

CONDOMINIUM OFFERING PLAN
THE 740 UNION STREET CONDOMINIUM
740 UNION STREET
BROOKLYN, KINGS COUNTY, NEW YORK 11215

Residential Units.....2 (Unit 2 not offered for sale)	\$ 3,300,000
Total Amount of Offering	\$ 3,300,000

SPONSOR AND SELLING AGENT:

740 UNION STREET, LLC
740 UNION STREET
BROOKLYN, NY 11215

Date of acceptance for filing of this Offering Plan is .
This plan may not be used after unless extended by a duly filed amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASER. SEE PAGE 1.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

BECAUSE THE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER THE CONSUMMATION OF THE PLAN, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

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SPECIAL RISKS

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

1) The Sponsor is not limiting the conditions under which it will rent rather than sell units after consummation of the Offering Plan. There is no commitment to sell more than one (1) residential unit in this Condominium, which is the minimum necessary to declare the plan effective. Owner-occupants, therefore, may never gain effective control and management of the condominium. There are no requirements or restrictions on renting imposed by a construction lender. Please see the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR, and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

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

3) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **TIME IS OF THE ESSENCE** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, s/he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default will both have the Purchase Agreement canceled and lose his/her down payment. Similarly, a purchaser who fails to notify the Sponsor in the event s/he has failed to obtain mortgage financing within forty (40) days after receipt of a fully executed Purchase Agreement will be required to proceed to closing notwithstanding the fact that purchaser has failed to obtain mortgage financing; if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Please see the section of this Plan entitled PROCEDURE TO PURCHASE set forth in Part I and the PURCHASE AGREEMENT set forth in Part II, for a statement of all applicable time limitations.

4) In general, sellers of real property are obligated to pay the New York State Transfer Tax ("NYSTT"), currently \$4.00 per \$1,000 of the Purchase Price of a Unit less existing and continuing mortgage. However, the terms of this Offering Plan and the PURCHASE AGREEMENT included in Part II herein transfer the statutory obligation to pay the NYSTT to the Purchaser. The New York State Tax Law Section 1404(a) (the "Amended Tax Law") has been amended as of July 1, 2021. Pursuant to the Amended Tax Law, transfer taxes shall not be payable, directly or indirectly, by the Purchaser unless the same is explicitly provided for under the Purchase Agreement between Sponsor and Purchaser. The Purchase Agreement located in Part II of this Offering Plan explicitly provides that the Purchaser shall be responsible for paying the NYSTT. Therefore, the Purchase Agreement imposes this obligation upon the Purchaser. The NYSTT will no longer be "grossed up."

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

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

6) At closing, each purchaser will pay to the Sponsor a reimbursement fee of \$2,500.00 for the cost of preparing and filing the condominium offering plan. Purchasers of a unit shall pay to the Sponsor's attorney at closing a fee of \$3,000.00 for the preparation of closing documents, plus \$200 for the preparation of ACRIS documents. In addition, under

no circumstances will Sponsor be required to close at any place other than a location designated by Sponsor's attorney. In the event that the Purchaser requests for a closing to take place outside the location designated by the Sponsor's attorney, and the Sponsor consents to the location change, the purchaser will be required to pay a location change fee of \$250.00 for attending a closing if the closing takes place anywhere within New York City, and \$500.00 if the closing takes place outside of New York City. If a purchaser fails to close on the date set for first closing, there shall be a late closing adjournment fee of \$250.00 added to the above. A fee of \$250.00 will be charged to complete a condominium questionnaire if required by Purchaser's lender, and a \$300.00 fee will be charged to review Purchaser's loan documents if Purchaser is financing the purchase. The above closing fees are cumulative to the extent applicable to an individual closing. Please see the section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

7) Transfer of control of the Board of Managers shall pass to the Unit Owners sixty (60) days after the date by which one Unit has been conveyed to a Purchaser. Sponsor will not hold control of the condominium board after the sponsor control period. Notwithstanding the foregoing, Sponsor may vote for unit owners of its choice. Pursuant to the By-Laws of the Condominium, each Condominium Unit shall be entitled to elect one manager to the Board of Managers. The third manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions that can be taken by the Board of Managers while the Sponsor remains in control of the Board of Managers. Such limitations are set forth in the CONTROL BY THE SPONSOR of this Offering Plan.

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

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

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

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

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

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

11) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, the Purchaser should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or

extras. A Purchaser will receive a refund of funds used for upgrades if the Plan is abandoned. Please see the PROCEDURE TO PURCHASE Section of this Offering Plan.

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

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

14) Unit 1 will include accessory space at the cellar level as part of the unit. Unit 1 will also include a rear yard area allocated as a limited common element. Unit 2 will include three accessory spaces at the second and third floor levels. The Unit 2 accessory space at the second floor level is enclosed by double sliding wood doors. The highest ceiling height at the third-floor level is 7 feet, 6 inches, which height point is located approximately 9 feet, 10 inches back from the north façade (front of the building). The third-floor ceiling slopes downward from its highest point northward to the front of the building to a ceiling height of 5 feet, 8 inches, and southward to the back of the building to a ceiling height of 6 feet, 6 inches. The lowest ceiling height of the third-floor rear accessory space is 6 feet, 6 inches, and the lowest ceiling height of the third-floor front accessory space is 5 feet, 8 inches. Unit 2 will also include a roof terrace allocated as a limited common element. The accessory spaces at the cellar, second, and third floor levels are for accessory use only, and may not be used for sleeping, cooking, and/or living purposes, nor may they be rented independently. No flammable items may be stored in the cellar. No permanent structures may be erected in the rear yard or on the roof terrace; only temporary structures such as screen tents or sukkahs are permitted. The right to use and occupancy of the limited common elements is subject to the right of the Condominium to enter into said areas for the purpose of inspection and/or building repairs. Please see SCHEDULE A and the DESCRIPTION OF PROPERTY AND BUILDING CONDITION and BYLAWS included in Part II of this Offering Plan for a more complete explanation.

15) At each unit closing the Sponsor will transfer maintenance manuals and warranties for said Unit, as applicable, to the Purchaser. At the meeting of the Board of Managers to be convened within sixty (60) days after the closing of the first unit the Sponsor will transfer construction documents, including “as-built” materials, maintenance manuals, and warranties, as applicable, to the Condominium. Please see the CONTROL BY THE SPONSOR section in Part I and the ARCHITECT’S REPORT located in Part II of this Offering Plan.

16) The obligations of a Purchaser under a Purchase Agreement are conditioned on the Purchaser obtaining financing. If a Purchaser intends to obtain mortgage financing, such Purchaser shall apply for said loan within five (5) days after receipt of a fully executed copy of the PURCHASE AGREEMENT and shall have forty (40) days from receipt of a fully executed copy of said PURCHASE AGREEMENT to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the lending institution applied to, provided that the loan offered by the lending institution is for at least the amount of the loan contemplated in the PURCHASE AGREEMENT. In the event Purchaser obtains a firm written commitment for financing and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however, in the event Purchaser has made such good faith effort to extend the commitment on the same terms and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, then Sponsor will return the down payment. Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Therefore, if the Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and Sponsor will grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right. Please see PROCEDURE TO PURCHASE in Part I, and PURCHASE AGREEMENT located in Part II of this Offering Plan.

17) In the event a child under eleven (11) years old resides in a unit or visits a unit for an extended period of time, the owner of that unit will be required, at his/her own cost and expense, to install child safety window guards on all windows in conformity with applicable New York City Administrative Code sections and shall not remove them until permitted by applicable law. Failure to do so may create great risk to the life and health

of such child, and result in the imposition of a violation against the building, which would be the responsibility of the unit owner to cure. Please see the ARCHITECT'S REPORT in Part II for a more complete explanation.

18) The Sponsor will install in each Unit a gas cooking range, Bosch or equivalent, a refrigerator, Bosch or equivalent, a dishwasher, Bosch or equivalent, a washer, LG or equivalent, and an electric dryer, LG or equivalent. Sponsor will not provide a microwave. To the extent the Purchaser elects to install a microwave or any other appliances in the Unit, same will represent an additional cost of purchasing the Unit. Please see the ARCHITECT'S REPORT included in Part II of this Offering Plan.

19) With regard to the roof, no permanent structures may be built on any of the roof areas without a permit from the NYC Dept. of Buildings and the permission of the Board of Managers. The Board of Managers will have access for inspection and structural repair and may regulate any one or more of the following aspects of construction:

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

Applicable zoning and building rules will not allow the construction of anything on the roof without issuance of a new Certificate of Occupancy. All required permissions and signoffs would be at the expense of the Unit Owner seeking to make the change and would require the permission of the Board of Managers. Any structural damage occurring to the roof shall be the sole responsibility of the Condominium and/or any such Unit Owner causing such damage and will need to be repaired at the Condominium or such Unit Owner's sole cost and expense as determined by the Condominium Board of Managers. Additionally, any warranty described in Part II may be voided by improper use of the roof. Any damage caused by the Sponsor shall be the responsibility of Sponsor to repair. Please see ARCHITECT'S REPORT included in this Offering Plan.

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

21) The Sponsor anticipates that the first closing of a unit will occur by July 1, 2026. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than June 30, 2027, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

Purchasers should note that even if the first closing occurs on or before June 30, 2027, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the Purchase Agreement, affected purchasers will be offered a right of rescission.

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

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

23) The Board of Managers does not have the right to approve or disapprove Purchasers, so there is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents. Please see the BOARD OF MANAGERS section located in Part I of this Offering Plan.

24) New York City Local Law 147 went into effect on August 28, 2018 and requires buildings with three or more residential units to adopt written smoking policies. For condominiums such as the subject premises, the Board of Managers must adopt such a policy; the policy for this condominium is as follows: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. This building prohibits smoking or using electronic cigarettes anywhere in the building, including within the units and any indoor or outdoor common or limited common areas. Please see the RIGHTS AND OBLIGATIONS OF UNIT OWNERS section of this Offering Plan.

25) It is anticipated that the Condominium will be self-managed by the unit owners. Therefore, no amount has been included in the projected budget for the first year of operation for a management fee. Should the Board of Managers elect to employ the services of a managing agent, this will represent an additional cost of approximately \$6,000 at the time of this writing, which would require a concomitant increase in the common charges. Please see FOOTNOTE 9 to SCHEDULE B for a more complete explanation, including a listing of some of the tasks that unit owners will need to perform in the absence of a managing agent.

26) It is anticipated that the Sponsor will hire one non-union part-time superintendent/porter for performing rubbish removal and working approximately 1 hour per week at an hourly rate of \$20.00. This estimate is based upon the assumption that a superintendent's apartment will not be built and used by the employee free of charge as part of his or her salary. Activities which the Unit Owners will need to perform in the event no superintendent is employed include rubbish removal, cleaning, painting, bulb replacement, snow removal, landscaping and minor repairs. Please see the FOOTNOTES TO SCHEDULE B section located in Part I of this Offering Plan.

27) Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the Purchaser is given the right of possession of that Unit pursuant to a written agreement with the Sponsor. The Sponsor has the option of determining whether it will restore the damaged Unit; if the Sponsor opts to restore the damaged Unit, it will restore same to conditions represented in the Offering Plan before a Purchaser will be obligated to close the sale of the Unit. The Sponsor will notify a Purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a Unit within 15 days of said casualty. If Sponsor decides to restore the Unit, the Sponsor shall have 15 days in which to restore the Unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs. If the Sponsor decides not to restore the Unit, the Purchase Agreement will be cancelled and all deposits and money for extras shall be refunded to the Purchaser. An

interim lessee assumes the risk of loss to his/her personal property that is not covered by the Condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the Unit despite such damage to the personal property. A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured. A person in possession prior to closing assumes the risk of losses not covered by insurance. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance, and whether they might be able to obtain renters' insurance. Please see the PROCEDURE TO PURCHASE section of the Offering Plan.

28) Any matter required or permitted to be determined by arbitration pursuant to the terms of the Declaration and By-laws, including disputes regarding the disposition of down payments, deposits, or advances received by the Sponsor, may be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York, in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. The single arbitrator will be an independent third party unrelated to either party in the dispute. The By-Laws do not provide for a waiver of jury trial. The foregoing does not in any way abrogate or modify the rights of Purchasers and Unit Owners pursuant to the Martin Act and governing regulations. Please see Article IX of the CONDOMINIUM BY-LAWS located in Part II of this Offering Plan.

29) On October 9, 2025, the Financial Crimes Enforcement Network ("FinCEN") announced the issuance of a revised Geographic Targeting Order ("GTO"). This revised GTO requires U.S. title insurance companies to identify and report to FinCEN the natural persons behind companies making certain "all-cash" purchases of residential real property if the transaction meets the following criteria:

1. Residential real property is purchased by a domestic or foreign business entity, including but not limited to a corporation, limited liability company, or partnership.
2. The residential real property is located in the Borough of Brooklyn, Queens, Bronx, Staten Island, or Manhattan
3. The purchase price exceeds \$300,000.00.
4. Such purchase is made without a bank loan or other similar form of financing.
5. Such 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, a funds transfer, or virtual currency.

The subject premises are located within the GTO described above. All-cash purchasers closing after October 10, 2025 and ending February 28, 2026 will be subject to the reporting requirements of this GTO. Purchasers are advised to confer with their own counsel regarding the effects of the GTO on their real estate purchases. Further information regarding the revised GTO is available at the following web address:

<https://www.fincen.gov/sites/default/files/shared/RRE-GTOs-Phase-18-Order.pdf>

Please see CLOSING COSTS & ADJUSTMENTS section of this offering plan.

30) Sponsor is not creating a fund on closing to be used as a reserve for capital expenditures. However, the budget for the first year of condominium operation in SCHEDULE B includes a budgeted yearly Capital Reserve Fund for repair and replacement of major systems or structural elements of the building. This budgeted item will start the gradual creation of a reserve fund. Unit owners will therefore be contributing to the yearly Capital Reserve Fund through their common charges, beginning with common charge adjustments paid at the closings of their individual condominium units. (Unit owners will also, at closing, pay their contributions to the building's Working Capital Fund.) It is not anticipated that there will be any substantial capital expenditures within the five (5) years immediately following the first closing of a Condominium Unit under the Offering Plan. However, it is possible that the budgeted reserve fund may not be sufficient to pay for the replacement of capital items likely to be needed within the first five years following the first closing of a Condominium Unit. In the event a need arises for substantial capital expenditures such as renewal or replacement of building components or systems, or to remedy major Building defects, and the reserve fund is inadequate to pay for those expenditures, it will be necessary to raise needed capital either by assessing individual Units or Unit Owners for the cost of such expenditures. While the Sponsor is in control of the Board of Managers, the reserve fund may not be used to reduce projected Common Charges in the Plan. Please see SCHEDULE B and FOOTNOTES TO SCHEDULE B for a more complete explanation.

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

Offering Plan that are specifically to be performed subsequent to the closing date, shall survive delivery of the deed. Please see SCHEDULE A, DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and RIGHTS AND OBLIGATIONS OF THE SPONSOR included in this Offering Plan.

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

33) In the event a purchaser takes possession of a unit prior to closing pursuant to an Interim Lease, upon a non-monetary default by Purchaser under the terms of the Interim Lease which is not cured within 30 days after notice thereof, or immediately after Purchaser exercises any right of rescission with respect to the Purchase Agreement, Purchaser's right to occupy the apartment will terminate, and PURCHASER must vacate the Unit. Purchaser shall pay to Sponsor a fee for each day they remain in possession following the periods set forth above. Nothing contained herein shall be construed to limit Sponsor's ability to have Purchaser evicted from the premises and to pursue any other legal remedy available to Sponsor, nor shall anything herein be construed as a waiver by the Sponsor of its right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement. Sponsor shall not seek or accept release of any portion of a Purchaser's deposit until the offering plan has been consummated. See the SAMPLE INTERIM LEASE set forth in Part II of the Plan.

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

35) A Unit Owner shall grant a right of access to his Unit, to the Board of Managers, the other Unit Owners, and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Specifically, the Unit Owners, Board of Managers and Managing Agent shall have an easement through Unit 1 to access the utility room located at the cellar level, and shall have an access easement through Unit 2’s limited common element roof terrace for maintenance and repair of any and all equipment located on the roof and any structural damage that may be caused to the roof. The New York City Fire Department (FDNY) shall also have access to the roof access paths located in and around such areas in case of emergency, in compliance with the NYC Fire Code. Please see the BY-LAWS located in Part II of this Offering Plan.

36) Sponsor has obtained a mortgage loan from Citizens Bank, N.A. having an office at One Citizens Plaza, Providence, RI 02903 (the “Mortgage Lender”) in the principal amount of \$1,434,000. Sponsor intends to satisfy the mortgage at or before the first unit closing with either the proceeds of sale of the first unit closing, the Sponsor’s own funds, or a combination of the two sources of funding. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units. Please see the RIGHTS AND OBLIGATIONS OF THE SPONSOR section of the Offering Plan.

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

38) The building is an existing structure dating approximately to the early 1900's undergoing alterations consisting of gut renovating the existing upper unit (Unit 2), reconfiguring all the floors of the Unit, and adding a new stair bulkhead with a new roof terrace. To the best of Sponsor's knowledge, there is no presence of lead-based paint or violations concerning lead-based paint. However, buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004, a copy of which is included in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for, lead paint. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

39) After the Property is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is often a gap in time between the date the New York City Department of Finance ("DOF") subdivides the separate tax lots for the individual units and the date the individual Units receive their own individual property tax bills. Purchasers shall be responsible for their real estate taxes from the date of their Unit closing even in the event that the DOF has not yet issued separate tax bills for the separate Unit tax lots. In such instance, Purchasers would be responsible for the portion of the building tax bill attributable to their Unit's percentage of common interest. If the Sponsor has prepaid property taxes for the Building, then the Purchaser shall be responsible for reimbursing the Sponsor for the portion of the tax bill attributable to their Unit from the date of the Unit closing. Please see the REAL ESTATE TAXES section of this Offering Plan.

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

41) This building was erected prior to the 1968 Building Code and is not equipped with an automatic sprinkler system, nor will an automatic sprinkler system be installed. Modern NYC Building Codes mandate automatic sprinkler systems for new buildings. The building is in compliance with the NYC Building Code section 901.9.1, Special Provisions for Prior Code Buildings). See ARCHITECT'S REPORT located in Part II of this Offering Plan.

42) On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law. This law extends, modifies, and in some cases replaces provisions of the Tax Cuts and Jobs Act of 2017, which had been scheduled to expire on December 31, 2025. OBBBA now governs the federal tax treatment of Unit Owners. The following is a summary of certain provisions that may affect Purchasers:

1. **Mortgage Interest Deduction**

- Interest on mortgage debt used to buy, build, or substantially improve a principal or second residence, and secured by that residence, is deductible on debt up to \$750,000 (\$375,000 for a married individual filing separately).
- For loans originated before December 15, 2017, and certain refinancings or binding contracts, the higher limit of \$1,000,000 (\$500,000 if married filing separately) continues to apply.
- Interest on most home equity loans or lines of credit is not deductible unless the debt qualifies as acquisition indebtedness.

2. **Deduction for State and Local Taxes ("SALT")**

- Real estate taxes assessed on a Unit and paid to the local taxing authority are deductible, but only within the overall cap on state and local taxes (including property, income, and sales taxes).
- For the 2025 tax year, the deduction is capped at \$40,000 per return

(\$20,000 for a married person filing separately).

- For the 2026 tax year, the cap increases to \$40,400 (\$20,200 for a married person filing separately).
- The cap increases annually through 2029 by one percent (101%) of the prior year's limit, plus \$100.
- Beginning in the 2030 tax year, the cap reverts to \$10,000 per return (\$5,000 if married filing separately).

3. **Phase-Out for High-Income Taxpayers**

- Starting in the 2025 tax year, itemized deductions (including those for mortgage interest and real estate taxes) begin to phase out for taxpayers with adjusted gross income above \$500,000.
- The threshold rises to \$505,000 in 2026 and increases annually through 2029 by \$5,000 plus one percent (101%) of the prior year's threshold.

4. **Alternative Minimum Tax (AMT)**

- No deduction for state or local real estate taxes is permitted when calculating liability under the federal alternative minimum tax.

5. **New York State and City Taxes**

- Unit Owners who use a Unit solely as a residence will generally be entitled to the same deductions for mortgage interest and real estate taxes for New York State and New York City income tax purposes as are permitted for federal income tax purposes.
- However, under state and city law, these deductions may be reduced for taxpayers with incomes above certain thresholds, which may differ from the federal limits.

Please see DEDUCTIONS TO UNIT OWNERS / STATUS OF CONDOMINIUM and COUNSEL'S TAX OPINION LETTER in Part I of this Offering Plan.

43) The most current asbestos report is under DEP ACP-5 Control Number 31258980. As per this report, gypsum board compound containing asbestos was not present at the second and third floor levels. The roofing material was assumed to have asbestos according to the inspector, but the scope of work on the roof to be affected is less than 10 square feet, thus the affected area shall be abated as a minor project in accordance with relevant provisions of the DEP Asbestos Rules. All other roof areas are also assumed to contain asbestos and remain undisturbed. There are no known existing materials to remain which were not tested but may contain asbestos. Future renovation work (exterior

and/or interior) may require additional asbestos testing and abatement. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

44) No new work, such as furring, insulation and/or interior finish, at any finished cellar spaces is proposed on the existing foundation walls and footings, and their type, material, thickness, and condition are unknown. The existence of sub-grade drainage system is also unknown. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

45) Heating and cooling of each unit shall be provided by electric mini-split heat pump units. The outdoor ductless heat pump unit and indoor ducted air handler unit in Unit 1 are existing. The remaining useful life of the units are unknown. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

46) All finishes, fixtures, and appliances in Unit 1 are existing and appear to be in good condition. Approximate age is unknown. See ARCHITECT'S REPORT located in Part II of this Offering Plan.

DEFINITIONS

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

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

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

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

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

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

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

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

Condominium: The building that is the subject of this Offering Plan subsequent to recording of the Declaration of Condominium against the subdivided tax lots pursuant to the terms of this Offering Plan.

Consummation of the Plan: The filing of the Declaration of the condominium and the first transfer of title to a condominium Unit to at least one purchaser under the Plan

following a declaration of effectiveness by the Sponsor.

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

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

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

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

Interim Lease: A written agreement by which a Purchaser who has entered into a Purchase Agreement to purchase a Unit is permitted to occupy said Unit prior to the closing of title if the Unit is legal for occupancy.

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

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

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

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

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

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

Sponsor: 740 Union Street, LLC, 740 Union Street, Brooklyn, NY 11215.

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

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

Working Capital Fund: A fund intended to provide capital beginning at the commencement of Condominium operations be used to make repairs and improvements and for other appropriate purposes as determined by the Board of Managers.

INTRODUCTION

This is an Offering Plan for the sale of residential condominium apartments at 740 Union Street, Brooklyn, New York. The purpose of this Plan is to set forth fully all material terms of the offer. This Plan may be amended from time to time if such amendment is filed with the New York State Department of Law. Any such amendments will be served on all prospective Purchasers who have executed a Purchase Agreement for any Unit, all Unit Owners, and all other persons entitled to service pursuant to 13 N.Y.C.R.R. § 20.3(d)(1).

The Sponsor of this offering is 740 Union Street, LLC, a New York Limited Liability Company formed on December 2, 2025, with an address at 740 Union Street, Brooklyn, NY 11215. The principals of the Sponsor are Christie Tiseo and Michael Tiseo, a married couple who currently reside in Unit 1. Following completion of renovation and no later than two (2) weeks before conveyance of Unit 1 to the Unit 1 purchaser, the principals of the Sponsor plan to move into Unit 2 and reside there for the foreseeable future while offering Unit 1 for sale. Unit 1 was renovated in 2014-2015, has since been occupied, and will be offered in “as-is” condition. The principals of the Sponsor acquired title to the property on May 22, 2014; the Sponsor is currently a contract vendee. The transfer of title of the property to the Sponsor shall take place no later than thirty (30) days prior to the conveyance of Unit 1 to the Unit 1 purchaser. Units will be conveyed free and clear of any mortgages, liens, title exceptions, or other encumbrances other than the easements disclosed in the Terms of Sale section of this Offering Plan and in the proposed Unit Deed. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

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

This Plan, including all schedules and exhibits submitted herewith, constitutes the entire Offering Plan. Copies of the Plan and Parts A, B, C, and D of the exhibits will be available for inspection to potential Purchasers and their attorneys at the office of the Sponsor indicated on the front cover of this Offering Plan, and the New York State Department of

Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York, without charge, and for copying, at a reasonable charge.

The premises consist of a single building composed of a cellar, a basement, and three stories, and containing, in aggregate, two (2) residential Units. The Property is located in the Park Slope section of Brooklyn, New York. There will be no on-site recreational facilities. The Sponsor will install in each Unit a gas cooking range, Bosch or equivalent, a refrigerator, Bosch or equivalent, a dishwasher, Bosch or equivalent, a washer, LG or equivalent, and an electric dryer, LG or equivalent. Sponsor will not provide a microwave. To the extent the Purchaser elects to install a microwave or any other appliances in the Unit, same will represent an additional cost of purchasing the Unit. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

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

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

The Building is an existing structure dating approximately to the early 1900's, which pre-dates Certificates of Occupancy. Renovations to the Building commenced in October of 2025, including a gut renovation of the existing upper unit (Unit 2), reconfiguring all the floors of the Unit, and adding a new stair bulkhead with a new roof terrace. Completion of the renovation is estimated for June of 2026. There is no change to use, occupancy, or exit resulting from the alteration. Sponsor will obtain all required permits and sign-offs, including a Letter of Completion, upon completion of the renovation. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

- (1) Each Unit Owner owns their Unit outright and is entitled to exclusive possession of such Unit. Each Unit Owner also has an interest in, and a right to use,

Common Elements and exclusive right to use Limited Common Elements of the Building. However, each Unit Owner is obligated to comply with the Declaration, By-Laws, rules and regulations, and any other requirements of the Board of Managers.

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

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by such Unit Owner(s). Thus, in this Condominium, Unit 1 will include a rear yard area allocated as a Limited Common Element. The Board of Managers and Unit 2 owner shall have an access easement through Unit 1 for purposes of accessing the cellar utility room. Unit 2 will include a roof terrace allocated as a Limited Common Element. No permanent structures may be erected in the rear yard or on the roof terrace; only temporary structures such as screen tents or sukkahs are permitted. All required permissions and signoffs would be at the expense of the Unit Owner seeking to make the change and would require the permission of the Board of Managers.

(3) After filing of the Declaration, each Unit will be separately taxed and may be separately mortgaged. Subject to tax laws in existence at the time of deduction, each Unit Owner may possibly deduct real estate taxes and mortgage interest from adjusted gross income for income tax purposes. No Unit Owner will be responsible for payment of, or any lien arising out of nonpayment of, real estate taxes assessed against any other unit in the building.

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

(5) Each Unit Owner must pay Common Charges in accordance with the New York Condominium Act (Real Property Law Sections 339 (i) and (m)), and any applicable state or local law. The Common Charges payable under the By-Laws will be based strictly on the projected cash requirements of ownership and operation of

the Property and may include an allowance for contingencies, replacements, and/or repairs. Furthermore, the Board of Managers may impose special assessments in order to meet emergencies, contingencies, or other unforeseen events, which will become the financial obligation of each Unit Owner. These assessments will be levied in direct proportion to the percentage of Common Interest allocated to each Unit.

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

(7) Unit Owners are responsible for maintenance and repairs to their individual Units.

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

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

The Offering Plan includes all material terms of the offering. The purchase prices, estimated Common Charges, and estimated real estate taxes for the first year of Condominium operation are set forth in SCHEDULE A. The projected budget for the first year of Condominium operation is set forth in SCHEDULE B.

Sponsor has obtained a mortgage loan from Citizens Bank, N.A. having an office at One Citizens Plaza, Providence, RI 02903 (the "Mortgage Lender") in the principal amount of \$1,434,000. Sponsor intends to satisfy the mortgage at or before the first unit closing with either the proceeds of sale of the first unit closing, the Sponsor's own funds, or a combination of the two sources of funding. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

While the Sponsor will endeavor in good faith to sell all units, Sponsor is not limiting the conditions under which it will rent rather than sell units after the plan has been consummated. There is no commitment to sell more units than the 15% necessary to declare the plan effective, which in this Plan constitutes one (1) residential Unit. Owner-occupants, therefore, may never gain effective control and management of the condominium. Additionally, the By-Laws do not include a provision that after expiration of the initial Sponsor control period, a majority of the Board of Managers must be owner-occupants or member of an owner occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident Unit Owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. If the Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor is bound by Sponsor's representation regarding its commitment to sell Units.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The structure which is the subject of this Offering Plan consists of a single Building composed of a cellar, a basement, and three stories, and containing, in aggregate, two (2) residential units. The Property is located in the Park Slope section of Brooklyn, New York. There will be no on-site recreational facilities. The Sponsor will install in each Unit a gas cooking range, Bosch or equivalent, a refrigerator, Bosch or equivalent, a dishwasher, Bosch or equivalent, a washer, LG or equivalent, and an electric dryer, LG or equivalent. Sponsor will not provide a microwave. To the extent the Purchaser elects to install a microwave any other appliances in the Unit, same will represent an additional cost of purchasing the Unit.

Certain Units will have the right to exclusive use of portions of the Common Elements of the property. These areas are called Limited Common Elements. Unit 1 will include a rear yard area as a Limited Common Element. The Board of Managers and Unit 2 owner shall have an access easement through Unit 1 for purposes of accessing the cellar utility room. Unit 2 will include a roof terrace allocated as a Limited Common Element. No permanent structures may be erected in the rear yard or on the roof terrace; only temporary structures such as screen tents or sukkahs are permitted. The right to use and occupancy of the Limited Common Elements is subject to the right of the Condominium to enter into said areas for the purpose of inspection and/or Building repairs.

The Building is an existing structure dating approximately to the early 1900's, which pre-dates Certificates of Occupancy. Renovations to the Building commenced in October of 2025, including a gut renovation of the existing upper unit (Unit 2), reconfiguring all the floors of the Unit, and adding a new stair bulkhead with a new roof terrace. Completion of the renovation is estimated for June, 2026. There is no change to use, occupancy, or exit resulting from the alteration. Sponsor will obtain all required permits and sign-offs, including a Letter of Completion, upon completion of the renovation. Unit 1 was renovated in 2014-2015, has since been occupied, and will be offered in "as-is" condition. Units will be conveyed by delivery of a UNIT DEED as set forth in Part II of this Offering Plan.

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

as required by the New York City Administrative Code. The Unit Owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational.

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

LOCATION AND AREA INFORMATION

The premises are located in the Park Slope section of Brooklyn. This is a residential urban neighborhood that is served by shopping, recreational, medical, religious, and educational facilities, as well as a network of streets, roads, and urban transportation. Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York.

The Property is located on Union Street between 5th and 6th Avenues. Nearby 5th and 7th Avenues are main thoroughfares of shopping, restaurants, and activity. The B67 and B69 buses serve 7th Avenue, and the B63 bus serves 5th Avenue. Both the B63 and the B67 buses provide access to the nearby Barclays Center, home of the Brooklyn Nets. The R subway line has a station located nearby at Union Street and 4th Avenue. The 2/3 subway line also has a stop located nearby at Grand Army Plaza. Also near Grand Army Plaza is the main branch of the Brooklyn Public Library. The Brooklyn Botanic Garden is nearby. A branch of local grocery and gourmet store Union Market is located at the corner of Union Street and 6th Avenue. The subject premises are within walking distance of Prospect Park. Methodist Hospital is located nearby at 7th Avenue and 6th Street. Nearby places of worship include the Church of St. Francis Xavier, at 6th Avenue and Carroll Street, and Congregation Beth Elohim, at 8th Avenue and Garfield Place. As of December 2025, the current zoned elementary school is P.S. 282, located in District 13. The private Berkeley Carroll School is also located nearby.

Zoning of the site is R6A Residential, which permits residential use as-of-right, as well as community facilities such as churches, schools, and medical offices.

The immediate vicinity of the condominium is residential. There are no undeveloped areas or projects by the Sponsor in the immediate vicinity of the condominium (i.e., within one block of the property). Sponsor is not aware of any publicly announced development projects that will be adjacent to or directly across the street from the property. If the Sponsor or the principals of the Sponsor acquire any undeveloped areas adjacent to or directly across the street from the subject property while sales are continuing, such information will be disclosed in an amendment to the Offering Plan within 30 days.

All services and amenities described in this section of the Offering Plan are believed to be accurate at the time of writing. However, Purchasers are encouraged to perform their own investigations to confirm their eligibility for, and the availability of, any listed

services or amenities. In no event shall the Sponsor or the Sponsor's attorney be liable for changes to the amenities or services described herein.

SCHEDULE A
740 Union Street, Brooklyn, New York
PURCHASE PRICES AND ALLOCATION OF COMMON INTEREST
First Year of Operation
July 1, 2026 - June 30, 2027

Unit	Sq. Ftg. (1A)	Uninhabitable/Other Sq. Ftg. (See Note 1) (1B)	Bdms/Baths (2)	% of Common Interest (3)	Offering Price (4)	Projected Monthly Common Charges (5)	Projected 1st Year Monthly Real Es. Taxes (6)	Projected 1st Year Monthly Carrying Charges (7)	Projected Post-Completion Monthly Real Es. Taxes (8)	Projected Post-Completion Monthly Carrying Charges (9)	Projected Annual Common Charges (10)	Projected 1st Year Annual Real Es. Taxes (11)	Projected 1st Year Annual Carrying Charges (12)	Projected Post-Completion Annual Real Es. Taxes (13)	Projected Post-Completion Annual Carrying Charges (14)
1	1,530	1,466	2/2.5	50.00%	\$ 3,300,000	\$731.92	\$408.33	\$1,140.25	\$690.17	\$1,422.08	\$8,783.00	\$4,900.00	\$13,683.00	\$8,282.00	\$17,065.00
2	1,618	651	1/2.5	50.00%	-	\$731.92	\$408.33	\$1,140.25	\$690.17	\$1,422.08	\$8,783.00	\$4,900.00	\$13,683.00	\$8,282.00	\$17,065.00
TOTALS	3,148	2,117		100%	\$ 3,300,000	\$1,463.83	\$816.67	\$2,280.50	\$1,380.33	\$2,844.17	\$17,566.00	\$9,800.00	\$27,366.00	\$16,564.00	\$34,130.00

Notes:

- 1) As part of the "Uninhabitable/Other Sq. Footages" listed above, Unit 1 will have a cellar accessory area of approximately 714 sf as part of the unit. Additionally, Unit 1 will include a rear yard area of approximately 657 sf and a utility room at the cellar level of approximately 95 sf allocated as a limited common element. Unit 2 will include a non-habitable vestibule at the first floor level leading upstairs to the the Unit 2 entrance approximately 30 sf and a non-habitable vestibule at the stair bulkhead leading to the roof terrace of approximately 106 sf. Additionally, Unit 2 will include a roof terrace area at the roof level totaling approximately 515 sf allocated as a limited common element.
- 2) The cellar accessory space situated within Unit 1 and the accessory spaces on the 2nd and 3rd floors situated in Unit 2 may not be legally used as a bedroom, living room, or dining room, or for any other use construed as "habitable space" as defined by the New York City Building Code, nor may these spaces be rented out. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility of the Unit Owner to correct and remove.
- 3) In addition to the offering prices above, there are additional closing costs assessed against each unit such as document preparation fees, payment of transfer taxes, reimbursement fee, working capital fund contribution equal to two months' common charges, etc. Additionally, Purchasers will pay their own title insurance costs, recording charges, and mortgage recording taxes. Please see the CLOSING COSTS AND ADJUSTMENTS section of this Offering Plan for a more complete explanation.
- 4) **THE PROJECTED REAL ESTATE TAXES FOR THE FIRST YEAR OF OPERATION CONTAINED IN SCHEDULE A ARE BASED ON AN ASSESSMENT OF THE BUILDING BEFORE CONSTRUCTION IS COMPLETE. PURCHASERS ARE ADVISED THAT REAL ESTATE TAXES MAY INCREASE MATERIALLY WHEN THE BUILDING IS REASSESSED AFTER CONSTRUCTION IS COMPLETE. SEE FOOTNOTE #11 TO SCHEDULE A FOR MORE INFORMATION REGARDING THE PROJECTED ASSESSED VALUATION AFTER COMPLETION OF CONSTRUCTION.**

FOOTNOTES TO SCHEDULE A

1. The square footage of the units listed in SCHEDULE A of this Offering Plan is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area and adding together for each apartment all of the areas contained therein. The square footage of each unit is based upon a “gross” square footage measurement calculated as follows: horizontally, approximately to the outside face of the exterior walls of the building. Dimensions shall be to the centerline of demising walls dividing units from each other. Dimensions shall be to the property line at lot line walls. Stairs internal to the units shall be included in the area calculations. As a result, the actual area comprising the condominium unit is significantly less than listed in Schedule A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT’S REPORT set forth in Part II of this Offering Plan and may vary within reasonable tolerances from the “as-built” square footage as subsequently described in the condominium Declaration. As part of “Uninhabitable/Other Square Footage” listed in Column 1B, all residential Units will each have certain areas of the subject premises allocated to them as Limited Common Elements. For a more detailed explanation of Limited Common Elements allocated to the respective Units, please see NOTE 1 on the face of SCHEDULE A of the Offering Plan.

2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths that do not include a tub or shower are counted as half baths. Please see the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate within reasonable tolerances, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.

3. The determination of percentages of Common Interest allocated to each unit is based upon equal percentages, one for each unit as of the date of filing the Declaration, or in equal percentages within separate classifications of units as of the date of filing the Declaration, as per Section 339(i)(1)(iii) of the New York State Real Property Law.

4. Across-the-board changes in unit prices, advertised price changes, and increases in individual unit prices may be made only by an amendment duly filed with the New York State Department of Law; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. Purchasers will also incur certain closing costs in connection with the purchase of their unit. See CHANGES IN PRICES IN UNITS and CLOSING COSTS AND ADJUSTMENTS sections of this Offering Plan.
5. The calculations for the projected monthly common charges for each unit are based on 1/12 of the projected annual common charges for each unit. For a more detailed explanation of the projected common charges, please see Footnote 8 below.
6. The calculations for the projected monthly real estate taxes for the first year of operation for each unit are based on 1/12 of the projected annual real estate taxes for the first year of operation for each unit. For a more detailed explanation of the projected real estate taxes for the first year of operation, please see Footnote 9 below.
7. Monthly carrying charges for the first year of condominium operation are composed of the monthly common charges and the monthly real estate taxes as projected against each unit for the first year of condominium operation.
8. Estimated post-completion monthly real estate taxes for each unit are based on 1/12 of the estimated annual post-completion real estate taxes as provided by MGNY. For a more detailed explanation of the post-completion estimated real estate taxes, please see Footnote 13 below.
9. Monthly post-completion carrying charges are composed of the monthly common charges and the monthly post-completion real estate taxes projected against each unit.
10. Projected Common Charges for the first year of operation include only those expenses which are enumerated in SCHEDULE B. Common Charges do not include such expenses as repairs to the interior of the owner's unit, and the owner's individual electricity, cable, Internet service, air conditioning, and telephone expenses; individual costs for heat and hot water for each apartment are set forth in SCHEDULE B1 of this Offering Plan. Moreover, if the purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Common Charges. Common Charges are arrived at by allocating to each unit a share of the

Monthly Charges proportionate to the Common Interest which that unit bears in the condominium.

11. After the Condominium is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the nonpayment of taxes on other Units.

The anticipated date of completion of construction is June of 2026.

Calculations of real estate taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of Common Interest. The taxing authority is New York City Department of Finance ("DOF"). Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year.

The first year of condominium operation is expected to commence on July 1, 2026, which corresponds with the commencement of the 2026/2027 New York City property tax year. Sponsor has received an estimate dated November 21, 2025 from MGNY Consulting Corp., 109 East 9th Street, Ground Fl., New York, NY 10003 ("MGNY"), of an estimated tax liability for the building. The property is currently assessed in Tax Class 1, which consists of buildings with 1- to 3-family primarily residential units. MGNY is of the opinion that the building will remain Tax Class 1 after completion of construction.

Although construction of the subject premises will be completed by the first year of condominium operation, **THE SPONSOR DOES NOT ANTICIPATE THAT THE REAL ESTATE TAXES FOR THE FIRST YEAR OF OPERATION WILL REFLECT THE FULL POST-COMPLETION ASSESSED VALUE OF THE PROPERTY. PURCHASERS ARE ADVISED THAT THEIR REAL ESTATE TAXES ARE LIKELY TO INCREASE IN THE SECOND YEAR OF CONDOMINIUM OPERATION TO REFLECT THE FULL POST-COMPLETION ASSESSED VALUE.** This is because assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year. The status of the building on January 5th of each year is the basis of the assessment for the fiscal year beginning that July 1st. In the present case, construction is expected to be completed in May of 2026, with the assessed value of the property as of January 5th forming the basis for the tax burden due for the 2026/2027 tax year commencing July 1, 2026.

Accordingly, based upon an estimated partial completion, MGNY projects an estimated assessed value of the building for the 2026/27 tax year, corresponding with the projected first year of operation, of \$48,795. Assuming a tax rate of 20.085% for Tax Class 1 properties, the projected total first year tax burden for the entire building is \$9,800 for the 2026/2027 tax year.

In the second year of operation, anticipated to commence on July 1, 2027 (and therefore coinciding with the 2027/2028 tax year), MGNY estimated that the post-completion value of the property will be \$82,470. At a tax rate of 20.085%, this results in a projected post-completion tax burden of \$16,564 in the second year of operation.

Unit owners should be entitled to deduct real property taxes paid on the Unit for income tax purposes subject to the limits of the One Big Beautiful Bill Act ("OBBBA") and the current IRS Tax Code. Income tax deductions may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. See the REAL ESTATE TAXES section of this Offering Plan, ASSESSED VALUE LETTER FOR REAL ESTATE TAXES and COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

12. Annual carrying charges are composed of the annual common charges and the annual real estate taxes projected against each unit for the first year of condominium operation.

13. Sponsor has received an estimate dated November 21, 2025 from MGNY Consulting Corp., 109 East 9th Street, Ground Fl., New York, NY 10003 ("MGNY"), of the post-completion assessed value of the property for real estate tax purposes of \$82,470. Therefore, utilizing an anticipated tax rate of 20.085%, the annual post-completion tax burden for the entire building is projected to be approximately \$16,564.

The real estate taxes payable in SCHEDULE A are determined by applying the projected tax rate to the projected assessed value after completion of renovation and then allocating the resulting taxes to the units in accordance with common interest. The City of New York is not bound by the allocation of Common Interest and may allocate on a different basis. All figures are estimates.

Unit owners should be entitled to deduct real property taxes paid on the Unit for income tax purposes subject to the limits of the One Big Beautiful Bill Act ("OBBBA") and the current IRS Tax Code. Income tax deductions may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. See the REAL ESTATE TAXES section of this Offering Plan, ASSESSED VALUE LETTER FOR REAL ESTATE TAXES and COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

14. Annual post-completion carrying charges are composed of the annual common charges and the annual post-completion real estate taxes projected against each unit.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION THE 740 UNION STREET CONDOMINIUM July 1, 2026 – June 30, 2027

INCOME

Common Charges	\$ 17,566
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EXPENSES

Heat and Hot Water (1)	\$ -0-
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Electricity (2)	\$ 139 *
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Water and Sewer (3)	\$ 3,700
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Repairs, Maintenance, Service, Supplies (4)	\$ 1,500
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Insurance (5)	\$ 5,400
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Legal and Accounting Fees (6)	\$ 2,500
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Labor (7)	\$ 1,570
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Management (8)	\$ -0-
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Miscellaneous Reserve (9)	\$ 1,000
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Capital Reserve Fund (11)	<u>\$ 1,757</u>
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Total	\$ 17,566
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Note: All figures are rounded to the nearest dollar.

* Electrical fixtures in the common areas are connected to the Unit 1 electric meter. The Unit 1 owner will receive a credit for half of the amount listed.

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

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

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

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

FOOTNOTES TO SCHEDULE B

1. There is no gas servicing the common areas for heat or hot water. Each Unit shall be separately metered for gas for the provision of heat, hot water, and cooking purposes, and each Unit Owner shall be responsible directly to the gas utility for the cost of gas consumed within or for their Unit. Estimates of each Unit Owner's expenses for consumption of gas are set forth in SCHEDULE B-1.
2. The Sponsor has obtained an estimate, dated October 20, 2025, from Karacoban Engineering PC, 1178 Broadway, 3rd Fl #3593, New York, NY 10001, of approximately \$139 for the annual cost of electrical usage for the common areas based on approximately 473 kilowatt hours (kwh) per year a rate of \$0.293 per kwh. The projection in SCHEDULE B includes a 10% allowance for inflation, and the cost of all applicable state and local taxes. The electrical fixtures in the common areas, including the lighting in the foyer, front exterior, and in the cellar utility room, are connected to the Unit 1 electric meter. The owner of Unit 1 shall receive a credit for half of the budgeted amount listed. Purchasers shall be responsible for individual utility costs for their own apartments.
3. Water is supplied by the City of New York through a single water meter serving the entire Building. The Sponsor has obtained an estimate dated October 20, 2025 from Karacoban Engineering PC, 1178 Broadway, 3rd Fl #3593, New York, NY 10001, estimating total water consumption for the Building at 211,700 gallons per year. The annual cost is based on the combined water and sewer rate of \$13.07 per 100 cubic feet of water consumed. The projected figure in SCHEDULE B includes a 10% allowance for inflation.
4. Repairs, maintenance, service, supplies: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. Additionally, the budgeted figure includes the projected cost for items expected to be consumed in the normal course of building operation, including light bulbs, cleaning supplies, paints, and hardware items. Insofar as this is a newly renovated building, it is not anticipated that any major repairs will be required. The budgeted figure includes such items of regular maintenance as cleaning, painting and minor mechanical, carpentry, or electrical work. Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances.

5. Insurance: The Condominium's budget for insurance must provide, and the Condominium must have at closing, fire and casualty insurance. Sponsor has received a letter, dated October 23, 2025, estimating the cost of coverage for the building via a package policy through BDI Insurance Agency, 208 Lenox Avenue, Ste. 329, Westfield, NJ 07090 in the following coverage amounts:

Building.....\$1,600,000 "All Risk" agreed amount
Replacement Value

Rent Loss.....Actual up to 12 Months

Liability.....\$1,000,000 Per Occurrence
\$2,000,000 Aggregate

Deductible.....\$2,500

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

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

The policy does not include officers and directors liability, umbrella coverage, boiler coverage, or blanket fidelity, which can be provided at extra cost. Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to

cover such risk as fire and casualty losses to unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on the limited common elements pertinent to the units.

6. Legal and Accounting Fees: This figure is based on the estimate, dated October 8, 2025, received from Marin & Montanye LLP, 90 Merrick Avenue, Ste. 605, East Meadow, NY 11554, certified public accountants, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$2,500.00. It is not anticipated that any legal services would be required during the first year of operation. In the event that legal services are required, same will represent an additional cost to the Condominium. An attorney for the Condominium has not been determined. The Condominium Board of Managers will determine the attorney for the Condominium in the future.

7. The budgeted figure anticipates one part-time superintendent/porter performing rubbish removal and working approximately 4 hours per month at an hourly rate of \$20.00. Additionally, the budgeted figure anticipates snow removal four times per year at \$60 per snow removal. Due to the size of the building, it is anticipated that the Unit Owners will perform the balance of the ordinary maintenance such as replacement of light bulbs, common area cleaning, etc.

The budgeted figure also includes FICA, New York State Unemployment Insurance, Federal Unemployment Insurance, Workers Compensation and Disability Insurance, and also meets state minimum wage laws. Superintendent services are available on a 24-hour a day basis for an additional charge. The budgeted figure does not anticipate use of union personnel, which would result in a higher annual cost, and would require a concomitant increase in common charges. The anticipated level of staffing complies with all applicable housing and labor statutes. Plumbing, electrical, mechanical or carpentry work will require the engagement of personnel for those purposes.

8. Due to the size of the building, it is expected that the building will be self-managing. Should the Board of Managers elect to employ the services of a managing agent, this will represent an additional cost of approximately \$6,000 at the time of this writing, which would require a concomitant increase in the Common Charges.

Activities which the unit owners will need to perform in the event no managing agent is employed include maintenance of checking and savings accounts for the Condominium;

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

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

10. The projected item represents a reserve for repair or replacement of major mechanical systems or structural elements of the Building. It is Sponsor's opinion that the yearly Capital Reserve Fund will be sufficient to pay for major capital repairs or replacement items likely to be needed within the first five years of operation, though this opinion is not a guarantee; see RESERVE FUND section of this Offering Plan. The Capital Reserve Fund may not be used for regular operating expenses or to reduce the monthly common charges.

SCHEDULE B1
July 1, 2026 – June 30, 2027

Natural gas is individually metered to each residential Unit for heat, hot water, and cooking. The attached Exhibit A includes annual estimates obtained on October 20, 2025, from Karacoban Engineering PC, 1178 Broadway, 3rd Fl #3593, NYC 10001 (“Sponsor’s Utility Projection Expert”), for the cost of providing gas to each residential Unit. Gas costs are based upon an average rate of \$0.605 per therm, plus a monthly delivery charge of \$25.20.

Electricity costs are based upon a rate of \$0.293 per kilowatt hour. The attached Exhibit A includes annual estimates obtained on October 20, 2025 from Sponsor’s Utility Projection Expert for the cost of providing electricity for each residential unit.

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

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

The 740 Union Street Condominium

July 1, 2026 - June 30, 2027

SCHEDULE B1 - EXHIBIT A

<u>Unit</u>	Estimated Annual Gas Usage (therms)	Estimated Annual Gas Cost (\$)	Estimated Annual Electric Usage (kWH)	Estimated Annual Electric Cost (\$)
1	2,002	\$1,514.00	14,076 *	\$4,124.00
2	1,973	\$1,496.00	13,584	\$3,980.00

* Estimated annual electric usage for Unit 1 does not include estimated annual

CHANGES IN PRICES AND UNITS

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

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



December 20, 2025

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

740 UNION STREET, LLC
740 UNION STREET
BROOKLYN, NY 11215

Dear Sir or Madam:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 740 Union Street, Brooklyn, New York, with Section 339(i)(1)(iii) of the New York Real Property Law. You have informed us that the method of allocation chosen is that the interest of each of the units shall be in equal percentages, one for each unit as of the date of filing the Declaration, or in equal percentages within separate classifications of units as of the date of filing the Declaration. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339(i)(1)(iii) of the New York State Real Property Law.

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

Sincerely,

Hal Lehrman

Licensed Real Estate Broker

INTERIM LEASE

The Sponsor may, at Sponsor's option, extend an interim lease to any Purchaser who has executed a Purchase Agreement for a Unit at the subject premises and is not in default thereon. It shall be in the Sponsor's sole and exclusive discretion as to whether or not to offer an interim lease. The Sponsor may, for any or for no reason, refuse to offer an interim lease to any Purchaser. The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status, or any other grounds prohibited by law. Interim leases or short-term leases shall not be offered to any party who has not executed a Purchase Agreement for a Unit. The Sponsor may, however, rent any Unit to a Purchaser in contract under the Plan as an interim lessee, including prior to consummation of the Plan. The interim lease shall not create a landlord-tenant relationship but shall be deemed a use and occupancy agreement and part of the contract. No rental protection laws are applicable to the interim leases. The interim lease will provide that in the event the Purchase Agreement is cancelled or the Plan is abandoned, the Interim Lessee will move out on 30 days written notice. The interim lease will further provide that an uncured default under the Purchase Agreement is a default under the interim lease, and that an uncured default under the interim lease is a default under the Purchase Agreement. Notwithstanding the foregoing, before the Sponsor can utilize a default under the interim lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim lessee, unless the interim lessee has vacated the Unit. Interim lessee has 30 days to vacate the Unit after receipt of written notice of a default, after delivery to the Sponsor of written notice of exercise of right of rescission, or after delivery to the Purchaser of written notice that the Plan has been abandoned. A person who takes possession of a Unit prior to closing assumes the risk of losses not covered by insurance. Any conflict between the Plan and the interim lease will be resolved in favor of the Plan. A SAMPLE INTERIM LEASE is located in Part II of this Offering Plan.

PROCEDURE TO PURCHASE

Persons desiring to purchase Condominium Units will be required to execute a Purchase Agreement in the form contained in Part II of this Plan and return it to the attorney for the Sponsor, together with a check in the amount of 10% of the purchase price as a contract deposit, drawn to the order of ELAINE GAY, ESQ., As Attorney. The Sponsor is not obligated to negotiate with the Purchaser. Sponsor reserves the right to accept a lesser contract deposit to accommodate Purchasers, but in no case will the contract deposit be less than 5% of the purchase price of the unit.

The prospective Purchaser must have the Offering Plan and all filed amendments in his/her possession at least three (3) business days prior to executing the Purchase Agreement. In the event Purchaser has not had said Offering Plan in his possession for at least three (3) business days prior to execution, Purchaser may rescind the Purchase Agreement by mailing Notice of Rescission to Sponsor or selling agent, or by hand delivering notice, within seven (7) days after executing same. Notice by mail will be effective if it is postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreements shall not be binding on any party until accepted by the Sponsor. Within twenty (20) days after the prospective purchaser has delivered to the selling agent a signed Purchase Agreement together with the required contract deposit, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart or reject the Purchase Agreement and refund in full any contract deposit taken. If the Sponsor takes no action, the Purchase Agreement will be deemed rejected. This Offering Plan will expire twelve (12) months from the date on which it is accepted by the New York State Department of Law, unless extended by a duly filed amendment hereto.

All contract deposits will be placed in an escrow account in conformity with the disclosures contained in this Plan.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. All funds paid by purchasers shall be handled in accordance with said statutes and regulations.

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

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

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

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

All deposits made by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of ELAINE GAY, ESQ., as Escrow Agent.

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

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

Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of a fully executed Purchase Agreement or the performance or non-performance of Escrow

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

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

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

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

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

All deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL section 352-h and the New York Lien Law 71-a(3). All funds, including funds for upgrades and/or extras, will be returned in the event that the Plan is abandoned, but such funds will not be returned in the event of rescission.

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

The escrow agent shall release the deposit if so directed:

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

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

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

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

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

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

appropriate arrangements for the maintenance of these records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

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

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the Purchaser is given the right of possession of that Unit pursuant to a written interim lease agreement with the Sponsor. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. The Sponsor will restore the damaged Unit to conditions represented in the Offering Plan before a Purchaser will be obligated to close the sale of the Unit. The Sponsor will notify a Purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a Unit within 15 days of said casualty. If Sponsor decides to restore the Unit, the Sponsor shall have 15 days in which to restore the Unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs, so long as such longer period of time is reasonable. If the Sponsor decides not to restore the Unit, the Purchaser in such case would have the right to rescind. Sponsor will thereafter return the contract deposit within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind. An interim lessee assumes the risk of loss to their personal property that is not covered by the condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the Unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance.

Purchase Agreements will be contingent on Purchaser obtaining a firm written commitment for financing. Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for financing within such 40 day period, and fails to notify Sponsor's attorney within five days thereafter, **TIME BEING OF THE ESSENCE THERETO**, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his/her contract deposit, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written

commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the contract deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution. However, in the event Purchaser has made such good faith effort to extend the commitment and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, and that Purchaser is exercising his right to rescind the contract, Sponsor will return the contract deposit within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind. In addition, under New York law, when a mortgage commitment is not fulfilled through no fault of a Purchaser, performance is excused. Therefore, if the Purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the Sponsor must grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right.

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

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

included herein, Sponsor reserves the right to include such waiver in a subsequent amendment.

On closing, Purchaser will be required to sign a Power of Attorney in favor of the Board of Managers as otherwise set forth in this Offering Plan. Failure to sign the Power of Attorney at closing shall constitute an event of default, which may result in forfeiture of the Purchaser's contract deposit.

The Sponsor anticipates that the first closing of a unit will occur by July 1, 2026. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first Unit occurs later than June 30, 2027, twelve months after the projected date for the first Unit closing. If the Plan is amended to provide for a later projected date for the first closing, Purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first Unit closing occurs before June 30, 2027, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.** In the event, however, that Sponsor cannot convey title to the unit on or before twelve (12) months from the date of the Purchase Agreement, affected Purchasers will be offered a right of rescission.

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

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

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

EFFECTIVE DATE

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

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

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

Notwithstanding the fact that not all Purchasers used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effective in order to consummate the Offering Plan in accordance with 13 N.Y.C.R.R. § 20.1(c)(6). If all

Purchase Agreements are either rescinded or terminated prior to the date of first Unit closing, regardless of whether the Declaration has been recorded, Sponsor must re-declare the Offering Plan effective.

The Plan must be declared effective upon the execution of Purchase Agreement for 80% (in number, not common interest) of the units, which, in the case of this Plan means the one (1) unit being offered. Prior to the sale of 80% of such Units, or prior to being declared effective, the Plan may be abandoned by the Sponsor at its option. The Sponsor cannot abandon the Plan for any judgments or liens against the property resulting from acts of the Sponsor or any of its principals or which are known to the Sponsor on the date of the Plan. If the Sponsor abandons the Plan, the Sponsor will return all monies paid by Purchasers, including deposits and the cost of custom work, if any, together with interest earned, if any, within ten business days. The Sponsor will also file with the New York State Department of Law an amendment abandoning the Plan and form RS-3, detailing why the Plan was abandoned, and explaining all disbursements of funds. If payments under Purchase Agreements have been received, the amount of such funds and the manner and time when these funds will be returned to Purchasers must be disclosed. The funds must be returned within five (5) days after the amendment abandoning the Plan has been accepted for filing.

The Sponsor may not abandon the Plan after it has been declared effective for any reason other than: a defect in title which cannot be cured without litigation, or expenditure of an amount in excess of one-half of one percent (0.5%) of the total offering price, or substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half of one percent (0.5%) of the total offering price, or the taking of any material portion of the Property by condemnation or eminent domain; however, any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees. Such title defects, violations, or substantial damage or destruction of the building by fire or other casualty, or determinations of any authority or regulatory association, which exist on the date of the presentation of the Plan, and are either known to the Sponsor, or are a matter of public record, shall be excluded from calculations under this section. Additionally, any dollar amount relied on as a basis for abandonment after effectiveness must exclude any attorney's fees. The Sponsor may also not abandon the plan on account of any judgments or liens against the property resulting from the acts of the Sponsor or any of its principals, or which are known to the Sponsor or any of its principals on the date of presentation of the Plan.

TERMS OF SALE

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

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the Purchaser is given the right of possession of that unit pursuant to an written interim lease agreement with the Sponsor. A person who takes possession prior to closing assumes the risk of losses not covered by insurance. The Sponsor will restore a damaged Unit to conditions represented in the Offering Plan before a purchaser will be obligated to close the sale of the unit. The Sponsor will notify a Purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a Unit within 15 days of said casualty. If Sponsor decides to restore the Unit, the Sponsor shall have 15 days in which to restore the Unit or such longer time as is required to accommodate the delivery of materials that must be ordered to complete any such repairs, so long as such longer period of time is reasonable. If the Sponsor decides not to restore the Unit, the Purchaser in such case would have the right to rescind. Sponsor will thereafter return the contract deposit within 10 days of Sponsor's receipt of Purchaser's notification of exercise of right to rescind. An interim lessee assumes the risk of loss to his/her personal property that is not covered by the Condominium's insurance, and, unless the casualty resulted from the act of the Sponsor or those acting under the Sponsor, the interim lessee would be obligated to close the sale of the unit despite such damage to the personal property. Purchasers and interim lessees are advised to confer with an insurance adviser regarding obtaining property and liability insurance.

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

Permitted Exceptions

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

1. Rights of tenants or persons in possession, if any;
2. Standard exceptions contained in the title report;
3. Taxes, tax liens, tax sales, water rates, sewer rents and assessments set forth herein.
4. AS TO THE BUILDING: Any statement of facts which a subsequent survey of would disclose provided that such additional statement of facts do not render title unmarketable;

AS TO THE UNIT: With respect to Condominium Unit No. ____ the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

5. The following covenants, conditions, easements, leases, agreements of record, etc.:

A) Party Wall Agreement in Liber 1642 Page 513.

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

In general, sellers of real property are obligated to pay the New York State Transfer Tax (“NYSTT”), currently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage. However, the terms of this Offering Plan and the PURCHASE AGREEMENT included in Part II herein transfer the statutory obligation to pay the NYSTT to the Purchaser. The New York State Tax Law Section 1404(a) (the “Amended Tax Law”) has been amended as of July 1, 2021 to provide that in the case of a conveyance of residential real property as defined in subdivision (a) of section fourteen hundred two-a of this article, if the tax imposed by this article is paid by the grantee pursuant to a contract between the grantor and the grantee, the amount of such tax shall be excluded

from the calculation of consideration subject to tax under this article. Pursuant to the Amended Tax Law, transfer taxes shall not be payable, directly or indirectly, by the Purchaser unless the same is explicitly provided for under the Purchase Agreement between Sponsor and Purchaser. The Purchase Agreement located in Part II of this Offering Plan explicitly provides that the Purchaser shall be responsible for paying the NYSTT. Therefore, the Purchase Agreement imposes this obligation upon the Purchaser.

Sponsor has obtained a mortgage loan from Citizens Bank, N.A. having an office at One Citizens Plaza, Providence, RI 02903 (the “Mortgage Lender”) in the principal amount of \$1,434,000. Sponsor intends to satisfy the mortgage at or before the first unit closing with either the proceeds of sale of the first unit closing, the Sponsor’s own funds, or a combination of the two sources of funding. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

CLOSING COSTS AND ADJUSTMENTS

As set forth in the Purchase Agreement, the Purchaser will pay the following estimated closing costs at the time of closing of title for the Purchaser's Unit. Purchaser may use any title insurance company of his or her choosing without incurring a penalty. These estimates are based on current costs and charges, which are subject to change:

- (a) If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium thereof which will vary depending upon the purchase price of the Unit. Rates set by the New York Board of Title Underwriters are \$723.00 on a Purchase Price of \$200,001.00 and approximately \$2.60 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently \$137.00 on a mortgage of \$100,001.00 and \$0.77 for each additional thousand dollars or fraction thereof. Where mortgage and fee title are obtained simultaneously the charge for mortgage insurance is reduced to 30% of the usual applicable rate, up to the amount of the fee insurance; the amounts provided reflect this.
- (b) Fees for recording the Deed and Power of Attorney are \$42.00 for the first two pages, plus \$5.00 per page for every page thereafter, and a \$50.00 service charge per instrument. Additionally, there is a \$25.00 charge for recording the Real Property Transfer Tax Return along with the deed.
- (c) If the Purchaser obtains a mortgage loan, the Purchaser will pay a mortgage tax of 2.05% of the principal amount of the mortgage if the mortgage is under \$500,000.00; under New York State Law the lending institution is required to pay 0.25% so that a Purchaser's effective rate of a residential mortgage under \$500,000.00 will be 1.8%. If the residential mortgage is \$500,000.00 or over the rate will be 2.175%, minus the 0.25% lending institution's contribution for an effective mortgage tax rate of 1.925%. If a mortgage tax credit is or becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, the Purchaser will reimburse the Sponsor for any mortgage tax credit allowed and will pay the balance of the mortgage recording tax as provided by law.

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

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

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

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

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

(i) All closings will occur at the office of the Sponsor's Attorney. Under no circumstances will Sponsor be required to close at any place other than the office of the Sponsor's Attorney. In the event that the Purchaser requests and the Sponsor consents to a closing at a different location, there will be an attendance fee of \$250.00 charged for attending a closing if the closing takes place anywhere within New York City, and \$500.00 if the closing takes place outside of New York City. Sponsor's attorney will charge a fee of \$200.00 for the preparation of ACRIS transfer tax forms, and will charge a fee of \$250.00 per adjournment for the adjournment of a scheduled closing date. A fee of \$250.00 will be charged to complete a condominium questionnaire if required by Purchaser's lender, and a \$300.00 fee will be charged to review Purchaser's loan documents if Purchaser is financing the purchase.

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

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

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

conveyance is \$2 million or more. For conveyances of residential real property where the consideration for the entire conveyance is \$3 million or more, the new additional base tax rate is \$1.25 for each \$500 or fractional part thereof ("additional base tax"). The new supplemental tax applies only to conveyances of residential real property when the consideration for the conveyance is \$2 million or more. For conveyances of residential real property where the entire conveyance amount is at least \$2 million but less than \$3 million, the new supplemental tax is one-quarter of one percent (0.25%). For conveyances of residential real property where the entire conveyance amount is at least \$3 million but less than \$5 million, the new supplemental tax is one-half of one percent (0.5%). Purchasers shall be responsible for paying the additional base transfer tax and supplemental tax. The purchaser's payment of the additional base transfer tax will itself be deemed additional consideration, resulting in a "tax on a tax" effect. Purchasers are advised to consult with their own counsel concerning transfer taxes and other closing costs.

ALL COSTS FOR RECORDING CHARGES, MORTGAGE, TRANSFER, AND OTHER TAXES ARE SUBJECT TO CHANGE. THESE CHARGES ARE NOT SET BY THE SPONSOR AND SPONSOR SHALL NOT BE LIABLE ON ACCOUNT OF ANY INCREASE IN SUCH CHARGES IMPOSED BY THE CITY AND/OR STATE AND/OR OTHER ASSESSING AUTHORITY BETWEEN THE TIME OF THIS WRITING AND THE TIME OF A PURCHASER'S CLOSING.

Purchasers shall pay to the Sponsor's Attorney at closing a fee of \$3,000.00 for the preparation of closing documents. In the event that the closing date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative): (i) all adjustments shall be made as of the original closing date and (ii) Purchaser shall pay interest on the unpaid balance of the total purchase price to Sponsor from the originally scheduled closing date until the actual date of closing at the rate of 10% per annum. Notwithstanding the foregoing, the amount of interest charges will not exceed New York State usury laws or any other applicable laws. The above closing fees are cumulative to the extent applicable to an individual closing.

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter), provided, however, that as closings occur, the

portion of such funds held in escrow which represent the portion allocable to the Unit being sold shall be released, and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable; the Sponsor shall be entitled to reimbursement from unit owners for any taxes paid on their behalf.

Purchasers under contract to purchase a unit must take title to the Unit in the same name that appears on the executed Purchase Agreement. Sponsor at Sponsor's option may allow Purchaser to assign a Purchase Agreement but shall have no obligation to do so. In the event of such assignment, Purchaser shall pay an assignment fee of \$1,500.00.

At closing, each Purchaser will pay to the Sponsor a reimbursement fee of \$2,500.00 for the cost of preparing and filing the Condominium Offering Plan.

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

A numerical example of closing costs allocable to a typical Unit is set forth on the next page. Said example is for illustrative purposes only and is not intended to be comprehensive.

SAMPLE CLOSING COSTS

\$3,000,000.00 Purchase Price

\$2,400,000.00 Mortgage

Mortgage and Fee Title Insurance	\$ 10,070.00
Deed and Power of Attorney Recording	\$ 250.00
Mortgage Recording Fee	\$ 350.00
Mortgage Recording Tax	\$ 46,200.00
New York City Transfer Tax	\$ 43,851.00
New York State Documentary Stamp Tax	\$ 12,000.00
Additional Base Tax	\$ 7,693.00
Supplemental Transfer Tax	\$ 15,386.00
Working Capital Fund Contribution	\$ 1,464.00
Document Preparation Fee	\$ 3,000.00

Reimbursement Fee	\$ 2,500.00
New York State "Mansion" Tax	\$ 46,159.00
TOTAL:	\$188,923.00

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

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor will complete the work set forth in this Plan relating to the building and the apartments contained therein in conformity with and in accordance with the Building Plans and Specifications, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits required, if any. In the event any housing, building, or fire department violations arise prior to closing, all such violations, if any, will be cured prior to closing. The Sponsor may make changes in design, layout, and arrangement of apartments, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design, or (ii) change the size, location of buildings or Units, other improvements, or Common Elements, if such changes adversely affect the public areas, or affect the percentage of Common Interest, or adversely affect the value of, any Unit to which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless all affected Purchasers consent in writing to such change, and all affected Purchasers are given the opportunity to rescind their Purchase Agreements and receive a refund of the deposit or down payment given to the Sponsor. All representations under the Offering Plan, and all obligations pursuant to the GBL, and any additional obligations under the Offering Plan that are to be performed subsequent to the closing date, will survive delivery of the deed.

The Sponsor is renovating the interior of the property and performing partition work pursuant to Alteration Type II application # 01258119, which application was approved by the New York City Department of Buildings. There shall be no change to use, occupancy, or exit resulting from the alteration. Sponsor will obtain all required permits and sign-offs, including a Letter of Completion, upon completion of the renovation.

While the Sponsor will endeavor in good faith to sell all Units, the Sponsor is retaining the unconditional right to rent rather than sell Units after consummation of the Offering Plan. Thus, Sponsor may never sell more than the 15% of units required to declare the plan effective. As a result of this, the Plan may not result in the creation of a Condominium in which a majority of the units are owned by owner-occupants or investors unrelated to the Sponsor. The Condominium Board does not have the right to approve or disapprove Purchasers, so there is no limit on the number of Unit Owners who may purchase for investment rather than personal occupancy. There may always be

a substantial percentage of Unit Owners who are non-residents. Owner-occupants and non-resident owners, including Sponsor or Purchasers for investment, may have inherent conflict on how the condominium should be managed because of their different reasons for purchasing (i.e., purchase as home as opposed to purchase as investment).

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

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

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

The Sponsor will pay for the authorized and proper work involved in the conversion of the Property that the Sponsor is obligated to complete under the Plan. All mechanics' liens that are lodged against the Property by virtue of work done by the Sponsor, or on the Sponsor's behalf, will be promptly discharged or appropriately bonded. Sponsor guarantees payment of all Common Charges and assessments with respect to unsold

Units. Such guarantees will remain in effect until all Units are sold. Sponsor warrants and represents that it has adequate financial resources to meet its obligations with respect to any unsold Unit.

The Sponsor agrees to pay all Common Charges, special assessments, and real estate taxes with regards to unsold Units, and has financial resources to meet its obligations with respect to such unsold Units, which source of funding includes both proceeds of the sale of Units and existing financial resources of the Sponsor. No bond or other security has been furnished to secure Sponsor's obligations. In the event of dissolution or liquidation of the Sponsor or transfer of 50% or more of the total number of residential Units in the condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws, or regulations.

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

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

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

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

individual Unit to the Unit Owner, and with respect to equipment and appliances installed in the Common Elements, same will be assigned to the Board of Managers.

Each Unit and its appurtenant interest in the common elements will be conveyed free and clear of all liens, encumbrances and title exceptions other than those described in the Plan and the proposed unit deed. Copies of the plans, exhibits and documents referred to herein shall be kept on file at the office of the attorney for the sponsor for a period of six (6) years after filing of the Declaration of Condominium. No bond or other security has been furnished to secure Sponsor's obligations hereunder. The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any unit within reasonable time, and no Purchaser shall be required to accept a damaged unit.

Sponsor has obtained a mortgage loan from Citizens Bank, N.A. having an office at One Citizens Plaza, Providence, RI 02903 (the "Mortgage Lender") in the principal amount of \$1,434,000. Sponsor intends to satisfy the mortgage at or before the first unit closing with either the proceeds of sale of the first unit closing, the Sponsor's own funds, or a combination of the two sources of funding. The Mortgage Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

CONTROL BY THE SPONSOR

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

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

At the time of the first Unit closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the Purchasers at a meeting to be convened within 60 days after the first Unit closing. If the Sponsor still owns 50% or more of the Units in the Building at this time, a majority of the new Board of Managers may be Sponsor-appointees.

Transfer of control of the Condominium Board of Managers shall pass to the Unit Owners sixty (60) days after the date by which one Unit has been conveyed to a Purchaser.

Notwithstanding the foregoing, even after control is surrendered to a Board elected by unit owners, the Sponsor may vote for unit owners of its choice at an election of Managers. The Sponsor will not hold control of the Condominium Board after the Sponsor control period, nor will it exercise any voting control that it may have through its ownership of a majority of the Units and common elements, and Sponsor will not nominate or vote for affiliated parties as board members. Pursuant to the By-Laws of the Condominium, each Condominium Unit shall be entitled to elect one manager to the Board of Managers. The third manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself.

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

1. Shall not eliminate or reduce the number of employees, insurance coverages, or any service to a level less than that provided in Schedule B unless a majority of Board members elected by bona fide unit purchasers vote in favor thereof.

2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services, and installations) to be kept operational, clean, and in a good state of repair and condition;

3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law, or order of an insurance carrier, or any matter affecting the health and safety of the occupants of the building.

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

Until the earlier of five years from the date of first Unit closing, or at the time at which the Sponsor or other holder of unsold Units owns Units consisting of less than 25% of the Common Interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations, remedy any notice of a violation, remedy any work order from an insurer, or any expense that may affect the health and safety of the occupants of the Building if veto power is exercised. Additionally, so long as the Sponsor retains ownership of at least one Unit in the building, the By-Laws, Declaration, and rules and regulations of the Condominium, if any, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

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

BOARD OF MANAGERS

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

The By-Laws limit the number of Managers to not less than three (3) members. The first Board of Managers shall consist of three (3) members designated by the Sponsor. They will be Christie Tiseo, Michael Tiseo, and Paul Tiseo. Christie and Michael Tiseo are the principals of the Sponsor and currently reside in Unit 1. Paul Tiseo is Michael Tiseo's brother. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within 60 days after the first Unit closing; they may, however, be re-elected at such time. The Sponsor has no obligation to sell more than one (1) Unit in the Condominium. The By-Laws do not include a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals after the end of the initial Sponsor control period.

Managers shall be elected by a plurality of the votes at a meeting at which a quorum shall be present. When voting for Managers, each Condominium Unit shall be entitled to elect one manager to the Board of Managers. The third Manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself. The odd number of Managers is intended to prevent deadlocks in voting. Transfer of control of the Condominium Board of Managers shall pass to unit owners other than the Sponsor at the earlier of the following:

- a) Sixty (60) days after the date by which both of the Units have been conveyed to Purchasers; or
- b) Three (3) years after the first conveyance of a Unit to a Purchaser.

Members of the Board of Managers who are Unit Owners shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a Unit Owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended and shall be borne by the Unit Owners. Officers and/or members of the Board appointed by the Sponsor or Sponsor's designees may NOT serve with compensation borne by the Unit Owners.

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

The Board Managers will be responsible for the operations of the affairs of the Condominium, including, but not limited to, the fiscal operation, repairs and maintenance of the common areas of the Property, replacement and capital improvements to the common areas of the Property, the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws, and shall have the powers and duties necessary for the administration of such affairs. As per Article IV, Section 10 of the By-Laws, Board Members who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended.

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

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

The principal officers of the Condominium shall be the President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by the Board of Managers. The

President and Vice-President (but no other officers) need be members of the Board of Managers. Officers who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for an Officer who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended. The officers shall be elected annually by the Board of Managers, and each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed with or without cause.

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

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

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

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

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

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

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

Both the Declaration and the By-Laws may be modified or amended by unanimous (100% in number and in common interest) vote of the Unit Owners as per Article XI, Section 1 of the By-Laws, at a meeting of Unit Owners duly held for such purpose. Anything herein contained to the contrary notwithstanding, so long as the Sponsor is the owner of one or more unsold units, the By-Laws may not be altered, amended, repealed, or added to without the consent of the Sponsor.

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

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

share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his/her Unit in the order of the priority of such liens.

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

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

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

1. Sale, lease, and mortgaging of Units by Unit Owners.

Unit Owners will have the right to sell, lease, or mortgage their Units, without restriction, except as set forth herein, subject to the requirements that all Common Charges are current. A Unit Owner who mortgages their Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units." A Unit Owner may only sell or lease the entire Unit. A Unit Owner may not sell or rent only a portion of a Unit. While lease of a condominium Unit, like any other contract, is subject to regulation by certain state laws (General Obligations Law, Multiple Dwelling Law, etc.), the terms of the lease (including rent) will not be subject to any state or local rent regulatory laws.

2. No right of first refusal.

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

3. Common Charges and assessments.

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

copies of each budget on which such Common Charges are based to all Unit Owners and to their mortgagees of record, if requested.

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

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

No Unit Owner may exempt himself from liability for Common Charges or Expenses by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of his Unit. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in accordance with the By-Laws. The liability of each Unit Owner for the payment of the Common Charges and Expenses thereafter assessed or becoming due against the Unit shall terminate upon a permissible sale, transfer, or other conveyance of such Unit and the appurtenant interests in the Common Elements. In

addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey their Unit together with the said appurtenant interests to the Board of Managers or its nominee on behalf of all other Unit Owners, and in such event be exempt from all Common Charges and Expenses thereafter assessed.

4. Repairs and Maintenance.

All maintenance or any repair to any Unit, ordinary or extraordinary, and to the doors and windows (except the painting and decoration of the side of the stairwell doors which do not face into a Unit), electrical (except Common Elements) within the Unit or belonging to the Unit Owner, shall be at the Unit Owner's expense, except for structural elements as specifically required herein. All maintenance, repairs, and replacements to the Common Elements (including the exterior walls of the Building) and the painting and decorating of the side of the stairwell doors which do not face into a Unit shall be made at the direction of the Board of Managers, and be proportionately charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Unit owners who enjoy use of a limited common element are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission of the unit owner, their agents, employees, or invitees) are the responsibility of the Condominium through the Board of Managers. With regard to the roof levels, any structural damage occurring to either roof level shall be the sole responsibility of the Condominium through the Board of Managers and/or any such Unit Owner causing such damage and will need to be repaired at the Condominium or such Unit Owner's sole cost and expense as determined by the Condominium Board of Managers. Maintenance and repair of the roof deck area at the roof above the third floor level will be the sole responsibility of the Unit Owner of Unit 2 including but not limited to, painting, cleaning, patching, and surface repair. In the event a Unit Owner fails to properly maintain his/her Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium. The unit owner is responsible for keeping safety warning devices (i.e., smoke detector and carbon monoxide detector) operational. Any damage occurring to the roof shall be the sole responsibility of the Condominium and/or unit owner causing

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

5. Additions, alterations, and improvements.

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

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

6. Insurance.

The Board of Managers shall obtain and maintain: (1) casualty insurance with extended coverage, insuring the Building and Units (but not including furniture, furnishings, or other personal property supplied to, or installed by, Unit Owners), together with all service machinery contained therein covering the interests of the Condominium, The Board of Managers, and all Unit Owners and their mortgagees, as their interest may

appear, in an amount equal to the full replacement value of the insured property without deduction for depreciation; (2) liability insurance for personal injury or property damage in an amount not less than one million dollars; and (3) such other insurance as the Board of Managers may determine. Each of the policies shall contain a New York standard mortgage clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Board of Managers in the event of casualty or condemnation. Unit Owners shall be entitled to carry casualty insurance protection for their furniture and the interiors of their Units and for personal liability coverage for their own benefit at their own expense provided that such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any other insurance carried by a Unit Owner. Individual unit owners are responsible for repairs to and maintenance within their own condominium units and will be required to obtain HO-6 (wall-to-wall) insurance coverage at their own cost and expense to insure them for such risks as fire and casualty losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence that might occur within their respective apartments. Otherwise, unit owners would not be covered for risks such as fire and casualty losses within their apartments. The condominium Board of Managers is not obligated to repair and maintain individual apartments, nor provide casualty and/or liability insurance for occurrences that may occur in individual apartments.

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

7. Restrictions on occupancy and use.

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

(a) A Unit Owner may only use his/her Unit for a purpose consistent with any applicable ordinance or statute, or regulation of a government authority that has

jurisdiction over the Condominium, but in no event for a use that violates the By-Laws of the Condominium.

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

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

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

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

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

Further restrictions on the use of Units are set forth in the By-Laws, which are set forth in Part II of the Plan, and in Rules and Regulations made in accordance with the By-Laws. Current restrictions include a restriction that the unit shall be used for private residence only, or any home occupation use permitted under applicable zoning law, ordinances, building codes, or other governmental regulations. However, the Sponsor or Sponsor-Designee has the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

Units may not be used for any unlawful purpose, and any use which amounts to a violation of law or to rules, regulations, or requirements of any governmental agency having jurisdiction thereover shall be eliminated at the sole expense of the unit owner. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. There are currently no limitations on pets; aesthetic controls; restrictions on occupancy of units owned by corporations, partnerships or fiduciaries; limitations on the use of parking units. Rules and Regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers as provided in the By-Laws. Residential use of the premises is consistent with the zoning regulations and the certificate of occupancy.

8. Other material rights and obligations

A Unit Owner by acceptance of a Deed for a Unit shall have granted a right of access to the Unit and to all appurtenant areas, if any, to the Managing Agent and/or any other person authorized by the Board of Managers or the Managing Agent for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services of other Common Elements in their Unit or elsewhere in the Building in which the Unit is located, to remove violations, cure defaults by a Unit Owner, and for any other purpose provided in the Plan, Declaration, or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are at a time reasonably convenient to the Unit Owner. In case of emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Specifically, the Unit Owners, Board of Managers and Managing Agent shall have an easement through Unit 1 to access the utility room located at the cellar level, and shall have an access easement through Unit 2's limited common element roof terrace for maintenance and repair of any and all equipment located on the roof and any structural damage that may be caused to the roof. The New York City Fire Department (FDNY) shall also have access to the roof access paths located in and around such areas in case of emergency, in compliance with the NYC Fire Code. Provided reasonable care is exercised to safeguard the Unit Owner's property, such entry shall not render the Board of Managers or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Each

Unit Owner will deposit with the President of the Board of Managers a key to their Unit to allow for entry in an emergency. The Board of Managers may designate responsible individual(s) to hold such keys.

Each Unit Owner shall be required to pay the Common Charges and Expenses levied by the Board of Managers. All Unit Owners, mortgagees, lessees, and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner, are subject to the By-Laws, the Declaration, and the Rules and Regulations. A copy of the Declaration and By-Laws and Rules and Regulations appear in Part II of this Plan. The violation of any of the Rules and Regulations or the breach of any By-Laws or provision of the Declaration shall give the Board of Managers, in addition to other rights set forth in specific provisions of the By-Laws, the right to: (i) enter any Unit in which, or as to which, such violations or breach exists and to abate and/or remove same summarily, at the expense of the defaulting Unit Owner. The Board of Managers shall not thereby be deemed guilty or liable for trespass nor be liable for any damage to the Unit, nuisances or fixtures incurred in connection with such rights unless such damage is caused by negligence on the part of the Board of Managers; or (ii) enjoin, abate, or remedy by appropriate legal proceedings, the continuance of any such violation or breach. The costs incurred by the Board by virtue of the exercise of its rights to correct such breaches or violations, including attorney's fees, shall be due upon demand from the Unit Owner in question, and shall constitute a Common Expense against their Unit.

At the time of closing, Purchaser will be required to execute a broad Power of Attorney in favor of the Board of Managers of the Condominium. This Power of Attorney will give the Board of Managers the right to acquire and otherwise administer defaulted, abandoned, or foreclosed units in the name of the condominium. It will also give the Board of Managers the right to execute amendments to the Condominium Declaration, Deeds conveying condominium property, filing for severance of tax lots, and other functions reasonable or necessary to effectuate the purposes set forth in the Condominium Declaration, on behalf of all of the unit Owners. Purchaser must sign the Power of Attorney at closing; failure to sign the Power of Attorney will be deemed a default and will result in cancellation of the transaction and possible loss of the down payment. Please see the POWER OF ATTORNEY set forth in Part II of this Offering Plan.

9. Smoking Policy

Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. The policy ("Smoking Policy") is as follows:

- (i) All types of smoking and use of electronic cigarettes are prohibited from all general common areas of the Condominium, including but not limited to any lobby, hallway, stairwell, mailroom, fitness room or other recreational facility, meeting room, laundry room, storage area, mechanical room, equipment room, cellar, basement, elevator, garage, rooftop, play areas, parking areas, shared balconies, shared courtyards, shared patios, shared porches, shared yards and/or any outdoor common area within 15 feet of entrances, exits, windows, and air intake units on property grounds.
- (ii) All types of smoking and use of electronic cigarettes are prohibited from any balcony and/or terrace or any space designated as an individual residential Unit's appurtenant Limited Common Element.
- (iii) All types of smoking and use of electronic cigarettes are prohibited within the interior area of a residential Unit.
- (iv) The Smoking Policy shall be applicable to all Unit Owners, residents, tenants, guests, licensees, employees, and all persons that may be in or on any portion of the Condominium.
- (v) Any residential Unit Owner who leases their residential Unit shall incorporate the provisions of the Smoking Policy into the lease with the residential Unit Owner's tenant.

REAL ESTATE TAXES

After the units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other unit. Units will not be separately assessed for the first year of condominium operation. On closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the first half of the 2026/2027 tax year. The Board of Managers shall be authorized to pay such taxes as and when due from such escrow fund. As each subsequent individual condominium Unit is sold, the purchasers thereof, as a standard closing adjustment, shall reimburse the Sponsor for the portion of their tax liability paid by the Sponsor from the date of closing through the end of the 2026/2027 tax year. It is anticipated that Units will be separately assessed for the 2027/2028 tax year, and that individual Unit Owners (whether purchasers, holders of unsold units, or the Sponsor) will pay the taxes thereof as set forth in Column 11 of the attached SCHEDULE A. The amount of the taxes deposited with the Condominium Board of Managers will be disclosed in the post-closing amendments until the units are separately assessed.

The anticipated date of completion of construction is June of 2026.

Calculations of real estate taxes are arrived at by applying the current tax rate to the assessed value and then allocating the resulting taxes in direct proportion to the allocation of common interest. The real estate taxing authority for this offering is the New York City Department of Finance ("DOF"). DOF is not bound by this method of allocation.

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

The first year of condominium operation is expected to commence July 1, 2026. Since construction is projected to be completed in June of 2026 and the status of the building on January 5th is the basis of the assessment for the fiscal year beginning that July 1st, for the 2026/2027 Tax Year running July 1, 2026 through June 30, 2027, the assessed value of the property will not reflect its full value following completion of construction. Although the Sponsor anticipates that construction of the subject premises will be completed by the

first year of condominium operation, **THE SPONSOR DOES NOT ANTICIPATE THAT THE REAL ESTATE TAXES FOR THE FIRST YEAR OF OPERATION WILL REFLECT THE FULL POST-COMPLETION ASSESSED VALUE OF THE PROPERTY. PURCHASERS ARE ADVISED THAT THEIR REAL ESTATE TAXES ARE LIKELY TO INCREASE IN THE SECOND YEAR OF CONDOMINIUM OPERATION TO REFLECT THE FULL POST-COMPLETION ASSESSED VALUE.**

Accordingly, based upon an estimated partial completion, MGNV projects an estimated assessed value of the building for the 2026/27 tax year, corresponding with the projected first year of operation, of \$48,795. Assuming a tax rate of 20.085% for Tax Class 1 properties, the projected total first year tax burden for the entire building is \$9,800 for the 2026/2027 tax year.

In the second year of operation, anticipated to commence on July 1, 2027 (and therefore coinciding with the 2027/2028 tax year), MGNV estimated that the post-completion value of the property will be \$82,470. At a tax rate of 20.085%, this results in a projected post-completion tax burden of \$16,564 in the second year of operation.

Unit owners should be entitled to deduct real property taxes paid on the Unit for income tax purposes subject to the limits of the One Big Beautiful Bill Act ("OBBBA") and the current IRS Tax Code. Income tax deductions may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. See the ASSESSED VALUE LETTER FOR REAL ESTATE TAXES and COUNSEL'S TAX OPINION LETTER hereinafter set forth for a more complete discussion.

The projections set forth herein are based on current New York City Tax rates and assessment procedures. No guarantee or warranty is or can be made that the tax rates will not change in the future, or that the assessed value of the property will not rise due to changes in assessment practices and policies or increases in market value that are reflected in the assessed value.



Michael and Christie Tiseo
740 Union Street, Apt 1
Brooklyn, NY 11215

Tax Opinion Letter for Condominium Project
740 Union Street, Brooklyn, NY 11215
Block: 956 Lot: 37

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

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

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

I. Project Details

You have informed us that you intend to convert a 2-family building on the above tax lot into a condominium ("property"), and that this building will be constructed pursuant to Department of Buildings job number **B01258119**.

You have requested an opinion concerning the real property assessment to be levied upon the above property for the first full tax year after completion of construction, which corresponds to the tax year **2027/2028**. In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. You have informed us that the date of commencement of construction was **October 7, 2025**; and that the anticipated completion date is **May 10, 2026**. You have advised us of your acquisition costs and the anticipated construction costs.

You have also supplied us with architectural drawings of the proposed building prepared by N.E.E.D. Architecture LLC. The data contained in the architectural drawings indicates that the converted building will have 3 (three) main levels plus cellar and basement level.

You have informed us that there will be **2** (two) residential units located on the basement level through 3 (third) floor.



II. Estimated Assessed Value

We have considered the following factors in formulating our opinion: **(a)** the recent tax assessment history of the property; **(b)** market conditions in the general area; and **(c)** estimate of the cost of construction (**\$600,000**).

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

Real Property Tax Law Section 1805 provides for limitation on increases of assessment of certain properties. We believe that the subject property will remain in **Tax Class 1** upon completion of construction. Once the apportionment of value between condo units occurs, the individual units will be classified as **Tax Class 1C**. The current 2025/26 class 1 tax rate is **20.085%** of assessed valuation.

Under the current law, the Department of Finance may not increase the assessment of tax class 1 properties by more than six percent from year to year, and may not increase such assessment by more than twenty percent in any five-year period. However, this limitation **does not apply to new construction or other increases due to physical improvements to the property**. Increases due to such physical improvements or new construction are added in full to the next year's assessment.

Projected Effective Market Value, Assessed Value and Tax Liability For The First Year Of Condo Operation

(July 1st, 2026 – June 30th, 2027)

Projected Effective Market Value: \$813,255

Projected Assessed Value: \$48,795

Total Projected Tax Liability: \$9,800

Total Projected Tax Liability of Apt 1: \$4,900

Projected Tax Liability of Apt 2: \$4,900

2027/2028 Projected Effective Market Value, Assessed Value and Tax Liability

Projected Effective Market Value: \$1,374,500

Projected Assessed Value: \$82,470



Total Projected Tax Liability: \$16,564

Projected Tax Liability of Apt 1: \$8,282

Projected Tax Liability of Apt 2: \$8,282

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

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

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

Sincerely,

Yuri Geylik, CEO

DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

Subject to tax laws in existence at the time of deduction, Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, pursuant Sections 163 and 164 of the IRS Code subject to the limitations imposed by the Federal Tax Cuts and Jobs Act of 2017 (the "Act"), as modified by the One Big Beautiful Bill Act of 2025 ("OBBBA"). These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the COUNSEL'S TAX OPINION LETTER. The Act limited deductible mortgage debt to \$750,000.00 for new loans taken out after 12/14/17. The OBBBA has made this limit on deductible mortgage debt permanent. Additionally, the OBBBA temporarily allows an itemized deduction of up to \$40,000.00 for the total of state and local property taxes and income or sales taxes commencing the 2025 Tax Year, with a 1% annual inflation adjustment for each subsequent year until 2029. Commencing in the 2030 Tax Year, the cap is scheduled to revert back to the original \$10,000 provided by the Act. New York State and New York City income tax laws generally follow the provisions of the Federal system and therefore each individual Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for their state and local taxes as for their Federal income taxes. Purchasers are advised to consult with their tax advisors regarding tax laws in existence at the time of purchase.

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

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, judicial decisions, the Tax Cuts and Jobs Act of 2017, and the One Big Beautiful Act of 2025. It is emphasized,

however, that legislative, judicial, or administrative changes may be made which would require modification of such statements, or that the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions. A more detailed statement of the tax factors involved may be found in the COUNSEL'S TAX OPINION; however, each purchaser should consult with his or her own attorney with regard to tax consequences of this transaction.



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**OPINION OF COUNSEL REGARDING TAX STATUS OF
THE 740 UNION STREET CONDOMINIUM
PURSUANT TO TITLE 13 NYCRR § 20.3(y)**

The purpose of this document is to render an opinion with regard to 1) the availability of tax deductions for real estate taxes and mortgage interest under current federal, state, and city law; 2) the income tax status of the condominium; and 3) the condominium's compliance with New York State Real Property Law Section 339-(i).

This discussion assumes that the condominium in question, the 740 Union Street Condominium, is a validly-formed condominium under New York's Condominium Act (Article 9B of the New York State Real Property Law) consisting of two (2) residential units.

1. Availability of Tax Deductions

A. Tax Deductions for Real Estate Taxes

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

New York, as one of the original 13 states, arguably traces its statehood back to 1776, and ratified the present United States Constitution in 1788. Clearly, its statehood is well-established. New York's 1964 Condominium Act clearly establishes the conceptualization of condominium units as real property, stating, "each unit and its common interest, not including any personal property, shall be deemed to be a parcel and shall be subject to separate assessment and taxation." N.Y. REAL PROP. LAW § 339-y. Each condominium unit is accordingly assigned its own block and lot; purchasers of condominium units take

ownership of their units pursuant to real property deeds. Furthermore, the Condominium Act explicitly states, “each unit, together with its common interest, shall for all purposes constitute real property.” N.Y. REAL PROP. LAW § 339-g. Therefore, New York state and city property taxes on condominium units constitute potentially deductible real property taxes for federal income tax purposes.

With regard to deductions, New York tax law generally follows the federal system: “If federal taxable income of a resident individual is determined by itemizing deductions from his federal adjusted gross income, he may elect to deduct his New York itemized deduction in lieu of his standard New York deduction.” N.Y. TAX LAW § 615(a).

The federal Tax Cuts and Jobs Act of 2017 went into effect on January 1, 2018 (the “Act”). This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. The Act allowed an itemized deduction of up to \$10,000.00 for the total of state and local property taxes and income or sales taxes. This maximum applied to both single and married filers. The One Big Beautiful Bill Act of 2025 (the “OBBBA”) modified many provisions of the Act. The OBBBA temporarily increases the \$10,000 cap, commencing the 2025 Tax Year, to \$40,000 (\$20,000 for married taxpayers filing a separate return) for taxpayers with incomes under \$500,000 (\$350,000 for a married taxpayer filing a separate return). There shall be a 1% annual inflation adjustment for each subsequent year until 2029. Commencing in the 2030 Tax Year, the cap is scheduled to revert back to the Act’s original limit of \$10,000. It is therefore my opinion, given the state of law as of this writing in November of 2025, that owners of residential units in this condominium who itemize their deductions may be eligible to deduct real estate taxes paid on said units for federal income tax purposes as well as New York state and city income tax purposes, subject to the limits imposed by the Internal Revenue Code, the Act, the OBBBA, New York tax law, and the specific taxpayer’s personal situation. Each potential purchaser is strongly encouraged to consult with his or her own tax advisor concerning the deductibility of real estate taxes in their specific situation.

B. Tax Deductions for Mortgage Interest

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

Pursuant to the Act, interest is deductible on mortgage debt not exceeding \$750,000 for new loans taken out after 12/14/17, and interest paid on home equity debt is no longer deductible through 12/31/25. The OBBBA has made the limitation on mortgage debt permanent. The Act’s provision to eliminate deductions for home equity debt after 12/31/25 remains.

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

Given the provisions above, it is my opinion that purchasers who intend to use their units in this condominium for residential purposes and who itemize their deductions may generally be able to deduct their home mortgage interest for federal and New York State income tax purposes subject to the limits imposed by § 163 of the Internal Revenue Code as modified by the Act, the OBBBA, and any subsequent legislation. Unit owners are strongly advised to consult with their own tax advisors regarding the effects of the Act and

the OBBBA on their tax burdens and their prospective real estate purchases. I express no opinion with regard to mortgage interest deductibility for purchasers of non-residential units or purchasers of units for non-residential reasons, such as investment or resale. Such purchasers are also strongly advised to consult with tax professionals to see if mortgage interest may be deductible for them and their purposes under other provisions of the Internal Revenue Code.

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

2. Income Tax Status of the Condominium

The Internal Revenue Code exempts "homeowners associations" from income taxes, and defines a "homeowners association" as "an organization which is a condominium management association. . . if (A) such organization is organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property; (B) 60 percent or more of the gross income of such organization for the taxable year consists solely of amounts received as membership dues, fees, or assessments from (i) owners of residential units in the case of a condominium management association. . . (C) 90 percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance, and care of association property. . . (D) no part of the net earnings of such organization inures. . . to the benefit of any private shareholder or individual, and (E) such organization elects (at such time and in such manner as the Secretary by regulations prescribes) to have this section apply for the taxable year." I.R.C. § 528. Additionally, the section states that, "the term 'condominium management association' means any organization meeting the requirements of subparagraph (A) of paragraph (1) with respect to a condominium project substantially all of the units of which are used by individuals for residences." I.R.C. § 528(c)(2).

Given that this condominium consists solely of residential units and contains no commercial units, it is my opinion that this condominium as managed by its Board of Managers will qualify as a homeowners association within the meaning of I.R.C. § 528 and

will therefore be exempt from income taxes, provided, of course, that the Board of Managers properly elects to file under § 528.

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

Real Property Law § 339(i) governs allocation of common interest and provides four acceptable methods for allocating common interest among condominium units. The allocation of common interest to the units in this condominium has been made pursuant to Real Property Law § 339(i)(1)(iii), which allows for common interest to be in equal percentages, one for each unit as of the date of filing the Declaration, or in equal percentages within separate classifications of units as of the date of filing the Declaration. N.Y. REAL PROP. LAW § 339(i)(1)(iii). It is my opinion that this condominium's allocation of common interest complies with Real Property Law § 339(i)(1)(iii). This opinion is also based on expert factual determinations as required by § 20.3(i) of Title 13 NYCRR; specifically, Sponsor's expert's opinion included in the Offering Plan at the section entitled COMPLIANCE WITH REAL PROPERTY LAW 339(i)(1)(iii).

Conclusion

In my opinion, the condominium will potentially be eligible for tax-exempt status under I.R.C. § 528, if it elects such status, and unit owners will potentially be eligible for the real estate tax deductions and benefits described above. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the condominium, the selling agent, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law, or Internal Revenue Service rulings, or the New York State tax law, as amended, and cause the unit owners not to be entitled to income tax deductions or the benefits described above.

Sincerely,
Claudia V. Murdoch
Claudia V. Murdoch
June 29, 2026

RESERVE FUND

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

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

WORKING CAPITAL FUND

At closing of title to each Unit, the Unit Owner for such Unit will contribute to the Working Capital Fund of the Condominium an amount equal to two months' Common Charges (see CLOSING COSTS AND ADJUSTMENTS). Sponsor will make the required contribution for all unsold Units at the time of the closing of the first Unit, and will be reimbursed therefore on each subsequent closing of a Unit by the Unit Purchaser. This Working Capital Fund will be used to make repairs and improvements and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE B. While the Sponsor controls the Board of Managers (see CONTROL BY THE SPONSOR), the Working Capital Fund will not be used to reduce estimated Common Charges.

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

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

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this project is 740 Union Street, LLC, a New York Limited Liability Company formed on December 2, 2025, with an address at 740 Union Street, Brooklyn, NY 11215. The principals of the Sponsor are Michael and Christie Tiseo. Mr. and Mrs. Tiseo are a married couple and currently reside in Unit 1. The principals of the Sponsor acquired title to the property on May 22, 2014; the Sponsor is currently a contract vendee. Mrs. Tiseo has been working as a property manager for the past 10 years. Mr. Tiseo's prior real estate experience includes the role of landlord to the prior tenants of the subject premises. Neither the Sponsor, nor the principals of the Sponsor have been the Sponsor or principal of the Sponsor of any condominium or cooperative offerings in or from the State of New York within the past five (5) years.

There are no prior felony convictions against the Sponsor, and/or any principals of the Sponsor, any individuals who own or control at least 10% equity interest in the Sponsor, and/or entities in which principals of the Sponsor were principals. There are no prior bankruptcies, convictions, judgments or injunctions against the Sponsor, and/or any principals of the Sponsor, any individuals who own or control at least 10% equity interest in the Sponsor, and/or entities in which principals of the Sponsor were principals, that may be material to the Offering Plan or to an offering of securities generally and that occurred within the 15 years prior to the submission of the proposed Offering Plan.

COUNSEL: Sponsor has engaged Claudia V. Murdoch, Esq. of The Law Office of Claudia V. Murdoch, P.C., 117 Seventh Avenue, Brooklyn, New York 11215 to prepare and file this Offering Plan. Sponsor has retained Elaine Gay, Esq., with an address at 177 Seventh Avenue, Brooklyn, New York 11215, to represent it in the conversion of the premises to condominium ownership. Ms. Gay will act as the Sponsor's closing attorney, and will be the escrow agent for Purchasers' contract deposits. Ms. Murdoch and Ms. Gay represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT: The architect, Sangmok Kim, R.A. of N.E.E.D. Architecture LLC, with offices at 2520 White Plains Road, Ste. 500, Tarrytown, NY 10591, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. This is Mr. Kim's first time preparing a report of its kind. Sangmok Kim, R.A. has over 20 years of experience as an architect and is the co-founder of N.E.E.D. Architecture LLC, which has been in operation since 2007. Renovation projects within Brooklyn comparable to the subject premises include 362 Baltic Street (8-

unit rental building in the Boerum Hill section), 773 Carroll Street (8-unit rental building in the Park Slope section), and 69 Columbia Street (6-unit rental building in the Cobble Hill section). The architect has no relationship with or financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction except for his fee for services rendered in connection with his report.

SELLING AGENT: The Sponsor is currently the selling agent ("Selling Agent") for the Plan. The Sponsor has not previously been the Selling Agent for any offering of condominium or cooperative interests in real property in or from the State of New York. Should any claim be made against Sponsor for commissions by any broker, other than Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, and if the Sponsor is the prevailing party, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements.

GENERAL

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

There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or any other person or persons that might become a lien against the Property or that may materially affect this offering, the Property, Sponsor's capacity to perform all obligations under the Plan, the Condominium, or the operation of the Condominium. Sponsor is not aware of any unusual circumstances that may affect the use or enjoyment of the property and appurtenances unless disclosed elsewhere in the Plan.

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

No Units in this Building are occupied by residential or commercial tenants as of the date of submission of the Plan to the Department of Law. The Sponsor agrees to keep the Units in the building vacant of tenants until consummation of the Offering Plan, unless a Unit is occupied by a Purchaser under contract subject to an interim lease agreement. Unit 2 is owner-occupied by the principals of the Sponsor.

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

The Property has not been the subject of any prior cooperative or Condominium offerings. There are no preliminary binding agreements entered with any purchasers, nor has any money been collected from any prospective purchasers.

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

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

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

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

DOCUMENTS ON FILE

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

REPORT TO UNIT OWNERS

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

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

SPONSOR'S STATEMENT OF BUILDING CONDITION

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

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

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

PART II

PURCHASE AGREEMENT

740 Union Street, Unit ____, Brooklyn, New York 11215

Purchaser(s) _____

Address _____

Home Telephone _____ Business Telephone _____

Purchaser's S.S.No _____

Purchaser's Attorney _____

Attorney's Address _____

Attorney's Telephone No _____

Broker _____ Telephone No _____

Unit _____ Common Interest _____ % Common Charges \$ _____

Cash Purchase Price \$ _____

Contract Deposit (herewith) \$ _____

Balance Due on Closing \$ _____

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

1. OFFERING PLAN READ. As Purchaser, I have received and read the Offering Plan of Condominium Organization (the Plan) with respect to premises located at 740 Union Street, Brooklyn, New York.

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

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

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

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

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

4. MANNER OF PAYMENT AND BALANCE. Provided that I shall have paid the full Cash Purchase Price for said Unit, as provided herein, and shall not be in default hereunder, I am to receive a deed for the Unit at the closing of title (the "Deed"). The date of the commencement of my obligations under such Deed, including the payment of Common Charges, shall be the date on which I acquire title to such Unit. At the time the Deed is delivered, I shall execute the Power of Attorney to the Board of Managers of the Condominium in the form contained in the Plan and whatever other documents are reasonably necessary to convey the Unit to me, such as real property transfer tax forms.

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

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

The Escrow Agreement is attached hereto as Exhibit B.

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

7. AGREEMENT CONTINGENT ON EFFECTIVENESS. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective.

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

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

10. DEFAULT AND LIQUIDATED DAMAGES. I agree that if I shall fail to pay the balance of the Cash Purchase Price when due, as herein provided, or, if I am otherwise in default hereunder as such term is defined herein, the Seller may elect to cancel this Agreement by written notice to me at my residence or at the address stated above, by certified mail, and at the expiration of 30 days after the date of mailing thereof (unless I shall have theretofore paid the balance of the Cash Purchase Price in full) said notice shall be effective and this Agreement shall be deemed canceled and all rights of the parties thereunder shall terminate except that the amount of my contract deposit shall be paid over to the Seller as liquidated damages, such liquidated damages not to exceed 10% of the Cash Purchase Price plus the cost of any special work in the apartment ordered by me, together with any interest earned thereon. However, it is not anticipated that any interest will be earned. TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. The notice of default is hereby deemed a notice to vacate as well if I occupy the apartment under the terms of an Interim Lease. In the event of such cancellation, the Seller shall have the right to sell said Units to another purchaser as though this Agreement had never been made and without accountability to me for the proceeds received on any sale to another.

11. CLOSING DATE AND PLACE. The closing of title shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such time and date for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days-prior written notice of the new scheduled date and time for closing.

In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's Closing to his apartment, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10%) per annum. This rate shall be in effect for as long as there is any unpaid amount owing towards the full purchase price.

12. APPORTIONMENT OF CHARGES. At the Closing, the parties shall apportion, as of the day preceding the date of actual closing, the Common Charges, real estate taxes and other charges under the By-Laws, utility charges (if any) due to the Condominium and the use and occupancy charge, if any, to the Apartment. Assessments will not be apportioned and will be payable by the party who is the owner of the Unit when the same became due and payable. A letter from the Condominium or its Managing Agent as to status of Common Charges, utility or other charges shall be sufficient for purposes of determining the adjustments as herein described.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit will inure to the benefit of the Sponsor. Accordingly, on the Closing Date, I will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount financed, if any. The Sponsor will be reimbursed to the extent of any mortgage tax credit allowed.

13. CLOSING COSTS. Purchaser shall be responsible for paying all costs as outlined in the Section of this Offering Plan entitled Closing Costs and Adjustments. Pursuant to the amendment to the New York State Tax Law Section 1404(a) effective July 1, 2021 (the "Amended Tax Law"), the New York State Transfer Tax ("NYSTT") shall specifically be payable by the Purchaser/grantee pursuant to the terms of the Offering Plan and this Purchase Agreement, and the NYSTT shall no longer be "grossed up." The New York City Real Property Tax ("NYCRPTT") shall also be paid by the Purchaser/grantee pursuant to the terms of the Offering Plan and this Purchase Agreement, and the amount of the NYCRPTT shall be deemed additional consideration for the unit purchased, resulting in a "grossed up" sales price for a "tax on a tax" effect.

14. ENTIRE AGREEMENT, OPPORTUNITY TO EXAMINE, NON-ASSIGNABILITY. The entire contract between the parties hereto as set forth herein and in the Plan and as the Plan may be amended from time to time. The only representations made to me are those contained herein and in the Plan, as may be amended. I have not relied upon any representations, statements, or warranties, written or oral, as to any matter or estimate, that is not set forth herein and in the Plan. I have had at least three days to read and review the Offering Plan and all amendments and have had the opportunity to examine all the documents filed as Exhibits, volume A, B and C to the Plan. This Agreement is not assignable by me without prior written consent of the Seller and shall bind and apply to the parties hereto and their personal legal representatives, successors and assigns and may not be amended, changed or discharged orally.

15. CONFLICTS WITH THE PLAN. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

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

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

- (a) There shall be no claims or liens against the Unit at the time of the Closing, except for Permitted Encumbrances as described in the Plan; and
- (b) The Seller has full right and authority to sell and transfer the Units.
- (c) Sponsor has projected in the Offering Plan the date of commencement of condominium operation. If the First Unit Closing is delayed twelve (12) months or more from the estimated date of commencement of condominium operation or from the date of the fully executed Purchase Agreement, then Purchaser will be offered a right to rescind the Purchase Agreement. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites described in the Plan. In such case, provided Sponsor is diligently pursuing completion of construction and the issuance of applicable DOB signoffs and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the unit.

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

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

recording.

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

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

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

22. MORTGAGE FINANCING. This Purchase Agreement will be conditional on Purchaser obtaining such loan in an amount not more than \$ from an institutional lender. Purchaser shall apply for said loan within five (5) business days after receipt of a fully executed copy of this Purchase Agreement and shall have forty (40) days from the signing of said Purchase Agreement to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the aforementioned lending institution provided same is in at least the amount set forth above, and the Purchaser has reasonably determined he/she can satisfy the conditions set forth therein. In the event Purchaser fails to obtain such commitment within forty (40) days from the date of execution of the Purchase Agreement, either party may cancel this Purchase Agreement on five (5) business days written notice to the other party, whereupon this Purchase Agreement shall become null and void, and the contract deposit shall be returned to the Purchaser. If the financing commitment lapses or expires prior to closing

and the Purchaser has made a good faith effort to extend the commitment but has been unable to do so, then so long as the Purchaser notifies the Sponsor within five (5) business days of the lending institution's refusal to extend the commitment, the Sponsor shall grant to the Purchaser a right of rescission. **IN THE EVENT THAT SPONSOR'S ATTORNEY DOES NOT RECEIVE SUCH NOTICE OF FAILURE TO OBTAIN FINANCING WITHIN FIVE BUSINESS DAYS AFTER EXPIRATION OF THE FORTY-DAY-PERIOD SET FORTH ABOVE (OR ANY EXTENSION THERETO), PURCHASER SHALL BE REQUIRED TO CLOSE WHETHER OR NOT PURCHASER RECEIVES FINANCING.**

23. AMENDMENTS. After acceptance of my Purchase Agreement and so long as I am not in default hereunder, there shall be no change in the amount of the Cash Purchase Price, size or layout of the apartment I intend to purchase, without my written consent first being obtained. If there is a material change in the size or quality of common areas, I shall be given written notice thereof by certified mail, return receipt requested, and I shall have fifteen (15) days therefrom to rescind my Purchase Agreement and obtain return of my contract deposit by so notifying the Sponsor or Selling Agent in writing by certified mail, return receipt requested. Notice of an amendment may also be given by overnight delivery service, or e-mail and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above. Notice of an amendment may also be given by overnight delivery service, or e-mail and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above.

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

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

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

that unit pursuant to a written agreement with the Sponsor. The Sponsor will notify a purchaser whether or not it (the Sponsor) will repair any damage resulting from a casualty prior to the closing of a unit within 15 days of said casualty. In the case of an interim lessee, if the Sponsor is not obligated to repair any such damage, the Sponsor will make insurance proceeds available to the interim lessee purchaser, subject to the rights of the condominium Board.

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

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

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

30. PURCHASER'S REMEDIES. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartment in accordance with terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform Sponsor's obligations under the Offering Plan) the sole remedy of the Purchaser shall be to rescind the Purchase Agreement and be refunded the entire contract deposit with interest plus the cost of title searches, if any.

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

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

31. APPLIANCES AND EQUIPMENT. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described in the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit are for display purposes only and are not included in this sale. Residential Units will be offered with surface treatments as are specified in the DESCRIPTION OF PROPERTY AND BUILDING CONDITION set for the in the Offering Plan. Purchaser will be responsible for any repainting and touch-ups necessitated from

moving in. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Units dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for 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 addendum to this Agreement or separate agreement).

32. CONSTRUCTION

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

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

33. PRE-CLOSING WALK-THROUGH INSPECTION OF UNIT. At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for a standard pre-closing walk-through inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his/her duly authorized agent shall attend such walk-through and shall complete, date and sign the

Inspection Statement (in the form set forth as Exhibit A to this Agreement) and deliver same to the Selling Agent at the conclusion of the walk-through. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "RIGHTS AND OBLIGATIONS OF THE SPONSOR."

34. NOTICES. All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, addressed to the Sponsor's Attorney as indicated in this Plan. Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is affected or when deposited in any branch station or depository maintained by the U.S. Postal service in the City and State of New York, except that a notice of change of address shall be deemed given when actually received. Notice may also be given by overnight delivery service or e-mail and regular mail and shall be deemed effective when received or when delivery is attempted. Any notice required to be given hereunder may be given to the attorney of the respective parties.

35. BROKER. Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with who Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 35 shall survive the Closing.

36. ASSIGNMENT AND RECORDATION. This Purchase Agreement may not be assigned or recorded, and any proposed assignment or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the Purchase Agreement and retain all sums deposited pursuant hereto. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00.

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

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

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

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

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

DATE: , 20 .

Purchaser

Purchaser

APPROVED AND ACCEPTED
740 UNION STREET, LLC
by:

ESCROW AGENT

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

We/I, the named purchaser/s in a contract for Unit _____ at 740 Union Street,
Brooklyn, New York, certify that we/I have this day inspected said unit, and agree to
accept same in its present condition, subject to completion or repair of the items set
forth on the list attached hereto.

The attached list of repair items is consented to, and we agree to complete same prior to
closing.

APPROVED AND ACCEPTED

Michael Tiseo

Christie Tiseo

EXHIBIT B
ESCROW AGREEMENT FOR CONTRACT DEPOSIT

ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), 740 UNION STREET, LLC (the "SPONSOR") as Sponsor of the Offering Plan, and ELAINE GAY, ESQ. ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium units at the premises located at 740 Union Street, Brooklyn, New York, subject to the terms and conditions set forth in the Plan; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of Unit(s) _____ at premises 740 Union Street, Brooklyn, New York at Citibank, N.A., a bank authorized to do business in the State of New York, at its branch located at 114 Seventh Avenue, Brooklyn, New York. The name of the account is ELAINE GAY, ESQ. IOLA ACCOUNT.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: ELAINE GAY, ESQ. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 177 Seventh Avenue, Brooklyn, NY 11215, and telephone number (718) 832-2669.

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

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

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

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

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

3. RELEASE OF FUNDS.

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

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

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

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

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

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

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

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

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

4. RECORDKEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

6. RESPONSIBILITIES OF SPONSOR.

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

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

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

7. TERMINATION OF AGREEMENT.

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

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

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

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

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

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

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

12. INDEMNIFICATION.

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

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

13. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:
ELAINE GAY, ESQ.

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

SPONSOR:
740 UNION STREET, LLC

By: _____
Name:

PURCHASER:
[INSERT NAME]

By: _____
Name: _____

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

THIS INDENTURE made the _____ day of _____, 20____, between 740 UNION STREET, LLC, 740 Union Street, Brooklyn, NY 11215 (hereinafter the "Grantor"), and _____, (hereinafter "Grantee");

W I T N E S S E T H:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit described in the attached Schedule A.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof;

TOGETHER with an undivided _____ percent interest in the Common Elements of the Property described in said Declaration (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Buildings, or which may come into existence hereafter as a result of settling of the Buildings, or as a result of repair or restoration of the Buildings, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Buildings shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Units;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in, and to, the Unit;

TOGETHER with and subject to all easements of necessity in favor of the Unit, or in favor of other Units, or the Common Elements;

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

TOGETHER with and subject to easements, rights of way, restrictions and encumbrances created by the Declaration for THE 740 UNION STREET CONDOMINIUM recorded in the Office of the City Register of the City of New York on the day of , 20 , at CRFN .

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

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

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

The use for which the Unit is intended is that of a residence and/or professional office as permitted by the By-Laws and the Declaration.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws

are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Condominium Act shall control.

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

IN WITNESS WHEREOF, the Grantor has duly executed this Deed the day and year first above written.

Name: Michael Tiseo
Title: Grantor

Name: Christie Tiseo
Title: Grantor

STATE OF NEW YORK)
COUNTY OF) SS.:

On the day of , 20 , before me, the undersigned personally appeared Michael Tiseo and Christie Tiseo, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner of Unit No. _____ in the Condominium known as THE 740 UNION STREET CONDOMINIUM, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration recorded the _____ day of _____, 20____, in the Office of the City Register of the City of New York at CRFN _____ in the floor plan of file as Map No. _____, do hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of THE 740 UNION STREET CONDOMINIUM jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate, or otherwise, on behalf of all Owners of Units whose Owner in said Property, in accordance with their Common Interests, any Unit whose Owner desired to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners in all other assets of the Condominium as defined in the aforementioned Declaration, or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do, if the undersigned were personally present. In more particular delineation of, but not in derogation or limitation of, the power set forth above, the Board of Managers, notwithstanding bankruptcy of any Unit Owner, specifically has the power to do any act or thing, and execute any document necessary to effectuate the purposes set forth in the Declaration referenced above including, but not limited to, Amendment of said Declaration, execution of the Deed conveying condominium property, filing for a severance of tax lots, and any other document or thing reasonable or necessary to effectuate the aforementioned purposes.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20____.

STATE OF NEW YORK)
COUNTY OF _____) SS.:

On the _____ day of _____, 20____, before me, the undersigned personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

SAMPLE INTERIM LEASE

AGREEMENT made this day of , 20__ between 740 UNION STREET, LLC, (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 740 Union Street, Brooklyn, New York; and,

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

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

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

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

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

11) This agreement may not be assigned, and may not be changed, except by signed, written instrument. This agreement is the entire agreement between the parties as regards use and occupancy of the apartment pending closing.

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

13) New York City Local Law 147 went into effect on August 28, 2018 and requires buildings with three or more residential units to adopt written smoking policies. For condominiums such as the subject premises, the Board of Managers must adopt such a policy; the policy for this condominium is as follows: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. Smoking or using electronic cigarettes is prohibited throughout the Building and all indoor and outdoor areas of the Property. Purchaser acknowledges and agrees to abide by this policy.

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

SPONSOR

740 UNION STREET, LLC

PURCHASER

TAX ESCROW AGREEMENT

AGREEMENT made this 9th day of January, 2026, by and between 740 UNION STREET, LLC (hereinafter the "Sponsor"), and THE BOARD OF MANAGERS OF THE 740 UNION STREET CONDOMINIUM (hereinafter "The Board");

WITNESSETH:

WHEREAS, Sponsor is the Sponsor of the Offering Plan for the conversion to condominium ownership of the land and building located at 740 Union Street, Brooklyn, New York; and,

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

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

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

NOW, THEREFORE, the parties agree as follows:

1. On the first closing of a unit at the premises, Sponsor will deposit in escrow with The Board in a special segregated escrow account to be maintained by The Board in The Board's own name, an amount equal to real estate taxes attributable to the unsold units for the six month period immediately following such closing.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. The funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

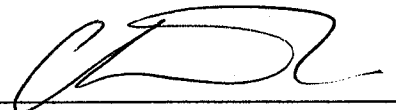
4. Upon each subsequent closing of the units, the Sponsor may collect the estimated amount of taxes attributable to such unit for the balance of the six month period from the purchaser thereof.

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

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

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

740 UNION STREET, LLC

By: 
Name: Christie Tiseo
Title: Principal of the Sponsor

THE BOARD OF MANAGERS OF THE
740 UNION STREET CONDOMINIUM

By: 
Name: Christie Tiseo
Title: President of the Board of Managers

ARCHITECT'S REPORT

PREMISES KNOWN AS THE 740 UNION STREET CONDOMINIUM

740 Union Street
Brooklyn, NY 11215

Tax Block Number 956
Tax Lot Number 37

Prepared by:

N.E.E.D. Architecture LLC

2520 White Plains Road Suite 500
Tarrytown, NY 10591
Phone: (201) 920-8606

May 6, 2026



740 Union Street Condominium: Property and Building Description

1. LOCATION AND USE OF THE PROPERTY

- a. This report describes the building to be known as the 740 Union Street Condominium, located at 740 Union Street in the Park Slope neighborhood of the Borough of Brooklyn, Kings County, in the City and State of New York.
- b. Tax Block 956, Tax Lot 37.
- c. The site is located in an R6A Zone, as designated on map 16C of the Zoning Resolution of the City of New York.
- d. This zone permits residential use as-of-right. The building will comply with all zoning and use requirements at closing.

2. STATUS OF CONSTRUCTION

- a. The building is an existing structure dating approximately to the early 1900's, altered several times, the latest alteration being in 2025 according to plans which were filed with, and approved by the Brooklyn Office of the New York City Department of Buildings.
- b. The Class of Construction is 3, non-fireproof, per Article 4, Sub-article 2 of the 1938 New York City Building Code. All the existing structural materials are combustible except for exterior non-combustible masonry wall.
 - i. Structural frame: 0 hr
 - ii. Load-bearing exterior walls: 2 hr
 - iii. Non-load-bearing exterior walls: N/A
 - iv. Floor: 0 hr
 - v. Roof: 0hr
 - vi. Load-bearing and non-load-bearing interior walls: 0 hr
 - vii. Unit separation walls and floor: 1 hr
 - viii. Stair enclosure: N/A
- c. The building is currently undergoing alteration, anticipated to be complete by June 2026.

- d. The alteration of the building was assigned the New York City Department of Buildings Job No. B01258119. The scope of alterations permitted under this job number included gut renovating the existing upper unit (Unit #2), reconfiguring all the floors of the unit, and adding a new stair bulkhead with a new roof terrace. All required permits and sign-offs, including a Letter of Completion, will be obtained by sponsor.
- e. The building does not have a Certificate of Occupancy and a new CO will not be obtained.

3. SITE

- a. The site (zoning lot) is one thousand seven hundred and ten square feet (1,710sf) and rectangular, located on the southern side of Union Street, one hundred and fifty feet (150'-0") west of 6th Avenue, with a frontage of eighteen feet (18'-0") on Union Street, and a depth of ninety five feet (95'-0").
- b. There shall be one (1) two (2)-unit residential building on the site.
- c. There are no streets on the property.
- d. There shall be no drives, sidewalks or ramps on the site.
 - i. The material of the exiting sidewalk paving and curb in front of the site is concrete and appear to be in good condition. No such sidewalks or curbs will require repair or replacement due to the proposed alteration.
 - ii. There are no existing catch basins, drainage and street lighting at the street fronting the property.
 - iii. The above items are in conformity with local fire district, city, or municipal building codes.

4. UTILITIES

- a. Gas: provided by National Grid and individually metered for each Unit.
- b. Electricity: provided by Con Edison and individually metered for each Unit.
- c. Sewer & Water: metered collectively under the obligations of the board of managers of the condominium.
- d. Telephone: N/A

5. SUBSOIL CONDITIONS

- a. No evidence of differential settlement has been detected.
- b. No evidence of moisture or seepage or ground water infiltration detected.

- c. No unusual water conditions such as flooding, wetness or ponding were observed on the site and no water was apparent on the surface.
- d. There is no known danger of flooding.
- e. There are no known environmental issues.
- f. The site is not located in an area designated as a flood zone by any local, state, or federal agency.

6. LANDSCAPING & ENCLOSURES

- a. Approximately twenty per cent (20%) of the rear yard is planted with shrubs, and there is no shrubs or grass in the front yard.
- b. Six feet (6'-0") high wood fence is installed at the perimeter of the rear yard.
- c. The front of the property has a three feet (3'-0") high iron fence with one (1) gate.
- d. There is a two feet (2'-0") high retaining wall in the rear yard.
- e. There is one street tree existing, approximately six feet (6'-0") high and four inches (4") in caliber. Species is unknown.

7. BUILDING SIZE

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

Cellar Floor approximately = 809 SF

Basement Floor approximately = 809 SF

First Floor approximately = 809 SF

Second Floor approximately = 809 SF

Third Floor approximately = 809 SF

Total approximately = 4,045 SF

- a. The building consists of a cellar and four (4) stories, with a height of approximately thirty seven feet and seven inches (37'-7") from curb level to roof level.
- b. There are no crawl spaces.
- c. The cellar has a ceiling height of approximately eight feet (8'-0").

- d. The four (4) floors above the cellar shall have approximate ceiling heights as follows: basement: eight feet (8'-0"), first floor: nine feet and ten inches (9'-10"), second floor: nine feet (9'-0"), and third floor: seven feet and six inches (7'-6").
- e. The third floor has varying ceiling heights ranging from, approximately, five feet and eight inches (5'-8") in the front, seven feet and six inches (7'-6") in the middle, and six feet and six inches (6'-6") in the back. The ceiling is sloping down to front and back from the middle. Seven feet and six inches (7'-6") is the highest ceiling height on the third floor.
- f. There is one (1) approximately sixty five square feet (65 SF) utility room in the cellar, containing gas, electric meters, which also houses hot water heaters and a boiler for Unit #1.
- g. The Unit Owners, Board of Managers and Managing Agent shall have an easement through Unit #1 to access the utility room located at the cellar level for the purpose of making inspections or for the purpose of correcting any condition originating in the utility room, or for the purpose of performing installations, alterations or repairs, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit #1 Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

8. STRUCTURAL SYSTEM

The structural system of the building shall be brick masonry bearing walls with wood joists. Much of the wood joist construction original to the building shall be reinforced with LVLs and light gauge steel as needed.

The concrete floor slab at cellar level is existing.

No new work, such as furring, insulation and/or interior finish, at any finished cellar spaces, is proposed on the existing foundation walls and footings, and their type, material, thickness, and condition are unknown. The existence of sub-grade drainage system is also unknown.

The interior floor assembly at the first, second and third floors shall be finished flooring over sub-floors on the structural components described above. The ceilings are 1-hour fire-rated, finished with (1) layer of Type "X" gypsum wall board per UL L-501. Fiberglass batt insulation, and three eighths inch (3/8") thick sound control underlayment are installed in floor assemblies between dwelling units to meet minimum impact insulation class (IIC) requirements.

The roof above the third floor shall be supported by wood rafters, reinforced with LVLs and light gauge steel and shall be sheathed in wood, covered with a roof membrane.

The roof surface shall be sloped to roof drains at the front and rear. Cavities between roof joists shall be filled with fiberglass batt insulation.

The interior walls shall be constructed with light gauge steel or wood.

a. Exterior of building:

- i. Walls: No new work except for interior finish is proposed on the existing front and rear walls and side party walls. The existing masonry components appear to be in good condition. Exterior walls shall remain brick masonry, furred out with light gauge steel and gypsum board. The party walls shall remain brick masonry finished with gypsum board.

Walls at the new rooftop bulkhead shall be constructed with wood studs, clad with the thin brick finish over the exterior continuous insulation, vapor barrier, and a single layer of Type X exterior-grade gypsum sheathing per UL U348. The inside of the bulkhead walls shall be one (1) layer of Type X gypsum board over the aforementioned wood studs with insulation in the stud cavity. It is one (1)-hour fire rated. The existing two (2)-hr masonry party wall of the bulkhead of the neighboring building is incorporated.

- ii. Windows: Existing window openings shall retain their stone lintels and stone sills. All the existing windows shall be replaced with new. The new windows are manufactured by Crystal Windows and Doors and under one (1) year warranty. They are made of aluminum, double-hung, and double-glazed. Screens are provided. Window guards are not provided.

- iii. The building does not have Landmark status.

- b. Parapets & Copings: The existing parapets are of masonry and appear to be in good condition. They are covered entirely with the roofing membrane. The height varies from four (4) to twelve (12) inches.
- c. Chimneys: There are no working fireplace chimneys.
- d. Balconies: There are no balconies.
- e. Terraces: There shall be one (1) roof terrace.
- f. Exterior Entrances: One (1) exterior entrance on the street facade, accessed via the front stoop, serves all units. The auxiliary exterior entrance on the street facade, under the stoop, serves the basement space of Unit #1. Unit #1 has one (1) additional exterior swing door providing access to the rear yard.

- i. Exterior Doors

The front door on top of the stoop is a wood and tempered glass double swing door with transom above, in a wood frame, which was replaced in 2014 to match existing. The auxiliary door below the stoop is an insulated fiberglass door in a fiberglass frame, which was also replaced in 2014 to match existing. The door leading to the rear yard from Unit #1 is a fiberglass door in a fiberglass frame, which existed before 2014. The two (2) public hall doors on the first floor are of metal with metal frame and fire-rating label is painted over. The vestibule door in the basement is of wood with wood frame. All the existing doors are in good condition. The new bulkhead door on the roof shall be of metal and one (1) hour fire-rated and the manufacturer and warranty is unknown at the time of this report.

ii. Exterior Stairs

There are 2 exterior stairs to the building: the front stoop which leads from sidewalk level to the first floor, which was renovated in 2014, and the steps below the front stoop to the basement level. The front stoop is brownstone, either natural or restored. The steps below the stoop is of blue stone. Their construction is masonry and appears to be in good condition. The stairs are free of tripping hazards.

iii. Railings

Railings on the front stoop are two feet four inches (2'-4") high and are painted cast iron in good condition.

iv. Mailboxes

The building has two (2) USPS-approved metal mailboxes under the stoop, in front of the gate leading to Unit #1, and they appear to be in good condition.

v. Lighting

There is a ceiling-mounted incandescent light fixture on top of the stoop in the front yard.

g. Roof and Roof Structures:

i. The existing roof shall be modified during construction as follows:

- a) A new layer of Elevate APP 160 Bitumen Torch-down membrane and aluminum coating was applied in 2018 with ten (10) year workmanship warranty. There are two (2) years of remaining

useful life as of 2026. The aluminum coating on top of the roofing membrane is visible on the unoccupied roof areas. The roofing warranty was issued by the installer on May 1st, 2018, which covers labor only. The new roof terrace finish flooring and installation are not accepted by the roofing contractor or manufacturer to retain the warranty. The new roofing work in 2026 is limited to only patching the existing to accommodate the new bulkhead.

- b) The flashing and counter flashing is a combination of metal and flashing cement.
- c) There is no rigid insulation on top of the roof sheathing. The insulation of the third floor ceiling shall be replaced with fiberglass insulation with R-value ranging from nineteen (19) to thirty (30).
- d) All existing roof rafters shall be sistered per the approved plan.
- e) New penetrations of pipes, vents, ducts, etc, shall be properly flashed and waterproofed.
- f) NYC Buildings Bulletin 2019-010 / LL 92/94 of 2019 is not applicable since the alteration is not "new buildings", "new roofs resulting from enlargement of existing buildings", or "existing buildings replacing an entire existing roof deck or roof assembly".
- g) FDNY rooftop access path shall comply with NYC Fire Code: The entire front perimeter of the building shall be provided with a clearance of six feet (6'-0") in width. A clear path of six feet (6'-0") horizontal width shall be provided from the front of the building to the rear of the building. A clearance of six feet (6'-0") in all directions shall be provided from the door opening onto a rooftop from the bulkhead.

ii. Roof Drainage

The main roof has two (2) metal floor drains, one in the front and the other in the back of the building, properly integrated into the roof assembly that conduct rainwater through a four inch (4") metal stormwater pipe into the building's waste line, terminating at the NYC Sewer System. The floor drain in the front is connected with internal metal pipe and the one in the rear is connected to a exterior metal leader attached to the back of the building. The front of the roof has two and a quarter inches (2-1/4") to one foot (1'-0") slope and the back of the roof has a quarter inch (1/4") to one foot (1'-0") slope.

iii. Skylights

There are no skylights.

iv. Bulkheads

There shall be one (1) bulkhead containing an interior stair to the roof. The stair shall be of wood with wood finish. The access shall be provided with a one (1) hour-rated metal swing door from the roof.

v. Metalwork at Roof level

There shall be a three feet six inches (3'-6") high painted steel guardrails at the perimeter of the main roof, of which vertical balustrades shall be at four inches (4") on center interval. A two feet (2'-0") wide metal ladder shall be installed at the front of the roof terrace to provide FDNY access. The new mechanical equipment shall be screened with new three feet and six inches (3'-6") high metal slat screens with fifty per cent (50%) transparency on all four (4) sides.

vi. Roof Terrace

There shall be one (1) roof terrace with floating flooring system. The floor finish shall be of porcelain tile. The maximum number of occupants permitted shall be three (3). The Unit Owners, Board of Managers and Managing Agent shall have an easement through Unit #2's limited common element roof terrace for maintenance and repair of any and all equipment located on the roof and any structural damage that may be caused to the roof. The New York City Fire Department (FDNY) shall also have access to the roof access paths located in and around such areas in case of emergency, in compliance with the NYC Fire Code."

h. Fire Escapes

There are no fire escapes.

i. Yards

- i. There is a rear yard, approximately thirty six feet and six inches (36'-6") deep by eighteen feet (18'-0") wide, and a front yard approximately thirteen feet and seven inches (13'-7") deep by eighteen feet (18'-0") wide. The front yard is accessible by means of a painted steel gate in a painted steel fence; the rear yard is accessed from Unit #1 only.

- ii. Paving material in the front and rear yard is bluestone and appears to be in good condition. The rear yard has a ten feet (10'-0") wide and eighteen feet (18'-0") deep synthetic lawn, a fourteen feet (14'-0") wide and four feet (4'-0") deep gravel area, two feet (2'-0") high retaining wall with steps, and a shrub area.

- iii. Drainage

Area drains are present at the front and rear entrances to the basement.

- iv. Stairs

Stairs in yards are described above.

- v. Fence

At the street front of the property there shall be a painted steel fence approximately three feet (3'-0") tall. Along the perimeter of the rear yard there is an approximately six feet (6'-0") high wooden fence, which appears to be in good condition.

- j. Interior Stairs

There are two (2) stairs in the main stair hall constructed of wood with wood treads and risers.

- i. The one serving Unit #1 connects the first floor, the basement, and the cellar. The other serving Unit #2 connects the first floor, the second floor, the third floor, and the roof.
- ii. All stairs are existing except for the new flight of stair connecting the third floor with the roof.
- iii. The existing stair serving Unit #2 is re-conditioned.
- iv. The flight of stair connecting the first floor with the second floor is enclosed with one (1)-hr fire assembly wall and underside of the stair on the first floor only to separate two units. The wall and the underside of the stair are finished with paint. No other fire-rated stair enclosure is existing or proposed.
- v. All stairs are equipped with three feet (3'-0") high wood railings and guardrails.

- k. Interior Doors and Frames

The interior doors within each unit shall be solid-core wood flush doors with no fire rating. Doors in fire-rated enclosures shall be of metal, self-closing, and one (1) hour fire-rated. Frames shall be of wood in non-fire-rated walls, and of metal in fire-rated walls. The fire-rating labels on the two (2) existing public hall doors on the first floor are painted over. The utility room door is of metal with metal frame and not fire-rated.

9. AUXILIARY FACILITIES

a. Laundry Rooms

- i. Each unit shall be provided with one (1) washer and one (1) dryer internal to the dwelling unit. A side-by-side equipment is provided in Unit #1, and a stacked equipment is provided in Unit #2.
- ii. Washers shall be LG or similar.
- iii. Dryers shall be electric, LG or similar. The one in Unit #1 is vented through the hatch in the front yard, and the one in Unit #2 is vented through the roof.

b. Refuse Disposal

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

10. PLUMBING AND DRAINAGE

a. Water Supply

Water is supplied to the units through connections to the building from the New York City water distribution system. There is one (1) one and a quarter inch (1-1/4") domestic service supplying water from the street, entering the building at front of cellar, connected to the main water meter. Main shut-off valve is located in the cellar level meter room. A backflow preventer by Ford is existing at the meter. The alteration is limited to re-branching pipes from the main water system. All new piping insulation shall be of one inch (1") thick polyethylene and comply with NYC plumbing and energy code.

b. Fire Protection System

There shall be no automatic sprinkler system installed. The alteration does not trigger new sprinkler system installation because it does not require change of use, occupancy, or exits.

c. Water Pressure

The building relies on normal New York City water pressure to raise the water to the third floor. The water pressure at the third floor shall be adequate to use. There is no water tank at the roof of the building.

d. Sanitary Sewage System

- i. The sanitary waste from the building shall be conveyed to the New York City sewer system via cast iron sewer pipes which lead to the house trap and then out to the street. The house trap for sanitary drainage is located at the cellar level at the front of building.
- ii. There are no sewage ejector pumps.
- iii. The sewage disposal is provided and maintained by the City of New York.
- iv. The existing sanitary system appears to be in good condition.
- v. All new work is limited to re-branching pipes from the main sanitary system.

e. Storm Drainage System

- i. There are no catch basins.
- ii. There are two (2) stormwater drains at the roof level for roof drainage. There is one (1) area drain in the front entry area to the basement, at the bottom of the steps, and another one at the rear entry to the basement.
- iii. The drains shall be attached to a four-inch (4") cast iron drain pipe at the front and a four-inch (4") metal leader at the rear of the building, connecting to the building's four-inch (4") cast iron drainage lines to the house trap in the cellar, which will lead to the New York City Sewer System. The area drains in the front and rear basement entry areas are connected with cast iron lines to the building's main waste line.
- iv. The existing storm drainage appears to be in good condition and adequate to manage stormwater on site.

f. NYC Plumbing Permit: B01258119-S1-PL issued on 10/17/2025

11. HEATING, AIR CONDITIONING AND DOMESTIC HOT WATER

- a. Heating and cooling of each unit shall be provided by electric mini split heat pump units. Cooling/heat energy shall be distributed to spaces within the residential units via cold/hot air. One (1) condensing unit will be located in the rear yard and two (2) condensing units will be located on the roof.
- b. The mini-split units shall be by Samsung or equivalents. Each unit shall be equipped with interior air handlers on the basement through 3rd floor. The cellar does not have an air conditioning system.
 - i. Unit #1:
 - 1. Outdoor Unit: Fujitsu AOU36RLXFZ1, Cooling Capacity 35,200 BTU/h, Heating Capacity 36,400 BTU/h, HSPF 8.7, SEER 16, installed in 2014, No warranty. Remaining useful life is unknown.
 - 2. Indoor Units: Fujitsu ARU7RLF (ducted), Cooling Capacity 7,000 BTU/h, Heating Capacity 8,100 BTU/h, HSPF 8.7, SEER 16, installed in 2014, No warranty. Remaining useful life is unknown.
 - ii. Unit #2:
 - 1. Outdoor Units: Two (2) units of Samsung AM036FCMDCG/AA, Cooling Capacity 38,000 BTU/h, Heating Capacity 42,000 BTU/h, HSPF2 10, SEER2 19, installed in 2026, one (1) year warranty.
 - 2. Indoor Units: Samsung AM018FELDCG/AA (ducted), Cooling Capacity 18,000 BTU/h, Heating Capacity 20,000 BTU/h, HSPF2 10, SEER2 19, installed in 2026, one (1) year warranty.
- c. The mini-split units shall have adequate capacity to provide cooling/heating for each unit. Each zone air handlers are controlled by programmable thermostats. Inside temperatures shall be maintained at a minimum of sixty eight (68) degrees Fahrenheit when the outdoor temperature falls below fifty five (55) degrees.
- d. The exterior metals, including fasteners, shall be corrosion resistant. Vibration pads shall be installed underneath the rooftop equipment to minimize equipment vibration and noise from reverberating in units below.
- e. Insulation:
 - i. Interior duct: Bubble wrap foil duct insulation, five eighths inch (5/8") thick, R-8.
 - ii. Exterior/Interior pipe: closed-cell elastomeric foam, half an inch (1/2") thick, R-3.
- f. Operation and maintenance manuals shall be provided by the sponsor.

- g. There is one (1) existing gas boiler for Unit #1: Model Number SE-105 EDP manufactured by Slant/Fin and installed in 2014, featuring 105,000 BTU/hr input capacity, Annual Fuel Utilization Efficiency of approximately 84%, and no warranty. Remaining useful life is unknown.
- h. There are radiators throughout Unit #1 for additional heating.
- i. Domestic hot water is provided for each residential unit by gas hot water heaters located in the utility room on the cellar level.
 - i. Unit #1: Model Number XCR-40 410 manufactured by A. O. Smith and installed in 2014, featuring 0.66 Uniform Energy Factor. No warranty. Remaining useful life is unknown.
 - ii. Unit #2: Model Number XCG-50 400 manufactured by A. O. Smith and installed in 2025, featuring 0.62 Uniform Energy Factor. Limited Tank and Parts Warranty of ten (10) years.
- j. There are no oil or other fuel tanks.

12. GAS SUPPLY

- a. Gas shall be used for domestic cooking, heating domestic water and hydronic space heating, and shall be supplied by the utility company.
- b. Two (2) gas meters are located in the utility room at the cellar level and are provided by the local utility company.
- c. One (1) One and three quarters inch (1-3/4") gas service line is located in the utility room at the cellar level and is provided by the local utility company. All gas piping is specified to be of black iron.
- d. The existing gas service appears to be in good condition.
- e. The new gas work is limited to relocating a gas cooktop on the second floor.

13. VENTILATION

The spaces that require mechanical ventilation in the units are the bathrooms and the kitchenettes. These spaces shall be equipped with exhaust fans and ductwork leading to the outside air. The rate of exhaust ventilation shall be minimum seventy-five cubic feet per minute (75 cfm) for bathrooms and the kitchenettes. The utility room in the cellar is naturally ventilated through the access hatch in the front yard, and the open cellar area is not ventilated.

- a. Kitchenettes: Ducted Cabinet Insert Hood by falmec, Model#FIMAR28B6SS, Warranty and noise emission rating is not available.

- b. Bathrooms: Ceiling-Mounted BreezeGreenBuilder Bathroom Fan by Delta, Model#GBR80, Noise (sones): 0.8-1.5, Warranty: 3-year limited warranty.

14. ELECTRICAL SYSTEM

- a. The electrical service to the building is brought in from the demarcation point of Consolidated Edison Co. The main feed is copper and brings the services to two (2) separate meters, one for each individual unit. The service supplied to the building is two hundred (200) amp, single phase, and each apartment gets one hundred (100) amp single-phase service.
- b. There are separate panels for individual residential unit. There are approximately twenty (20) circuits equipped with circuit breakers at the panel for each residential unit, which separates air conditioning equipment, laundry equipment, dishwasher, kitchen appliances, lights and outlets and spare. All electrical wiring shall be new.
- c. Arc fault circuit interrupters (AFCI) and ground fault circuits interrupters (GFCI) shall be provided as per latest applicable NEC requirements.
- d. Interior lighting fixtures shall generally be provided as follows:
 - i. Main spaces: recessed and/or surface-mounted fixtures, pendants or recessed lighting at kitchen island.
 - ii. Hallways: recessed and/or surface mounted fixtures.
 - iii. Bedrooms: recessed and/or surface mounted fixtures.
 - iv. Bathrooms: recessed and/or surface mounted fixtures and wall-mounted or pendant fixtures at vanities.
 - v. Mechanical, laundry and utility rooms, walk-in closets: recessed and/or surface mounted lighting.
- e. Convenience outlets shall be provided in all interior rooms, meeting or exceeding code requirements with regard to number and spacing. Appliance outlets shall be provided for kitchen and laundry appliances in accordance with the respective appliance manufacturer's specifications.
- f. No emergency generator is provided.
- g. There shall be no dedicated children's play area for which tamper-resistant receptacles need to be provided.
- h. Outdoor grade Leviton (or equal) water resistant receptacles boxes shall be installed for exterior use.

15. INTERCOM

Each unit will be equipped with a bell in front of the entrance on the first floor.

16. PUBLIC AREA LIGHTING

Common area lighting are provided at the front stoop and the vestibule. They are ceiling mounted and have incandescent lamps.

17. PERMITS AND CERTIFICATES

- a. The following permits were required for construction relating to the condominium conversion and were obtained in 2025:
 - i. General Construction Permit
 - ii. Plumbing Permit
 - iii. Electrical Permit
 - iv. Mechanical Permit
- b. The following categories of inspections of work relating to the above-referenced permits are expected to be required. All inspections will be completed and inspection reports will be certified prior to final signoff.
 - i. By the NYC Department of Buildings:
 - a) Plumbing
 - b) Electrical
 - ii. By the Architect/Engineer of Record or approved Special Inspection Agency:
 - a) Mechanical systems
 - b) Fire-resistant penetrations and joints
 - c) Fire-resistive rated construction
 - d) Structural stability - existing buildings
 - e) Structural cold-formed steel
 - f) Structural wood frame
 - g) Insulation placement and R-values
 - h) Fenestration areas

- i) Air barrier - visual inspection
 - j) Interior lighting power
 - k) HVAC and service water heating equipment
 - l) HVAC and service water heating system controls
 - m) HVAC insulation and sealing
 - n) Duct leakage testing, insulation, and design
- c. There are no known recurring inspections, such as NFPA 80 (Fire Doors), Backflow Preventer, Gas Piping, or etc., after the building is in operation.

18. VIOLATIONS

There are no current open building violations.

19. UNIT INFORMATION

- a. Number of Units: The condominium will have a total of two (2) residential units.
- i. Lower Unit (Unit #1) will consist of: two (2) bedrooms, one (1) accessory space, one (1) kitchenette, one (1) living room, one (1) dining room, two (2) bathrooms, one (1) powder room, one (1) open cellar, and five (5) closets. Additionally, the rear yard and the utility room are Limited Common Elements in connection with this unit. Use of the cellar utility room for storage is prohibited by the NYC Fuel Gas Code. The cellar level is an 'open cellar', non-habitable, accessory use only, may not be used for living, sleeping or cooking, and may not be rented independently.
 - ii. Upper Unit (Unit #2) will consist of: one (1) bedroom, three (3) accessory spaces, two (2) bathrooms, one (1) powder room, one (1) kitchenette, one (1) living room, one (1) dining room, four (4) closets, and one (1) laundry room. The roof terrace shall be Limited Common Elements in connection with this unit.
 - iii. Unit #1: basement level: the non-habitable 'accessory space' may not be used as a bedroom/for sleeping, as it does not meet habitable room width requirements.
 - iv. Unit #2: 2nd floor: the non-habitable 'accessory space' may not be used as a bedroom/for sleeping, as it does not meet habitable room size or width requirements. The doors opening into the dining room from the accessory space on the 2nd floor shall be double sliding wood doors.

- v. Unit #2: 3rd floor rear: the non-habitable 'accessory space' may not be used as a bedroom/for sleeping, as it does not meet habitable room ceiling height, size or width requirements. The lowest ceiling height of the rear space on the third floor is six feet and six inches (6'-6").
 - vi. Unit #2: 3rd floor front: the non-habitable 'accessory space' may not be used as a bedroom/for sleeping, as it does not meet habitable room ceiling height requirements. The lowest ceiling height of the front is five feet and eight inches (5'-8").
 - vii. The front yard, and the public hall shall be Common Elements.
- b. Size of Units: The areas indicated below shall be approximate and shall be calculated as follows: horizontally, approximately to the outside face of the exterior walls of the building. Dimensions shall be to the centerline of demising walls dividing units from each other. Dimensions shall be to the property line at lot-line walls. Stairs internal to the units shall be included in the area calculations. The cellar space is considered non-habitable accessory space, and as such cannot legally be used as a bedroom or living area.
- c. The approximate square footage for each unit shall be as follows:

	Lower Unit	Upper Unit
Roof Bulkhead	0SF	106SF
3rd Floor	0SF	809SF
2nd Floor	0SF	809SF
1st Floor	721SF	30SF
Basement	809SF	0SF
Cellar	714SF	0SF
Total	2,244SF	1,724SF
Limited Common Elements	Rear Yard: 657SF Cellar Utility Room: 95SF	Roof Terrace: 515SF

Common Elements	Front Yard: 245SF Public Hall: 58SF
------------------------	--

d. Unit Finishes (Unit #1 and #2)

The following unit finishes shall be installed.

LOCATION	FLOORS	BASE	WALLS	CEILINGS	OTHER
Bedrooms	Engineered wood	Wood	Sheetrock Painted	Sheetrock Painted	
Living/Dining Room	Engineered wood	Wood	Sheetrock Painted	Sheetrock Painted	
Kitchenette	Engineered wood	Wood	Sheetrock Painted; Tile	Sheetrock Painted	Stone countertops; Laminated cabinets
Accessory Spaces	Engineered wood	Wood	Sheetrock Painted	Sheetrock Painted	
Bathrooms	Tile	Tile wainscot	Sheetrock Painted	Sheetrock Painted	
Unit Hallways	Engineered wood	Wood	Sheetrock Painted	Sheetrock Painted	
Laundry Rooms	Engineered wood	Wood	Sheetrock Painted	Sheetrock Painted	
Open Cellar	Tile	Tile	Sheetrock Painted	Sheetrock Painted	

e. Bathroom Fixtures (Unit #1 and #2)

- i. Water closets: Kohler or similar.
- ii. Water closets shall meet water saving performance standards as per New York City, Local Law 29/89.
- iii. Lavatories: Kohler or similar
- iv. Kitchen sink: Kohler or similar
- v. Bathtubs: Kohler or similar
- vi. Showers: Kohler or similar

- vii. All fixtures shall be in good condition.
- f. Kitchen Equipment (Unit #1 and #2)
 - i. Dishwasher: Bosch or similar.
 - ii. Range: Bosch or similar.
 - iii. Refrigerators: Bosch or similar.
 - iv. All appliances shall be in good condition.
- g. All finishes, fixtures, and appliances in Unit #1 are existing and appear to be in good condition. Approximate age is unknown.
- h. All finishes, fixtures, and appliances in Unit #2 are new, while those in Unit #1 are existing.
- i. Wall and ceiling finish specification for Unit #2: Benjamin Moore Fresh Start High-Hiding All Purpose Primer (K046) and two finish coats of Benjamin Moore Regal Select. The wall and ceiling finish specification for Unit #1 is unknown.
- j. Wood flooring specification for Unit #2: Engineered white oak, Select grade, UV oil finish, 9/16" thick, with GenieMat RST10 underlayment by Pliteq. The flooring specification for Unit #1 is unknown.

20. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

LOCATION	FLOORS	BASE	WALLS	CEILINGS	OTHER
Public Hall	Tile	Tile	Sheetrock Painted	Sheetrock Painted	
Utility Room	Tile	N/A	Masonry	Cement Board	
Roof Terrace	Tile	N/A	N/A	N/A	

21. SAFETY AND WARNING DEVICES

Combination smoke/CO detectors shall be installed in every unit in compliance with all applicable code requirements. Within the units there shall be one combination smoke/CO detector in every bedroom and a minimum of one on each level of the duplex. Detectors outside bedrooms shall be installed within 10 feet of all bedroom doors.

22. FURTHER DEVELOPMENT

No further development is proposed.

23. ASBESTOS

The most current asbestos report is under DEP ACP-5 Control Number 31258980. As per this report, gypsum board compound containing asbestos was not present on the 2nd and 3rd floor. The roofing material was assumed to have asbestos according to the inspector, but the scope of work on the roof to be affected is less than 10 square feet, thus the affected area shall be abated as a minor project in accordance with relevant provisions of the DEP Asbestos Rules. All other roof areas are also assumed to contain asbestos and remain undisturbed. There are no known existing materials to remain which were not tested but may contain asbestos. Future renovation work (exterior and/or interior) may require additional asbestos testing and abatement.

24. LEAD-BASED PAINT

To the best of the sponsor's knowledge there is no presence of lead-based paint or violations concerning lead-based paint. All interior surfaces in the building were replaced with new surfaces eliminating any lead paint hazard. However, buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for, lead paint.



NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373
ASBESTOS ASSESSMENT REPORT



1. NYC DOB Job # (if applicable) _____ **Control Number: 31258980**
2. Premise No. 740 Street Name Union Street Borough Brooklyn Zip 11215
3. AKA _____ Type of Facility _____ BIN 3020138 Block 00956 Lot 0037
4. Building Owner Christie Tiseo Address 740 Union St
5. City Brooklyn State NY Zip 11215 Contact Person Christie Tiseo
6. Tel. # (917) 355-3695 Fax # _____ Email _____
7. Work Type PL Plumbing, General Construction

Description of the Entire Scope of Work

Interior renovation for the upper unit only + addition of rooftop garden + stair bulkhead. Roofing will remain

8. I, ILIAS GKIOUSAS, have conducted an asbestos investigation on _____
Name of Certified Asbestos Investigator
- 07/17/2025 11:00AM-11:30AM _____ in accordance
Date(s)

with Sections 1-16 and 1-28 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. the premises or the portion(s) of the premises, included in the scope of renovations was/were determined that there was no asbestos-containing materials (ACM) present
- ☒ b. premise (or portions thereof) affected by the work contains 10 square feet or less or 25 linear feet or less of ACM.
Specify locations in section 9: Note: This material must be abated as a minor project in accordance with relevant provisions of the DEP Asbestos Rules.
- ☐ c. asbestos is present and will not be disturbed during construction activity. Specify the quantity and area where asbestos is present. Specify amount: _____ sq. ft _____ linear ft.
- ☐ d. entire building is free of asbestos containing material (ACM).

9. RESULTS OF ASBESTOS BUILDING SURVEY:

Floor	Section of Floor(s) Surveyed	Material Assumed to Contain ACM and/or Sampled	Number of Samples Analyzed	Asbestos Present	Assumed ACM	Square Feet	Linear Feet	Abated	Scope of Work Applied
Building Floors-2 to 3	at proposed work areas	gypsum board compound	3	No					

I have advised the Owner / owner's representative / client that the minor project amounts of the confirmed or presumed ACMs shall need to be abated by a NYS DOL Licensed Asbestos Abatement Contractor, and disposed of as asbestos-containing wastes, prior to conducting this renovation project.

- ☒ I hereby declare the information provided herein is true and complete. I verify under penalty of perjury under the laws of the United States of America that I was physically present at the premises while conducting the inspection.



ILIAS GKIOUSAS 8/4/2025 146589 7/19/2027
DEP Certified Asbestos Investigator's Signature Date Certificate Number Expiration Date

Tel. # (347) 381-9380 Fax # _____

Email environmentaleli@gmail.com

The investigator shall assume that some or all of the areas investigated contain ACM, and for each area that is not assumed to contain ACM, collect and submit for analysis bulk samples in accordance with §§ 1-36, 1-37, and 1-44 of the DEP Asbestos Rules and EPA publications 560/5-85-024 and 560/5-85-030a and 40 CFR 763.86.

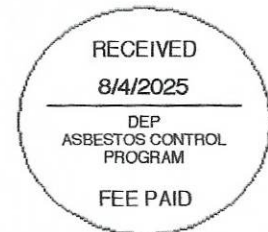
Is it a Build-It-Back project? ☐ Yes, App ID # _____ ☒ No



251332823



NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373
ASBESTOS ASSESSMENT REPORT



Building Floors-2 to 3	at proposed work areas	wall/ceiling plaster	4	No					
Roof	at proposed work areas	roofing	0	Yes	Yes	10		No	b

10. ANALYTICAL LABORATORY:

NAME	ELAP # (NYS DOH CERTIFICATION)	DATE(S) SAMPLES ANALYZED
Allab	12118	7/21/2025

11. NYS DOL Asbestos Handling license # 101236 Company Name Eli Environmental, Inc.

12. Comment

I have advised the Owner / owner's representative / client that the minor project amounts of the confirmed or presumed ACMs shall need to be abated by a NYS DOL Licensed Asbestos Abatement Contractor, and disposed of as asbestos-containing wastes, prior to conducting this renovation project.

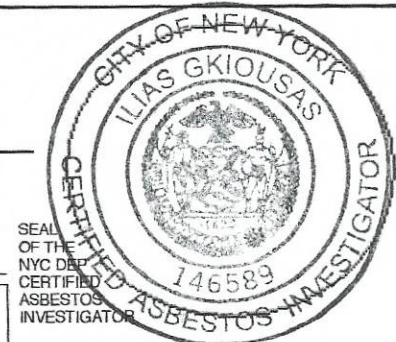
☒ I hereby declare the information provided herein is true and complete. I verify under penalty of perjury under the laws of the United States of America that I was physically present at the premises while conducting the inspection.

ILIAS GKIOUSAS 8/4/2025 146589 7/19/2027
DEP Certified Asbestos Investigator's Signature Date Certificate Number Expiration Date

Tel. # (347) 381-9380 Fax # _____

Email environmentaleli@gmail.com

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Is it a Build-It-Back project? ☐ Yes, App ID # _____ ☒ No



251332823

ABBREVIATIONS

B: BOILER
H/W: HOT WATER HEATER
W/D: WASHER & DRYER
M/W: MICROWAVE
D/W: DISHWASHER
W/C: WATER CLOSET
SHWR: SHOWER
LAV: LAVATORY
KS: KITCHEN SINK
SS: SERVICE SINK
REF: REFRIGERATOR
A/C: AIR CONDITIONING UNIT
L.C.E.: LIMITED COMMON ELEMENT
C.E.: COMMON ELEMENT

NOTES

* 'OPEN CELLAR' IS NON-HABITABLE, ACCESSORY USE ONLY, MAY NOT BE USED FOR LIVING, SLEEPING OR COOKING, AND MAY NOT BE RENTED INDEPENDENTLY.

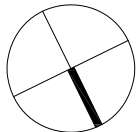
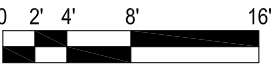
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REVISIONS

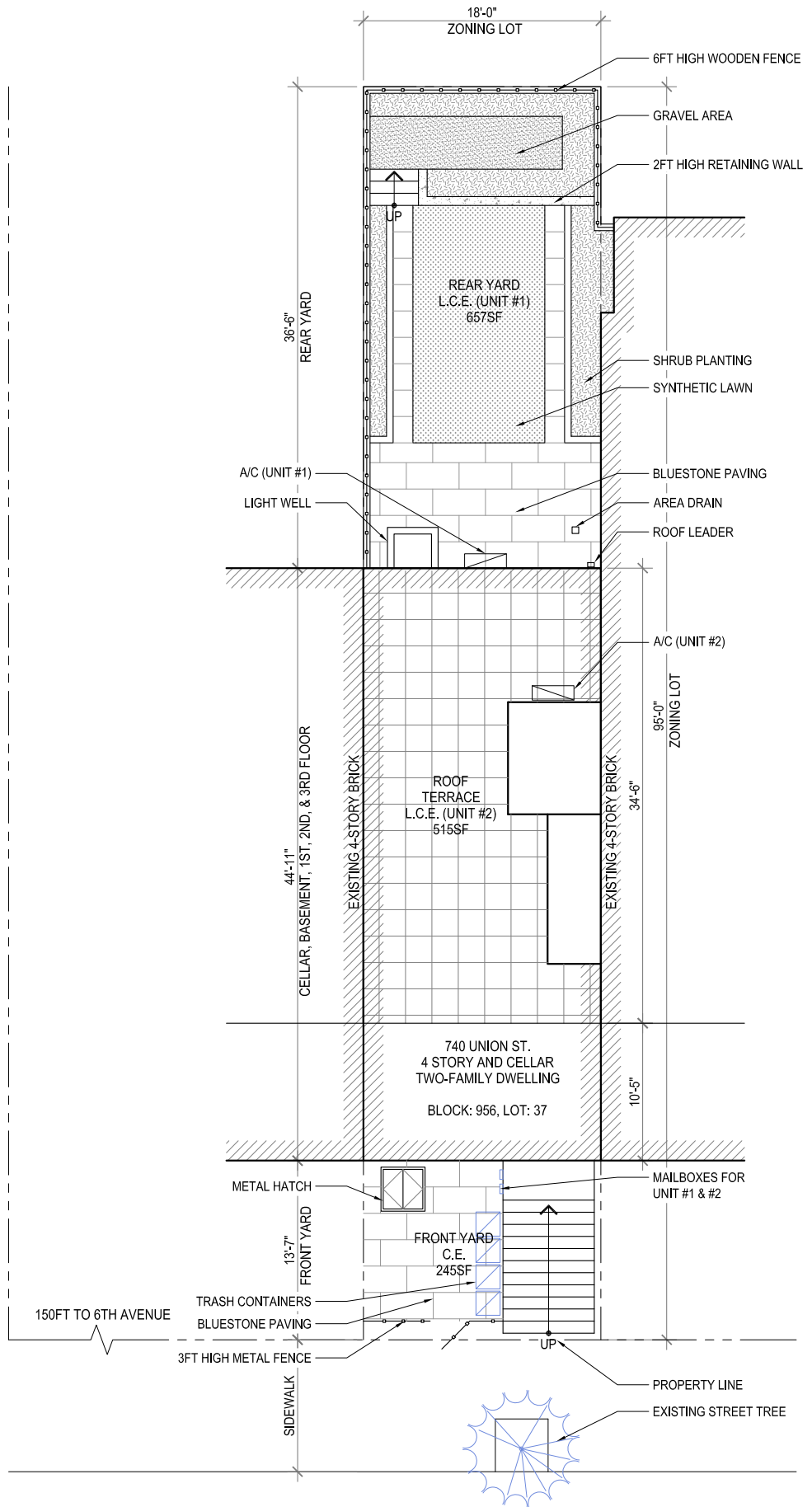
INITIAL: 12/31/2025
REV.1: 03/12/2026

PLOT PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



6TH AVENUE 70FT WIDE



UNION ST. 80FT WIDE

ABBREVIATIONS

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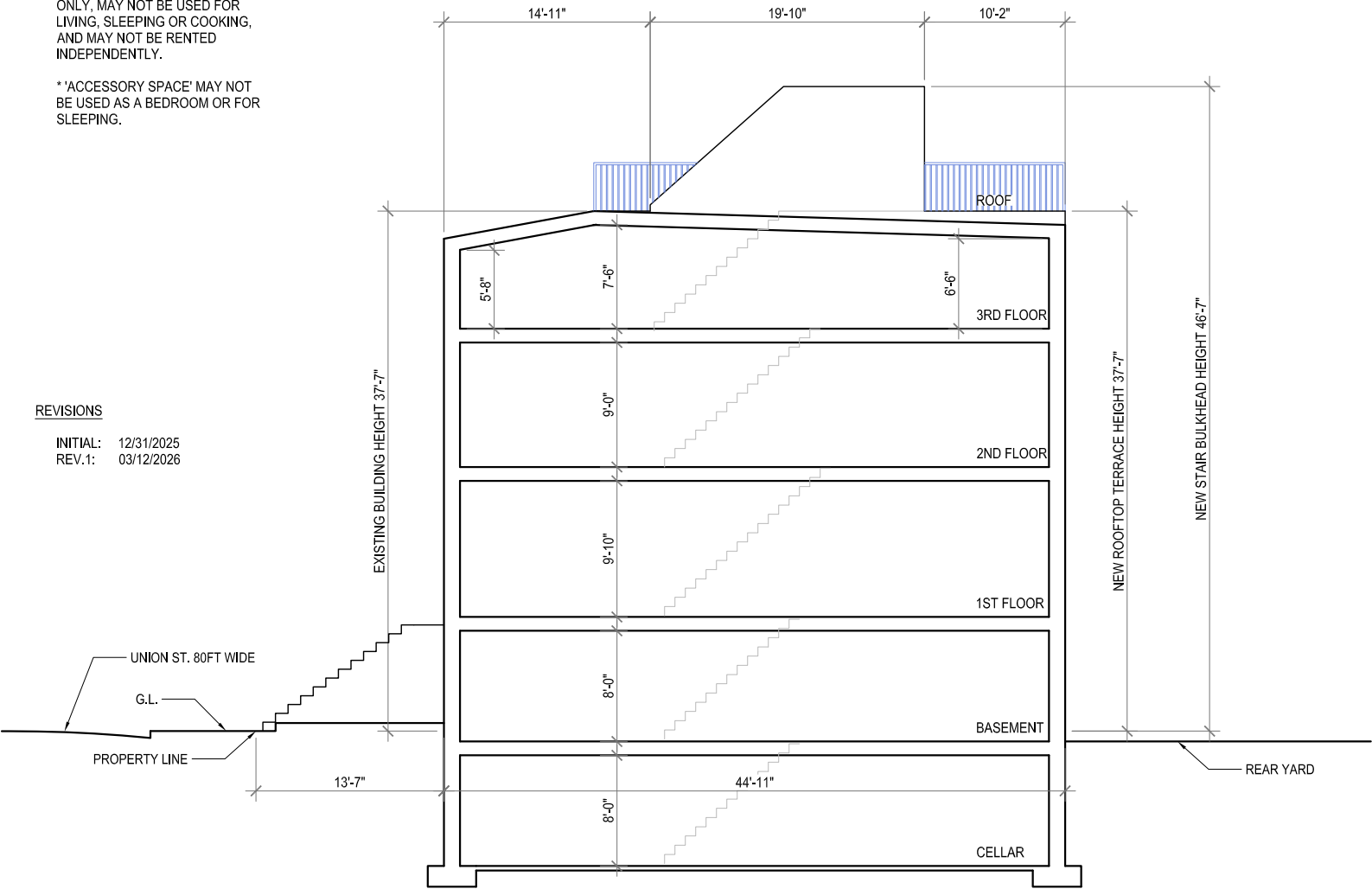
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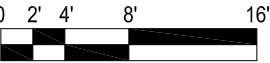
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LONGITUDINAL SECTION

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



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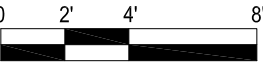
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FRONT ELEVATION

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



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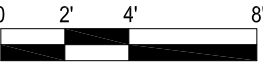
REVISIONS

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REAR ELEVATION

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



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* 'ACCESSORY SPACE' MAY NOT BE USED AS A BEDROOM OR FOR SLEEPING.

AREA CALCULATION

UNIT #1:	714SF
UNIT #2:	0SF
L.C.E. UNIT #1:	95SF
L.C.E. UNIT #2:	0SF
C.E.:	0SF
TOTAL:	809SF

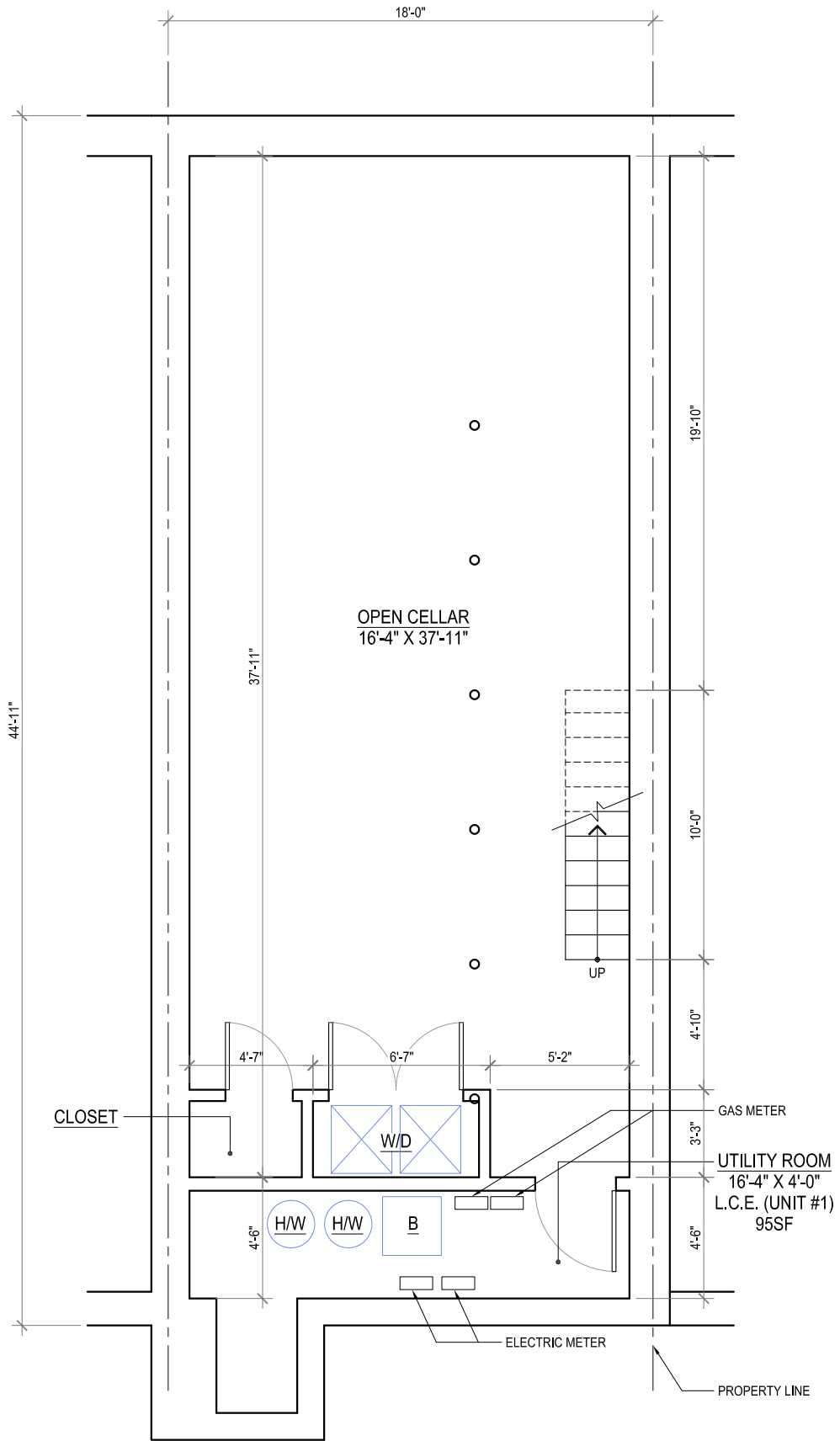
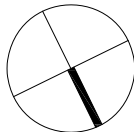
REVISIONS

INITIAL: 12/31/2025
REV.1: 03/12/2026

UNIT #1

CELLAR PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



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AREA CALCULATION

UNIT #1: 809SF
UNIT #2: 0SF
L.C.E. UNIT #1: 0SF
L.C.E. UNIT #2: 0SF
C.E.: 0SF
TOTAL: 809SF

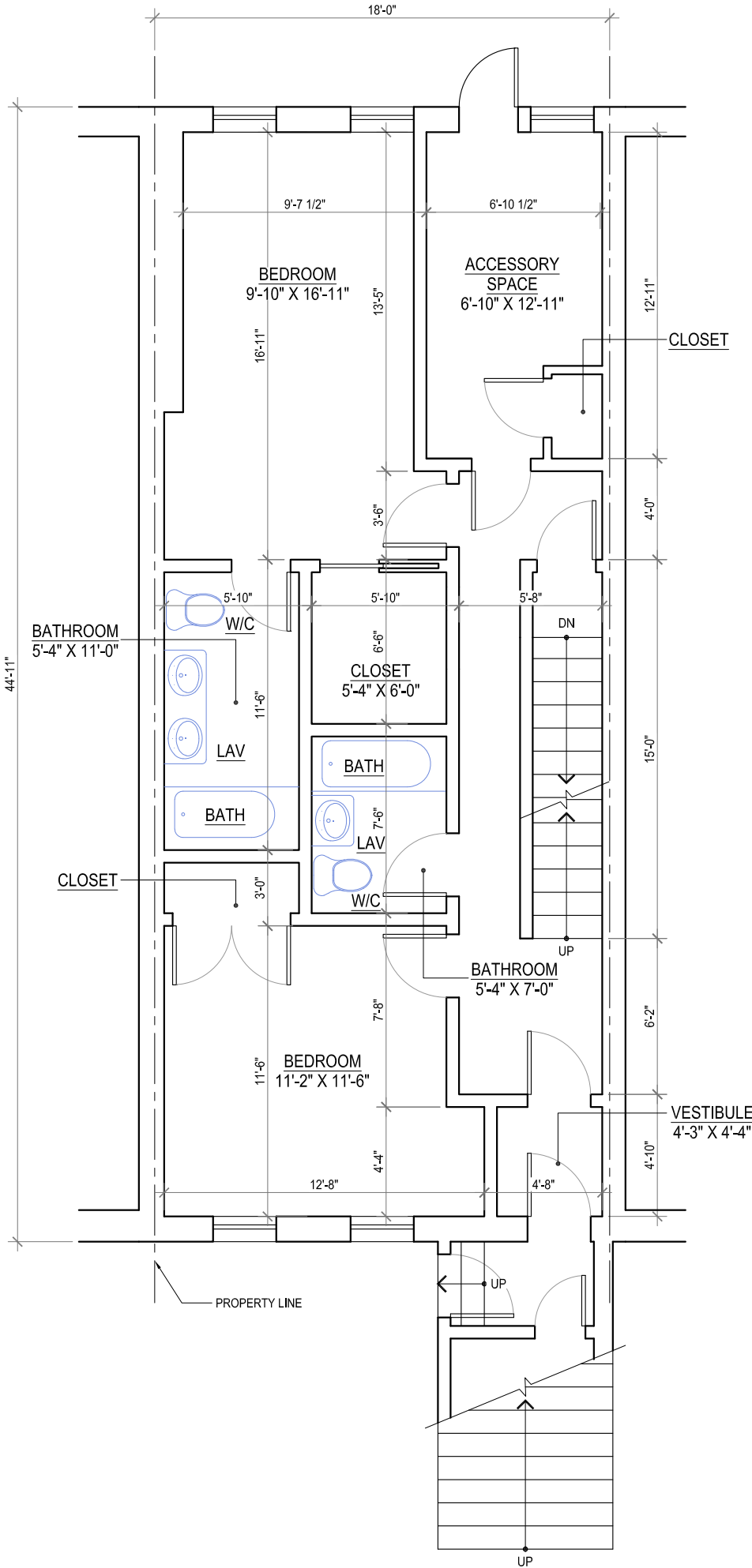
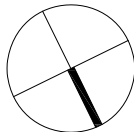
REVISIONS

INITIAL: 12/31/2025
REV.1: 03/12/2026

UNIT #1

BASEMENT PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



ABBREVIATIONS

B: BOILER
H/W: HOT WATER HEATER
W/D: WASHER & DRYER
M/W: MICROWAVE
D/W: DISHWASHER
W/C: WATER CLOSET
SHWR: SHOWER
LAV: LAVATORY
KS: KITCHEN SINK
SS: SERVICE SINK
REF: REFRIGERATOR
A/C: AIR CONDITIONING UNIT
L.C.E.: LIMITED COMMON ELEMENT
C.E.: COMMON ELEMENT

NOTES

* 'OPEN CELLAR' IS NON-HABITABLE, ACCESSORY USE ONLY, MAY NOT BE USED FOR LIVING, SLEEPING OR COOKING, AND MAY NOT BE RENTED INDEPENDENTLY.

* 'ACCESSORY SPACE' MAY NOT BE USED AS A BEDROOM OR FOR SLEEPING.

AREA CALCULATION

UNIT #1: 721SF
UNIT #2: 30SF
L.C.E. UNIT #1: 0SF
L.C.E. UNIT #2: 0SF
C.E.: 58SF

TOTAL: 809SF

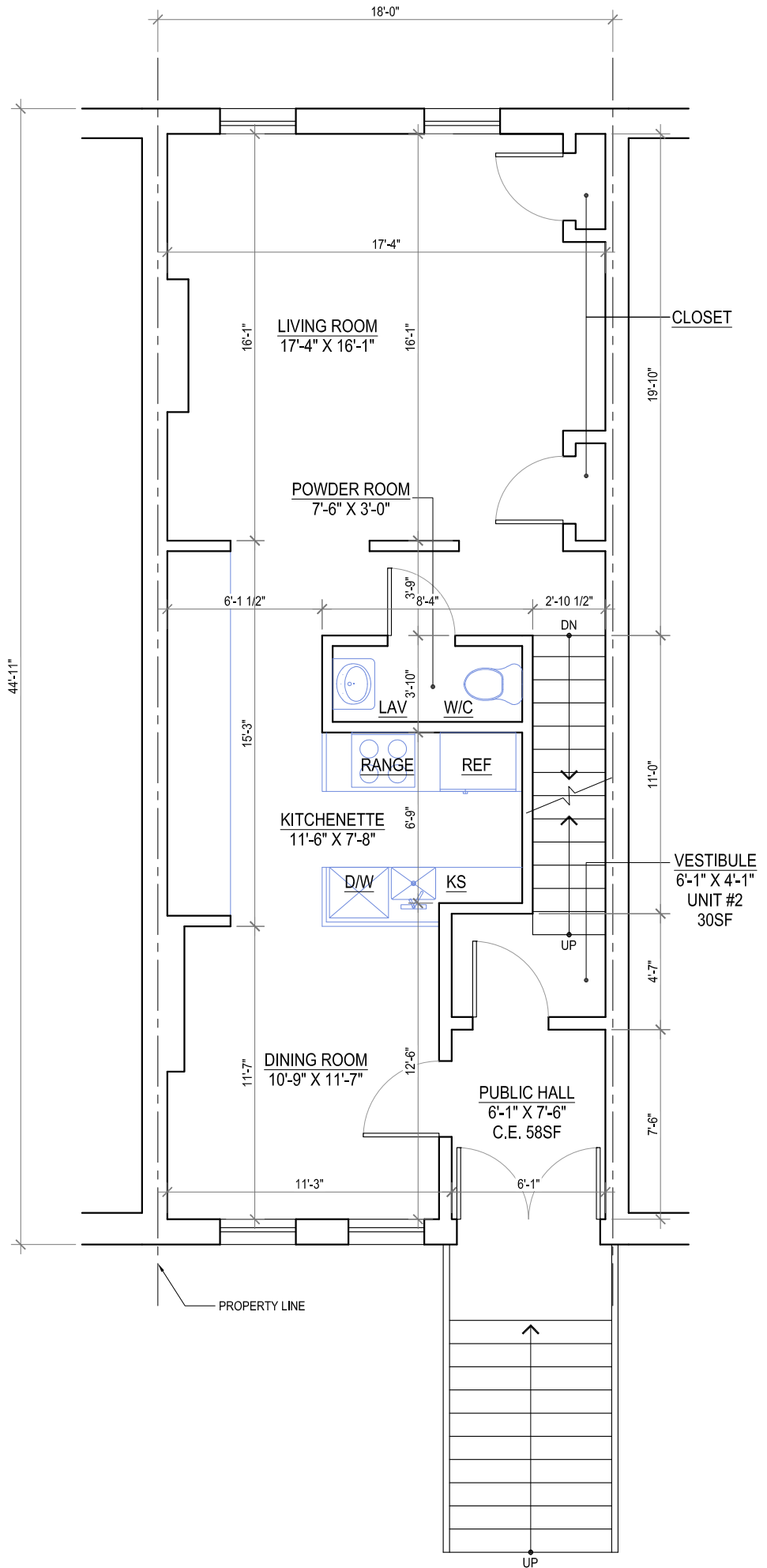
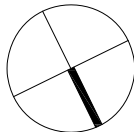
REVISIONS

INITIAL: 12/31/2025
REV.1: 03/12/2026

UNIT #1

1ST FLOOR PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



ABBREVIATIONS

B: BOILER
H/W: HOT WATER HEATER
W/D: WASHER & DRYER
M/W: MICROWAVE
D/W: DISHWASHER
W/C: WATER CLOSET
SHWR: SHOWER
LAV: LAVATORY
KS: KITCHEN SINK
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NOTES

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AREA CALCULATION

UNIT #1:	0SF
UNIT #2:	809SF
L.C.E. UNIT #1:	0SF
L.C.E. UNIT #2:	0SF
C.E.:	0SF
TOTAL:	809SF

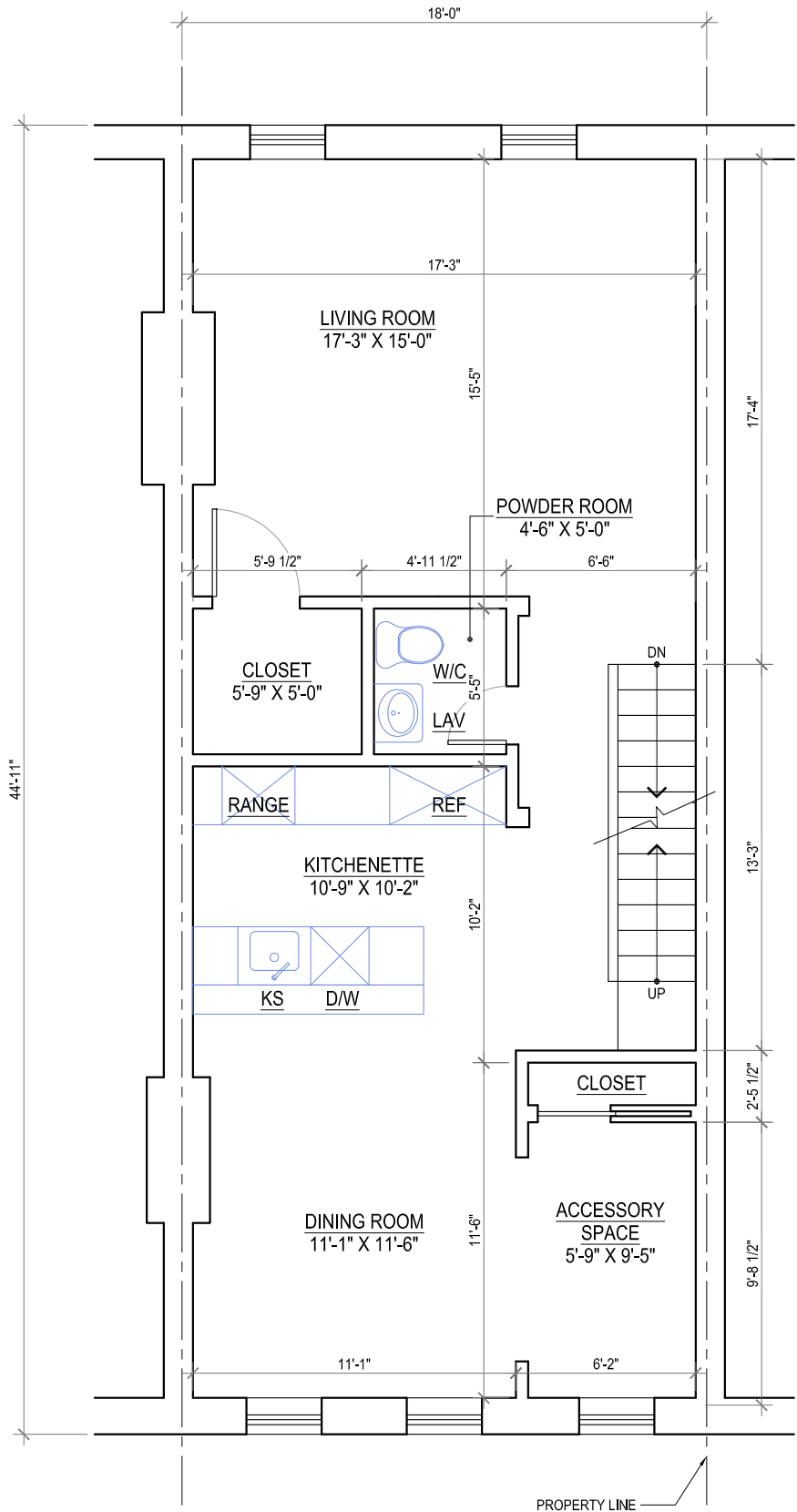
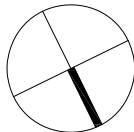
REVISIONS

INITIAL:	12/31/2025
REV.1:	03/12/2026

UNIT #2

2ND FLOOR PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



ABBREVIATIONS

B: BOILER
H/W: HOT WATER HEATER
W/D: WASHER & DRYER
M/W: MICROWAVE
D/W: DISHWASHER
W/C: WATER CLOSET
SHWR: SHOWER
LAV: LAVATORY
KS: KITCHEN SINK
SS: SERVICE SINK
REF: REFRIGERATOR
A/C: AIR CONDITIONING UNIT
L.C.E.: LIMITED COMMON ELEMENT
C.E.: COMMON ELEMENT

NOTES

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* 'ACCESSORY SPACE' MAY NOT BE USED AS A BEDROOM OR FOR SLEEPING.

AREA CALCULATION

UNIT #1:	0SF
UNIT #2:	809SF
L.C.E. UNIT #1:	0SF
L.C.E. UNIT #2:	0SF
C.E.:	0SF
TOTAL:	809SF

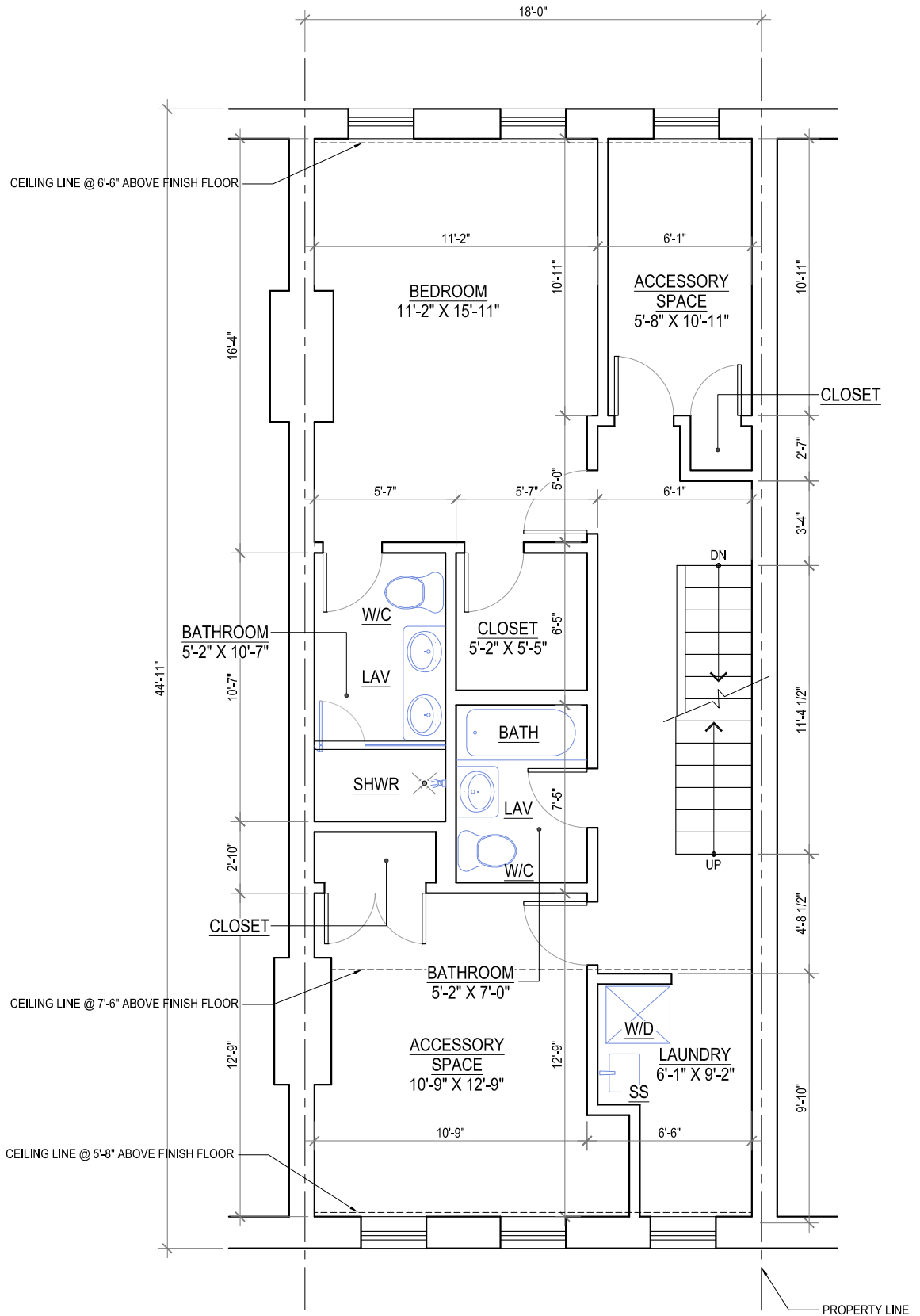
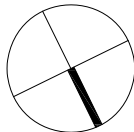
REVISIONS

INITIAL:	12/31/2025
REV.1:	03/12/2026

UNIT #2

3RD FLOOR PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



ABBREVIATIONS

B: BOILER
H/W: HOT WATER HEATER
W/D: WASHER & DRYER
M/W: MICROWAVE
D/W: DISHWASHER
W/C: WATER CLOSET
SHWR: SHOWER
LAV: LAVATORY
KS: KITCHEN SINK
SS: SERVICE SINK
REF: REFRIGERATOR
A/C: AIR CONDITIONING UNIT
L.C.E.: LIMITED COMMON ELEMENT
C.E.: COMMON ELEMENT

NOTES

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AREA CALCULATION

UNIT #1:	0SF
UNIT #2:	0SF
L.C.E. UNIT #1:	0SF
L.C.E. UNIT #2:	515SF
C.E.:	0SF
TOTAL:	515SF

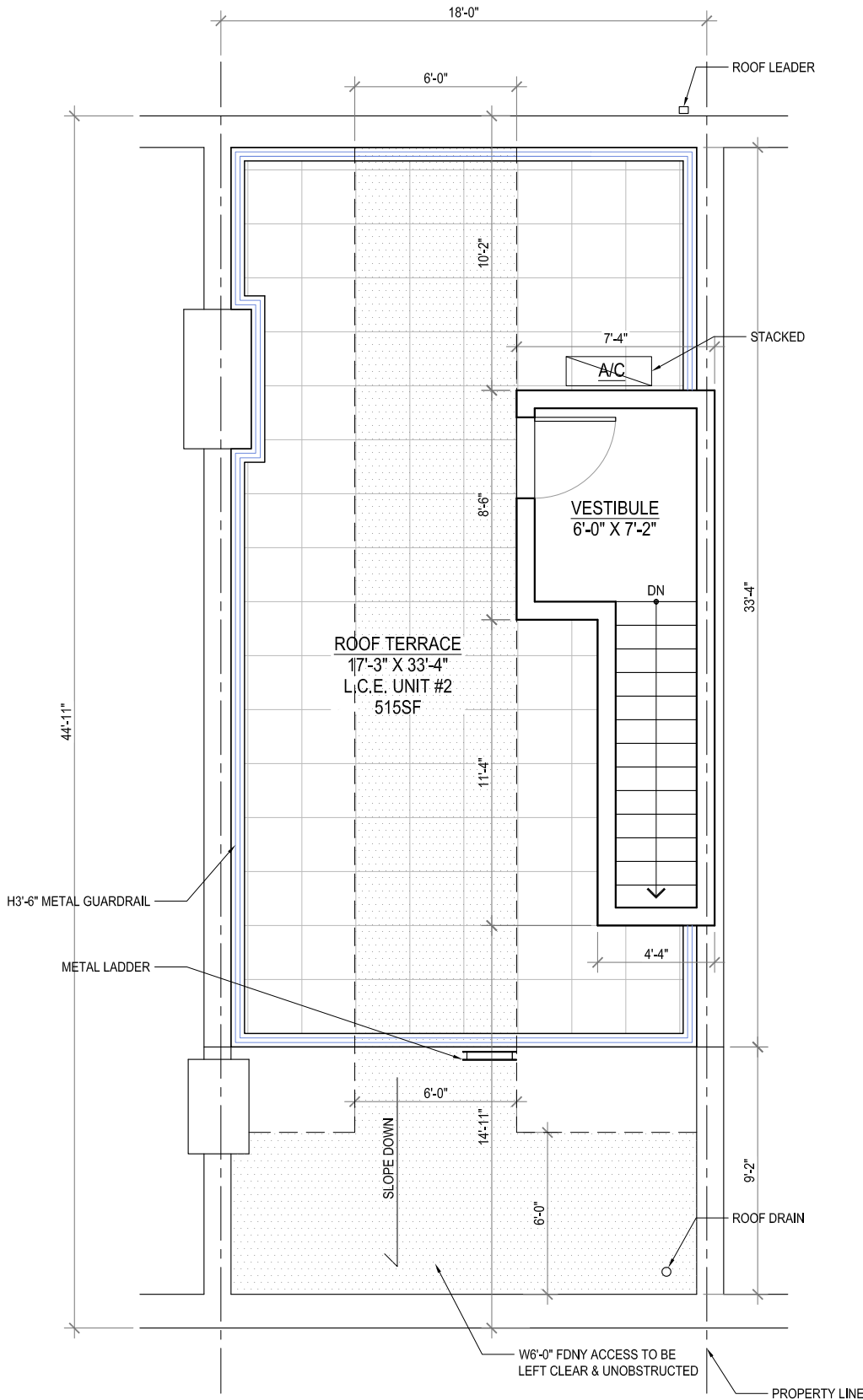
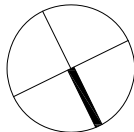
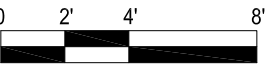
REVISIONS

INITIAL: 12/31/2025
REV.1: 03/12/2026

UNIT #2

ROOF PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



ABBREVIATIONS

B: BOILER
H/W: HOT WATER HEATER
W/D: WASHER & DRYER
M/W: MICROWAVE
D/W: DISHWASHER
W/C: WATER CLOSET
SHWR: SHOWER
LAV: LAVATORY
KS: KITCHEN SINK
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REF: REFRIGERATOR
A/C: AIR CONDITIONING UNIT
L.C.E.: LIMITED COMMON ELEMENT
C.E.: COMMON ELEMENT

NOTES

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AREA CALCULATION

UNIT #1:	0SF
UNIT #2:	0SF
L.C.E. UNIT #1:	0SF
L.C.E. UNIT #2:	0SF
C.E.:	0SF
TOTAL:	0SF

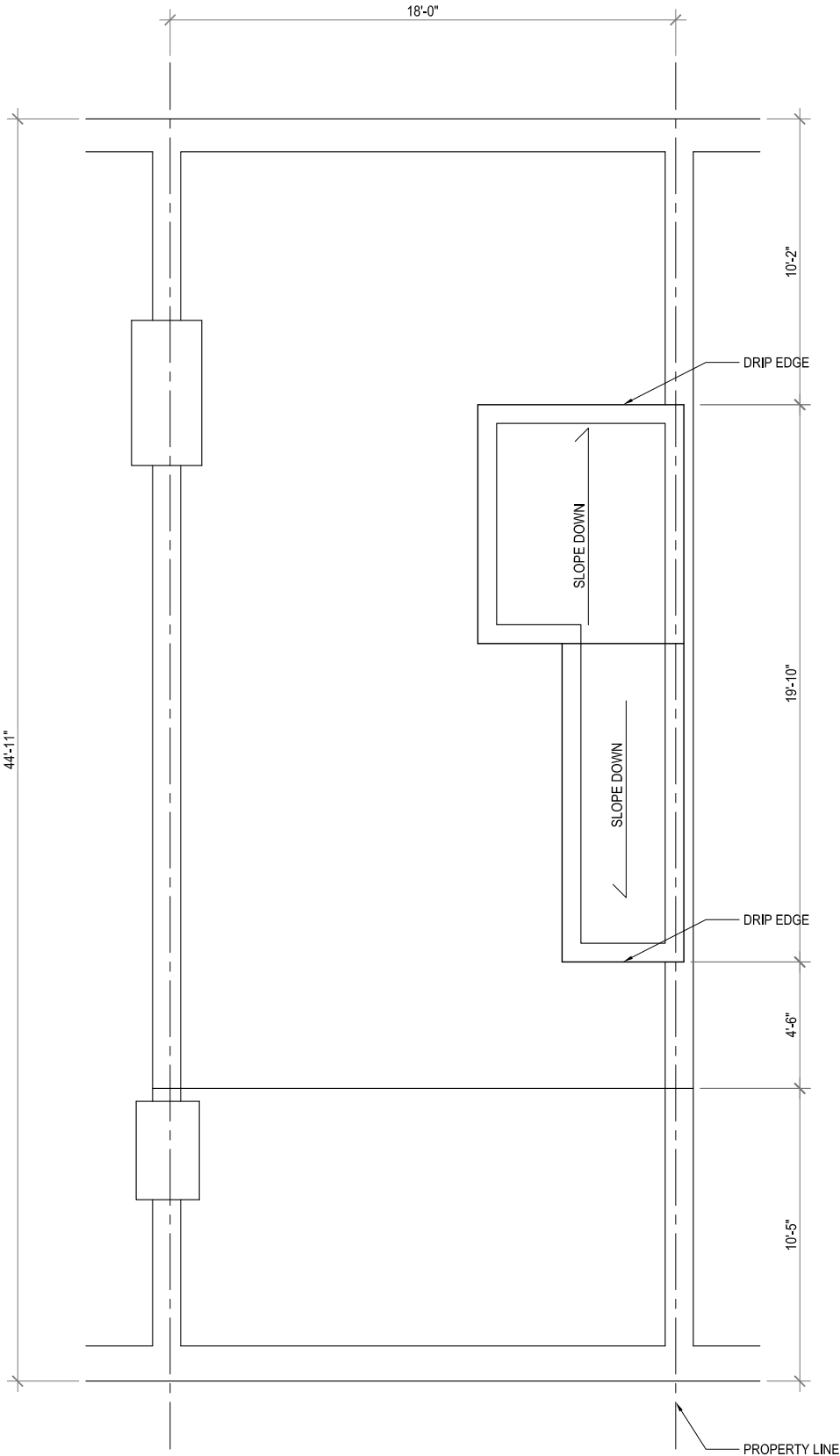
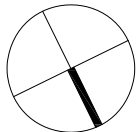
REVISIONS

INITIAL: 12/31/2025
REV.1: 03/12/2026

UNIT #2

BULKHEAD ROOF PLAN

740 UNION STREET BROOKLYN, NY 11215
BLOCK 956 LOT 37



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

No. 1

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

A LOCAL LAW

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

Be it enacted by the Council as follows:

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

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

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

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

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

Article 14

Lead Poisoning Prevention and Control

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

§27-2056.2 *Definitions.*

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

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

§27-2056.5 *Presumption.*

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

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

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

§27-2056.9 *Department Inspections.*

§27-2056.10 *Department Implementation and Enforcement.*

§27-2056.11 *Work Practices.*

§27-2056.12 *Reporting.*

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

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

§27-2056.15 *Waiver of Benefit Void.*

§27-2056.16 *Exemption for Emergency Conditions.*

§27-2056.17 *Record Keeping Requirements.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§27-2056.11 Work Practices.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 9

Lead-Based Paint in Day Care Facilities

Subchapter 1

Definitions

§17-900 *Definitions.*

Subchapter 2

Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 *Presumption.*

§17-911 *Remediation.*

§17-912 *Department Rules.*

§17-913 *Annual Inspection.*

Subchapter 1

Definitions

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

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

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

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

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

plaster that has been subject to moisture or disturbance.

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

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

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

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

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

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

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

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

Subchapter 2

Remediation of Lead-Based Paint Hazards in Day Care Facilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

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

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

Was disapproved by the Mayor on December 17, 2003.

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

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

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel

New York Real Property Law, Article 9-B.

§339-kk. Rents.

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

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

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

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

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

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

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 740 Union Street, Brooklyn, New York, County of Kings, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: THE 740 UNION STREET CONDOMINIUM

**DECLARANT: 740 UNION STREET, LLC
740 Union Street
Brooklyn, NY 11215**

DATE OF DECLARATION:

The land affected by the within instrument lies in Block 956 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

**F/k/a: Lot(s) 37
N/k/a: Lot(s)**

Record and Return:

**LAW OFFICE OF CLAUDIA V. MURDOCH, P.C.
Attorney for Declarant
117 Seventh Avenue
Brooklyn, New York 11215**

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP of Premises to be known as THE 740 UNION STREET CONDOMINIUM, located at 740 Union Street, Brooklyn, New York, Borough of Brooklyn, County of Kings, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York.

740 UNION STREET, LLC, located at 740 Union Street, Brooklyn, NY 11215, hereinafter referred to collectively as "the Declarant," does hereby declare:

1. SUBMISSION OF PROPERTY: Declarant hereby submits the land hereinafter described, together with the Building and improvements thereon erected ("the Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York.
2. AREA AND LOCATION OF LAND: The land ("Land") consists of all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Declarant in fee simple absolute.
3. NAME OF CONDOMINIUM: The Condominium shall be known as THE 740 UNION STREET CONDOMINIUM.
4. DESCRIPTION OF THE BUILDING: The condominium consists of a single building composed of a cellar, a basement, and three stories, and containing, in aggregate, two (2) residential units. The legal occupancy will match the proposed occupancy hereunder. The building complies with the 1938 New York City Building Code for Class 3 Non-Fireproof building construction requirements.
5. THE UNITS: SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit and any Limited Common Elements appurtenant thereto is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit. The boundaries of the Units consist of the area measured horizontally between the outside face of the exterior walls to the non-unit side of the walls and partitions dividing the units from corridors, stairs and mechanical spaces. Areas are measured to the centerline when

a partition divides two units. Areas may vary within reasonable tolerances from the "as-built" square footage. Common elements located within Unit shall not be considered part of such Unit.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Sangmok Kim, R.A., and intended to be filed in the Kings County Office of the register of the City of New York simultaneously with the recording of this Declaration, the dimensions indicated are approximate, and are incorporated by reference as if fully set forth herein. The dimensions are calculated as follows: horizontally by the exposed outside surface of the exterior perimeter wall of the building to (A) the outside face of the opposite exterior wall of the building, or (B) the inside centerline of the partitions of the interior walls separating the unit from the other units or public halls, stairs and other common elements, and vertically by the upper face of the sub-floor or the unit up to the exposed inside face of the upper ceiling of the unit.

7. COMMON ELEMENTS: The Common Elements of the Condominium consist of the entire Property, including parts of the Building and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, to the extent applicable, the following:

a) General Common Elements:

(i) The land on which the Buildings are physically erected, including any open areas appurtenant to the building(s);

(ii) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and installations beyond the exterior face of the Buildings; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the exposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roofs (excluding terraces), fire escapes (if any), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing the Residential Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls and the entrances to and exits from the Buildings;

(iii) All installations outside the Units for services such as gas, power, light, telephone and water;

(iv) All sewer pipes and drainage pipes outside units, including all drains and dry well on the land and those located outside the building footprint;

(v) The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans. To the extent the "as-built" condition of the building differs from such Floor Plans, both said Floor Plans and this Declaration shall be deemed amended to conform to said as-built condition;

(vi) All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.

(vii) The foregoing are included only to the extent they are present in this building. If any of the foregoing items are hereinafter designated as limited common elements, such designation shall take priority over the listing set forth herein.

b) Limited Common Elements:

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that unit owner. Each Unit Owner, his guests, invitees, lessees and residents of his Unit shall have the exclusive right to use and possession of the limited common elements of the building indicated in the attached Exhibit B, subject to the following:

Each Unit Owner shall be solely and only responsible for repair and maintenance of the Limited Common Element appurtenant to his/her Unit including, but not limited to, painting, cleaning, patching, and surface repair. In the event a Unit Owner fails to properly maintain his/her Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium.

8. DETERMINATION OF PERCENTAGES OF COMMON INTEREST: The determination of percentages of Common Interest allocated to each unit shall be in equal percentages, one for unit as of the date of filing the declaration, or in equal percentages within separate classifications of units as of the date of filing the declaration., as per Section 339(i)(1)(iii) of the New York State Real Property Law.

9. USE OF UNITS: Any Residential Unit may be used for private residential use, or for any home occupation use permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinance, and provided further that prior written consent of the Board of Managers for such professional use is obtained. Notwithstanding the foregoing, the Declarant may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices, in connection with the sale or rental of the Units.

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

11. EASEMENTS:

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

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

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

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

12. PERSON TO RECEIVE SERVICE: For the period during which Declarant is in control of the Board of Managers, 740 Union Street, LLC, 740 Union Street, Brooklyn, NY 11215 is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Declarant relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the office of the Condominium located at 740 Union Street, Brooklyn, New York. In addition to the foregoing, the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS: All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws, and the Rules and Regulations (if any), as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering unto occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

14. AMENDMENT TO DECLARATION: This Declaration may be amended, modified, added to or deleted from by vote of Unit Owners representing at least 66-2/3% of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by vote of Unit Owners representing at least 66-2/3% of the Common Interest of all Unit Owners; provided however,

a) No amendment, modification, addition, or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;

b) No amendment which shall change the percentage of Common Interest allocated to any Unit or Units may be made without the written consent of such Owner;

c) No amendment, modification, addition, or deletion of or to this Declaration will be effective in any respect against the Declarant, its designee, or

any Unsold Unit until the Declarant or such designee shall consent thereto in writing;

d) No amendment, modification, addition, or deletion of or to this Declaration which would in any way alter, restrict or change the use to which a Commercial Unit may be put shall be effective against any such Commercial Unit without the written consent of the Owner of such Commercial Unit.

The Declarant hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances that are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p, will be filed with such amendment.

No such amendment shall be effective until recorded in the Office of the City Register of the City of New York.

15. CHANGES IN UNSOLD UNITS: For any Unit owned by the Declarant or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Declarant or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change in and size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Declarant or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent will be obtained from Unit Owners, if any, who are adversely

affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Declarant or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of the Declarant or its designee(s). In the event of any such change in an Unsold Units, Declarant shall amend the Declaration and Floor Plans to reflect same.

In the event the Declarant or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Declarant or its designee, to reflect any such alteration, addition, improvements, changes or reapportionments and shall record such amendment in the Office of the Register of Kings County.

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

16. INVALIDITY:

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

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this

Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

17. THIS PARAGRAPH HAS BEEN INTENTIONALLY OMITTED.

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

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

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

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

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

23. GENDER: The use of one gender in this Declaration shall be deemed to refer to other genders and the singular to the plural, and vice versa, whenever the context so requires.

24. MORTGAGEES RIGHTS:

a) Notwithstanding anything to the contrary set forth in any other portion of this Declaration, amendments of a material adverse nature to the interest of the mortgagees must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes of the Condominium allocated to all units which are subject to mortgages;

b) Any action to terminate the legal status of the project after substantial destruction or condemnation, or for any other reason, must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes allocated to units which are encumbered by mortgages at the time of such termination. In the event notice of either of the foregoing is delivered to any mortgagee; and in the further event such mortgagee fails to submit a written response to such written notice within sixty (60) days after it receives such notice (and further provided that such notice was delivered by registered or certified mail with a return receipt requested); then in such case such mortgagee will be deemed to have consented to the notice to action.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by its duly authorized representatives this day of , 20 .

740 UNION STREET, LLC
BY:

STATE OF NEW YORK)
COUNTY OF) SS.:

On the day of , 20 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

BY-LAWS
of
THE 740 UNION STREET CONDOMINIUM

ARTICLE I

Purpose of Business

Section 1. Unit Ownership: The property located in the Borough of Brooklyn, County of Kings, City and State of New York at 740 Union Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as THE 740 UNION STREET CONDOMINIUM.

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Buildings, and all other improvements thereon (including the Units, the Common Elements and the Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. Application: All present and future owners, mortgagees, lessees, and occupants of Units, and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration, and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Meetings of Unit Owners

Section 1. Annual Meeting: The Annual Meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Manhattan, City of New York, at such time and place each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or the Secretary of the Board of Managers. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his or her address as it appears in the records of the Condominium, unless he or she shall have filed with the Secretary of the Condominium a written request that notices intended for the him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

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

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable; any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present as provided in the next succeeding section, and waiver of notice of the time, place, and objects of such meeting shall be duly executed in writing either before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of Unit Owners, except where otherwise provided by law, both Unit Owners must be represented, either in person or by proxy, to constitute a quorum.

Section 5. Voting: At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium. Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to his/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

Section 6. Title to Units: Title to Units may be taken in the name of an individual or in the name of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, un-incorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section.

Section 7. Number of Votes: Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to the vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Condominium Unit shall be entitled to elect one manager to the Board of Managers.

If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. Majority of Unit Owners: As used in these By-Laws the term "majority of Unit Owners" shall be interpreted so as to require the unanimous consent of Unit Owners.

Section 9. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

ARTICLE III

OFFICERS

Section 1. Designation: The principal officers of the Condominium shall be the President, the Vice-President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. S/he shall preside at all meetings of the Unit Owners and of the Board of

Managers. S/he shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as s/he may in her/his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon her/him by the Board of Managers or by the President.

Section 6. Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers. S/he shall have charge of such books and papers as the Board of Managers may direct, and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. S/he shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers, and s/he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Compensation of Officers: Officers who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for an Officer who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended.

Section 9. Liability of Officers: No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful misconduct of an officer. It is intended

that each officer shall have no personal liability with respect to any contract made by him/her on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

ARTICLE IV

Managers

Section 1. Number: The number of Managers of the Corporation shall be three (3), unless otherwise agreed by the unit owners.

Section 2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners. The Board shall further have the right to employ a manager or managing agent or both, and may delegate any or all of the powers conferred by this section to such managing agent. Persons employed in the operation of the property may be designated or removed by a majority vote of the Board of Managers, or without vote by the managing agent or manager, if such a person is employed by the Board.

Section 3. Nomination and Election: The Managers shall be elected for a term of one year at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law. Each Condominium Unit Owner shall be entitled to elect one manager to the Board of Managers, regardless of the number of units owned by that Unit Owner. In the event that there are less than three different Unit Owners, the third Manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself. Where a unit is owned by more than one person or

entity, such persons and/or entities shall collectively appoint one member. The members' terms of office shall be until their respective successors are elected and qualify.

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

Section 5. Vacancies: A vacancy in the Board of Managers may only be filled by designation of a new member by the Unit Owner or Owners who appointed the manager to the now-vacant position, except that in the event that there are less than three different Unit Owners, the third Manager shall be elected through the unanimous consent of the Unit Owners, and need not be a Unit Owner him/herself.

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

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

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Managers shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) sixty (60) days after the date by which both of the units have been conveyed to unit purchasers; or (ii) three (3) years after the first conveyance of a unit to a unit purchaser, the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

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

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

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the

Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 10. Compensation: Members of the Board of Managers who are unit owners shall not receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity. A majority of the Board of Managers may authorize reasonable compensation for a Board Member who is not a unit owner for attendance at Board Meetings, either in person or by proxy. Such compensation shall be per meeting attended.

Section 11. Liability of the Board of Managers: The Members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, and, except as prohibited by law, the Unit Owner's interest in the Unit. Every agreement made by the Board of Managers, or the Managing Agent, or the Manager, on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements, and, except as prohibited by law, the Unit Owner's interest in the Unit.

ARTICLE V

NOTICES

Section 1. Definitions: Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such Managers or Unit Owner or mortgagee in such address as appears on the books of the Condominium.

Sections 2. Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-Laws and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease of any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of

Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners.

Until such time as units are separately assessed for New York City real estate tax purposes, real estate taxes shall be deemed part of the common expenses of the building, and individual unit owners will be assessed their proportionate share thereof. After assessment, unit owners will be reimbursed for any overpayment of taxes or assessed for any underpayment.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance: The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein within fifteen (15) days after receipt thereof.

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

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

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

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

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his/her Unit, and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If, after the sale of Unit for the nonpayment of Common

Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws, (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

a) All maintenance, replacement, or repair to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be the responsibility of the unit owner, and the expense thereof shall be the sole responsibility of the Unit Owner, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense

shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) Each unit owner shall be solely and only responsible for repair or maintenance of any limited common element appurtenant to his/her unit, including but not limited to painting, cleaning, patching, and surface repair, and, in the case of balconies, if any, structural maintenance.

d) In the event a unit owner fails properly to maintain his/her unit or limited common element(s), the Board of Managers may take such steps as in its exclusive judgment are necessary to maintain such area(s), and the cost thereof shall be assessed against the owner of the condominium unit in question, or the owner of the unit to which such limited common elements are appurtenant.

e) To the extent that damage to a limited common element or unit is caused by a building condition or by other condition for which the condominium carries insurance, the cost of repair of such damage shall be borne by the condominium.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

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

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

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

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

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

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole

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

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

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

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry

are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Specifically, the Unit Owners, Board of Managers and Managing Agent shall have an easement through Unit 1 to access the utility room located at the cellar level, and shall have an access easement through Unit 2's limited common element roof terrace for maintenance and repair of any and all equipment located on the roof and any structural damage that may be caused to the roof. The New York City Fire Department (FDNY) shall also have access to the roof access paths located in and around such areas in case of emergency, in compliance with the NYC Fire Code. In the event of the exercise of the right of access provided in this Section 13, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

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

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

Section 16. Smoking Policy: Pursuant to Local Law 147, the subject premises' smoking policy is consistent with the Smoke Free Air Act ("SFAA"), which is the current law governing smoking in class A multiple dwellings. The policy ("Smoking Policy") is as follows:

- (i) All types of smoking and use of electronic cigarettes are prohibited from all general common areas of the Condominium, including but not limited to any lobby, hallway, stairwell, mailroom, fitness room or other recreational facility, meeting room, laundry room, storage area, mechanical room, equipment room, cellar, basement, elevator, garage, rooftop, play areas, parking areas, shared balconies, shared courtyards, shared patios, shared porches, shared yards and/or any outdoor common area within 15 feet of entrances, exits, windows, and air intake units on property grounds.
- (ii) All types of smoking and use of electronic cigarettes are prohibited from any balcony and/or terrace or any space designated as an individual residential Unit's appurtenant Limited Common Element.
- (iii) All types of smoking and use of electronic cigarettes are prohibited within the interior area of a residential Unit.
- (iv) The Smoking Policy shall be applicable to all Unit Owners, residents, tenants, guests, licensees, employees, and all persons that may be in or on any portion of the Condominium.
- (v) Any residential Unit Owner who leases their residential Unit shall incorporate the provisions of the Smoking Policy into the lease with the residential Unit Owner's tenant.

ARTICLE VII

Mortgages

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

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

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such

notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

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

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

- a. Any condemnation of casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
- c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgagees.

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

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

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

ARTICLE VIII

Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off.

ARTICLE IX

Conflicts

Section 1. Conflicts: These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-

Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE X

Amendments to the By-Laws

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended only by unanimous vote of the Unit Owners.

For as long as there are one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

ARTICLE XI

Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and/or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine gender and the use of singular shall be deemed to include the plural, whenever the context requires.

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

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the

Board of Managers (with approval of the holders of two (2) or more Unit first mortgagees, if applicable). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of two (2) or more Unit first mortgagees, if applicable). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

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

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

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

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

ARTICLE XII

Sponsor Control

Section 1: Transfer of control of the Condominium Board of Managers shall pass to unit owners, other than the Sponsor, at the earlier of the following:

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

Notwithstanding the foregoing, Sponsor may vote for unit owners of its choice.

Section 2: Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the

common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations, remedy any notice of a violation, or remedy any work order from an insurer, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or required to avoid the suspension of any necessary service to the Building.

Section 3: So long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 4: At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

Section 5: So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

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

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO
SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL
BUSINESS LAW ARTICLE 23-A, AS AMENDED**

**RE: 740 Union Street
 Brooklyn, New York**

We, 740 UNION STREET, LLC, CHRISTIE TISEO, and MICHAEL TISEO, being the Sponsor and principals of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable;

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

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

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

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

I affirm this 12 day of January, 2026, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the foregoing is true, and I understand that this document may be filed in an action or proceeding in a court of law.

SPONSOR:

740 UNION STREET, LLC

by:



CHRISTIE TISEO, Principal

PRINCIPALS:

I affirm this 12 day of January, 2026, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the foregoing is true, and I understand that this document may be filed in an action or proceeding in a court of law.



CHRISTIE TISEO

I affirm this 12 day of January, 2026, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the foregoing is true, and I understand that this document may be filed in an action or proceeding in a court of law.



MICHAEL TISEO



December 19, 2025

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

RE: 740 Union Street, Brooklyn, New York

The Sponsor of the condominium Offering Plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1, containing the projections of income and expenses for the first year of condominium operation. My experience in the field includes being a licensed real estate broker for over twenty years, managing a total of eleven buildings in this area over ten years, and the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules do:

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



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

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

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on December 19, 2025.



Hal Lehrman
Licensed Real Estate Broker

May 6, 2026

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

**Re: The 740 Union Street Condominium
740 Union Street
Brooklyn, NY 11215**

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained my firm to prepare a report describing the construction and/or renovation of the property (the "Report"). I visually inspected existing portions of the renovated property, if any, on December 10, 2025 and March 3, 2026, and I examined the building plans and specifications that were prepared by N.E.E.D. Architecture LLC, dated **July 18, 2025**, also prepared the Report dated May 6, 2026, a copy(ies) of which is/are intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am 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*

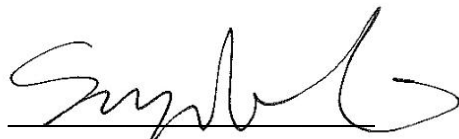
N.E.E.D.

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/we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I 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 May 6, 2026.


Sangmok Kim, RA AIA

