thereof if all members of the Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Condominium in the minutes of the Board. In the event of a deadlock in voting, such deadlock shall be submitted to an arbitration board in accordance with Article 10, "Arbitration".

**Section 2.14. Compensation of Members.**

No member of the Board shall receive any compensation from the Condominium for acting as such.

**Section 2.15. Common or Interested Members of the Board.**

Each member of the Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by law, no contract or other transaction between the Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either (a) any such member of the Board was present at the meeting or meetings of the Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either (a) the fact thereof is disclosed to, or known by, the Board or noted in the minutes thereof, and the Board shall authorize, approve, or ratify such contract or transaction in good faith by vote of the Board; (b) the fact thereof is disclosed to, or known by the Unit Owners, and the Unit Owners authorize, approve, or ratify such contract or transaction; or (c) the contract or transaction is commercially reasonable to the Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated. Any such member of the Board may be counted in determining the requisite attendance of any meeting of the Board that authorizes, approves, or ratifies any such contract or transaction.

**Section 2.16. Liability of the Condominium Board.**

(A) The Board has a fiduciary duty to act in the best interest of the Condominium. The Board Members shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his or her own bad faith or willful misconduct.

(B) Every contract made, and other document executed, by or on behalf of the Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of condominium officers and Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that same is made or executed by or on behalf of the Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the Board Members or such committee or Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Board nor any member thereof shall be liable for either:

- (i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) Unit Owners shall severally indemnify and hold each member of the Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a Board Member, except, however, to the extent that such claim or liability shall be due to, or arise out of, the bad faith or willful misconduct of such member and, to the extent permissible by law, that such liability will be proportionate to, and not exceed, the total liability and the Unit Owner's percentage of common interest.

### **ARTICLE 3 - OFFICERS**

#### **Section 3.1. General.**

The principal officers of the Condominium shall be the President, Vice President/Secretary and Treasurer. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as, in its discretion, may be necessary or desirable. Where necessary, one individual may hold more than one position. All officers must be board members. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Board, by the officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Board.

#### **Section 3.2. President.**

The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Board. The President shall have all of the general powers and duties that are incident to the office of President of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Board from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, as appropriate to assist in the conduct of the affairs of the Condominium.

#### **Section 3.3. Vice President.**

The Vice President shall take the place of the President and perform their duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Board or by the President.

**Section 3.4. Secretary.**

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

**Section 3.5. Treasurer.**

The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board or the Managing Agent in such depositories as may from time to time be designated by the Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under BCL.

**Section 3.6. Election, Term of Office and Qualifications of Officers.**

Each officer of the Board shall be elected annually by a plurality vote of the Board taken at the organizational meeting of each new Board and shall serve at the pleasure of the Board.

**Section 3.7. Removal and Resignation of Officers and Board Members.**

Any officer or board member may be removed from office with or without cause, by an affirmative vote of a majority of the board. Any officer may resign at any time by giving written notice to the Board. If the President or the Vice President shall cease to be a member of the Board during his or her term of office, such officer shall be deemed to have resigned his office effective upon the date upon which his membership shall cease.

**Section 3.8. Vacancies.**

Any vacancy in an office shall be filled by a majority vote of the Board at any regular meeting of the Board or at a special meeting thereof called for such purpose.

**Section 3.9. Compensation of Officers.**

No officer shall receive any compensation from the Condominium for acting as such.

**Section 3.10. Liability of the Officers of the Condominium.**

(A) The Board has a fiduciary duty to act in the best interests of the Condominium. However, Officers shall have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that each officer shall be liable thereto for his own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the Board Members and Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon,

except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

- (B) None of the officers of the Condominium shall be liable for either:
- (i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or
  - (ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer and, to the extent permissible by law, that such liability will be proportionate to, and not exceed, the total liability and the Officer's percentage of common interest.

## **ARTICLE 4 -UNIT OWNERS**

### **Section 4.1. Annual Meetings of the Unit Owners.**

The first annual meeting of the Unit Owners shall be held thirty days after the expiration of the Initial Control Period, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held within sixty (60) days of the anniversary date of the first meeting. At each such subsequent meeting, Unit Owners shall transact such business as may properly come before such meeting. In the event that any annual meeting of members is delayed, the existing Board shall continue to serve.

### **Section 4.2. Special Meetings of Unit Owners.**

The Board shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Board or upon receipt of a petition calling for such a meeting signed by a Unit Owner. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

### **Section 4.3. Place of Meetings.**

Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place as may be designated by the Board. Meetings may be held via teleconference.

**Section 4.4. Notice of Meetings.**

The Board shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, telephone or email not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to their address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Board not less than ten (10) days prior to the giving of notice of the applicable meeting. Any Unit Owner's presence at a meeting of Unit Owners shall be deemed a waiver of said notice requirement.

**Section 4.5. Quorum of the Unit Owners.**

Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Majority of all Unit Owners shall be required at all meetings of the Unit Owners.

**Section 4.6. Conduct of Meetings.**

The minutes of all meetings of the Unit Owners shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat.

**Section 4.7. Order of Business.**

The order of business at all annual meetings of the Unit Owners shall be as follows:

- (i) Roll call;
- (ii) Proof of notice of meeting;
- (iii) Reading of the minutes of the preceding meeting (unless waived);
- (iv) Reports of officers of the Condominium;
- (v) Reports of committees;
- (vi) Reports of inspectors of election (when so required);
- (vii) Election of members of the Condominium Board;
- (viii) Unfinished business; and
- (ix) New business.

**Section 4.8. Voting at Meetings of Unit Owners.**

(A) Subject to the terms of Sections 2.7 and 4.9 hereof, at meetings of Unit Owners, each Unit Owner (including the Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote for each unit owned.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Board nor any designee thereof shall be entitled to the vote appurtenant to any Unit owned by the Board or such designee. The vote of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B)

will be excluded when computing the results of voting. Any deadlock in voting shall be settled by arbitration.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one Person amongst them to vote on behalf of their Unit in a writing given to the Board, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually exercise the vote appurtenant to such unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present to establish a quorum.

(D) Any Unit Owner may designate any Person to act as a proxy on his behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designator and delivered to the Board at or before the appointed time for the meeting during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Board; however, no revocation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Board.

**Section 4.9. Election of Board Members.**

After the period of initial control by Sponsor, board members will be elected by all unit owners in accordance with section 2.6 of these Bylaws.

**Section 4.10. Action Without a Meeting.**

Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

**Section 4.11. Title to Units.**

Title to any Unit may be taken by any Person or by any two (2) or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.



**Section 4.12. Contractual Liability of Unit Owners.**

Every contract made by the Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively), that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

**ARTICLE 5 - OPERATION OF THE PROPERTY****Section 5.1. Maintenance.**

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, and replacements,

(i) in or to any Unit or Limited Common Element (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, plumbing, gas and heating fixtures) shall be performed by the Owner of such Unit at his sole cost and expense; and (a) in or to the Common Elements which are not covered in subsection (b) shall be performed by the Board as a Common Expense. Structural repairs and replacements to a Unit or Limited Common Element shall be performed by the Board but at the sole cost and expense of the affected Unit Owner. Notwithstanding the foregoing, however, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or non-extraordinary, necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by such the Board at the Unit Owner's sole cost and expense; and

(ii) in or to the Common Elements not covered by subsection (i) shall be performed by the Board as a Common Expense.

If any work is necessitated by any condition or occurrence in the individual unit, such Unit Owner shall be liable for such costs which are not paid by the insurance carrier. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Board or Managing Agent any defect for which the Board is responsible pursuant to the terms thereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) In accordance with paragraph (A) of this Section, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense and in accordance with all applicable laws and codes. In addition, if any painting, decorating, maintenance, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated



by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Board, the entire cost and expense thereof shall be borne by the Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition and order (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, replacements and repairs) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

#### **Section 5.2. Alterations, Additions, or Improvements in and to Units.**

(A) Subject to Article 9 of the Declaration, each Unit Owner shall have the right to (i) make alterations, additions, or improvements in the interior of his unit, including subdivision thereof or combination of two adjacent units; (ii) make alterations, additions, or improvements to any part of the property allocated to his unit, including limited common elements; (iii) change the layout of his unit. However, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit: (1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto; (2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and (3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event that any Unit Owner wishes to make any modifications to its Unit in accordance with the foregoing, such Unit Owner shall apply to the Board for approval. The Board must respond within fifteen (15) days from receiving notice from the Unit Owner. The Board's failure to timely respond shall be deemed a waiver of its right to reject the proposed modifications. Notwithstanding the foregoing, no Board approval shall be required for work that is cosmetic in nature and for which no permit is required (painting, changing floors, changing appliances, etc.).

Prior to, and as a condition of, the granting of any such approval, the Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (C) hereof and the days and hours during which any such work may be done. Notwithstanding the foregoing provisions, Sponsor may perform work to any Unsold Units without notice to or authorization from the board, managing agent, or any other person, subject only to the provisions in the offering plan.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit. The percentage of common interest allocated to the original unit shall be divided proportionately between the resultant units. In the event any Units are merged, the resultant Unit shall enjoy the number of votes originally allocated to the original Units. The percentage of Common Interest allocated to the original Units shall be aggregated and assigned to the resultant Unit.

(B) All alterations, additions, and improvements by Unit Owners shall be made in compliance with all applicable laws. In connection therewith, the Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature, the same was approved by the Board pursuant to the terms of paragraph (A) hereof.

(C) Neither the Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s)) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) shall agree (in a writing executed and delivered to the Board, if the Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Board, the officers of the Condominium, and the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(D) Sponsor's Rights. Sponsor or its designee shall have the right, without the approval of the Board, the Selling Agent, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to (a) make alterations, additions, improvements, or repairs in or to any Unsold Unit or Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and to any Limited Common Elements allocated thereto; and to

common areas; and (b) to subdivide, combine and change the boundary walls of Unsold Units or Units or Limited Common Elements.

(i) **Limitation on Sponsor's Rights.** No change will be made in the size or number of units and/or their respective percentages 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, the declaration. No material change will be made to size and no material adverse change will be made in the quality of common elements unless all then-existing purchasers consent thereto in writing. In addition, no material change will be made in Unit size, layout or percentage of common interest if the Unit has closed or a purchase agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default, unless all affected purchasers consent in writing to such change.

(ii) **Board's Obligation to Execute.** At the request of Sponsor, its designee or the Unit Owner, the Board will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair proposed to be made by Sponsor or Unit Owner, at which time Sponsor or Unit Owner shall execute an agreement to indemnify and hold harmless the Board and the Unit Owners from any expense or liability by virtue of the execution of the application or such other documents. Notwithstanding the foregoing, any amendment which affects only unsold units may be made by Sponsor, without the consent or approval of the board or any other unit owner. In such event, Sponsor may sign any required document in connection therewith on behalf of the board.

### **Section 5.3. Alterations, Additions, or Improvements to the Common Elements.**

Except as covered in section 5.2 or otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Board, exceed \$5,000.00 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by the Unit Owners at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing \$5,000.00 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. No material adverse change will be made to quality of common elements unless all then-existing purchasers consent thereto in writing.

### **Section 5.4. Insurance.**

(A) If same shall be obtainable, the Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and

kitchen fixtures installed therein by Sponsor on the date of recording the Declaration and all service machinery contained therein, and any other property usual to the servicing and general occupancy, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear, and comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit). Each of the said policies shall contain:

- (i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;
- (ii) a provision that any adjustment of loss will be made by the Board and that all proceeds thereof shall be paid to either the Board or the Insurance Trustee, as provided in Section 5.5 hereof;
- (iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and
- (iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of the then current policies.

(B) The Condominium Board may also obtain and maintain, to the extent practicable:

- (ii) rent insurance (if applicable);
- (iii) workmen's compensation and New York State disability benefits insurance;
- (iv) boiler and machinery insurance; and
- (v) such other insurance as the Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Board shall contain such limits as the Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than \$500,000.00 in the aggregate until the first regular meeting of the first Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount least equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Board may also provide for such deductible amounts as the Board shall determine. The Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Board pursuant to the terms of these By-Laws, shall be borne by the Board as a Common Expense. An Insurance Trustee may be appointed instead of the Board to hold and apply insurance proceeds if (i) a Permitted Mortgagee so requires; (ii) the Board appoints one; or (iii) the Unit Owners vote in accordance with the Bylaws to appoint one.

(E) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing the insurance maintained by the Board shall not be affected or diminished by reason of any such, additional insurance carried by any Unit Owner.

#### **Section 5.5. Casualty or Condemnation.**

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the

case may be, shall be payable to the Board. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

After Sponsor has relinquished control of the Board, the Board shall notify the Sponsor of any damage or destruction by fire or other casualty sustained by the Unsold Units within ten (10) days of such damage.

(B) Subject to the terms of paragraph (D) hereof, the Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work" of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his or her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section, the Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, and all proceeds of such Special Assessment shall become part of the Trust Funds. However, if the insurance proceeds are not sufficient to discharge the cost and expense of performing any work attributable to any part of the building which is not a "Common Element", such cost and expense must be paid by the owner or owners of the Units or Limited Common Elements which were damaged and no special assessment may be levied against the Unit Owners. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to the Unit Owner of the damaged unit, except that no payment shall be made to a Unit Owner until there has first been paid, out of said excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the

order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

If the damage is caused to both a Unit and Common Elements, the Board shall retain the services of an insurance adjuster to determine the amount of damages caused separately by the Unit and Common Element and all the underpayments and overpayments shall be subject to provisions in this paragraph (C).

(D) If either 75% or more of a Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of the Unit Owners of the Building shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof.

Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and 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 the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be acknowledged by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of acknowledgement by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.



(F) As used in this Section 5.5, the terms:

- (i) "prompt repair or restoration" shall mean that the Work is to be commenced not more than sixty (60) days after the date on which the Board has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and
- (ii) "promptly resolve" shall mean a resolution shall be duly made not more than sixty days after the date on which the Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharged the estimated cost and expense of the Work, as the case may be.

(G) Any dispute that may arise under this Section between Unit Owners or between Unit Owner(s) and the Board shall be resolved by arbitration pursuant to the terms of Article 10.

**Section 5.6. Use of The Property and Common Elements.**

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use, as determined by the board in its sole discretion, shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

(D) All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board, whomever shall have the obligation to maintain or repair such portion of the Property.



(E) The Common Elements (including, without limitation, the electrical, heating, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. The lobbies, vestibules, public halls, and stairways shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Board, if any, for transporting packages, merchandise, or other objects.

The storage closets may only be used to store personal belongings of residents of the Unit and may not be used to store any food, perishables, flammable or hazardous materials. A storage closet is uninhabitable space and may not be used for any habitable purpose such as sleeping or dining. Because the storage closets are located in the cellar, they are more susceptible to dampness. Purchasers should take reasonable precautions to protect personal belongings from damage that could be caused by moisture. Unit Owners will be storing items at their own risk and indemnify the Sponsor, its agents and employees, and Condominium Board against any loss or damage including power outages, temperature fluctuations or moisture.

Parking spaces may only be used to park a single personal vehicle. All vehicles parked in the spaces must be fully insured. A Parking Owner may transfer, for no consideration, any parking space back to the Board at any time by executing a deed. The deed for a parking space may only be transferred to an owner of a residential unit in the Building.

There are six uncovered parking spaces located on the ground level of the Property. There is no limit on the number of parking spaces which may be purchased by a Unit Owner. Parking spaces may only be used to park a single personal vehicle. All vehicles parked in the spaces must be fully insured. A Parking Licensee may transfer, for no consideration, any parking space back to the Board at any time by terminating the license agreement. In the event the Unit is sold, the license shall be assigned to the new Unit Owner for no additional cost. Should a parking space remain unsold after Sponsor sells all Units, or if the Board shall reacquire a parking space as a result of the termination of a license, then the Board will be entitled to the proceeds of any sale thereof. The Condominium will also charge each Licensee a monthly license. The License Fees may be increased or decreased by the Board as it sees fit in accordance with the Bylaws. License fees will not begin to accrue until a license is extended to a third party.

The parking lot may be closed to vehicles for up to two weeks per year in the discretion of the Board during which time the Board can use the parking lot or authorize the use of the parking lot for recreation, maintenance or repair. Sponsor reserves the right to rent unlicensed parking spaces to residents or outside parties for not less than one week and not more than one month. All off street parking spaces must be made available for purchase to Unit Owners within 30 days after written request made to the Sponsor by such resident.

#### **Section 5.7. Use of the Units.**

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units (including any Limited Common Area appurtenant

thereto) shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section. Each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy. Any Unit may be partially used as a professional office by the owner of such unit only.

(B) All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board, whomever shall have the obligation to maintain or repair such portion of the Property.

(C) Notwithstanding the foregoing, Sponsor may, without obtaining the consent of the Board, Managing Agent or the other Unit Owners, use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale of the Unsold Units or for any other purpose, subject only to compliance with current laws, statutes or regulations.

(D) Unit Owners must notify the Managing Agent or Board in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall provide and install, at the Unit Owner's expense, the required window guards in all windows of the Unit and shall not remove them until permitted by the law and, in any event, without the full knowledge of the Managing Agent.

**Section 5.8. Rights of Access.**

(A) Subject to the rights of existing tenants and other occupants of Unsold Units, Unit Owners shall grant to the Sponsor, Board, Managing Agent or manager (if any), superintendent and/or to any other Person authorized by any of the foregoing a right of access to their Unit for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner, or correcting any conditions originating in their Unit which threaten another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of Emergency, the foregoing rights of access shall be exercised only upon not less than two day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In cases of Emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) For purposes of paragraph (A), each Unit Owner shall grant to the Board a right of access to his or her Unit and the Board shall grant rights of access to the Common Elements, provided that access thereto shall not be exercised with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

(C) A right of access is hereby granted to the Sponsor, unit owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such unit owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his Unit or as a Common Element. This right of access may be exercised by the Sponsor on no notice and without limitation. However, the right shall only be exercised in a reasonable manner.

#### **Section 5.9. Modification of the Rules and Regulations.**

The Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that copies of such amendments are furnished to each Unit Owner at least thirty (30) days prior to the time that they become effective. Any such amendment, modification, addition, or deletion may be overruled by the vote of 75% of the Unit Owners. However, this section may only be amended with unanimous consent of all Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof. Notwithstanding the foregoing, for five (5) years after the First Closing, or until there are no unsold units, whichever is sooner, the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or its designee without the prior written consent of every Unit Owner affected by such amendment, including Sponsor or its designee.

#### **Section 5.10. Real Estate Taxes, Water Charges and Sewer Rents.**

Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Board shall promptly pay such taxes, charges and rents as a Common Expense. However, the Board shall have the right, exercisable in its sole discretion to require the installation of submeters to determine the consumption of water by each Unit as a common expense. In the event of a proposed sale of any Unit, the Board (for so long as the Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit. The Board will be responsible for reviewing, appealing and filing any documents necessary

for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the Unit Owners. Such Unit Owners shall execute any documents required for such filing. After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

**Section 5.11. Real Estate Tax Escrow.**

If the tax lots are not apportioned at the time of the First Closing, Sponsor shall place in escrow in the name of the Board an amount equal to the real estate taxes which will be levied against the property for the six (6) month period following the First Closing and will collect at each unit closing the estimated amount of taxes for that period attributable to such unit for reimbursement. The amount in the escrow account will be disclosed in the initial post closing amendment. The Board will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

**Section 5.12. Electricity.**

Electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for electricity consumed or used in his Unit directly to the utility company servicing the Building as and when billed therefor. The Board shall have the right, exercisable in its sole discretion, to require that electricity be supplied to the Condominium through one or more common meters. In such event, the cost of installation shall be borne by all Unit Owners as a common expense. The cost of electricity shall be borne by each Unit Owner based upon the consumption or usage of electricity in his Unit, as determined by submetering, survey, or any other reasonable method prescribed by the Board and permitted by Law, and shall be payable either to the Board or to the utility company servicing the Building, as directed by the Board.

The Board must deliver to each tenant and prospective tenant of the Building, and must post in a common area of the Building, a notice regarding the procedures that should be followed when a gas leak is suspected.

**Section 5.13. Utilities Serving the Common Elements.**

The cost and expense of water, steam, electricity serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

**Section 5.14. Vault Charges.**

All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line shall be paid by the Board as a Common Expense.

**Section 5.15. Records and Audits.**

(A) The Board or Managing Agent, if any, shall keep full, detailed and accurate records with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special

Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within (4) four months after the end of each fiscal year of the Condominium, the Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared by an independent accountant. The cost of preparing and distributing each such report shall be borne by the Unit Owners as a Common Expense.

## **ARTICLE 6 - COMMON CHARGES**

### **Section 6.1. Determination of Common Expenses and Fixing of Common Charges.**

(A) Commencement of Collection.

- (i) The Board will commence collection of common charges upon the closing of title to the first Unit provided the Sponsor has not exercised its option to pay all expenses of operation of the Property in lieu of Common Charges.
- (ii) Sponsor may, in its sole discretion, delay the collection of common charges and elect to pay the expenses of the building instead. During any such delay, 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's expenses such as real estate taxes and utility charges. Upon commencement of collection of common charges, there will not be any assessment for any item in the approved budget for the condominium. Sponsor shall remain obligated to update the budget for the Condominium and provide certified financial statements as required by governing regulations. In the event Sponsor elects to delay the collection of common charges, Sponsor shall disclose such fact in the closing notice to Purchasers and in the post-closing amendment to the Offering Plan. Such amendment shall also disclose the anticipated period of delay. Sponsor will notify all unit owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of common charges and will disclose such fact in the following amendment to the Offering Plan.

(B) Budget. From time to time, but not less frequently than annually, the Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.4 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably

itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees.

- (i) Revisions. The Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.
- (ii) Sponsor's Right to Veto. For five (5) years after the First Closing or until unsold units constitute less than 25% of the common interests, whichever is sooner, the Board must obtain Sponsor's prior written approval with regard to the below items. During this time, Sponsor may veto these actions.
  - (iii) Raise common charges or levy a special assessment to:
    - a. make an alteration to the common elements;
    - b. create an additional reserve fund for repairs, alterations, unanticipated expenses and/or contingencies which exceed 5% of the projected common expenses for the budget year;
    - c. increase, decrease, eliminate or otherwise change the number, type, classification or working hours of the building's service staff (if any), or to hire additional service staff.
    - d. increase, decrease, or eliminate building services;
    - e. increase, decrease, eliminate or otherwise change the amounts or types of insurance coverage from the coverages existing on the date of the First Closing.
    - f. Borrow money on behalf of the Condominium Association.

Notwithstanding the foregoing, Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer; or (iv) to remedy any immediately hazardous condition which affects the health and/or safety of the occupants.

(C) The failure or delay of the Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(D) The Board has the right to allocate certain budgeted items on a special basis which reflects actual benefit and/or use associated with that particular item of expense or

exclusive control of the particular Common Elements, pursuant to N.Y. Real Property Law (RPL) Section 339-m (2). Where the allocation of Common Expenses is not based on Common Interest, the budget and budget notes so indicate.

(E) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board shall have the right, subject, in all respects, to the strictures contained in Section 2.4 hereof, to levy Special Assessments to meet the Common Expenses or to fund additional projects. All Special Assessments may be payable either in one lump sum or in installments, as the Board shall determine, provided, however that the Board shall give each Unit Owner not less than thirty (30) days' notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof). The Board has the right to allocate certain items on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of the particular Common Elements, pursuant to N.Y. Real Property Law (RPL) Section 339-m (2). Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests as follows:

- (i) assessment or increase in common charges to repair, improve or maintain the Common Elements shall be levied against all units proportionately in accordance with the percentage of Common Interest;
- (ii) assessment or increase in common charges to repair, maintain or improve the Common Elements which only benefit specific units shall be levied against the units so benefitting, or which is the subject of the condition to be remedied, as the case may be, proportionately in accordance with the percentage of Common Interest.

Any charge incurred by the Condominium as a result of a condition in or misuse of a Unit, or as a result of the negligence, misuse or abuse of a Unit Owner shall constitute additional Common Charges charged to the violating Unit Owner.

(E) The Common Charges payable by the Units will be offset by the income derived from the License fees. The License Fees may be increased or decreased by the Board as it sees fit in accordance with the Bylaws. Any License Fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the License Fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents. Notwithstanding any provision to the contrary, the collection of the License Fees shall be subject to the same means of enforcement of collection as Common Charges.



(F) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

(G) Any fine, penalty, increase in cost or other fee attributable to the actions of a specific Unit Owner shall be levied against only that Unit.

**Section 6.2. Payment of Common Charges.**

(A) All Unit Owners shall be obligated to pay Common Charges, License Fees and Special Assessments assessed by the Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Board shall determine. Unless otherwise determined by the Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of Common Charges or any Special Assessments assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with its Appurtenant Interests. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or such purchaser. In the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments



that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied, including the new Unit Owner of the subject Unit.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Board, without compensation, pursuant to the terms of paragraph (C) hereof.) Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Board to comply with Law.

### **Section 6.3. Statement of Common Charges.**

The Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on ten (10) business days' notice, but not more frequently than once a month.

### **Section 6.4. Default In Payment of Common Charges.**

(A) In the event that any party defaults in performing any act or making any payment which is that party's responsibility hereunder and said default is not cured within fifteen (15) days of written notice of said default, then the Board shall take prompt action to collect any Common Charges due to the Board that remains unpaid for more than thirty days after the due date for the payment thereof. Any lien for unpaid Common Charges and expenses against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office and until all sums secured thereby, with interest and costs accrued thereon, shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall be sooner. In accordance with Section 339-aa of the Real Property Law, while Sponsor is in control of the Board, Sponsor will cause the Board to file a lien on units in which Sponsor is more

than thirty (30) days in arrears of common charges. Such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board to recover unpaid Common Charges without foreclosing the lien. In connection therewith, the Board shall, at its discretion or upon instruction by sponsor if sponsor is in control of the board, have the right and obligation to cause liens for all sums due and owing to the Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Board to recover all such unpaid Common Charges, together with all additional sums of money collectable by the Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges. Notwithstanding any provision to the contrary, the collection of the License Fees shall be subject to the same means of enforcement of collection as Common Charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay a penalty charge equal to 10% of the outstanding charge, together with all costs and expenses paid or incurred by the Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Board shall bring an action to foreclose the aforementioned lien, the defaulting 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 to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale in excess of the amount of common charges owed shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) Section 339-kk of the Real Property Law of the State of New York (the "Condominium Act") applies to all condominium plans in existence after July 22, 1998. It is intended to provide financial protection for a condominium association if a non-occupying owner fails to make monthly payments for its units. The terms of Section 339-kk are as follows:

- (viii) For purposes of this section, “non-occupying owner” means a unit owner who does not occupy the dwelling unit.
- (ix) If a non-occupying owner rents any unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period after they are due, the Board shall provide written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Board.
- (x) Such notice shall provide that commencing immediately and until such time as all such payments are made current, all rental payments due subsequent to the issuance of such notice are to be made to the Condominium Association at the address listed on the notice. However, where a majority of the Board has been elected by Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Board.
- (xi) When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 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.
- (xii) A non-occupying owner who disputes the Board’s claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such position at the next scheduled meeting of the Board, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.
- (xiii) Nothing in Section 339-kk shall limit any rights of Unit Owners or of the Board existing under any other law or agreement.
- (xiv) Payment by a rental tenant to the Board made in connection with Section 339-kk 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.

## **ARTICLE 7 - SELLING AND LEASING OF UNITS**

### **Section 7.1. General.**

Each owner of a Unit may sell or lease his or her Unit without limitation except that no unit owner may discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or any other grounds prohibited by law. The Board does not have a right of first refusal. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Board, and, if the Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser

(in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

**Section 7.2. No Severance of Ownership.**

No Unit Owner shall execute any deed or other instrument conveying title to their Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

**Section 7.3. Payment of Common Charges.**

No Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

**Section 7.4. Power of Attorney.**

At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or, if no such representative is present, to the Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth in Part II of the Offering Plan.

**Section 7.5 Right of First Refusal.**

There is no right of first refusal in this Condominium.

## **ARTICLE 8 - MORTGAGING OF UNITS**

**Section 8.1. General.**

Each Unit Owner shall have the right to mortgage his Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Board with the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board. Any Unit Owner who satisfies a mortgage covering his Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units".

**Section 8.2. Restrictions on Mortgaging.**

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until he or she shall have paid in full to the Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non-institutional lender to make the mortgage loan or take an assignment thereof.

**Section 8.3. Notice of Unpaid Common Charges and Default.**

Whenever requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Board has knowledge then exists. The Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Condominium Documents, provided that (i) the Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Board shall pay to such Permitted Mortgagee the net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee. Any excess proceeds shall be paid to the defaulting Unit Owner.

**Section 8.4. Performance by Permitted Mortgagees.**

Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

### **Section 8.5. Examination of Books.**

Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on ten (10) business days' notice, but not more frequently than once a month.

### **Section 8.6 Additional Rights of Mortgagee:**

(A) If the Declaration and the By-Laws are to be amended and such amendment would materially interfere with any right or interest of any mortgagee, such amendment may only be filed upon approval of 51% of all mortgagees.

(B) In addition to any other notices provided for in the Declaration and By-Laws, Notices will be sent to any mortgagee by certified or registered mail return receipt requested, pursuant to the terms of this section.

i) Notice shall be sent in the event that either (a) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (b) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking") in accordance with section 5.5 of the By-Laws. In addition, when applicable, no termination of condominium shall occur without 51% mortgagee approval.

ii) Notice shall be sent in the event that any party whose unit or interest is mortgaged to a mortgagee defaults in performing any act or making any payment which is that party's responsibility hereunder, including common charges and or special assessments, for a period of sixty (60) days after the obligation to pay, and said default is not cured within fifteen (15) days of written notice of said default.

iii) At least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees shall be sent if any insurance policies insuring the Building and all service machinery contained therein covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests are to be either cancelled, or be allowed to lapse, or substantially modified.

iv) If the Declaration and the By-Laws are to be amended and such amendment would materially interfere with any right or interest of any mortgagee.

v) In addition, the mortgagee and guarantor of the mortgage on any unit in the condominium project has the right to timely written notice of a) delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, which is in excess of 60 days and b) any proposed action that requires the consent of a specified percentage of mortgagees.

C. Notwithstanding the foregoing provisions in the event a mortgagee fails to respond to written notice within 60 days of said written notice, provided notice was delivered by certified or registered mail return receipt requested said silence shall be construed as an implied approval by an mortgagee.

## **ARTICLE 9 - CERTAIN REMEDIES**

### **Section 9.1. Self Help.**

If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents required to be observed or performed by him, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Board shall have the right, subject to applicable laws and regulations relating to self-help, if any, to enter such Unit Owner's Unit and summarily abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event the Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board may take such action immediately, without prior notice and without allowing said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

### **Section 9.2. Abatement and Enjoinment.**

In the event any Unit Owner shall violate or breach any of the provisions of the Condominium Documents to be observed or performed, the Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought at law or in equity.

### **Section 9.3. Remedies Cumulative.**

The remedies specifically granted to the Board in this Article or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board. The exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

### **Section 9.4. Costs and Expenses.**

All sums of money expended, and all costs and expenses incurred, by the Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or Section 9.2 hereof shall be immediately payable by such Unit Owner to the Board, which amount shall be paid within ten (10) days of receiving notice. In the event it is not paid within ten (10) days of receiving notice, a penalty charge equal to 10% of the outstanding charge shall be payable. All sums payable by a Unit Owner to the Board pursuant to the terms of this Section shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.



## **ARTICLE 10 - ARBITRATION**

### **Section 10.1. Procedure.**

In order to resolve any dispute, controversy, claim or question arising with respect to the Condominium the Interim Lease or the Purchase Agreement, or to break any deadlock in voting, the parties shall submit such dispute or question to arbitration through the American Arbitration Association ("AAA"), which will give any party the rights he is entitled to under New York law. The arbitration proceeding will follow the rules of the AAA. The arbitrator will be neutral and independent of Sponsor and its principal and will be appointed by the AAA. The hearing will take place in the county where the building is located. The parties to the purchase agreement are giving up the right to bring suit in court, including the right to a trial by jury, concerning disputes over the disposition of escrowed funds, except as provided by the rules of the arbitration forum in which a claim is filed. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment.

### **Section 10.2. Variation by Agreement.**

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 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 Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

### **Section 10.3. Binding Effect.**

The decision/award rendered in any arbitration proceeding shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction under the New York Arbitration Law and Article 75 of the CPLR. The Board shall follow the directions of the Arbitrators. Any decision shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The decision shall be enforceable in a court of competent jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

### **Section 10.4. Costs and Expenses.**

The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. All costs and expenses paid or incurred by the 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 11 - NOTICES**

### **Section 11.1. General.**

All notices required or desired to be given hereunder by mail shall be sent by registered or certified mail, return receipt requested, postage prepaid and addressed:

(i) if to the Board, to the Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner, to such Owner at his or her address at the Property; and,

(iii) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage paid wrapper, provided, however, that notices of change of address, designating additional addresses and those deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

### **Section 11.2. Waiver of Service of Notice.**

Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, 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. Wherever provided for in these bylaws, notice may also be given by telephone, email, or other transmission.

## **ARTICLE 12 - AMENDMENTS TO BY-LAWS**

Article 18 of the Declaration is incorporated in its entirety to these Bylaws.

## **ARTICLE 13 - FURTHER ASSURANCES**

### **Section 13.1. General.**

Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for therein, and take such other action as such other Person may reasonable request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

**Section 13.2. Failure to Deliver or Act.**

If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board or its Managing Agent, is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

**ARTICLE 14 - MISCELLANEOUS**

**Section 14.1. Inspection of Documents.**

Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

**Section 14.2. Waiver.**

No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

**Section 14.3. Conflicts.**

In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control. All provisions of the Declaration and By-Laws are subject to any written agreement among the owners of the Units.

**Section 14.4. Severability.**

If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

**Section 14.5. Gender.**

A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

**Section 14.6. Captions.**

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

## **RULES AND REGULATIONS**

1. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used in any manner to impede the ingress and egress to the units.
2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.
3. Nothing shall be hung or shaken from any doors, window, or open terraces or patios, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.
4. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.
5. The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.
6. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.
7. There shall be no barbecuing in the Units, or in the Limited or General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Board.
8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, practice any vocal or instrumental music, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 AM, if same shall disturb or annoy other occupants of the Building.

9. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

10. In no event shall any bird, reptile, or animal be permitted in any public area of the Building or in any of the public portions of the building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, patios, terraces, or other public portions of the building, or on the sidewalk or street adjacent to the Building.

11. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

12. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

13. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

14. The agents of the Sponsor, Board or the Managing Agent and any contractor or workman authorized by the Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

15. The Sponsor, Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

16. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his or her agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board nor the Managing Agent shall (except as otherwise provided herein) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

17. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building not designated as a Limited Common Element.

18. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

19. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Board. Further, any such consent or approval may, in the discretion of the Board or the Managing Agent, be conditional in nature.

20. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

21. Smoking and/or use of electronic cigarettes is prohibited in all locations on the property. This policy is in compliance with the NYC Smoke Free Air Act ("SFAA") and shall apply to all Unit Owners and tenants and their respective invitees as well as other persons on the Property.

## **DECLARATION OF CONDOMINIUM**

Declarant:  
**385 VERNON ESTATES LLC**  
**309 RUTLEDGE STREET, SUITE 4A**  
**BROOKLYN, NEW YORK 11211**

Premises:  
  
385 Vernon Avenue  
Brooklyn, New York 11206

County: Kings

Block: 1586  
F/K/A: 24

N/K/A:

Record and return to:  
  
385 Vernon Estates LLC  
309 Rutledge Street, Suite 4A  
Brooklyn, New York 11211

Document No. 8  
Form of Interim Lease



### INTERIM LEASE

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

WITNESSETH:

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

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

WHEREAS, PURCHASER wishes to occupy said Unit 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 Unit.

2) PURCHASER shall pay a fee for use and occupancy of the  
Unit 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 Unit.

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) 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. If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, the Purchaser shall assume the risk of loss and the obligation to repair the damage in excess of insurance proceeds, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

Except as provided in the preceding paragraph, all other risk of loss prior to closing in excess of insurance proceeds has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

E. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement and the Contract shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited under the Purchase Agreement, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum as defined in the Purchase Agreement.

6) PURCHASER shall pay all utility costs and make any repairs to the Unit for which he would be obligated as owner. SPONSOR will not be responsible for ordinary wear and tear to the Unit during the PURCHASER'S occupancy.

7) PURCHASER may not make any alterations to the Unit 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 Contract by PURCHASER, which is not cured within 15 days after notice thereof, PURCHASER'S right to occupy the Unit will terminate, and PURCHASER must vacate the Unit 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 Unit. PURCHASER agrees to pay SPONSOR \$250.00 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. 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 uncured default under this lease agreement will be a default under the Purchase Agreement, and any uncured default under the Purchase Agreement will be a default under this lease agreement. Any such default will terminate PURCHASER'S right to use and occupancy, and will also terminate PURCHASER'S right to purchase the Unit, and may result in loss of the down-payment. Before SPONSOR may utilize the default under the lease to declare a default under the purchase agreement, SPONSOR will obtain an order of eviction or other judgment or order from a court or other agency of competent jurisdiction against lessee unless 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 Unit pending closing.

12) As of the date hereof PURCHASER confirms that all work required to be done in or about the subject Unit has been completed; and that in all respects PURCHASER agrees to accept the Unit in "as is" condition; subject to the "punch list", if any, attached hereto.

13) Smoking and/or use of electronic cigarettes is prohibited in all locations on the property. This policy is in compliance with the NYC Smoke Free Air Act ("SFAA") and shall apply to all Unit Owners and tenants and their respective invitees as well as other persons on the Property.

14) 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.

IN WITNESS WHEREOF, the parties hereunto set their hands this  
day of \_\_\_\_\_, 20.

BY: \_\_\_\_\_  
SPONSOR

## Certifications

## **CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS**

The Department of Law of the State of New York  
28 Liberty Street  
Brooklyn, New York 10005

Attention: Real Estate Financing Bureau

Re: The 385 Vernon Avenue Condominium  
385 Vernon Avenue  
Brooklyn, New York

Sponsor: 385 Vernon Estates LLC

To Whom It May Concern:

We are the Sponsor and the principal of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law 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 hereinafter by us which amend or supplement the Offering Plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where  
I/we:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representations  
or statements made.

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

SPONSOR: 385 Vernon Estates LLC

By:

Yitzchok Schwartz, Principal

Yitzchok Schwartz

Affirmed before me this  
6<sup>th</sup> day of July, 2025

Notary Public

Shia Kohn  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01K06170923  
Qualified in Kings County  
Commission Expires July 9, 2027

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

Department of Law of the State of New York  
28 Liberty Street  
New York, NY 10005

Attn.: Real Estate Finance Bureau

Re: 385 Vernon Ave  
Brooklyn, NY 11206

The Sponsor of the Offering Plan to convert the captioned property to Condominium Ownership retained our firm to prepare a report describing the condition of the property (the Report). I visually inspected existing portions of the property on February 20, 2025 and the available building plans and specifications prepared by Chon Engineering PC. and dated August 21 2006 and prepared the Report dated April 7, 2025, 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 representations or statements made.

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

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct.

Executed on 8 May 2025.

  
Karim Ahmed, R.A.



~~Sworn to before me this~~  
~~day of~~, 2025

\_\_\_\_\_  
Notary Public

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**CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET**

Real Estate Finance Bureau  
The Department of Law of the State of New York  
28 Liberty Street 21<sup>st</sup> Floor  
New York, NY 10005

Re: The 385 Vernon Avenue Condominium  
385 Vernon Ave  
Brooklyn, New York

To Whom It May Concern,

The Sponsor of the condominium offering plan for the captioned property retained me/our firm to review the Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. My experience in this field includes: I have been engaged in the real estate business for over twelve (12) years in the State of New York, during which time I have been involved in the purchase, sale, and management of real property. My management experience includes both residential rental and condominium properties, as well as commercial properties. Of the many properties, my experience includes the management of the following properties: 525 Kent Avenue, Brooklyn, New York and 134 Broadway, Brooklyn, New York.

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 Schedule B and B-1.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in the Schedule B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (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 am not owned or controlled by the sponsor. I 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 for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

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 1/8/25

**Stone Edge Management**

By:   
Barry Ekstein