CONDOMINIUM
OFFERING PLAN

for the sale of condominium units in

OCEANA CONDOMINIUM NO. THREE

60 OCEANA DRIVE WEST BROOKLYN, NEW YORK 11235

Offering Price for 68 Residential Units.	$25,280,000
Offering Price for 24 Parking Space Units. . .	$ 960,000
Total Offering Price	$ 26,240,000

Sponsor:

Brighton Development, LLC
118-35 Queens Boulevard
Forest Hills, New York 11375
(718) 263-3800

Selling Agent:

Brighton Sales & Marketing, Inc.
118-35 Queens Boulevard
Forest Hills, New York 11375
(718) 263-3800

The purchase of a Unit in the Oceana Condominium includes a mandatory membership in the Oceana Homeowners Association, Inc.

The approximate date of the first offering of this Condominium Offering Plan is [__, 2000].

This Condominium Offering Plan may not be used after [__, 2001] unless this Plan is amended.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE 1.

THE PRICES AND TERMS OF SALE FOR THESE CONDOMINIUM INTERESTS MAY BE CHANGED SO THAT PURCHASERS MAY PAY DIFFERENT PRICES FOR SIMILAR INTERESTS. THE EFFECT OF THIS IS SET FORTH ON PAGE __.

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.

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SPECIAL RISKS

Control by Sponsor

The Condominium.

The Sponsor shall be entitled to elect a majority of the members of the Condominium Board until the earlier of (i) the date that the Sponsor (and its designees owning Units) own less than 50% of the outstanding Common Interests of the Condominium, or (ii) the fifth anniversary of the Closing Date under the Plan.

Until the sooner of (i) the date on which the Common Interest of all Unsold Units is in the aggregate less than 25% of the Common Interests of all Units, or (ii) the fifth anniversary of the Closing Date, neither the Condominium Board, nor officers, nor Unit Owners, except upon the written consent of the owners of Unsold Units representing a majority of the Common Interests allocated to all Unsold Units, shall (a) increase the number or change the type of employees described in Schedule B; (b) provide for services other than those described in Schedule B unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule B; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) borrow money; (e) cause their representatives on the Condominium Board to (i) change the insurance coverage on the Property from the coverage described in Schedule B unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Condominium or unless such change is required by the holder of any mortgage on the Development Area or any Unsold Unit or by the insurance carrier insuring the Property to satisfy insurance requirements or (ii) take any action inconsistent with (a), (b), (c), (d), (e); or (f) remove any members of the Condominium Board elected by the owners of Unsold Units except for cause. See "**Control By Sponsor**."

The Oceana Homeowners Association.

Sponsor shall be entitled to elect a majority of the members of the Board of Directors of the Oceana Homeowners Association (the "HOA Board") until the earlier of (i) the date that 725 Completed Dwelling Units within the Oceana Homeowners Association have been sold or (ii) tenth anniversary of the Closing Date under the condominium offering plan for Oceana Condominium No. One. In addition, until the earlier of (i) the date that 765 Completed Dwelling Units within the Oceana Homeowners Association have been sold or (ii) the tenth anniversary of the Closing Date under the condominium offering plan for Oceana Condominium No. One, the written consent of Sponsor will be required for any action by the HOA Board that would (a) increase the number or change the type of employees described in Schedule C; (b) provide for services other than those described in Schedule C unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule C; (c) establish

reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) change the insurance coverage on the HOA Property from the coverage described in Schedule C unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Oceana Homeowners Association or unless such change is required by the holder of any mortgage on the HOA Property (or any Unsold Lots) or by the insurance carrier insuring the HOA Property to satisfy insurance requirements. In addition, the HOA Board may not remove any members of the HOA Board elected by Sponsor or Class D Members of the Oceana Homeowners Association except for cause. See the sections of the Plan entitled "**Control by Sponsor**" and "**The Oceana Homeowners Association**."

Prior to the First Unit Closing, the Condominium Board and the Oceana Homeowners Association will each enter into a management agreement with Allied Management, LLC on the terms described in the section of the Plan entitled **"Management Agreement, Contracts and Leases**." Joshua L. Muss, who is the principal of Allied Management, LLC, is the principal of the managing member of Sponsor. See **"Identity of Parties."** In view of the relationship between Sponsor and the Managing Agent, Sponsor will have influence over a number of services to be performed by the Managing Agent.

No Financing Contingency.

The obligation of a Purchaser who executes and delivers a Purchase Agreement to consummate his purchase of a Unit is not conditioned upon the Purchaser obtaining financing. Accordingly, Purchasers are advised to inquire about the availability of financing prior to executing a Purchase Agreement for a Unit.

A Purchaser who obtains a financing commitment should understand that such commitment may expire or lapse or that its terms may change prior to the Closing Date unless such commitment is extended. If a Purchaser's financing commitment lapses or expires or is changed prior to the Closing Date, it will not affect the Purchaser's obligation to consummate the purchase of the Unit in accordance with the provisions of his Purchase Agreement. See "**Procedure to Purchase**."

Availability of Financing for Purchase.

Pursuant to existing law and regulation, Sponsor may declare the Plan effective by selling a minimum of 15% of the Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Buildings with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase a Unit.

Purchasers should note that a number of banks and other lenders impose various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 35% or 50% or greater percentage) of the Units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to

experience difficulty obtaining a loan in a building where the percentage of units sold is lower than a lender's particular minimum. Even after a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See "**Procedure to Purchase**."

Payment of Certain Closing Costs

Pursuant to Section 11-2104 of the New York City Administrative Code and Section 1404(a) of the New York Tax Law, the New York City real property transfer tax and the New York State real estate transfer tax would be (in the absence of any provision, such as is provided in this Plan, for the Purchaser to pay such tax) the obligation of the seller in connection with the transfer by the seller of the Unit to a purchaser, although such purchaser is liable for such tax if the seller fails to pay it. While the New York City and New York State transfer taxes are customarily paid for by the seller in condominium unit transactions, the burden of paying those taxes may be modified by contract. As is common in many other condominium developments in New York State, the Purchase Agreement provides that the Purchaser of a Unit will be required to pay these transfer taxes at the closing. New York State also imposes a so-called "mansion tax" on the purchase of residential condominium units with a purchase price of $1,000,000 or more. Both New York State and New York City have taken the position that where a Purchaser pays either or both the New York State and New York City transfer taxes, such payment constitutes additional consideration to the seller and must be considered in computing the amount of the tax and the applicability of the mansion tax.

The Purchase Agreement also provides that the Purchaser of each Residential Unit will (i) pay the sum of $350 to reimburse Sponsor for a portion of Sponsor's costs in connection with obtaining 421-a real property tax exemption benefits (which costs include, without limitation the fees and disbursements of Sponsor's attorney in connection therewith) and (ii) pay Sponsor a sum equal to one month's Common Changes in connection with the establishment of the Working Capital Fund. Additional closing costs to be paid by each Purchaser are set forth under "**Closing Costs and Adjustments**."

Availability of 421-a Real Estate Tax Exemption Benefits.

Sponsor intends to apply for real estate tax exemption benefits under Section 421-a of the New York Real Property Tax Law but has not yet made such application. If a final certificate of eligibility for Section 421-a tax benefits is obtained, the Residential Units and Parking Space Units should be eligible during the first through eleventh tax year following completion to receive a tax exemption of 100% of the increase in the assessed value of the Property over the pre-construction assessment, during which period, only the minimum tax will be due. Following the eleventh year of tax benefits, the percentage of such increase in the assessment over the pre-construction assessment which is exempt from taxation will decrease by twenty percent (20%) every year, so that the full assessed valuation will be subject to taxation without the benefit of any exemption commencing at

the beginning of the sixteenth year. Real estate taxes payable by Residential Unit Owners and Parking Space Unit Owners will increase at the time of each decrease in the exemption. Real estate taxes will also increase if the assessed value of the Units or the tax rate is increased. There is no guarantee that 421-a tax exemption benefits will be obtained. There will be no right of rescission if the 421-a tax exemption benefits are not obtained or are obtained in a reduced amount and Purchasers will be required to pay the increased real estate taxes assessed against their Units. See "**Footnote 6 to Schedule A**" and "**Counsel's Real Estate Tax Exemption Opinion.**"

Status of Condominium Under Section 528 of the Internal Revenue Code

Among the requirements to be met in order for the Condominium Board to be eligible to elect to be exempt from taxation on its "exempt function income" under Section 528 of the Internal Revenue Code, is that at least 85% of the square footage of all Units comprising the Condominium must be used for residential purposes. The Condominium is comprised of Residential Units and Parking Space Units. In this regard, Treasury Regulation § 1.528-4(b) provides that units which are used for purposes auxiliary to residential use shall be considered as used for residential purposes. Accordingly, the Parking Space Units should be considered as used for residential purposes although Sponsor's counsel does not opine and no warranty can be made in this regard. No provision has been made for income taxes payable by the Condominium in Schedule B, the projected budget for the first year of Condominium operation. See "**Opinion of Counsel**" for details.

Phased Development and Membership in the Oceana Homeowners Association, Inc.

The Property is situated on land that is subject to a declaration governing its development and the development of the surrounding area (the "Development Declaration"). The Development Declaration provides for the development of the Property and the surrounding area (collectively, the "Development Area") with (i) not more than 850 dwelling units to be located in sixteen (16) to eighteen (18) buildings ranging in height from three (3) to twelve (12) stories or a combination of apartment buildings and townhouses, (ii) approximately 1,200 accessory parking spaces (which 1,200 accessory parking spaces are inclusive of both the Parking Space Units offered for sale hereunder and those spaces contained in Garage Facilities discussed in the section of the Plan entitled "**Description of Property and Improvements - Parking Space Units**)," (iii) open space for the general public and private recreational areas for the residents including a fifty (50) foot wide visual corridor, and (iv) a private internal street/sidewalk system. A maximum of 240 dwelling units may be retirement units, assisted living units or similar facilities. Sponsor makes no representation (A) as to the number, size, number or location of dwelling units or parking spaces to be contained in or configuration of any buildings other than the Condominium or whether any dwelling units will be retirement units or assisted living units, (B) which, if any units (other than the Units offered for sale under this Plan) will be offered as condominium units or cooperative apartments, and (C) as to the timing for commencement and completion of construction of the parking, open space, the visual corridor, private internal streets and sidewalks, and, except as set forth herein, the recreational areas and

facilities. The Declarant or Sponsor may seek to include within the Development Area certain "community facility" space such as, without limitation medical offices. No representation is made that the Declarant or Sponsor will in fact seek to include community facility space within the Development Area or that community facility space will in fact be included within the Development Area. It is noted that up to 220 parking spaces may be used by owners of shares in Tower Owners, Inc., a New York cooperative corporation with offices at 35 Seacoast Terrace, Brooklyn, New York. Purchasers are advised that the time required to complete a project of this magnitude may be extensive and completion of the of the improvements described in the Development Declaration and the Plan may be subject to circumstances beyond Sponsor's control. A portion of the Development Area will be subject to a Public Pedestrian Easement. Sponsor anticipates that the Development Area will be developed in phases. Oceana Condominium No. Three is the third phase of such development. Details as to the phasing of completion of the Pedestrian Easement (consisting of a Temporary Public Pedestrian Easement which will be replaced by a permanent Public Pedestrian Easement), open space, and private recreation areas are forth in "**Location and Area Information - The Development Declaration**."

The members of the Oceana Homeowners Association and their invitees will have an easement for motor vehicle and pedestrian ingress and egress over the portion of the Common Elements consisting of any pavement and/or sidewalks. In addition, the Sponsor (including its contractors, subcontractors, employees and agents) shall have an easement over the Development Area to connect to, and for the continued existence and maintenance of, pipes, wires, conduits and similar facilities. Furthermore, Sponsor (and such contractors, subcontractors, employees and agents) shall have the right to consume utilities (including water and sewer, gas and electricity) serving either the Condominium or the Homeowners Association provided it reimburses the Condominium or the Homeowners Association the reasonable cost of such utilities based on the then current rates for any such utilities and, (unless such utilities are separately metered or sub-metered) the opinion of an energy expert retained by Sponsor as to the amount of any such utilities so consumed. Any dispute between Sponsor and the Condominium Board or the HOA, as the case may be, as to the reasonable cost of such utilities will be resolved by arbitration. See "**The Oceana Homeowners Association**" for details.

Sponsor has reserved the right to offer "Recreation Facility Privilege Agreements" in the Health Club to non-residents of the Development Area on such terms (including the duration and renewals of such Recreation Facility Privilege Agreements) as it deems desirable in its sole discretion. However, in order to be able to offer such Recreation Facility Privilege Agreements to non-residents, a special permit from the Board of Standards and Appeals will be required. Sponsor makes no representation that any such special permit will be applied for or issued or that Sponsor will offer Recreation Facility Privilege Agreements in the Health Club to non-residents of the Development Area, or as to the number of non-residents, if any who will hold such Recreation Facility Privilege Agreements.

Purchasers are advised that prior to the completion of the entire Development Area round-the-clock security and a roving guard may not be available.

Views from the Units may be blocked among other reasons, (i) due to construction of other buildings within the Development Area; in this regard, an entity controlled by the principal of Sponsor is constructing four seven story buildings (inclusive of duplex penthouses) to the south of the Condominium which buildings comprise Oceana Condominium No. One and Oceana Condominium No. Two, or (ii) if the Development Declaration is amended. As noted above, the Property is intended to form a part of a large development. Under the Development Declaration, structures of up to twelve stories maybe erected within the Development Area, however, no assurance can be given as to whether, in the future, the Development Declaration may be amended and/or zoning may permit structures that exceed twelve stories in height. No assurance can be given as to whether or when other structures will be erected, the ultimate height of such structures, or the impact of the construction of said structures on the view of any Residential Unit. Reference should be made to the Site Plan which appears in Part II as Document No. 10 for details as to the preliminary layout of the Development Area. No assurance can be given that the Development Area will ultimately be constructed as is depicted on the Site Plan and no assurance can be given that the views currently existing (or existing when Purchaser first purchases or occupies the Unit) will continue to exist unchanged. See "**Description of Property and Improvements**" for details.

The Development Declaration requires the "Declarant" to construct a Tot Lot on a portion of the "Brighton Beach Avenue Open Space" and to convey the Tot Lot to the City of New York Department of Parks. Following the conveyance of the Tot Lot to the Department of Parks, the Oceana Homeowners Association shall (i) assume the Declarant's obligation to contribute the sum of $15,000 annually (as such amount may be adjusted based on increases in the Consumer Price Index from the 1998 calendar year) as an annual maintenance fee to be used by the Department of Parks for the maintenance of the Tot Lot and (ii) reimburse Sponsor upon thirty (30) days' prior notice and maintain in effect with the Department of Parks, security in the amount of the $75,000 (representing the deposit made by Sponsor for the annual maintenance fee for the first five years).

The Oceana Homeowners Association will also assume the Declarant's obligations under the Development Declaration (except those obligations that relate to the initial construction of Declarant's Improvements). The obligations to be assumed by the Oceana Homeowners Association include the obligation to maintain certain "Declarant's Improvements" consisting of "Off Site Improvements" a "Public Pedestrian Easement" and the "Brighton Beach Avenue Open Space" each of which is more fully described "**Location and Area Information" - the "Development Declaration**". In connection with such obligation, the Declarant is required to provide the City Comptroller with "Maintenance Security" equal to 125% of the estimated annual cost of maintaining the Declarant's Improvements. The Oceana Homeowners Association will reimburse Declarant for the initial payment and will assume performance of such obligation. Each Unit Owner will be bound by the terms of the Development Declaration and will be responsible to pay his pro-rata share of the cost of the maintenance and other obligations thereunder. The Oceana Homeowners Association will assess and collect such share through the Condominium Board which, in turn, will assess each Unit Owner for such cost as part of the Unit Owner's

Common Charges. The failure of any Unit Owner to pay his proportionate share of such expense may result in a lien being placed on his Unit.

Sponsor's Remedies on Purchaser's Default Under the Purchase Agreement: 30-day "Time of The Essence" For Purchaser To Cure Default

Any Purchaser who defaults under his Purchase Agreement must be given written notice and the opportunity to cure such default within thirty (30) days from the sending of the default notice. If a defaulting Purchaser does not remedy the default within such thirty (30) day grace period, with **TIME BEING OF THE ESSENCE**, Sponsor will have the right to cancel such defaulting Purchaser's Purchase Agreement and retain as liquidated damages the Down Payment, together with any interest earned thereon. Purchaser and Sponsor will thereupon be relieved of all further liabilities and obligations thereunder and under the Plan. If the Purchase Agreement is canceled, Sponsor has the right to sell the Unit to others as if the Purchase Agreement had never been made, without accounting to the Purchaser for the proceeds of such sale. See the Section of the Plan entitled "**Closing of Title to Units and Terms of Sale**." Purchasers are advised that once the Plan is declared effective, Sponsor is obligated to cure title defects to the extent set forth in the sections of the Plan entitled **"Effective Date"** and **"Terms of Sale, Closing and Title to Units."**

Sponsor's Inability to Convey Title.

Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan (which obligations are set forth in the section entitled "**Effective Date**") to cure any inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit. If Sponsor notifies a Purchaser of its refusal to cure any such inability, then such Purchaser's sole remedy will be either (a) to take such title as Sponsor is able to deliver without abatement in or credit against the Purchase Price for the Unit and without any claim or right of action against Sponsor for damages or otherwise or (b) to terminate his Purchase Agreement and receive a refund of his Down Payment and any interest earned thereon. A Purchaser must notify Sponsor which option such Purchaser elects within ten (10) days after the giving of Sponsor's notice of refusal to cure such inability, with **TIME BEING OF THE ESSENCE**. If a Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability as set forth in clause (a). See the Section of the Plan entitled "**Closing of Title to Units and Terms of Sale**" and the form of Purchase Agreement set forth as Document 1 in Part II of the Plan.

Purchaser's Delinquency Closing Costs

If through no fault of Sponsor a Purchaser fails to close on the date fixed by Sponsor for closing of title to Purchaser's Unit, then Purchaser will (a) pay (among other closing costs) a late fee equal to 0.0328% times the unpaid balance of the Purchase Price for each day's delay, beginning with the date originally scheduled for the closing to and

including the day immediately preceding the actual Closing Date, (b) reimburse Sponsor for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the period of delay and (c) pay the service fees of Sponsor's attorneys of $150 for each default letter sent to such Purchaser and $150 for each notice sent to such Purchaser to reschedule the closing. All of these and other closing costs to be paid by a Purchaser are described in the Section of the Plan entitled "**Unit Closing Costs and Adjustments**."

Certain Rights of First Refusal

With certain exceptions, any sale or lease of a Residential Unit and a Parking Space Unit will be subject to a right by the Condominium to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the Owner of such Unit. During the first ten (10) years following the filing of the Condominium Declaration, the sale or lease of a Parking Space Unit is also subject to the right of Sponsor to acquire or lease such Unit on the same terms as were offered to the Owner. For a summary of such rights and obligations of a Unit Owner, see "**Rights and Obligations of Unit Owners**". The Sponsor and its designees may sell or lease all or any portion of their Units without any restriction or limitation imposed pursuant to either the Condominium Declaration or By-Laws or the HOA Declaration or the HOA By-Laws.

The Oceana Homeowners Association to Purchase Units for Staff

The HOA Board will purchase Unit 1C at 100 Oceana Drive West, which is situated in Oceana Condominium No. One for $235,000. As to Unit 1C at 100 Oceana Drive West, the purchase of such Unit by the HOA Board will be financed by the HOA Board executing and delivering a note and mortgage. Such note and mortgage will be for a term of 30 years and will provide for payment of interest only at 10% per annum for the first five years; thus the monthly debt service for the first five (5) years following the acquisition of such Unit by the HOA will be $1,958.34. Each mortgage will provide that commencing with the fifth anniversary of such mortgage and for the remaining 25 year term, the Oceana Homeowners Association will be required to make payments of principal (in an amount sufficient to liquidate the mortgage over the remaining 25 year term) plus interest. Each mortgage will also provide that the interest rate commencing with such fifth anniversary will equal the "Prime Rate" as set forth on the "key rates table" appearing in the New York Times for the business day closest to said fifth anniversary date (or if the New York Times ceases to publish such a key rates table, the Prime Rate, as announced by Citibank, NA or any successor thereto). In addition, it is anticipated that the HOA Board will purchase two (2) other Units within the Development Area, at a cost of $250,000 and $265,000 respectively, for use by HOA staff as development progresses. Sponsor will either (i) provide financing for such purchases, or (ii) arrange for such financing in conjunction with an institutional lender, or (iii) arrange for an institutional lender to provide the necessary financing. The terms and conditions of such purchases are described in Footnote 19 to Schedule C-1.

Limited Warranty

Because the Building comprising the Condominium exceeds five stories, the Housing Merchant Implied Warranty (GBL Article 36-B) is not applicable to this offering. Sponsor shall not be obligated to correct, repair or replace any defects relating to construction of the Units or the Common Elements or the HOA Improvements or in the installation or operation of any fixtures or appliances, except as expressly set forth in the Plan. See "**Rights and Obligations of Sponsor**."

Limit on Federal Insurance of Down Payments and Release of Down Payments for Upgrades

If a Purchaser makes a deposit for the down payment in excess of $100,000 for the purchase of a Unit, or if the amount of such individual's other deposits at the bank in which down payments are deposited and such deposit for the down payment exceed $100,000, the aggregate of such deposit for the down payment and all other such deposits (i.e., personal deposits) will generally not be federally insured in excess of $100,000.

Construction Financing

Sponsor has not yet obtained a commitment for construction financing. This Plan will be amended when Sponsor has obtained such commitment.

Laundry Equipment

Sponsor is providing the hook-ups for clothes washers and clothes dryers but will not provide clothes washers or clothes dryers. Each Purchaser who desire such appliances will be required to purchase such appliances at such Purchaser's sole cost and expense.

Each Unit Owner Must Execute and Deliver A Power of Attorney

As is typical in many condominiums in the New York area, at his Closing each Unit Owner will be required to execute and deliver a power of attorney in favor of the Condominium Board and Sponsor in the form set forth as Document Number 2 in Part II of the Plan. The Power of Attorney gives the Condominium Board the right to acquire Units on behalf of the Unit Owners under certain circumstances described therein and to execute, acknowledge and deliver various documents and instruments affecting the Condominium. In addition, the Power of Attorney gives Sponsor the right to amend the Condominium Declaration, the Condominium By-Laws and the Rules and Regulations of the Condominium under certain limited circumstances.

EXCEPT AS EXPRESSLY SET FORTH HEREIN REGARDING MAINTENANCE SECURITY TO BE FURNISHED TO THE NEW YORK CITY COMPTROLLER AND SECURITY TO BE FURNISHED TO THE DEPARTMENT OF PARKS REGARDING THE TOT LOT, NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE SPONSOR'S OBLIGATIONS UNDER THE PLAN INCLUDING, WITHOUT LIMITATION,

THOSE OBLIGATIONS SPECIFIED IN THE "RIGHTS AND OBLIGATIONS OF SPONSOR" SECTION HEREOF.

INTRODUCTION

Purpose of the Plan

Brighton Development, LLC (the "Sponsor") presents this offering plan (the "Plan") for the condominium ownership of the buildings known as Oceana Condominium No. Three, located at 60 Oceana Drive West, Brooklyn, New York 11235 (the "Building") and the parcel of land on which such Building is situated (the parcel of land and Building are collectively called the "Property") under the provisions of the Condominium Act (as hereinafter defined).

The purpose of this Plan is to set forth all of the material terms of the offer to establish the Property as a condominium and to sell Units therein. The Property is situated on land that is subject to a declaration governing its development and the development of the surrounding area (the "Development Declaration"). The Development Declaration provides for the development of the Property and the surrounding area (collectively, the ("Development Area") with (i) not more than 850 dwelling units (to be contained in sixteen (16) to eighteen (18) buildings) and approximately 1,200 accessory parking spaces, (iii) open space for the general public and private recreational areas for the residents including a fifty (50) foot wide visual corridor, (iv) a private internal street/sidewalk system; and (v) certain improvements. Sponsor is the owner of the entire Development Area (other than the land on which Oceana Condominium No. One will be situated). Such land is owned by Brighton One LLC. Joshua L. Muss, the principal of Sponsor is also the principal of Brighton One LLC. The Declarant or Sponsor may seek to include in the Development Area certain "community facility" space such as, without limitation, medical offices. No representation is made that Declarant or Sponsor will seek to include such community facility space within the Development Area or that community facility space will be included within the Development Area. Purchasers should refer to the section of the Plan entitled "**Location and Area Information - Development Declaration**" for a summary of the Development Declaration. The Development Declaration is reproduced in Part II of the Plan as Document 15. The Property and the surrounding area will also be subject to the Declaration of Covenants and Restrictions of the Oceana Homeowners Association, Inc. (also called the "HOA Declaration"). Each purchaser of a Unit in the Condominium will automatically become a member of the Oceana Homeowners Association. The rights and obligations of members of the Oceana Homeowners Association will be governed by the By-Laws of the Oceana Homeowners Association (the "HOA By-Laws"). The Condominium includes 68 Residential Units and 24 Parking Space Units, of which all 68 Residential Units and 24 Parking Space Units are being offered for sale hereunder. Each owner of a Parking Space Unit will pay the Common Charges attributable to and the real estate taxes assessed against such Unit. The owner of a Parking Space Unit will receive a deed and own fee title to a specific Parking Space Unit that will be available for his motor vehicle. **See "Description of Property and Improvements " for details.**

The Plan is presented in two parts which together constitute the entire Plan. Part I sets forth a description of the material terms of the offer and Part II contains, among other things, a description of the Property and the basic documents necessary to create the

Condominium and effectuate the provisions of the Plan.

The Plan may be amended from time to time upon the filing of an amendment with the Department of Law of the State of New York ("Department of Law"). Amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor and who are not in default, (ii) Unit Owners, and (iii) any other person entitled to service pursuant to local law or regulation (collectively "Offerees"). However, certain changes in prices of Units may be effected without filing an amendment with the Department of Law. See "**Changes in Prices or Units**."

The Sponsor and its Interest in the Property

The Sponsor is a Delaware limited liability company. See "**Identity of Parties**." Sponsor acquired the Property on January 5, 1999.

Interest in the Property to be Submitted to Condominium Act

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known and herein referred to as the "Condominium Act." From and after the date of recording the Declaration, Sponsor will be the owner of each of the Units until each is sold or conveyed.

On or before the Closing Date, a condominium will be created and established by submitting fee title to the Property to the provisions of the "Condominium Act" (as hereinafter defined) in accordance with the Condominium Declaration and Condominium By-Laws set forth in Part II of the Plan. The Condominium will be known as Oceana Condominium No. Two and will be subject to the Condominium Act and all laws regulating condominiums.

The Condominium Declaration and By-Laws will be recorded, and Floor Plans will be filed, in the Office of the City Register, Kings County, prior to or concurrently with the closing of the sale of the first Unit pursuant to the Plan.

Offer of Sale of Condominium Units

The Sponsor hereby offers for sale 68 Residential Units and 24 Parking Space Units on the terms and conditions set forth in the Plan.

The prices of the Residential Units and Parking Space Units are set forth in "**Schedule A -Prices of Units**." These prices have been set by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

The construction of the Buildings is currently scheduled to commence on or about June 1, 2001 and it is anticipated that construction of such Buildings will be substantially complete on or about June 1, 2002. The construction schedule is subject to delays by weather, casualty, labor difficulties (including work stoppage or strikes), late delivery of or inability to obtain materials, governmental restriction or other events beyond the control of

Sponsor. (See "**Description of Property and Improvements**" for further details of the Buildings, apartments and improvements). Sponsor will not have any obligation to make any improvements except as is expressly provided in "Description of Property, Specifications and Building Condition" in Part II of the Plan and "**Rights and Obligations of Sponsor**" in Part I of the Plan.

Features of Condominium Ownership

The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to his Unit and is entitled to the exclusive possession thereof. Each Unit Owner also owns in common with other Unit Owners an undivided interest in the Common Elements known as his Common Interest. The Common Elements, as more particularly described in the "**Rights and Obligations of Unit Owners**" section in Part I of the Plan and in the Condominium Declaration set forth in Part II of the Plan, include the Land, the roofs and supports of the Building. Portions of the Common Elements may be designated as Limited Common Elements. Limited Common Elements are devoted to use in common by less than all of the Unit Owners, as provided in the Declaration. In addition, Sponsor has the right to designate a portion of the Common Elements as a Limited Common Element in connection with the combining or subdividing of Units as provided in the Declaration.

The Residential Units may be used solely for dwelling purposes and such "home occupation" use under the Zoning Resolution of the City of New York as may be permitted by law. The Parking Space Units may be used for parking passenger motor vehicles.

Subject to certain conditions contained in the By-Laws, each owner of a Residential Unit or a Parking Space Unit may mortgage his Unit with a lender and in such amount as he chooses (see "**Procedure to Purchase**"). Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Sponsor is not offering to arrange institutional financing or to act as agent for any lender with respect to the financing of Units under this Plan. Commercial and savings banks as well as some savings and loan associations may make loans to help Purchasers finance the acquisition of their Units. Each institution has its own lending policies and credit requirements. The Sponsor makes no representation or warranty that institutional financing will be available to Unit Owners or as to the terms and conditions upon which financing might be available.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 35% or 50% or greater percentage) of the apartments in a building be sold before the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units sold is lower than a lender's particular minimum. Even after a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan.

It may then be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

A Residential Unit Owner may decorate the interior of his Unit in any way he desires subject to compliance with the By-Laws and the Rules and Regulations thereunder. Except for compliance with law, there are no limitations or restrictions upon the right of the Sponsor or its designees to decorate or alter their respective Units. A Unit Owner will be responsible for the cost of maintenance and interior repairs to his Unit.

The Sponsor will make application to divide the Property into separate tax lots for each Unit and its Common Interest, which Unit (and its Common Interest) will then be taxed as a separate tax lot for real estate tax purposes. Once a separate tax lot is established for a Unit and apportionment of the assessed valuation of the Property to a Unit is officially made, a Unit Owner will then be responsible for the payment of the real estate taxes on his, but not any other, Unit and his Unit will not be affected by virtue of nonpayment of real estate taxes with respect to any other Unit. The amount of the tax assessed against any Unit will depend upon various factors affecting value, including but not limited to, square footage, location, purchase price and other factors taken into consideration by the taxing authorities. Until the Units are separately assessed as described above, real estate taxes assessed against the Property will be treated as a Common Expense. See Footnote 6 to Schedule A for a full discussion of the real estate taxes estimated to be payable by each Unit Owner during the first year of Condominium operation and the tax rate estimated to be applicable to the Units.

With certain exceptions, any sale or lease of a Residential Unit and a Parking Space Unit will be subject to a right by the Condominium to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the Owner of such Unit. During the first ten (10) years following the filing of the Condominium Declaration, the sale or lease of a Parking Space Unit is also subject to the right of Sponsor to acquire or lease such Unit on the same terms as were offered to the Owner. For a summary of such rights and obligations of a Unit Owner, see **"Rights and Obligations of Unit Owners"**. The Sponsor and its designees may sell or lease all or any portion of their Units without any restriction or limitation imposed pursuant to the Condominium Declaration or By-Laws.

Operation and management of the Condominium will be vested in the Condominium Board as more particularly set forth in the Condominium By-Laws. Each Unit Owner will have a right to vote for members of the Board as provided in the Condominium By-Laws. The Condominium Board will determine the amount of Common Expenses. Common Expenses include without limitation the expenses of maintaining and operating the Common Elements and the other expenses set forth in Schedule B. In general, each Unit Owner will be required to pay a portion of the Common Expenses equal to the product of the percentage amount of his Common Interest multiplied by the amount of the applicable Common Expenses, which will be levied as a Common Charge against his Unit. Included in the Common Expenses are the charges payable to the Oceana Homeowners Association by the Unit Owners. As more fully discussed in the First Year's Budget,

Parking Space Unit Owners will, however, not be required to pay the portion of the charges assessed by the Oceana Homeowners Association attributable to the operation of the Recreation Facilities. At least monthly, the Condominium Board will assess such Common Charges against each Unit Owner to meet Common Expenses. See "**Rights and Obligations of Unit Owners**."

Each Unit will be individually metered for electricity, and each Unit Owner will be responsible for the cost of electricity consumed in his Unit including the cost of electricity for providing air-conditioning to the Unit. The cost of electricity consumed in and for the Common Elements will be a Common Expense. The cost of gas consumption will be a Common Expense. The cost of heat and hot water consumed in the Units and in the Common Elements shall be a Common Expense. Water charges and sewer rents are included as part of the Common Expenses and will continue to be treated as Common Expenses unless and to the extent separately assessed to Unit Owners by the local authority or unless and to the extent a Unit is separately metered for water.

In the opinion of counsel to the Sponsor, under present income tax laws, a Residential Unit Owner, substantially like a homeowner, may deduct from his income for federal, New York State and New York City resident income tax purposes, the real estate taxes paid with respect to his Residential Unit and any Parking Space Unit owned by such Residential Unit Owner, and the interest paid on the mortgage, if any, on his Residential Unit and such Parking Space Unit, if any, but subject to the conditions and restrictions discussed in "**Counsel's Tax Opinion**". For the most part a Residential Unit Owner may only deduct interest on debt incurred to acquire his principal residence or designated secondary residence subject to certain limitations (See "**Counsel's Tax Opinion**").

The Condominium shall maintain fire insurance policies insuring the Building (but not including appliances or any furniture, furnishings or other personal property in the Unit) covering the interests of the Condominium, the Condominium Board, all the Unit Owners and their mortgagees as their respective interests may appear, in an amount equal to at least eighty percent of the full replacement value of the Building exclusive of excavation and foundations and deduction for depreciation. Each Unit Owner is responsible for insuring the interior of his own Unit and the contents thereof, including appliances, furniture, furnishings, or other personal property within the Unit. In addition, a Unit owner may desire to obtain insurance covering his liability to others for personal injury or property damage occurring within or to his Unit. The Oceana Homeowners Association shall maintain fire and liability insurance for all property it owns or maintains.

Miscellaneous

The Plan (including all Schedules and Parts A, B and C of the Exhibits submitted by the Sponsor to the Department of Law) constitutes the entire offer of Sponsor. Copies of the Plan, and Parts A, B, and C of the Exhibits referred to above, are available to prospective Purchasers and their attorneys for inspection without charge and for copying at a reasonable charge, at the office of the Selling Agent during regular business hours, and if and when a sales office is maintained at the Property, then at such sales office.

The Plan is offered only to individuals who are 18 years of age or older and who reside in the State of New York, or other entities with offices in the State of New York.

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

DEFINITIONS

"Condominium Board" or "Board of Managers" means the Board of Managers of the Condominium.

"Building" means the building known by the street address 60 Oceana Drive West, Brooklyn, New York 11235, (the "Building"), which Building is located on the Land.

"Category IV expense" means HOA Expenses related to the ownership, management, operation, repair and replacement of all Recreation Facilities, (including the Health Club, the Tot Lot, the Brighton Breach Open Space and any other active or passive recreational facilities within this Development area).

"Condominium By-Laws" means the By-Laws governing the operation of the Condominium, the form of which is set forth in Part II of the Plan, as the same may be amended from time to time.

"Closing Date" means the date of closing pursuant to the Plan, unless another closing date is set forth in a Purchase Agreement covering a Unit, in which event such other date shall be the Closing Date for such Unit.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Charges" means any charges assessed by the Condominium Board against any Unit Owner.

"Common Elements" means the Land and all parts of the Building (other than the Units), including the foundation, roofs and supports of the Building, columns, walls, beams, supports, joists, floors, partitions and ceilings on or under the Building to the extent the same are not expressly included as part of a Unit, and all other parts of the Property, areas or Facilities, apparatus and installations for the common use of the Units and the Unit Owners and all other parts of the Property included as "Common Elements" under the Declaration.

"Common Expenses" means all costs and expenses incurred or paid generally by the Condominium Board in connection with the operation of the Condominium which, pursuant to the Plan, the Declaration and the By-Laws, are to be paid by the Unit Owners in proportion to their Common Interests, except as set forth in the First Year's Budget, as summarized in "Rights and Obligations of Unit Owners" and as more fully described in the Declaration and the By-Laws. Common Expenses include the share of HOA Expenses to be born by the Condominium on behalf of the Unit Owners.

"Common Interest" means the proportionate undivided interest expressed in numerical percentages in the Common Elements pertaining to each Unit as determined in accordance with the Declaration. The total of all Common Interest percentages pertaining to all Units equals 100%. Common Interest is, in general, the basis of determining, among

other things, a Unit Owner's voting power, liability for a share of the Common Expenses and share of any distributions upon termination of the Condominium.

"Completed Dwelling Unit," "Completed Unit" or "Completed Improvement" or "Completed Residential Structure" means a dwelling unit, or residential apartment or improvement or a building containing residential apartments, as applicable, that is covered by a temporary or permanent certificate of occupancy.

"Condominium" means Oceana Condominium No. Three.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York as the same may be amended from time to time.

"Condominium Documents" means collectively this Plan, the Condominium Declaration and the Condominium By-Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.

"Construction Lender" means any institutional lender holding a mortgage against all or any portion of the Property to secure a construction loan used at least in part for the construction of a Building, the Development Area or any part thereof, or any refinancing of or replacement for such mortgage.

"CPC" means the New York City Planning Commission.

"Condominium Declaration" means the Declaration of Condominium, a copy of which is set forth in Part II of this Plan, as the same may be amended from time to time.

"Declarant" shall mean the party who executed the Development Declaration and any successors and assigns.

"Department of Law" means the Real Estate Financing Bureau Department of Law, 120 Broadway, 23rd Floor, New York, New York.

"Development Area" means the land more fully described on Schedule A to the Development Declaration as same may be amended from time to time. A copy of such Schedule A is reproduced as part of Document 15 in Part II.

"Development Declaration" means that certain Development Declaration made as of July 30, 1998, by Alexander Muss & Sons, governing the development of the Development Area, as same may be amended from time to time. The terms of the Development Declaration are summarized under "Location and Area Information - The Development Declaration. A copy of the Development Declaration is reproduced as Document 15 in Part II.

"Exhibits" means collectively Exhibits A, B, C and D which were submitted to the Department of Law in connection with the submission of this Plan to such Department.

"Facilities" means all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, plants, horticultural tubs and horticultural boxes.

"Floor Plans" means the condominium floor plans of the Building, to be filed with the Office of the City Register in Kings County.

"Force Majeure" means weather, floods, epidemics, quarantine restrictions, strikes, lockouts, Acts of God, freight embargoes, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which the Sponsor has no material and direct control. Purchasers are advised that the term Force Majeure has a different meaning in Development Declaration and the Declarant's and Sponsor's rights and obligations will be governed by the definition contained in the Development Declaration if a Force Majeure event affects actions taken or required to be taken under the Development Declaration.

"Garage Appurtenances" means all personal property and fixtures now or hereafter existing in or servicing, or necessary or convenient for the existence, maintenance and safety of any Garage Facility (or any part thereof). The items comprising Garage Appurtenances include, without limitation, the list of items enumerated under the term "Facilities" above.

"Garage Facility" means an underground garage that is located within the Development Area and constitutes a separate Lot.

"Garage Facility Owner" means the owner of a Garage Facility.

"General Common Elements" mean all Common Elements which are not Limited Common Elements.

"Health Club" means the interconnected health club building that will include an indoor lap pool, an outdoor pool, lockers and related facilities as more fully described in "Description of Property - Oceana Homeowners Association".

"HOA Board" means the Board of Directors of the Oceana Homeowners Association. The rights and obligation of the HOA Board are summarized under the section of the Plan entitled the "**Oceana Homeowners Association**".

"HOA By-Laws" means the By-Laws governing the operation of the Oceana Homeowners Association, the form of which is set forth in Part II of the Plan, as the same may be amended from time to time.

"HOA Charges" means the charges assessed by the HOA Board from time to time to cover the costs and expenses incurred or paid generally by the HOA Board in connection with the operation of the HOA , the HOA Properties, easement areas and the HOA's obligations under the Development Declaration, which, pursuant to the Plan, the HOA Declaration and the HOA By-Laws, are to be paid by the Members of the HOA, as more fully described under **"Oceana Homeowners Association."**

"HOA Declaration" means the Declaration of Covenants and Restriction of the Oceana Homeowners Association, Inc. the form of which is set forth in Part II of the Plan, as same may be amended from time to time.

"HOA Improvements" means the gate house, the Health Club and a portion of the Brighton Beach Avenue Open Space.

"HOA Property" or "HOA Properties" means that portion of the Development Area and the HOA Improvements, owned, operated or maintained by the Oceana Homeowners Association and includes those portions of the Development Area (irrespective of how owned) that are subject to an easement requiring that they be maintained by the Oceana Homeowners Association.

"HOA Restrictions" means the HOA Declaration, the HOA By-Laws and the Rules and Regulations of the HOA. The Development Declaration will also cover the HOA Properties.

"Insurance Trustee" means a New York State bank or trust company or savings institution designated by the Condominium Board or the HOA Board (as applicable) as insurance trustee pursuant to the provisions of the Condominium By-Laws or the HOA By-Laws (as the case may be).

"Land" means the parcel of land upon which the Building is situated, as more fully described in the Condominium Declaration.

"Limited Common Elements" means, with respect to each Unit, those Common Elements (such as a balcony or terrace) which are so designated on the Floor Plans or in

the Declaration (or re-designated as a Limited Common Element in accordance with the Condominium Declaration) and which in either case serve or benefit exclusively such Unit.

"Lot" means any of the plots, pieces, or parcels of land located in the City of New York, County of Kings, together with the buildings and other improvements constructed thereon situated in and comprising the Development Area. Tentative Lot 85 while originally part of the Development Area will be conveyed to the City Department of Parks as provided in the Development Declaration.

"Lot Owners" means only (i) fee owner(s) of the Development Area or any portion thereof; (ii) the holder of the lessee's estate in a ground lease of all or substantially all of the Development Area; (iii) the cooperative corporation which holds beneficial ownership of any portion of the Development Area or any building built on the Development Area; (iv) the board of managers of any condominium or homeowner's association which owns the Development Area or any portion thereof; and (v) the lessee of any individual residential unit or the owner of the beneficial interest of any residential unit held in cooperative or condominium ownership or as part of a homeowner's association. The Condominium Board, the HOA Board and each Unit Owner are "Lot Owners."

"LPC" means the New York City Landmarks Preservation Commission.

"Majority in Common Interest of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of Unit Owners determined in accordance with the By-Laws.

"Managing Agent" means Allied Brighton Management, LLC or any successor managing agent designated by the Condominium Board.

"Oceana Homeowners Association, Inc." or "Oceana Homeowners Association" or "HOA" means the entity that will own and be responsible for the operation, repair and maintenance of the HOA Properties. The Oceana Homeowners Association will be responsible for the assumption of and compliance with certain of the Developer's obligations under the Development Declaration as more fully set forth on the Plan.

"Parking Space Unit" means a specifically designated Parking Space Unit located at grade level, and designated as such in the Condominium Declaration and/or the Floor Plans.

"Parking Space Unit Owner" means the owner of a Parking Space Unit.

"Permitted Encumbrances" means the title exceptions set forth in "**Terms of Sale; Closing of Title to Units**" subject to which a Unit may be conveyed.

"Permitted Mortgage" means any institutional mortgage of record against a Unit or any mortgage made by Construction Lender.

"Permitted Occupant" means the Unit Owner, the spouse, children, stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit (and in the case of a Permitted Occupant with whom no spouse resides, one unrelated individual and such individual's dependent children) and a domestic employee and guests of the foregoing.

"Plan" means the Condominium Offering Plan for Oceana Condominium No. Three, promulgated by the Sponsor.

"Property" means collectively the Land and the Building.

"Purchase Agreement" means the agreement to purchase a Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Purchaser" means a purchaser of a Unit pursuant to a Purchase Agreement.

"Recreation Facilities" means the Health Club, the Brighton Beach Avenue Open Space, the Tot Lot and any other active or passive recreational facilities within the Development Area.

"Recreation Facility Privilege Agreement" means an agreement pursuant to which a non-resident of the Development Area may use the Health Club, subject to applicable HOA Restrictions.

"Residential Unit" means a Unit which is designated as a Residential Unit in the Declaration and/or the Floor Plans.

"Residential Unit Owner" means the owner of a Residential Unit.

"Rules and Regulations" means the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A as the same may be amended from time to time.

"Schedule C" means the budget for the operation of the Oceana Homeowners Association based on the inclusion of 272 dwelling units. For the purposes of Sponsor's right to exercise control over certain budget items and expenditures of the Oceana Homeowners Association, "Schedule C" also refers to any revised Schedule C that Sponsor may include in an amendment to the Plan or in any other offering plan for property within the Development Area, based on the number of Completed Dwelling Units then comprising the HOA, plus (when completed) the number of additional dwelling units reflected in such offering plan.

"Sponsor" means Brighton Development, LLC, with offices at 118-35 Queens Boulevard, Forest Hills, New York 11375. The term "Sponsor" shall be deemed to include any successor to or affiliate of Sponsor. A successor to Sponsor is any (i) individual, corporation or other entity which through amalgamation, consolidation, or other legal

succession, becomes invested with the rights and assumes the obligations of Brighton Development, LLC, or (ii) any person who purchases from Brighton Development, LLC, or otherwise succeeds to (w) any Lot in the Development Area (other than a Lot consisting solely of an individual dwelling unit or Parking Space Unit), or the lesser of (x) ten or more Residential Units or (y) twenty percent (20%) or more of all Residential Units in the Condominium or (z) all remaining Residential Units then owned by Sponsor and is not purchasing such Units for his, her or its own occupancy or for occupancy by such person's family members, and in any case shall also include any nominee holding any Unit for the account of the person referred to in clause (i) or (ii) above. An "affiliate of Sponsor" is any individual, corporation or other entity owning any Lot in the Development Area (other than a Lot consisting solely of an individual dwelling unit or Parking Space Unit) at least ten percent (10%) of the beneficial interest of which is owned by Sponsor's principal, such principal's spouse, child(ren) or a trust for the benefit of any of the foregoing or any combination of the foregoing.

"Tot Lot" means that portion of the Development Area to be conveyed to the City of New York Department of Parks.

"Unit" or "Units" means any space designated as a Residential Unit or a Parking Space Unit in the Declaration consisting generally of (i) in the case of a Residential Unit, a specific apartment, in the case of a Parking Space Unit a specific parking space designated on the Floor Plans as such; and (ii) an appurtenant undivided interest in the Common Elements. All of such Units are collectively referred to as the "Units."

"Unit Owner" or "Unit Owners" means any owner or owners of a Unit. All of such Unit Owners are collectively referred to as "Unit Owners."

"Unsold Residential Unit" refers to a Residential Unit until such Unit has been purchased by a bona fide purchaser for residential occupancy on or after the Closing Date under the Plan or until the owner of such Unit or a person related by blood or marriage to such owner becomes the residential occupant of such Unit.

"Unsold Parking Space Unit" refers to a Parking Space Unit until same Unit has been purchased by a bona fide purchaser for parking use.

"Unsold Units" means Unsold Residential Units and Unsold Parking Space Units.

"Unsold Unit Owner" shall mean any owner of an Unsold Unit from time to time.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meaning ascribed thereto in the By-Laws or the Declaration, as the case may be.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Land

The Land consists of approximately 18,396 square feet and is located on Oceana Drive West in the Brighton Beach section of Brooklyn, New York. The Property is presently designated as part of Block 8720 and has tentatively been assigned Lot No. 60 on the tax map of the Borough of Brooklyn.

The Property

The Property will consist of one building which is located at 60 Oceana Drive West and will consist of twelve above grade stories (inclusive of seven penthouse levels) containing 68 Residential Units. The Condominium will also include 24 Parking Space Units. Construction of the Buildings is scheduled to commence on or about June 1, 2001. Such construction shall be completed as described in "**Description of Property and Specifications**" in Part II of the Plan.

Garage Facilities and Parking Space Units

(ii) There are no Garage Facilities situated beneath the Condominium. Garage Facilities are situated elsewhere within the Development Area. Easements in favor of the Garage Facilities situated within the Development Area include perpetual, irrevocable easements affecting both the HOA Property and the Condominium: (x) for the construction, existence, use, maintenance, repair, replacement of such Garage Facilities, any Garage

(iii) Appurtenances and entrance/exit ramps into any Garage Facility, and (y) or, over and across portions of the Property and such other portions of the Development Area as may be required for motor vehicle or pedestrian ingress, egress or access to the Garage Facilities.

The HOA Declaration shall be subject and subordinate to easements that establish certain "Garage Easement Zones."[1] Garage Facility Owners shall be obligated to promptly reimburse the Oceana Homeowners Association for those costs and expenses, if any, incurred by the Oceana Homeowners Association that are directly attributable to a Garage Facility and are not otherwise covered by the HOA Charges assessed against such Garage Facility. In the event of any dispute with a Garage Facility Owner regarding the cost of expenses fairly attributable to the use, maintenance, repair or restoration of such Garage Facility, the same shall be resolved by arbitration. Sponsor shall have the right both before and after the Closing Date to record one or more easement agreements establishing Garage Easement Zones, reflecting the foregoing easements, and providing for the foregoing rights and obligations of Garage Facility Owners.

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[1]Garage Easements shall be subject and subordinate to the Development Declaration and all rights and easements created thereunder.

The Condominium includes 24 Parking Space Units (of which __ are offered for sale hereunder). Parking Space Units are offered for sale to purchasers of Residential Units and other residents of the Development Area only. Purchasers of Parking Space Units are advised that such Parking Space Units may only be sold to or used by another resident of the Development Area. The foregoing restriction is inapplicable to Unsold Parking Space Units and Parking Space Units owned by Sponsor.

A summary description of the Units offered for sale under this Plan is set forth in "**Schedule A**". Floor plans for the Units are set forth in "Condominium Floor Plans" in Part II of the Plan. The legal description of the Units, the Common Elements, and the Limited Common Elements is set forth in the Condominium Declaration in Part II of the Plan and is summarized in "**Rights and Obligations of Unit Owners and Board of Managers**" in Part I of the Plan.

Description of Improvements

The Sponsor intends to construct the Building substantially in accordance with the plans and specifications prepared by the Project Architect (see "**Identity of Parties**") copies of which are available for examination by prospective Purchasers at the Selling Agent's office. Such plans and specifications as the same may be amended from time to time by Sponsor are referred to in this Plan as the "Plans and Specifications."

A general description and outline of the specifications of the Building, equipment and facilities as well as a statement of building condition is set forth in "Description of Property" in Part II of the Plan.

The improvements described in the Plans and Specifications shall upon issuance of the permanent certificate of occupancy for the Building, be in compliance with all applicable zoning codes of the City of New York and other applicable regulations, codes and governmental requirements.

Upon completion of the Building in accordance with the Plans and Specifications, it is presently contemplated that the Building will contain 68 Residential Units and 24 Parking Space Units as described in this Plan.

Completion of Building and Units

It is anticipated that the construction of the Building will be substantially completed on or before June 1, 2002. Construction of the Building may be delayed because of, and the obligations of Sponsor under this Plan and any Purchase Agreement are subject to, weather, strikes, labor troubles, lockouts, acts of God, local shortages, shortages of materials or inability to obtain materials, equipment or labor, government restrictions or pre-emption, damage by fire or the elements. The period within which the Sponsor must complete any of its obligations under this Plan or any Purchase Agreement shall be extended by the period of such delay.

The construction of the Building shall be deemed fully completed in accordance with the Plans and Specifications when (a) a temporary or permanent Certificate of Occupancy for such Building shall have been issued by the Department of Buildings of the City of New York, and (b) the Sponsor's architect or engineer shall have certified that such Building has been substantially completed in accordance with the Plans and Specifications except for (i) work in the Building customarily left incomplete until after occupancy and (ii) punch list items. Issuance of a temporary or permanent Certificate of Occupancy and the certification of the Sponsor's architect or engineer shall be deemed and considered conclusive evidence that the improvements have been completed in accordance with the Plans and Specifications without prejudice however to any rights which the Condominium may have under the Sponsor's obligation to cause defects in construction or materials to be corrected as may hereinafter be set forth in this Plan. (See "**Rights and Obligations of Sponsor**").

A Purchaser should note that prior to the conveyance of title to him of his Unit he may not perform any work in the Unit without first obtaining the Sponsor's prior written consent. In addition, as provided in the By-Laws, prior to the issuance of a permanent certificate of occupancy for the Building following completion of the construction as described in the Plan, no Unit Owner other than Sponsor and its designees shall be permitted to make any alterations or improvements to his Unit.

Views

Views from the Units may be blocked among other reasons, (i) due to construction of other buildings within the Development Area; in this regard, it should be noted that an entity controlled by Sponsor's principal has plans to erect four (4) seven (7) story residential structures (including duplex penthouse Units), which will be situated immediately to the south of the Building known as Oceana Condominium No. One and Oceana Condominium No. Two, or (ii) if the Development Declaration is amended. Under the Development Declaration, structures of up to twelve stories maybe erected within the Development Area, however, no assurance can be given as to whether, in the future the Development Declaration may be amended and/or zoning may permit structures that exceed twelve stories in height. Purchasers are advised that the Property is intended to form a part of a large development that may ultimately contain a maximum of 18 residential structures, a Health Club, gate house, a public open space area and parking facilities. A Tot Lot will be conveyed to the City of New York Department of Parks. No assurance can be given as to whether or when such structures will be erected, the ultimate height of such structures, or the impact of the construction of said structures on the view of any Residential Unit. Reference should be made to the Site Plan which appears in Part II as Document No. 10 for details as to the preliminary layout of the Development Area. No assurance can be given that the Development Area will ultimately be constructed as is depicted on the Site Plan and no assurance can be given that the views currently existing (or existing when Purchaser first purchases or occupies the Unit) will continue to exist unchanged.

LOCATION AND AREA INFORMATION

Location and Surrounding Area

The Property is located in the Brighton Beach area of Brooklyn, New York, New York, and will be bounded generally by a right of way in favor of Coney Island Avenue to the west and Oceana Drive West on the east. Immediately to the south, Sponsor is erecting four (4) seven (7) story residential structures, (inclusive of duplex penthouse Units). Further to the south of the Property is a natural area park strip (to which there is no direct access from the development) adjacent to the boardwalk. It is noted that the Property is intended to form a part of a large development that may ultimately contain a maximum of 18 residential structures, a Health Club, parking facilities, a public open area space, a Tot Lot (to be conveyed to the City of New York Department of Parks) and a gate house. No assurance can be given as to whether or when such structures will be erected, the ultimate height of said structures or the impact of the construction of said structures on the view of any Residential Unit. Under the Development Declaration, structures of up to twelve stories maybe erected within the Development Area, however, no assurance can be given as to whether, in the future the Development Declaration may be amended and/or zoning may permit structures that exceed twelve stories in height. Reference should be made to the Site Plan which appears in Part II as Document No. 10 for details as to the preliminary layout of the Development Area. No assurance can be given that the Development Area will ultimately be constructed as is depicted on the Site Plan.

Summary of the Development Declaration

The property governed by the Development Declaration consists generally of the area bounded generally by Coney Island Avenue to the west, Brighton Beach Avenue to the north, Seacoast Terrace (a privately-owned, improved, mapped street) to the east and a public park to the south. The Development Declaration and the requirements contained therein, reflect requirements imposed by the New York City Planning Commission and the Department of City Planning. The legal description of the property governed by the Development Declaration is set forth on Schedule A to the Development Declaration. The Development Declaration appears in Part II as Document 15.

General:

The Development Declaration includes the following provisions among others:

(i) the Declarant may develop the Development Area (including the Property) with:

(a) not more than 850 market rate dwelling units (inclusive of the Residential Units offered for sale hereunder) to be located in sixteen (16) to eighteen (18) buildings ranging in height from three (3) to twelve (12) stories or a combination of apartment buildings and townhouses

or all townhouses, as set forth in one of three Alternative Plans attached to the Development Declaration; the 850 dwelling units described above may include a maximum of 240 residential retirement units.

(b) provision for approximately 1,200 accessory parking spaces including up to 220 parking spaces for owners of shares in Tower Owners, Inc., a New York cooperative corporation with offices at 35 Seacoast Terrace, Brooklyn, New York;

(ii) provision of open space for the general public and private recreational areas for the residents within the Development Area, including a fifty (50) foot wide visual corridor, which shall be complete prior to the issuance of a temporary certificate of occupancy for the five hundred fiftieth (550th) residential unit;

(iii) provision of a private internal street/sidewalk system; and

(Iv) construction of "Declarant's Improvements" (consisting of the public Off-Site Improvements, the Public Pedestrian Easement and the Brighton Beach Avenue Open Space, each more fully described below).

Mitigation Measures:

The Declarant is required to undertake certain mitigation measures, including:

requesting the New York City Department of Transportation to implement certain signal timing changes;

installation of low-flow toilets in all bathrooms and water reducing shower heads in all showers;

implementation of noise mitigation techniques by such means as double glazed windows, insulating materials on exterior walls and alternate means of ventilation to the extent necessary to achieve interior noise levels in the

Development Area buildings of no more than Ldn equals 45 dba[2] as described in a Final Supplemental Environmental Impact Statement dated July 10, 1992; and

implementation of mitigation measures with respect to the former Carousel Pavilion, which Carousel Pavilion was situated on the Development Area at the time Sponsor acquired title thereto (which measures shall consist of using reasonable efforts to preserve and protect the Carousel Pavilion in order to donate the Carousel Pavilion to any interested and eligible party or parties for the purpose of its relocation and adaptive reuse). If a relocation site cannot be secured prior to the commencement of the construction on the portion of the Development Area containing the Carousel Pavilion, then the Declarant has agreed to use its best efforts to disassemble and store the Carousel Pavilion until a relocation site is found and to provide the LPC with the plans and methods for disassembly for review and notify the LPC of and allow a representative of the LPC to be present during the disassembly and any reassembly of the Carousel Pavilion.

Brighton Beach Avenue Open Space:

Open public space along Brighton Beach Avenue (the "Brighton Beach Avenue Open Space") must consist of at least 43,700 square feet, and must include seating, lighting, landscaping and a Tot Lot, and shall be completed prior to the issuance of a temporary certificate of occupancy for the two hundred fiftieth (250th) residential unit. Subsequent to the completion of the Tot Lot, the Declarant must convey the Tot Lot to the City of New York Department of Parks. Following such conveyance, the Declarant is obligated to (i) contribute the sum of $15,000 annually (as such amount may be adjusted based on increases in the Consumer Price Index from the 1998 calendar year) as an annual maintenance fee to be used by the Department of Parks for the maintenance of the Tot Lot and (ii) provide to the Department of Parks and maintain in effect security in the amount of $75,000 (representing five years' annual maintenance fee). The Brighton Beach Avenue Open Space shall be designed and constructed using materials and in a manner generally consistent with the construction of other public parks in New York City. The final design plans and specifications for the Brighton Beach Avenue Open Space shall be subject to review and approval by the Department of Parks. The Brighton Beach Avenue

[2]Such term is a "noise descriptor" and refers to a day-night equivalent sound level.

Open Space shall remain open from dawn to dusk or 8:00 P.M., whichever occurs later. However, the Declarant shall have the right during the continued construction of the Development Area to reserve an area fronting along the northeastern side of the Brighton Beach Avenue Open Space and adjacent to the Public Access Easement (described below), comprising approximately 2,500 square feet, for use as a construction staging area. The Department of Buildings may not issue a temporary certificate of occupancy for any residential units in excess of 250 residential units until the Department of Parks has certified that, except for the construction staging area, the Brighton Beach Avenue Open Space has been completed. The Declarant must complete that portion of the Brighton Beach Avenue Open Space used for a construction entrance during construction prior to the issuance of a temporary certificate of occupancy for the eight hundred fiftieth (850th) unit or the completion of the entire Development Area, whichever occurs first, and the Declarant must complete that portion used as a construction staging area at such time as any area of the Development Area is not under development within 9 months after the last building on the Development Area is completed and has received a certificate of occupancy or a temporary certificate of occupancy.

Off-Site Improvements:

The Declarant will be responsible for the creation of following "Off-Site Improvements:"

The Declarant will plant trees along the east side and west side of Coney Island Avenue between Brighton Beach Avenue and the public boardwalk; and construct and landscape the area between the terminus of Coney Island Avenue and the public boardwalk prior to the issuance of a temporary certificate of occupancy for the one hundred fiftieth (150th) residential unit; and

The Declarant will landscape and keep clean the fifty (50) foot park strip immediately to the south of the Development Area between Coney Island Avenue and Seacoast Terrace, with plants indigenous to costal environments similar to the Development Area (the "Park Strip Improvements"). The Park Strip Improvements shall be completed prior to the issuance of a temporary certificate of occupancy for the three hundred fiftieth (350th) residential unit.

The Off-Site Improvements will be constructed substantially in accordance with plans and specifications to be reviewed and approved by the appropriate City agency having jurisdiction thereover.

Public Pedestrian Easement:

Declarant shall construct and maintain in good repair and cleanliness and maintain the paved areas free of snow, ice and litter, a Public Pedestrian Easement consisting of the walkway from Brighton Beach Avenue along the west side of Seacoast Terrace on the Development Area, extending to the southerly boundary of Brightwater Avenue and thereafter, via a ramp which connects to the public boardwalk. Subject to providing a Temporary Public Pedestrian Easement [prior to the issuance of a temporary certificate of occupancy for the four hundred fiftieth (450th) residential unit] the Public Pedestrian Easement shall be complete prior to the issuance of a temporary certificate of occupancy for the seven hundred fiftieth (750th) residential unit. No gates may be installed at any of the access and egress points of the temporary Public Pedestrian Easement or the permanent Public Pedestrian Easement.

Upon the completion of the Public Pedestrian Easement, the City of New York shall enjoy a non-exclusive right to and the benefit of, and be granted a non-exclusive public assess easement for such period of time as the development shall remain in existence for pedestrian use to the Public Pedestrian easement, unobstructed from the ground up to the sky, and liens and all other interests subsequent thereto excepting governmental tax liens and assessments, public utilities and easements shall be subject and subordinate to the rights, claims, entitlements, interests and priorities created by such easement. The Public Pedestrian Easement and the Temporary Public Pedestrian Easement shall remain open and accessible to the public from dawn to dusk or 8 P.M. whichever occurs later every day of the year. Declarant may close the Public Pedestrian Easement and the Temporary Public Pedestrian Easement to the public for (i) one day or such other period as shall be required by law to prevent a public dedication of the Public Pedestrian Easement or the Temporary Public Pedestrian Easement other than Saturday Sunday or public holiday, on the same date in January in each year or as near to such date as is possible, to preserve Declarant's ownership interest in the Public Pedestrian Easement or the Temporary Public Pedestrian Easement and to prevent a public dedication, and (ii) from time to time as may be reasonably necessary to construct, repair or maintain one or more residential structures in the Development Area. Declarant shall also have the right to close the Public Pedestrian Easement and the Temporary Public Pedestrian Easement for maintenance, repairs or replacements or to make emergency repairs.

Miscellaneous Provisions:

Miscellaneous provisions include the following:

(i) the Declarant will install appropriate signage indicating hours of public assess, handicapped accessibility, rules and regulations, etc.;

(ii) the Declarant will construct interior public accessible streets and sidewalks that must be accessible to the public from dawn to dusk or 8 P.M., whichever occurs later;

(iii) the Declarant will post "Construction Security" in a form reasonably satisfactory to the City Comptroller in an amount equal to one hundred twenty-five percent (125%) of the estimated cost of Declarant's Improvements as estimated by an architect or engineer. The amount of Construction Security may be reduced from time to time during the progress of construction of Declarant's Improvements, provided the Declarant complies with the provisions of the Development Declaration regarding the reduction of Construction Security; and

(iv) the Declarant shall maintain in a state of good repair and cleanliness all of Declarant's Improvements (except for the Tot Lot, which shall be maintained by the Department of Parks following its conveyance to the Department of Parks) in accordance with the Development Declaration and the Department of Parks maintenance standards that are appended to the Development Declaration. Such maintenance includes, without limitation, the replacement of plantings and the repair of benches, sidewalks, pavements and ramps.

(v) the posting of "Maintenance Security" in an amount equal to one hundred twenty-five percent (125%) of the total cost to maintain each of the Declarant's Improvements, as certified by an architect or property manager licensed to do business in the State of New York, for one calendar year following completion of each of such Declarant's Improvements. The Maintenance Security shall be renewed annually. Upon the assumption and posting of an amount equal to the Maintenance Security by the Oceana Homeowners Association, the Maintenance Security provided by the Declarant will be returned the Declarant.

Obligations Assumed by the Oceana Homeowners Association:

The Oceana Homeowners Association shall be responsible for all costs associated with owning (where applicable), maintaining, improving, repairing and replacing Declarant's Improvements as required by the Development Declaration. Each Unit Owner, by accepting a deed shall be deemed to covenant and agree to pay all assessments which may be imposed by the Oceana Homeowners Association on the Unit, and each such assessment shall be a charge and continuing lien on the Unit against which such assessment is made. The obligations assumed by the Oceana Homeowners Association shall include the following:

(i) providing annually to the Parks Department such sums as may be required annually for the Maintenance Fee and security for the Tot Lot, and reimbursing the Declarant the amount of the initial security provided by the Declarant to the Department of Parks in connection with the Tot Lot;

(ii) ownership, maintenance, improvement, repair and replacement of the Declarant's Improvements (other than the Tot Lot and "Off-Site Improvements"); and

(iii) assumption of the obligation to provide the Maintenance Security.

The Oceana Homeowners Association will assess each Lot Owner such that the cost of the foregoing obligations (other than the Maintenance Fee, Maintenance Security for the Tot Lot and the cost of maintenance of the Recreation Facilities) will be borne by each member of the Oceana Homeowners Association; the maintenance fees and maintenance security for the Tot Lot will be borne by owners of residential condominium units, owners of all cooperative apartments, and the fee owners of all Completed Residential Structures (other than a retirement facility, assisted living facility or similar senior housing facility). Further, space utilized for community facility purposes will not bear any portion of the Category IV Expense. However, the foregoing provision shall not relieve any Lot Owner of its obligations under the Development Declaration to the Department of Parks. Each Unit Owner's share of the foregoing expenses as well as other HOA Charges will be assessed by the Oceana Homeowners Association through, and collected by, the Condominium. The Condominium's share of such cost for the First Year of Condominium Operation is reflected in the **"First Year's Budget"** under the item entitled "HOA Charges." See the **"First Year's Budget"** and the section of the Plan entitled **"The Oceana Homeowners Association"** for details.

The performance and timing of Developer's obligations under the Development Declaration are expressly subject to "Force Majeure" or "Circumstance(s) Beyond The Reasonable Control of Declarant" as such terms are used in the Development Declaration.

Sponsor makes no representation (i) as to the number, size, number of dwelling and/or non-dwelling units to be contained in or configuration of any buildings other than the Condominium or whether any dwelling units will be retirement units or assisted living units (ii) as to the timing for commencement and completion of construction of any portion of the Development Area, including, without limitation, any of the structures containing residential units (except for the Units comprising Oceana Condominium No. Three, as to which Sponsor's representations are only those expressly set forth in the Plan), the parking, Off-Site Improvements, the Brighton Beach Avenue Open Space, the Temporary Public Pedestrian Easement or Permanent Public Pedestrian Easement, the Health Club, the visual corridor and private internal streets and sidewalks (iii) or that any of the foregoing will actually be completed. Purchasers are advised that the time required to complete a project of this magnitude may be extensive and completion of any of the foregoing improvements is likely to be subject to circumstances beyond Sponsor's and Declarant's control.

The Development Area is across the street from the "D" and "Q" trains, with express service into Manhattan in approximately 30 minutes. Manhattan, the Verrazano Narrows Bridge and JFK International Airport are all readily accessible by car from the Development Area.

The neighborhood abounds in recreational and community amenities, including the ocean, beach and boardwalk; YMHA, public library, the New York City Aquarium, parks, restaurants, clubs and theater; and an abundance of specialty and convenience shopping on Brighton Beach Avenue and adjacent streets.

Coney Island Hospital is located at 2601 Ocean Parkway, and Maimonides Medical Center is located at 4802 10th Avenue (between 48th and 49th Streets).

P.S. 225 is located on Oceana View Avenue. I.S./J.H.S. 43 is located on Emmons Avenue. Ahi Ezer Yeshiva of Brighton is located on Neptune Avenue; Yeshiva B'Nai Israel is located on Brighton Beach Avenue; Yeshiva of Manhattan Beach is located on West End Avenue; Educational Center of the Hebrew Alliance is on Brighton 6th Street; and Rahkefet Day Care Center is on Gerald H. Chambers Square. No representation is made that any Unit Owner's child will be able to attend any particular school.

Municipal Services

Police, fire, water and sanitation, are provided by the City of New York. The 60th Police Precinct is located at 2951 West 8th Street, Brooklyn, New York and the 61st Police Precinct is located at 2575 Coney Island Avenue, Brooklyn, New York. Fire House 245 is located at West 8th Street near Surf Avenue and Fire House 246 is located at East 11th Street near Banner Avenue. The cost of road maintenance is included in the HOA Budget.

Zoning

The Property is currently in a R7-1 zoning district, which permits development of the Residential Units and the Parking Space Units and such other uses as are permitted by the Zoning Resolution of the City of New York and applicable law.

THE OCEANA HOMEOWNERS ASSOCIATION

Overview:

The Oceana Homeowners Association is a New York Type A Not-For-Profit Corporation that was incorporated on November 9, 1998.

It is anticipated that the Development Area will be developed in phases, of which the development of the Oceana Condominium No. Three, is the third phase. The HOA Declaration, HOA By-Law and Rules and Regulations dated June 18, 1999 have been recorded against the Development Area (including the Land comprising a Common Element of the Condominium) on June 25, 1999. The HOA Declaration shall, to the fullest extent of the law, be deemed to run with the land and be effective for so long as the Development Declaration shall remain in effect.

The Oceana Homeowners Association will, from and after portions of the Development Area are conveyed to it, own, operate, maintain, manage and assume Declarant's obligations for those portions of the Development Area, and the improvements thereon as to which it has fee title. It is anticipated that improvements as to which the Oceana Homeowners Association will have fee title will consist generally of certain roadways (which will not be dedicated to the City of New York, and which provide access to Brighton Beach Avenue, a public street), and walkways, the Brighton Beach Avenue Open Space (other than the Tot Lot), the Health Club and the gate house and the landscaped areas adjacent to the Health Club. The Oceana Homeowners Association will not own, but will nevertheless assume the Declarant's responsibility for (i) the maintenance, improvement, repair and replacement of the Off-Site Improvements (other than the Tot Lot), (ii) provision to the City of New York Department of Parks the maintenance fees and security for the Tot Lot, and (iii) assumption of the obligation to provide the Maintenance Security. The Oceana Homeowner's Association will, on thirty (30) days' prior written notice, reimburse the Declarant the amount of any such Maintenance Security and the amount of security previously provided to the City of New York Department of Parks. The Oceana Homeowners Association will also operate, maintain and manage those portions of the Development Area as to which it has an easement for such purposes.

Amenities to be Owned and Operated by the Oceana Homeowners Association:

A gate house on Oceana Terrace off Brighton Beach Avenue will be the point of entry for residents, guests and deliveries. Initially, on-site security is anticipated to be provided 8 hours per day. However, it is anticipated that upon completion of the Development Area, the gatehouse will be staffed 24 hours a day and augmented by site patrol. See "**Schedule B - First Year's Budget for Condominium Operation**, " "**Schedule C - Budget for the Oceana Homeowners Association**, " and "**Schedule C-1 Projected Budget for 850 Units**" for details. Upon completion of the Development Area state-of-the-art video and telecommunications equipment will be used throughout the community.

The Health Club will include a year-round indoor lap pool situated in a clubhouse and an outdoor pool. See "**Description of Property - Oceana Homeowners Association**" for details.

The preliminary construction schedule estimates that the completion of the Health Club including the indoor lap pool will occur on or before the summer of 2001. The foregoing schedule is merely a preliminary estimate and Sponsor makes no representation or warranty as to the actual completion date of any Declarant's Improvement, the Health Club or any other amenity. Completion of each of the foregoing amenities may be subject to delay for a multitude of reasons, including, without limitation, Force Majeure.

Membership in the Oceana Homeowners Association is mandatory for all Lot Owners owning property covered by the HOA Declaration. When the Plan is declared effective, the minimum number of dwelling units to be included in the Oceana Homeowners Association will be 272. The maximum number of dwelling units (inclusive of retirement units, assisted living units, and/or similar senior housing units, if any) to be included therein is 850. The term " Lot Owners" may encompass the owners of structures containing parking spaces, individual parking space condominium units and community facility space.

Sponsor reserves the right to offer Recreation Facilities Privilege Agreements to persons who are not Lot Owners and/or do not reside within the Development Area on such terms and for such duration (including renewals) as Sponsor, in its sole discretion, shall desire. Any proceeds generated therefrom shall be retained by Sponsor, however, either Sponsor (or at Sponsor's option), the Recreation Facility Privilege Agreement Holder shall pay to the Oceana Homeowners Association on an annual basis, a fee in the amount that the HOA's managing agent determines is fairly attributable to the costs incurred by the Oceana Homeowners Association in connection with such Recreation Privilege Agreement Holder's use of the Health Club and related facilities. Sponsor makes no representation or warranty as to whether Recreation Facility Privilege Agreements will be offered or the number of Recreation Facility Privilege Agreements, if any, that will be issued.

Purchasers are advised that in order to be able to offer such Recreation Facility Privilege Agreements to non-residents, a special permit from the Board of Standards and Appeals will be required. Sponsor makes no representation that any such special permit will be applied for or issued or that Sponsor will offer Recreation Facility Privilege Agreements in the Health Club to non-residents of the Development Area, or as to the number of non-residents, if any who will have Recreation Facility Privilege Agreements.

From and after any property comprising part of the Development Area is conveyed to the Oceana Homeowners Association, the Declarant will cause the lien of any mortgage thereon to be subordinate to the HOA Declaration. In the alternative, Sponsor may elect to cause any such mortgage to include a covenant that insures that the Oceana Homeowners Association and each Lot Owner whose lot is situated in a portion of the Development Area that has been conveyed to the Oceana Homeowners Association will have undisturbed use of the premises for the purpose described in the Plan in the event of foreclosure by the holder of such mortgage. While Sponsor is in control of the HOA

Board, no new mortgage liens will be placed on HOA Property without the prior consent of at least 51% of the Lot Owners excluding Sponsor. In addition, while Sponsor is in control of the HOA Board, certified financial statements will be provided to the Lot Owners annually.

Assessment of HOA Charges:

The expenses incurred by the Oceana Homeowners Association will assessed by the HOA Board to the Condominium Board of Managers, which will include such HOA Charge as part of the Common Charges to be assessed against each Unit Owner as described below. The HOA Charges, will generally consist of the following:

(i) expenses incurred in connection with the ownership, management, operation, maintenance, repair and replacement of those portions of the HOA Property (other than Recreation Facilities or the Tot Lot) that either (A) were constructed in furtherance of the requirements of the Development Declaration or (B) serve both residential and non-residential members;

(ii) administrative expenses relative to the general operation of the Oceana Homeowners Association (but not administrative expenses relative to the operation of any Recreation Facilities or the Tot Lot);

(iii) expenses related to Off-Site Improvements (other than the Tot Lot), and the Maintenance Security; and

(iv) expenses related to the ownership, management, operation, maintenance, repair and replacement of all Recreation Facilities (inclusive of the Health Club and the Tot Lot).

Items of expense relating to categories (i), (ii), and (iii) will be shared by all Lot Owners whose Lots contain Completed Improvements, as more fully described below.

Items of expense relating to category (iv) will be shared by all owners of residential condominium units, owners of all cooperative apartments, and the fee owners of all Completed Residential Structures other than a retirement facility, assisted living facility or similar senior housing facility (i.e., an Improvement as to which all residential units are covered by a temporary certificate of occupancy or a permanent certificate of occupancy) not owned as a condominium or a cooperative, based on the number of dwelling units in such structure. Notwithstanding the foregoing, a community facility space will not bear any expense allocated to Recreation Facilities (i.e., Category IV expenses) irrespective of the form of ownership of such community facility space. The owner(s) of any retirement units, or dwelling units comprising a retirement facility or a similar senior housing facility or an assisted living facility may elect on an annual, per unit basis whether or not to utilize Recreation Facilities, and if, and to the extent an election is made to utilize such Recreation Facilities, such owners will be responsible for the payment of a pro-rata share of the expenses in category (iv) based on the number of dwelling units for which the election is

made. Moreover, if and to the extent that a building containing community facility space or retirement units, senior housing units or assisted living facilities does not contain separate and distinct "Class A" apartments, the number of dwelling units in such building will, solely for the purpose of the computation of HOA Charges and Membership votes, be deemed to be equal to the number of rentable square feet in such building divided by the average number of rentable square feet per Residential Unit in Oceana Condominium No. One, using the same formula of Unit measurement as is set forth in the Condominium Declaration for Oceana Condominium No. One.

The HOA Board will advise the Condominium Board of the share of the HOA Expenses allocable to the Condominium, which share shall be based on (i) each Parking Space Unit paying four percent (4%) of the amount assessed for each Residential Unit (less any amount allocable to Category IV expenses above) and (ii) each Residential Unit bearing a pro-rata share of the HOA Charges in the proportion that the number of Residential Units in the Condominium bears to all Completed Dwelling Units within the Oceana Homeowners Association. As set further above, units consisting of community facility space shall not bear any portion of the HOA Expenses comprising Category IV expenses and retirement units, senior housing units or assisted living units will only bear expenses attributable to the Recreation Facilities to the extent of the number of Units that elect to utilize such facilities. The Condominium Board will, in turn assess each Unit Owner its share of such HOA Charges. Each Residential Unit Owner will bear his share of the HOA Charges in proportion to his Common Interests relative to the aggregate Common Interests of all Residential Units in the Condominium. Each Parking Space Unit Owner will bear the HOA Charges as set forth in the preceding clause (i), in proportion to his Common Interests relative to the Common Interests of all Parking Space Units in the Condominium. The portion of the Oceana Homeowners Association Charges allocable to all Unit Owners has been included in the First Year's Budget under HOA Charges. If and when additional buildings containing dwelling units are completed (i.e., covered by a temporary or permanent certificate of occupancy) the respective condominium boards of managers, cooperative boards of directors or fee owners (as the case may be) shall be assessed and shall assess to all Unit Owners and proprietary lessees, as applicable, the HOA Charges (computed as set forth herein) in the proportion that the number of dwelling units in such building(s) bears to the total number of the Completed Dwelling Units within the Development Area plus an amount equal to four percent (4%) of the amount allocable to each Residential Unit (exclusive of any sums for Category IV expenses) for each parking space (or Parking Space Unit). Vacant Lots and Lots on which are situated Improvements that are incomplete (i.e., not covered by a temporary or permanent certificate of occupancy) will not be assessed HOA Charges, although the owners of such Lots will be entitled to vote their respective membership interests as set forth below. HOA Charges will be payable by each Unit Owner through the Condominium Board, in the case of a condominium; by the tenant-shareholder through the Board of Directors of the cooperative corporation, in the case of a building owned as a cooperative; or by the fee owner, in the case of a garage facility, rental building, a retirement facility, senior housing facility or assisted living facility or other Lot with a Completed Structure that is not a part of any of the foregoing.

The HOA Charges may be revised annually, or more frequently, if required, as the cash requirements of the Oceana Homeowners Association change.

Sponsor has estimated that the HOA Charges allocable to each parking space is equal to four percent (4%) of the HOA Charges allocable to a dwelling unit for each of the categories of expenses enumerated above (excluding Category IV expenses). Thus, each Garage Facility shall be assessed an amount equal to four percent (4%) of the HOA Charges assessed with respect to a dwelling unit (excluding Category IV expenses) multiplied by the number of parking spaces in such Garage Facility. Each Parking Space Unit shall similarly be assessed HOA Charges equal to four percent (4%) of the HOA Changes assessed with respect to a dwelling unit except for Category IV expenses.

If a Unit Owner fails to pay his Common Charges, both the Condominium Board and the Oceana Homeowners Associates will each have a lien on his Unit, with the Condominium's lien having priority. In the case of a partial payment by the Unit Owner of his Common Charges, such partial payment will be applied by the Condominium Board first against such Unit Owner's Common Charges (other than the portion of the Common Charges comprising such Unit Owner's allocable share of HOA Charges and HOA Special Assessments) and next against the Unit Owner's pro-rata share of the HOA Charges and HOA Special Assessments. The Condominium Board shall, within fifteen (15) days of the due date thereof, furnish the HOA Board with written notice of any Unit Owners who are in arrears with respect to any portion of their Common Charges that are allocable to HOA Charges or HOA Special Assessments. The Condominium Board and the HOA Board will each have the right to foreclose such lien. In addition, any unpaid HOA Charges and HOA Special Assessments will bear interest at the maximum lawful rate from the date such HOA Charges or HOA Special Assessment was first due until the date immediately preceding the date of payment. Inasmuch as the Condominium Board is also a Lot Owner, as with any other Common Expense, the Condominium Board shall be responsible for the payment of all HOA Charges and HOA Special Assessments assessed with respect to the Unit Owners. If a Unit Owner fails to pay his Common Charges (including any HOA Charges or HOA Assessments), the Condominium Board must nevertheless pay the appropriate amount to the Oceana Homeowners Association and avail itself of its legal remedies against the defaulting Unit Owner.

If Sponsor makes available Recreation Facility Privilege Agreements, at Sponsor's option, either Sponsor or the holder of such Recreation Facility Agreement will pay to the Oceana Homeowners Association an amount not less than the amount the HOA's then managing agent determines is a pro-rata amount reasonably attributable to the costs incurred by the Oceana Homeowner's Association in connection with such Recreation Privilege Agreement Holder's use of the Recreation Facilities. Such amount will be determined and assessed annually. A Recreation Privilege Agreement holder may surrender his Recreation Privilege Agreement on any annual anniversary date and shall not be responsible for the payment of such charges attributable to any period subsequent to the date of such surrender, provided he has given the Oceana Homeowners Association and Sponsor at least 30 calendar days' prior written notice of such surrender.

Operation of the Oceana Homeowners Association:

All rights and privileges of any person in and to the Development Area and the facilities owned, managed, maintained or operated by the Oceana Homeowners Association are expressly subject to the Development Declaration, the HOA Declaration, HOA By-Laws and the HOA Rules and Regulations (collectively, the "HOA Restrictions") and all Lot Owners will automatically be members of the Oceana Homeowners Association.

For the purposes of selecting the HOA Board or voting on any issue to be determined by a vote of the "Members" of the Oceana Homeowners Association, The Oceana Homeowners Association will be comprised of the following classes of members:

Class A Members: All owners of individual condominium residential units and proprietary lessees of individual cooperative apartments (including the owners of any Unsold Residential Units and the holders of Unsold Shares). Each Class A Member shall be entitled to one vote for each residential dwelling unit he owns.

Class B Members: All owners of Lots forming a part of the Development Area on which dwelling units have not been completed. Each Class B Member shall be entitled to cast a number of votes equal to the number of dwelling units allowed to be constructed on the Lot owned by such Class B Member that are not complete.

Class C Members: All owners of Lots forming part of the Development Area on which are situated with (a) competed dwelling units that are not owned as individual condominium units or cooperative apartments and/or (b) community facility space. Such dwelling units may include, but are not limited to rental dwelling units, retirement units, senior housing units and assisted living units, and medical office units. Each Class C Member shall be entitled to cast one vote for each Class A dwelling unit (and, to the extent that the space or common facility space within such building does not consist of Class A dwelling units, one vote for each of the number of dwelling units deemed to be included in such building based on the number of rentable square feet in such building divided by the average number of rentable square feet per Residential Unit in Oceana Condominium No. One, measured in accordance with the same formula). If community facility space is separately owned (i.e., as individual condominium units), the votes allocable to any such separately owned units shall be cast by the owners thereof.

Class D Members: Each owner of a facility containing in excess of twenty-five "unsold" Parking Space Units or parking spaces shall be entitled to cast a number of votes equal to the number of unsold parking space units or parking spaces owned by such Class D Member for the purpose of electing one member of the Association Board. Class D membership shall cease at such time, if ever, that there ceases to be at least twenty-five (25) unsold parking space units or parking spaces. Parking Space Unit Owners (other than the Owner(s) of at least twenty-five Unsold Parking Space Units) and Parking Privilege Holders will not be voting members of the Oceana Homeowners Association.

In addition, the Oceana Homeowners Association shall have the following non-voting participants:

Tenants of Community Facility Space, Residential Rental Apartments, Retirement Units, Senior Housing Units, Assisted Living Units Not Owned as a Condominium or Cooperative: Each bona fide tenant of community facility space, a rental apartment, retirement facility, senior housing facility or assisted living facility (and each bona fide tenant of a Residential Unit) shall be bound to comply with all applicable HOA Restrictions but is not a Lot Owner and is not a voting member of the Oceana Homeowners Association.

Holders of Recreation Facilities Privilege Agreements: Sponsor shall have the right to offer to persons other than Lot Owners or their lessees and retain the proceeds therefrom, Recreation Facility Privilege Agreements on such terms and for such duration (including renewals thereof) as Sponsor shall determine, in its sole discretion. Each holder of a Recreation Facilities Privilege Agreement shall be bound to comply with all applicable HOA Restrictions but is not a Lot Owner. Recreation Facilities Privilege Agreement holders are not voting members of the Oceana Homeowners Association.

Parking Privilege Holders: Sponsor, the owner of any garage facility, the owner of a garage situated in any cooperative, and the owner of any Lot on which is situated a garage or parking facility shall each have the right to offer Parking Privilege Agreements or otherwise enter into arrangements for the sale, lease, licensing or other use of parking spaces and parking facilities and retain the proceeds therefrom. Each Parking Privilege Holder, purchaser, lessee, licensee or invitee shall be bound to comply with all applicable HOA Restrictions, but is not a Lot Owner and is not a voting member of the Oceana Homeowners Association.

Owners of Parking Space Condominium Units and Proprietary Lessees Entitled Pursuant to their Proprietary Leases to Use Specific Parking Spaces in Garages Owned by Cooperative Apartment Corporations: Each owner of a Parking Space Unit and each proprietary lessee entitled to utilize a specific parking space in a garage or parking facility owned by a cooperative apartment corporation under such proprietary lessee's proprietary lease is a Lot Owner but is not, by reason of his ownership of a Parking Space Unit or his status as the proprietary lessee of a parking space, entitled to vote in the selection of the HOA Board or on matters requiring a vote of the Members of the HOA.

The Oceana Home Owners Association will have a 9 member HOA Board of which, five members which will be designated by Sponsor until the earlier of (i) the tenth anniversary of the Closing Date under the Plan or (ii) the date that 725 Completed Dwelling Units have been sold and one member will be selected by the Class D Members for so long as there are Class D Members. During such period, the remaining members of the HOA Board are to be selected by all Class A, Class B and Class C Members other than

Sponsor, each of whom may cast the votes to which he is entitled for each director to be elected but may not cumulate his votes. After such period, Sponsor may cast votes with respect to all memberships it holds but will not cast its votes to elect a majority of the HOA Board. The applicable number of persons receiving the largest number of votes will be selected as directors to fill any vacancies. At such time as there ceases to be a member of the HOA Board that is selected by Sponsor or any class(s) of membership ceases to exist and for such reason a class of membership does not select a member, such member(s) of the HOA Board shall be selected by all other voting Members, as described above. Each member of the HOA Board must be over 18 years of age, and with the exception of any members of the HOA Board elected by the Class A Members, need not reside within Development Area. The first meeting of the Members of the Oceana Homeowners Association will be held within six (6) months of the closing of title to the first Unit under the condominium offering plan for Oceana Condominium No. One. Thereafter, Members of the Oceana Homeowners Association will meet annually. The HOA Board will meet at least bi-monthly. Members of the HOA Board will serve a one year term.

In general, the day to day operation of the Oceana Homeowners Association will be managed by the HOA Board. A majority of the members of the HOA Board shall constitute a quorum at any meeting of the HOA Board and the affirmative vote of a majority of those members present at any meeting at which there is a quorum shall be necessary for the transaction of any item of business by the HOA Board.

In general the HOA Declaration and HOA By-Laws may each be amended by the affirmative vote of 66 2/3% of the membership interests. However, no amendment to the HOA Declaration or HOA By-Laws may be made without Sponsor's prior written consent if such amendment would adversely affect Sponsor. The HOA Board may not borrow or expend money for capital improvements without the consent of (A) a majority of the votes of the Members (i) in excess of $125,000 for so long as there are 425 Completed Dwelling Units or fewer and (ii) in excess of $250,000 when the HOA includes at least 426 Completed Dwelling Units and (B) (i) the Construction Lender, if any and (ii) a majority of the "Mortgage Representatives" (as such term is defined in the HOA Declaration). The HOA Declaration may only be terminated upon the vote of 90% of the Lot Owners. No such vote shall be effective without the prior written consent of all mortgagees holding mortgages on any Lot within the area covered by the HOA Declaration and any governmental authority having jurisdiction whose consent is then required by law.

To the extent permitted by applicable law, no member of the HOA Board, or any managing agent, manager or officer shall ever have any personal liability with respect to (1) any contract, act or omission of the HOA Board or any managing agent, manager, or officer in connection with the affairs of the HOA or (2) any mistake of judgment, negligence, or otherwise, except in either case for his own willful misconduct or bad faith.

Until the earlier of (i) the date that 765 Completed Dwelling Units have been sold or (ii) the tenth anniversary of the Closing Date under the Plan for Oceana Condominium No. One, the written consent of Sponsor will be required for any action by the HOA Board that would (a) increase the number or change the type of employees described in Schedule C;

(b) provide for services other than those described in Schedule C unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule C; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) change the insurance coverage on the HOA Property from the coverage described in Schedule C unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Oceana Homeowners Association or unless such change is required by the holder of any mortgage on the HOA Property (or any Unsold Units or Lots) or by the insurance carrier insuring the HOA Property to satisfy insurance requirements. In addition, the HOA Board may not remove any members of the HOA Board designated or elected by the Sponsor, or the Class D members except for cause.

The first HOA Board will consist of the following individuals who have been designated by Sponsor:

John Busch
Joseph Muss
Jason Muss

The foregoing individuals are employed by or affiliated with Sponsor.

These individuals will resign in favor of the new nine (9) member HOA Board to be elected within six months following the first Unit Closing, as described above.

Special Easements Affecting the Oceana Homeowners Association and the Condominium

Generally, each Lot Owner will have an easement for the use and enjoyment of HOA Property for its intended purpose, as well as an easement of ingress to and egress from their respective Lots (or the buildings in which their respective Lots are situated, as the case may be).

Each Lot (other than an individual dwelling unit) shall be subject to an easement for emergency egress in favor of all other Lots and the HOA Property. The HOA Declaration also provides for an easement for the continuation and maintenance of certain encroachments on HOA Property or individual Lots.

The Sponsor (together with its members, employees, contractors, subcontractors, agents, guests, invitees, and licensees) shall have an easement for ingress and egress through the Development area, (including each Lot, the Common Elements and the HOA Property) for construction, development, sales or leasing of any portions of the Development Area and any of Declarant's Improvements, amenities or "Off-Site" Improvements and exercising any and all of the rights reserved to them and performing any of their obligations under the Plan (including the rights and obligations contained in the Condominium Declaration and By-Laws, the Development Declaration and the HOA Restrictions) and any other offering plan covering a Lot within the Development Area.

The Sponsor and the Oceana Homeowners Association each have the right to grant additional gas, electric, cable television, telecommunications, telephone, water, drainage, sewer and utility easements as may be necessary or appropriate for the operation of the Development Area, including, without limitation, the HOA Property or any Lot, or the general welfare of the Lot Owners, provided that any such additional easements shall not unreasonably interfere with the use of any portion of the HOA Property or any Lot for its permitted purpose.

Each Lot Owner (including each Unit Owner) must afford the Oceana Homeowners Association and the Managing Agent and any person authorized by the foregoing, a right of access for the purpose of making inspections of, repairs to or removing violations noted against the HOA Property or any Lot, curing defaults under the HOA Declaration or violations of the Rules and Regulations, correcting any conditions originating in his Lot and threatening another Lot or the HOA Property, installing, operating, improving, maintaining repairing, replacing any HOA Property or any HOA Improvement; and correcting any condition that violates the provisions of any mortgage encumbering another Lot. The Common Elements are also subject to such easement.

The Oceana Homeowners Association and its employees shall have an easement through the Common Elements and other portions of the Development Area for all purposes related to the operation of the Oceana Homeowners Association and the ownership, operation, maintenance, alteration, repair and replacement of any HOA Property or HOA Improvement. Such easement includes, without limitation, an easement to maintain all landscaped areas, roadways, sidewalks and pave surfaces comprising part of the Development Area and includes landscaped areas, roadways, sidewalks and paved surfaces comprising part of the Common Elements.

Members of the Oceana Homeowners Association and their invitees shall have an easement for motor vehicle and Purchaser ingress and egress over any portion of the Common Elements comprised of the paved strip, adjacent to Oceana Drive West Parking Space Units and pedestrian ingress and egress over any sidewalk comprising part of the Common Elements.

During the course of development or construction of any portion of the Development Area or otherwise performing its obligations under the Plan, the HOA Declaration or the Development Declaration, Sponsor (including its contractors, subcontractors, employees and agents) shall (i) have the right to connect to pipes, wires, conduits or similar facilities, (ii) be deemed to have an easement over the entire Development Area including the Common Elements for the existence of any pipes, wires, conduits and similar facilities and (iii) have the further right to consume any utilities (including, without limitation, water, sewer, gas and electricity) serving the Condominium or the Oceana Homeowners Association, provided Sponsor reimburses the Condominium (or the HOA, as appropriate) the reasonable cost of any such utilities so consumed.

A portion of the northerly part of Development Area, tentatively denominated as Block 8720, Lot 80 on the Site Plan, is subject to an easement of ingress and egress in favor of the owner of the property (currently the Dime Savings Bank) adjacent to such area.

The foregoing easements are in addition to certain easements in favor of Garage Facilities more fully described under "**Garage Facilities and Parking Space Units**." Any other garage structure constructed within the Development Area shall have and enjoy various easements over the HOA Property and any portion of the Common Elements comprising pavement.

The Development shall be subject to the Public Pedestrian Easement described under "**Summary of Development Declaration**." In addition, the Brighton Beach Avenue Open Space is available for use by members of the general public.

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
1A	5/2		1,242	$ 250,000	1.04	$ 487.27	$ 8.97	$ 380.65	$ 496.24	$ 867.92	$ 8.97
1B	5/2		1,200	$ 250,000	0.95	$ 445.10	$ 8.20	$ 347.71	$ 453.30	$ 792.81	$ 8.20
1C	5/2		1,200	$ 260,000	0.99	$ 463.85	$ 8.54	$ 362.35	$ 472.39	$ 826.20	$ 8.54
1D	4.5/2		1,110	$ 245,000	0.88	$ 412.31	$ 7.59	$ 322.09	$ 419.90	$ 734.40	$ 7.59
1G	4.5/2		1,110	$ 245,000	0.88	$ 412.31	$ 7.59	$ 322.09	$ 419.90	$ 734.40	$ 7.59
1H	5/2		1,200	$ 265,000	0.99	$ 463.85	$ 8.54	$ 362.35	$ 472.39	$ 826.20	$ 8.54
1I	6/3		1,563	$ 335,000	1.35	$ 632.52	$ 11.65	$ 494.11	$ 644.17	$ 1,126.63	$ 11.65
1J	4/1		871	$ 200,000	0.52	$ 243.64	$ 4.49	$ 190.32	$ 248.13	$ 433.96	$ 4.49
			subtotal:	**$ 1,550,000.00**	**7.60**	**$ 3,560.85**	**$ 65.57**	**$ 2,781.67**	**$ 3,626.42**	**$ 6,342.52**	**$ 65.57**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
2A	5/2		1,242	$ 275,000	1.20	$ 562.24	$ 10.36	$ 439.21	$ 572.60	$ 1,001.45	$ 10.36
2B	5/2		1,200	$ 275,000	1.11	$ 520.07	$ 9.58	$ 406.27	$ 529.65	$ 926.34	$ 9.58
2C	5/2		1,200	$ 285,000	1.15	$ 538.81	$ 9.92	$ 420.91	$ 548.73	$ 959.72	$ 9.92
2H	5/2		1,200	$ 290,000	1.15	$ 538.81	$ 9.92	$ 420.91	$ 548.73	$ 959.72	$ 9.92
2I	6/3		1,563	$ 370,000	1.51	$ 707.48	$ 13.03	$ 552.67	$ 720.51	$ 1,260.15	$ 13.03
2J	4/1		871	$ 205,000	0.69	$ 323.29	$ 5.95	$ 252.54	$ 329.24	$ 575.83	$ 5.95
			subtotal:	**$ 1,700,000.00**	**6.81**	**$ 3,190.70**	**$ 58.76**	**$ 2,492.51**	**$ 3,249.46**	**$ 5,683.21**	**$ 58.76**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- Jne 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
3A	5/2		1,242	$ 280,000	1.24	$ 580.98	$ 10.70	$ 453.85	$ 591.68	$ 1,034.83	$ 10.70
3B	5/2		1,200	$ 280,000	1.15	$ 538.81	$ 9.92	$ 420.91	$ 548.73	$ 959.72	$ 9.92
3C	5/2		1,200	$ 295,000	1.19	$ 557.55	$ 10.27	$ 435.55	$ 567.82	$ 993.10	$ 10.27
3D	5/2.5		1,376	$ 345,000	1.44	$ 674.68	$ 12.43	$ 527.05	$ 687.11	$ 1,201.73	$ 12.43
3E	5/2.5		1,376	$ 345,000	1.44	$ 674.68	$ 12.43	$ 527.05	$ 687.11	$ 1,201.73	$ 12.43
3F	5/2.5		1,376	$ 355,000	1.48	$ 693.43	$ 12.77	$ 541.69	$ 706.20	$ 1,235.12	$ 12.77
3G	5/2.5		1,376	$ 355,000	1.48	$ 693.43	$ 12.77	$ 541.69	$ 706.20	$ 1,235.12	$ 12.77
3H	5/2		1,200	$ 300,000	1.19	$ 557.55	$ 10.27	$ 435.55	$ 567.82	$ 993.10	$ 10.27
3I	6/3		1,563	$ 405,000	1.55	$ 726.22	$ 13.38	$ 567.31	$ 739.60	$ 1,293.53	$ 13.38
3J	4/1		871	$ 210,000	0.73	$ 342.03	$ 6.30	$ 267.19	$ 348.33	$ 609.22	$ 6.30
			subtotal:	**$ 3,170,000.00**	**12.89**	**$ 6,039.36**	**$ 111.24**	**$ 4,717.84**	**$ 6,150.60**	**$ 10,757.20**	**$ 111.24**

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
4A	5/2		1,242	$ 285,000	1.28	$ 599.72	$ 11.05	$ 466.49	$ 610.77	$ 1,066.21	$ 11.05
4B	5/2		1,200	$ 285,000	1.19	$ 557.55	$ 10.27	$ 435.55	$ 567.82	$ 993.10	$ 10.27
4C	5/2		1,200	$ 300,000	1.23	$ 576.29	$ 10.61	$ 450.19	$ 586.90	$ 1,026.48	$ 10.61
4H	5/2		1,200	$ 310,000	1.23	$ 576.29	$ 10.61	$ 450.19	$ 586.90	$ 1,026.48	$ 10.61
4I	6/3		1,563	$ 415,000	1.59	$ 744.96	$ 13.72	$ 581.95	$ 758.68	$ 1,326.91	$ 13.72
4J	4/1		871	$ 215,000	0.77	$ 360.77	$ 6.64	$ 281.83	$ 367.41	$ 642.60	$ 6.64
			subtotal:	**$ 1,810,000.00**	**7.29**	**$ 3,415.58**	**$ 62.90**	**$ 2,666.20**	**$ 3,478.48**	**$ 6,081.78**	**$ 62.90**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
5A	5/2		1,242	$ 290,000	1.32	$ 618.46	$ 11.39	$ 483.13	$ 629.85	$ 1,101.59	$ 11.39
5B	5/2		1,200	$ 290,000	1.23	$ 576.29	$ 10.61	$ 450.19	$ 586.90	$ 1,026.48	$ 10.61
5C	5/2		1,200	$ 305,000	1.27	$ 595.03	$ 10.96	$ 464.83	$ 605.99	$ 1,059.86	$ 10.96
5D	5/2.5		1,376	$ 375,000	1.48	$ 693.43	$ 12.77	$ 541.69	$ 706.20	$ 1,235.12	$ 12.77
5E	5/2.5		1,376	$ 375,000	1.48	$ 693.43	$ 12.77	$ 541.69	$ 706.20	$ 1,235.12	$ 12.77
5F	5/2.5		1,376	$ 395,000	1.52	$ 712.17	$ 13.12	$ 556.33	$ 725.29	$ 1,268.50	$ 13.12
5G	5/2.5		1,376	$ 395,000	1.52	$ 712.17	$ 13.12	$ 556.33	$ 725.29	$ 1,268.50	$ 13.12
5H	5/2		1,200	$ 320,000	1.27	$ 595.03	$ 10.96	$ 464.83	$ 605.99	$ 1,059.86	$ 10.96
5I	6/3		1,563	$ 425,000	1.69	$ 791.82	$ 14.58	$ 618.55	$ 806.40	$ 1,410.37	$ 14.58
5J	4/1		871	$ 220,000	0.81	$ 379.51	$ 6.99	$ 296.47	$ 386.50	$ 675.98	$ 6.99
			subtotal:	**$ 3,390,000.00**	**13.59**	**$ 6,367.34**	**$ 117.27**	**$ 4,974.04**	**$ 6,484.61**	**$ 11,341.38**	**$ 117.27**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
6A	4/2		1,181	$ 305,000	1.32	$ 618.46	$ 11.39	$ 463.13	$ 629.85	$ 1,081.59	$ 11.39
6B*	4/2		1,180	$ 475,000	1.84	$ 862.10	$ 15.88	$ 673.45	$ 877.98	$ 1,535.55	$ 15.88
6C	5/2		1,401	$ 390,000	1.67	$ 782.45	$ 14.41	$ 611.23	$ 796.86	$ 1,393.68	$ 14.41
6D*	7/2.5		1,748	$ 725,000	2.50	$ 1,171.33	$ 21.57	$ 915.02	$ 1,192.90	$ 2,086.35	$ 21.57
*Terrace			**subtotal:**	**$ 1,895,000.00**	**7.33**	**$ 3,434.34**	**$ 63.25**	**$ 2,662.83**	**$ 3,497.59**	**$ 6,097.17**	**$ 63.25**

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
7A	4/2		1,181	$ 315,000	1.36	$ 637.20	$ 11.74	$ 497.77	$ 648.94	$ 1,134.97	$ 11.74
7B	4/2		1,180	$ 345,000	1.44	$ 674.68	$ 12.43	$ 527.05	$ 687.11	$ 1,201.73	$ 12.43
7C	4/2		1,401	$ 410,000	1.71	$ 801.19	$ 14.76	$ 625.87	$ 815.95	$ 1,427.06	$ 14.76
7D	7/2.5		1,748	$ 475,000	2.03	$ 951.12	$ 17.52	$ 742.99	$ 968.64	$ 1,694.11	$ 17.52
			subtotal:	**$ 1,545,000.00**	**6.54**	**$ 3,064.19**	**$ 56.45**	**$ 2,393.68**	**$ 3,120.64**	**$ 5,457.87**	**$ 56.45**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
8A	4/2		1,181	$ 325,000	1.40	$ 655.94	$ 12.08	$ 512.41	$ 668.02	$ 1,168.35	$ 12.08
8B	4/2		1,180	$ 395,000	1.52	$ 712.17	$ 13.12	$ 556.33	$ 725.29	$ 1,268.50	$ 13.12
8C	5/2		1,401	$ 525,000	1.79	$ 838.67	$ 15.45	$ 656.16	$ 854.12	$ 1,494.83	$ 15.45
8D	7/2.5		1,748	$ 675,000	2.11	$ 988.60	$ 18.21	$ 772.28	$ 1,006.81	$ 1,760.88	$ 18.21
			subtotal:	**$ 1,920,000.00**	**6.82**	**$ 3,195.33**	**$ 58.86**	**$ 2,497.18**	**$ 3,254.24**	**$ 5,692.56**	**$ 58.86**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
9A	4/2		1,181	$ 345,000	1.44	$ 674.68	$ 12.43	$ 527.05	$ 687.11	$ 1,201.73	$ 12.43
9B	4/2		1,180	$ 415,000	1.56	$ 730.91	$ 13.46	$ 570.97	$ 744.37	$ 1,301.88	$ 13.46
9C	5/2		1,401	$ 545,000	1.83	$ 857.41	$ 15.79	$ 669.79	$ 873.20	$ 1,527.20	$ 15.79
9D	7/2.5		1,748	$ 695,000	2.15	$ 1,007.34	$ 18.55	$ 786.92	$ 1,025.89	$ 1,794.26	$ 18.55
			subtotal:	**$ 2,000,000.00**	**6.98**	**$ 3,270.34**	**$ 60.23**	**$ 2,554.73**	**$ 3,330.57**	**$ 5,825.07**	**$ 60.23**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
10A	4/2		1,181	$ 355,000	1.48	$ 693.43	$ 12.77	$ 541.69	$ 706.20	$ 1,235.12	$ 12.77
10B	4/2		1,180	$ 435,000	1.60	$ 749.65	$ 13.81	$ 585.61	$ 763.46	$ 1,335.26	$ 13.81
10C	5/2		1,401	$ 555,000	1.87	$ 876.15	$ 16.14	$ 684.43	$ 892.29	$ 1,560.58	$ 16.14
10D	7/2.5		1,748	$ 705,000	2.19	$ 1,026.08	$ 18.90	$ 801.56	$ 1,044.98	$ 1,827.64	$ 18.90
			subtotal:	**$ 2,050,000.00**	**7.14**	**$ 3,345.31**	**$ 61.62**	**$ 2,613.29**	**$ 3,406.93**	**$ 5,958.60**	**$ 61.62**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
11A	4/2		1,181	$ 365,000	1.52	$ 712.17	$ 13.12	$ 556.33	$ 725.29	$ 1,268.50	$ 13.12
11B	4/2		1,180	$ 455,000	1.64	$ 768.39	$ 14.15	$ 600.25	$ 782.54	$ 1,368.64	$ 14.15
11C	5/2		1,401	$ 565,000	1.91	$ 894.89	$ 16.48	$ 699.07	$ 911.37	$ 1,593.96	$ 16.48
11D	7/2.5		1,748	$ 715,000	2.23	$ 1,044.82	$ 19.24	$ 816.20	$ 1,064.06	$ 1,861.02	$ 19.24
			subtotal:	**$ 2,100,000.00**	**7.30**	**$ 3,420.27**	**$ 62.99**	**$ 2,671.85**	**$ 3,483.26**	**$ 6,092.12**	**$ 62.99**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

First Year Condominium Operation -- June 1, 2002 to May 31, 2003

Unit/Model Type	Number of Rooms/Baths	(1)	Square Footage (2)	Total Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
12A	4/2		1,181	$ 375,000	1.56	$ 730.91	$ 13.46	$ 570.97	$ 744.37	$ 1,301.88	$ 13.46
12B	4/2		1,180	$ 475,000	1.68	$ 787.13	$ 14.50	$ 614.89	$ 801.63	$ 1,402.02	$ 14.50
12C	5/2		1,401	$ 575,000	1.95	$ 913.64	$ 16.83	$ 713.71	$ 930.47	$ 1,627.35	$ 16.83
12D	7/2.5		1,748	$ 725,000	2.27	$ 1,063.57	$ 19.59	$ 830.84	$ 1,083.16	$ 1,894.41	$ 19.59
			subtotal:	**$ 2,150,000.00**	**7.46**	**$ 3,495.25**	**$ 64.38**	**$ 2,730.41**	**$ 3,559.63**	**$ 6,225.66**	**$ 64.38**
	GRAND TOTAL:			**25,280,000.00**	**97.75**	**45,798.91**	**843.52**	**35,756.23**	**46,642.43**	**81,555.14**	**843.52**

Oceana Condominium

Schedule A

Purchase Prices and Other Related Information for the Projected First Year of Condominium Operation

Building C -- 60 Oceana Drive West

Parking Space Number		(1)		Purchase Price (3)	Percentage of Common Interest (4)	Estimated Monthly Common Charges for the First Year of Condominium Operation (5)	Estimated Monthly Real Estate Taxes Assuming 421-A Tax Exemption (6)	Estimated Monthly Real Estate Taxes Without 421-A Tax Exemption (7)	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption (8)	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption (9)	Estimated Total Monthly Carrying Charges (Assuming 421-A Tax Exemption) Deductible from Income Taxes For the First Year of Condominium (10)
1				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
2				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
3				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
4				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
5				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
6				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
7				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
8				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
9				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
10				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
11				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
12				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
13				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
14				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
15				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
16				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
17				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
18				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
18				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
20				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
21				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
22				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
23				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
24				$ 40,000	0.09375	$ 32.08	$ 0.74	$ 31.59	$ 32.82	$ 63.67	$ 0.74
			subtotal:	$ 960,000.00	2.25	$ 769.92	$ 17.76	$ 758.16	$ 787.68	$ 1,528.08	$ 17.76
			GRAND TOTAL plus PARKING:	$ 26,240,000.00	$ 100.00	$ 46,568.83	$ 861.28	$ 36,514.39	$ 47,430.11	$ 83,083.22	$ 861.28

Footnotes to Schedule A

(1) Certain Residential Units have the use of Limited Common Elements consisting of balconies or terraces which other Units may not use. Such Residential Units are identified in Schedule A. In addition, Sponsor has the right to designate a portion of the Common Elements as a Limited Common Element in connection with the combining or subdividing of two Units or as otherwise provided in the Declaration. **See "Rights and Obligations of Unit Owners and Board of Managers."** Each room with a window has been counted as a full room. Floor plans are included in Part II of the Plan.

(2) Any floor plan or sketch shown to a prospective purchaser is only an approximation of the dimensions and layout of a typical Unit. Sponsor reserves the right to change the layout or dimensions of any Unit as more particularly set forth in **"Changes in Prices and Units"**. Square footages indicated are calculated generally as follows: (a) each Residential Unit consists of the area measured: horizontally from the inside face of the innermost face of the metal stud which makes ups the exterior wall to the centerline of the partitions separating one Unit from another Unit or one Unit from the corridor, stairs, elevator and other mechanical equipment spaces, (columns, mechanical pipes and shafts are not deducted in the purpose of floor area measurements); and (b) each Parking Space Unit will consist of the area measured horizontally from the lines delineating one Parking Space from another, as depicted on the Floor Plans. Any Common Elements located within any Unit shall not be considered as part of that Unit. Square footages exceed the useable square footage of the Units. Ceiling heights may vary and may impact the usable area in certain rooms of certain Units. For a detailed description of the Unit to be conveyed, see "Description of Property," "Declaration" and "Condominium Floor Plans" in Part II of the Plan.

(3) The Sponsor reserves the right to change the price of any Unit without prior notice or amendment to the Plan except that a duly filed amendment to the Plan will be required for (a) an across the board price change affecting one or more lines of Units or Unit models, (b) a price change that is to be advertised, or (c) a price increase for an individual purchaser.

The offering price of a Unit is negotiable and may be changed. Thus, the prices paid by Purchasers for similar Units may be different without altering the Common Interest allocated to the Units or the Common Charges with respect thereto. See "Changes in Prices and Units."

For a discussion of estimated closing costs which a Purchaser may be required to pay in connection with his purchase under the Plan (including certain real estate transfer taxes that in the absence of any provision such as is provided in the Plan would be the obligation of Seller) see "**Closing Costs and Adjustments**."

(4) The percentage of Common Interest for each Unit has been determined as provided in Section 339-i(1.)(iv) of the Real Property Law, that is, based upon floor space, subject to the location of such space and the additional factors of relative value to other

space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. In determining the Common Interest percentages, Sponsor has adopted the percentages provided by Bookbinder & Warren, LLC a licensed real estate broker and is relying on the opinion of such firm in this regard. The percentage interest of each Unit in the Common Elements (Common Interest) is set forth in this column of Schedule A.

(5) The estimated monthly Common Charges for each Residential Unit is calculated generally by multiplying the Common Monthly Common expense payable by all Residential Unit Owners Expenses (estimated to be $45,799 for the projected first year of condominium operation) by the Common Interest of such Residential Unit relative to the aggregate Common Interests of all Residential Units. Each Parking Space Unit will not be required to pay any portion of the HOA Charges attributable to the ownership, management, operation, maintenance, repair and replacement of Recreation Facilities (including the Health Club and the Tot Lot). The estimated monthly Common Charges payable by the owner of a Parking Space Unit for such first year of operation may be obtained by multiplying the Monthly Common Expenses payable by all Parking Space Unit Owners (estimated to be $770) by the Common Interest of the Parking Space Unit relative to the aggregate Common Interests of all Parking Space Units. The estimated Common Charges are for the period from June 1, 2002 through May 31, 2002, which period is assumed to be the first year of condominium operation. This period is used only for purposes of projection and illustration. Sponsor does not warrant that condominium operation will commence on June 1, 2002. The estimated Common Charges are based upon the estimates of income and expenses set forth in Schedule B. The actual amounts of income and expenses may differ from the estimates thereof and may change in subsequent years. Due to the possibility of unforeseeable changes in the economy or increase or decrease in the amount of income and/or expenses of operation, the projections are not intended to be taken as guarantees or warranties of any kind whatsoever or as any assurance that the actual expenses or income of the Condominium for any period of operation may not vary from the amounts shown. In fact, it may be expected, based on current trends, that the operating expenses, including heating costs, utilities, maintenance and repairs, labor and other related expenses, will increase in the future.

In addition to the estimated Common Charges, each Unit Owner will be responsible for paying: (i) debt service payments under any loan or loans obtained to finance the acquisition of his or her Unit; (ii) the cost of any cable television service, (iii) the cost of electricity supplied to his or her Unit, including, without limitation, the cost of electricity consumed in connection with the provision of air-conditioning for the Unit which electricity shall be separately metered and payable by the Unit Owner directly to the utility company as and when billed; (iv) the cost of carpeting, painting and decorating his or her Unit; (viii) the cost of interior repairs to and the maintenance of his or her Unit, including but not limited to, repairs to and maintenance of the exposed interior face of all walls, ceilings and floors and all kitchen and bathroom fixtures and appliances; (ix) the cost of any insurance that he or she obtains covering (a) furniture, belongings, equipment and other personal property and (b) liability to others for personal injury or property damage as a result of

occurrences in his or her Unit; and (x) real estate taxes; and (xi) water charges and sewer rents, if separately assessed against the Unit.

(6) The projected total assessed valuation of all Residential Units and Parking Space Units after completion of construction of the Building (assuming construction is completed and a temporary Certificate of Occupancy issuance for all Residence Units in the Building or a Permanent Certificate of Occupancy will be issued for the entire Building no later than April 30, 2002 as estimated by Brandt, Steinberg & Lewis LLP, is $4,050,000 for tax year 2002/2003 and $4,050,000 for tax year 2003/2004.

Assuming the granting of exemption benefits set forth below, the real estate taxes projected for each Residential Unit are based on its applicable Common Interest relative to the Common Interests of all Residential Units multiplied by the aggregate projected real estate taxes payable by all Residential Unit Owners of approximately $10,121 for tax year 2002/2003; assuming the granting of exemption benefits set forth below, the real estate taxes projected for each Parking Space Unit are based on its applicable Common Interest relative to the Common Interests of all Parking Space Units multiplied by the aggregate projected real estate taxes payable by all Parking Space Units is approximately $214 for tax year 2002/2003.

The projections are not guaranteed. The real estate taxes for future years will vary in accordance with the tax rate, the Property's assessed valuation and the percentage of the assessed valuation then exempt from taxation.

Sponsor has not yet applied for a Preliminary Certificate of Eligibility for real estate tax exemption under Section 421-a of the Real Property Tax Law ("421-a").

In the opinion of Brandt, Steinberg & Lewis LLP counsel to Sponsor (see "Real Estate Tax Exemption Opinion" in Part II), assuming certain qualifications (such as the parcel on which the Buildings are situated satisfying site eligibility requirements, the parcel not having been mapped as a public park or utilized as a private park for ten or more consecutive years prior to October 1, 1971, construction complying with the requirements, and obligations set forth in Section 421-a of the New York Real Property Tax Law, including amendments by the local legislative body and the rules and regulations promulgated pursuant thereto) are met, the Buildings will be eligible for a partial real estate tax exemption during construction and for a period of 15 years following completion of construction, pursuant to 421-a. (The Real Estate Tax Exemption Opinion in Part II provides additional details as to the eligibility requirements for 421-a.) Under this law, as presently interpreted by the New York City Department of Finance and as implemented and supervised by the Department of Housing, Preservation and Development ("HPD"), the exemption applies only to the "increase" in a property's assessed valuation above the assessment in the tax year prior to commencement of construction. The following amounts of the "increased" assessment are exempt from taxes during this 15 year period:

Fiscal Tax Year (July 1 to June 30)	Percentage of Increased Assessment Exempt from Taxes
First through Eleventh tax years -	100%
Twelfth tax year -	80%
Thirteenth tax year -	60%
Fourteenth tax year -	40%
Fifteenth tax year -	20%

The exemption expires at the end of the fifteen year period, at which time the entire assessment will be subject to taxation.

In the opinion of Brandt, Steinberg & Lewis LLP during the fifteen (15) year period, the Property will always be subject to a "minimum tax" equal to (i) the Property's assessed valuation for the tax year before construction began, multiplied by (ii) the tax rate in effect during each tax year. Thus, the minimum tax will fluctuate directly in proportion to changes in the tax rate.

In addition, assessments for local improvements (if any), and non-residential portions of the Property (except as set forth below) are not exempt from taxes.

421-a and the related Regulations promulgated pursuant thereto by New York City provide that up to twelve (12%) percent of the aggregate floor area used for commercial, community facility and accessory use space may be eligible for exemption. For the purpose of this calculation, accessory use space shall not include accessory parking located not more than twenty-three feet above the curb level. Further, whenever a building containing two or more separately assessed parcels of real property has commercial, community facility and accessory use space in excess of such twelve percent, the tax arising out of the reduction in exemption for such excess space shall not be apportioned pro rata among all of the separately assessed parcels in the building but shall be applied first to those separately assessed parcels which are unrelated to the residential use of the building; and only after such unrelated parcels are fully taxable shall the remainder of such tax be apportioned pro rata among the remaining separately assessed parcels.

Based on the assumptions stated below, $10,121 in real estate taxes are projected for the Residential Units, and $214 in real estate taxes are projected for Parking Space Units.

Under State law, increases in a property's "actual" assessed value due to changes in its market value are to be phased in over 5 years in equal annual increments of 20% by means of a "transition" assessment. Any further increase in the "actual" assessed value during such 5 year period resulting from a still higher market value is to be similarly phased

in over an additional 5 year period from the tax year of such increase. In any given year, taxes are payable on the lower of either the "actual" or "transition" assessment.

Note: The projected real estate tax payable by the Residential Units and the Parking Space Units is predicated on an application made by Sponsor pursuant to 421-a and 11-245 of the Administrative Code of the City of New York for an exemption from the payment of taxes based on an increase in the improvement valuation from the improvement assessed valuation prior to construction.

The real estate taxes projected for each Residential Unit for the first year of Condominium operation are based upon its applicable Common Interest relative to the Common Interests of all Residential Units multiplied by the projected real estate taxes payable by all Residential Unit Owners of $10,121. The estimated real estate taxes for each Parking Space Unit for the first year of Condominium operation are based on the applicable Common Interest relative to the Common Interests of all Parking Space Units multiplied by the projected real estate taxes payable by all Parking Space Unit Owners of $214.

The projections are not guaranteed. The real estate taxes for any year will vary in accordance with the tax rate, the Property's assessed valuation and the percentage of the assessed valuation then exempt from taxation.

The foregoing projections assume:

(i) the Property's real estate tax exemption under 421-a will be in effect starting July 1, 2002.

(ii) the tax year 2000/01 will be regarded as the tax year prior to commencement of construction for purposes of determining the minimum tax, at which time the transitional assessed valuation for the entire tax lot of which the property is a part will be $3,383,560 and 2.82% of said total transitional assessment will be apportioned to the Property;

(iii) the tax rate for the Residential Units for tax year 2002/2003 will be $10.851 per $100 of assessed valuation, and the tax rate for the Residential Units for tax year 2003/2004 will be $10.851 per $100 of assessed valuation;

(iv) the tax rate for Parking Space Units for tax year 2002/2003 will be $9.989 per $100 of assessed valuation, and the tax rate for the Parking Space Units for tax year 2003/2004 will be $9.989 per $100 of assessed valuation;

(v) the Property's assessed value will be apportioned 97.75% to the Residential Units and the assessed value of the Residential Units will

be apportioned in proportion to their respective Common Interests; and;

(vi) the Property's assessed value will be apportioned 2.25% to the Parking Space Units and the assessed value of the Parking Space Units will be apportioned in proportion to their respective Common Interests;

SPECIAL NOTE: If the 421-a tax benefits are never granted, then the real estate taxes payable by the Residential Unit Owners and the Parking Space Unit Owners will increase substantially. Until the Units are separately assessed, the entire assessment for the Property (including any increases in assessment attributable to the non-residential portions of the Building) will be paid by all Unit Owners in proportion to their Common Interests.

After the Section 421-a tax benefits are in effect and the Units are separately assessed, the real estate taxes payable by Residential Unit Owners and Parking Space Unit Owners will be reduced to the "minimum tax" described above plus a percentage of the real estate taxes phased in during the eleventh through fifteenth years of the partial tax exemption under 421-a.

While the Sponsor will use its best efforts to obtain 421-a tax exemption benefits as described in this Plan, no representation or warranty is made as to when or whether the application for 421-a tax exemption benefits will be approved or as to the amount of any tax exemption that may actually be received.

Sponsor shall keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided. Sponsor shall make all tax benefit documents available to the Condominium Board for inspection and copying for the life of the benefits; and file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

On or after the filing and recording of the Condominium Declaration and a deed for a Unit, a separate tax lot is to be or will have been created for each Unit in the Condominium. After creation of the separate tax lot for a Unit the local assessor ("assessor") apportions the assessed valuation of the Property to each of the newly created tax lots representing the Units. There can be no assurance that the assessor will apportion the assessed valuation of the Property to a tax lot representing a Unit on the basis of the percentage of Common Interest appurtenant to the Unit. Moreover, there can be no assurance that there will not be an increase in the tax rate or the assessed valuation of a Unit or the Property as described above on or after such apportionment or for any reason. Such an increase may increase a Unit Owner's real estate taxes above the amounts estimated on Schedule A.

Once a separate tax lot is established for a Unit and apportionment of the assessed valuation of the Property to the newly created tax lot representing the Unit is officially made, a Unit Owner will not be responsible for the payment of real estate taxes assessed against another Unit (unless such real estate taxes are included in Common Charges and represent real estate taxes assessed against a Unit which is owned as part of the Common Elements) nor will his Unit be subject to any lien arising out of non-payment of real estate taxes assessed against another Unit (except to the extent provided above in this sentence). However, until separate tax bills are available for each Unit, real estate taxes will be paid by the Condominium as a Common Expense. This means in effect that the real estate taxes for the Property will be apportioned to the Units based on their Common Interests and such proportionate share of the real estate taxes will be assessed against each Unit as part of the Common Charges. It should be noted that both the tax rate and the assessed valuation of the Property may be changed from time to time.

Sponsor reserves the right both (1) to prosecute any tax certiorari proceedings challenging the assessed valuation of the Property, in the tax year in which the Closing Date takes place, and any preceding tax year, in its own name and/or the name of the Condominium, the Condominium Board or the Unit Owners by attorneys selected by Sponsor and (2) to settle any such proceedings in its sole discretion and without the consent of the Condominium Board or the Unit Owners. After deducting the cost of such proceedings including, without limitation, attorney's fees, all benefits obtained, including, without limitation, any tax refunds, attributable to either: (i) any tax year ended prior to the Closing Date, shall be paid to the Sponsor, or (ii) any tax year commencing after the Closing Date, may be retained by the Condominium or the appropriate Unit Owners as the case may be, or (iii) the tax year in which the Closing Date occurs shall be apportioned between the Sponsor and the Condominium as of the Closing Date.

(7) This column estimates the real estate taxes payable by each Unit if the 421-a exemption is not available. Such estimate is based on the following assumptions: (i) projected assessed valuation of all Residential Units and Parking Space Units, as estimated by Brandt, Steinberg & Lewis LLP will be $4,050,000 for tax year 2001/2002 and $4,050,000 for tax year 2002/2003, (ii) the applicable tax rate for tax year 2001/2002 will be $10.851 per $100 of assessed valuation for all Residential Units and $10.851 per $100 of assessed valuation for tax year 2002/2003; and $9.989 per $100 of assessed valuation for all Parking Space Units for tax year 2001/2002 and $9.989 per $100 of assessed valuation for tax year 2002/2003, and (iii) the Property's assessed value will be apportioned among the Units in accordance with their respective Common Interests. As noted above, there can be no assurance that there will not be an increase in the tax rate or the assessed valuation of a Unit or the Property or that the Units will be assessed in accordance with their respective Common Interests. This column also reflects the recent extension of a partial tax abatement equal to approximately 17 1/2% of the annual real estate taxes available to cooperative and condominium unit owners pursuant to Section 467-a of the Real Property Tax Law, provided appropriate application for such benefits and other requirements are met. If the benefits of this law are not extended beyond the 1999/2000 tax year, real estate taxes will increase significantly. (Benefits under Section 467-a of the Real Property Tax Law and Section 421-a of such law are not concurrently available to any

unit owner with respect to the same unit). Sponsor makes no representation or warranty that the benefits pursuant to Section 267-a of the Real Property Tax Law will be available to Unit Owners or if such benefits are available as to the amount or duration of such benefits.

(8) This column estimates the total carrying charges (Common Charges plus real estate taxes) deductible by each Unit, assuming a 421-a exemption.

(9) This column estimates the total carrying charges payable by each Unit, assuming no 421-a exemption.

(10) This column estimates the total carrying charges (Common Charges plus real estate taxes) payable by each Unit.

(11) The real estate taxes described above paid by a Residential Unit Owner with respect to his Unit are deductible by the Residential Unit Owner for income tax purposes provided that the conditions applicable thereto discussed in "Counsel's Tax Opinion" are satisfied. These amounts may change in subsequent years as a result of changes in the assessed valuation of Units, the tax rate, the method of assessing real property, or otherwise. In the event that any Unit Owner obtains mortgage financing for his or her Unit, the interest paid on such mortgage indebtedness may also be deductible for income tax purposes, provided the conditions applicable thereto discussed in "Counsel's Tax Opinion" are satisfied. Provided the conditions applicable thereto discussed in "Counsel's Tax Opinion" are satisfied, it is also likely that Residential Unit Owners who also own Parking Space Units will be entitled to deduct the real estate taxes and interest on mortgage indebtedness for such Parking Space Units. For the most part an individual Residential Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated second residence subject to certain limitations. Parking Privilege Holders are not entitled to any such income tax deductions. See "Counsel's Tax Opinion." Such Unit Owner's income tax deduction may vary in future years due to changes in the interest rate on such Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments between interest and principal.

SCHEDULE B
OCEANA CONDOMINIUM NO. THREE
PROJECTED BUDGET
1ST OPERATIONAL YEAR
June 1, 2002 - May 31, 2003

INCOME(1)		
Common Charges - Residential Units	$549,587	
Common Charges - Garage Units	9,240	
		$558,827
EXPENSES		
Labor (2)	$23,485	
Heat and Hot Water (3)	80,293	
Utilities (4)	90,735	
Water and Sewer (5)	42,171	
Repairs and Maintenance (6)	19,000	
Service Contracts (7)	48,672	
Insurance (8)	16,175	
Management Fee (9)	17,000	
Legal and Accounting (10)	2,300	
HOA Charges (11)	200,996	
Contingency (12)	14,000	
Other (13)	3,000	
Miscellaneous (14)	1,000	
TOTAL EXPENSES		$558,827

FOOTNOTES TO SCHEDULE B

1. **Income (Budget $558,827)**
Common Charges - Residential Units (Budget $549,587)
Common Charges - Garage Units (Budget $9,240)

The figure for Income represents the total annual Common Charges to be levied against and collected from all Unit Owners during the first year of condominium operation following the Closing Date under the Plan. These Common Charges will be utilized by the Condominium Board to defray the Common Expenses incurred in connection with the repair, maintenance, replacement, restoration, and operation of, and any alteration, addition, or improvement to, the Common Elements. The Residential Unit Owners and Garage Unit Owners will bear their share of each of the Condominium's expenses (other than HOA Recreation Facility Charges for Garage Unit Owners) in accordance with their respective percentage of Common Interests.

The Garage Unit Owners will bear a pro-rata share of the HOA Charges exclusive of charges allocable to the operation and maintenance of the Health Club and other Recreation Facilities.

The estimate of the annual Common Charges to be collected during the first year of condominium operation is based upon the assumption that the first year of condominium operation will be the year from June 1, 2002 to May 31, 2003. The actual first year of condominium operation may be earlier or later.

2. **Labor (Budget - $23,485)**

The Condominium will engage, and the budget item for labor is based on, the estimated cost of one (1) full time non-union, non-resident porter to service the Building. The payroll and related costs for the staff are computed as follows:

		Porter
Salary	based on a 54 pay week year to account for holidays sick and vacation pay	$17,300
FICA	7.65% of wages	$1,323
Unemployment	1.5% of first $7,000.00 of wages	$105
Workers Compensation Insurance	3.87% of wages	$669
Disability	.5% of the first $340 per week	$88

Health Insurance pkg.	based on current costs	$4,000
TOTAL		$23,485

It is contemplated that one resident manager, one superintendent and one assistant superintendent will be employed by the Oceana Homeowners Association when the Development Area is fully completed. These employees will provide maintenance and supervisory services for the Condominium as well as for other dwelling units within the Development Area and for the HOA Properties.

3. Heat and Hot Water (Budget - $80,293)

The Building will use gas for heat and domestic hot water. Based on the written estimates of Abraham Joselow, P.E., P.C., 45 West 34th Street, New York 10001, dated November 17, 1999, estimated gas consumption during the projected first year of Condominium operation is 6,400 dekatherms (for heat) and 2980 dekatherms (for hot water) at a cost of $8.00 per dekatherm, including sales tax. A seven percent (7%) increase has been added to projected costs for the budget period.

It is not possible to predict whether the budget estimate will reflect the actual cost to be incurred during the period covered by Schedule B, which cost will vary with the level of consumption and the rates charged for such consumption. Consumption will be affected by the severity of the weather and by conservation measures (such as staggering hours of heating, lowering the temperature of hot water, etc.), if any, adopted by the Condominium Board. It is likely that the price of gas will increase, although it is not possible to forecast with certainty the actual amount of such increase. It is believed that the projected figures should be sufficient to cover any reasonable increase in the price of gas resulting from the foregoing during the period covered by Schedule B. No heat is provided to the Garage Facility.

4. Utilities (Budget - $90,735)

This item includes the estimated cost of electricity used in Common Elements in the Building including lighting of the corridors, lobby and any outside lighting, and equipment such as the boiler, pumps, fans and the elevator and gas used for cooking and clothes dryers in the Units.

All Residential Units will be separately metered for electricity. The Garage Facility is also separately metered for electricity.

Based on the estimate of Abraham Joselow, P.E., P.C., 45 West 34th Street, New York, New York 10001, dated November 17, 1999, the average number of kilowatt hours of electricity to be consumed in the Buildings during the first year of Condominium operation is approximately 428,066 kilowatt hours. At the projected electric rates with respect to the Buildings of approximately $0.165 per kilowatt hour (including any fuel

adjustment charge, demand charge, and sales tax), this would result in a cost of approximately $70,631. A seven percent (7%) increase has been added to projected costs for the budget period.

Based on the estimate of Abraham Joselow, P.E., P.C., dated November 17, 1999, the average number of therms of gas to be consumed by the Residential Units (for cooking and clothes dryers) during the first year of Condominium operation is approximately 16,100 therms. At the projected gas rates with respect to the Buildings of approximately $.88 per therm (including any fuel adjustment charge, demand charge and sales tax), the total annual cost is projected to be $14,168.

The projected electric and gas rates set forth above are based on current rates of Con Edison. It is not possible to predict how closely the budgeted figure will reflect the actual expenses for electricity and gas to be incurred during the first year of Condominium operation, in part because such expenses will vary with the level of consumption and the applicable electric rates and gas rates. Many factors affect the cost of electricity and gas, including, among others, the cost of oil used to generate electricity (which has in the past been highly volatile and unpredictable). Historically, electric rates have been steadily increasing and the cost of gas is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity and gas during the first year of condominium operation. However, no budget item is warranted.

5. Water and Sewer (Budget - $42,171)

The budget estimate is based on the cost and projected consumption of water to be furnished by the City of New York for the first year of Condominium operation. The water charges and sewer rents will be based on metered consumption. Based on industry averages, it is assumed that 11,000 hundred cubic feet of water will be used in the Residential Units. An additional 1000 hundred cubic feet of water will be utilized for the sprinkler system. The current rates are $1.30 per 100 cubic feet of water and 159% of such amount for sewer. A ten percent increase is estimated for the year 2002/2003. The amount charged for sewer is not calculated on water consumption for the sprinkler system.

6. Repairs, Maintenance and Supplies (Budget - $19,000)

The budget amount includes an estimate of the cost of general repairs to the interior Common Elements of the Building such as painting of such Common Elements, various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures and general and hardware supplies), exterior repairs (including the walls, roofs, windows and lobby entrance doors and locks), plumbing and electrical repairs in the Common Elements of the Buildings, and other services and maintenance items which are not included under the budget items entitled "Service Contracts" and "Other." The estimate is based on operating expenses in comparable properties. The cost of repairs, maintenance and supplies will vary among other things with the nature and scope of work performed during the period covered by Schedule B. No warranty can be made with respect to the work

which will be required or otherwise desired by the Condominium in connection with the Property. This budget amount does not include (i) the cost of major capital repairs or replacements or (ii) repairs to the interior of the Units or repairs or replacement of appliances or the painting and decorating of the interior of Units, which is the responsibility of each Unit Owner.

7. Services Contracts (Budget - $48,672)

The budget amount is based on the estimated costs of service contracts for the following services:

Nature of Service	Estimated Annual Costs
Snow Removal	$600.00
Boiler	2,000.00
Pruning of Shrubs	360.00
Compactor Lease	13,728.00
Elevator	9,600.00
Air-Conditioning units	18,675.00
TOTAL (inclusive of sales tax):	$48,672.00

The budget estimate for the compactors reflect lease payments of $1,144 per month pursuant to a 10 year lease and is based on an estimate provided by IDC Systems, a subsidiary of Hi-Rise Recycling Systems, Inc., 548 South Fulton Avenue, Mount Vernon, New York 10550. Commencing with the third year of Condominium operation, the compactor will not longer be covered by a warranty and the Condominium Board may be required to enter into a service contract for the compactor at an additional cost.

The budget amounts for the service contracts for the boiler and air-conditioning is based on an estimate dated November 19, 1999 provided by Inter-County Mechanical Corp., 1601 Arctic Avenue, Bohemia, New York 11716-0236.

The budget estimate for snow removal is based on an estimated cost of $100 per occurrence for snow removal from the sidewalks. The estimate for pruning shrubs is based on such service twice annually. The estimate for snow removal and pruning were provided by Top Job Maintenance, Inc., 35 Hancock Street, Staten Island, New York 10305-1258.

The estimate of $9,600 for elevator maintenance contract is based on an estimate from Dynamic Elevator Corp. 137 East 25th Street, New York, New York 10010 dated November 19, 1999.

8. Insurance (Budget - $16,175)

The following estimates for the cost of insurance are based upon coverages suggested and premiums estimated by Herman E. Wealcatch, Inc., 155 White Plains Road, Tarrytown, New York 10591 (the "Insurance Consultant") in a letter dated November 17, 1999. Although the projection is considered to be reasonable, there can be no guarantee that the estimated premiums will not escalate or that such coverages will continue to be available. The estimate is based upon the following coverages:

A. Property Insurance

1. 12,000,000 all risk coverage on the Building and subject to $1,000 deductible, guaranteed replacement cost basis $50,000 all risk coverage on each Building's contents subject to $1,000 deductible

2. Energy equipment breakdown coverage including all boilers and air conditioning equipment subject to $1,000 deductible

B. Crime Insurance - $100,000 blanket employee dishonesty

C. Liability Insurance

1. $1,000,000 per occurrence, $2,000,000 aggregate commercial general liability; condominium unit owners are additional insured parties.

2. $1,000,000 automobile non-ownership and hired car liability.

3. $1,000,000 Condominium directors' and officers' liability.

D. Umbrella - $5,000,000 excess above commercial general liability and automobile non-ownership liability.

Sponsor, at the sole cost and expense of the Condominium, will cause to be delivered to the Condominium on the Closing Date, policies providing the insurance described above, to the extent then commercially obtainable, or binders therefor, and such policies and binders may contain any deductibles which are then customary. If the Condominium does not have sufficient funds available on the Closing Date with which to pay any premiums then due on such policies, then the Sponsor will advance such insufficiency, and the amount which is advanced by the Sponsor shall be adjusted between

the Sponsor and the Condominium as provided in the "Closing Costs and Adjustments" section.

The suggested all risk coverage set forth above is based upon an agreed amount clause which avoids any issue of coinsurance in the event of a partial loss. In the opinion of the Insurance Consultant, the all risk coverage in the amount set forth above is presently sufficient to rebuild the Buildings should they be totally destroyed by fire during the first year of Condominium operation. It is noted that it is difficult to estimate replacement costs and because of escalating construction costs, while it is anticipated that the foregoing insurance coverage will be adequate, there can be no assurance to such effect.

The above insurance coverage satisfies the requirements, if any, of the agreement with the Managing Agent.

The fire, casualty, and liability insurance to be obtained by the Sponsor as described above shall provide, to the extent such provisions are obtainable at reasonable rates, that each Unit Owner is an additional insured, that there will be no cancellation without notice to the Condominium Board, that subrogation against each Unit Owner is waived, that invalidity because of the acts of the insured and Unit Owners is waived, and that pro-rata reduction, if additional Unit Owners obtain coverage, is also waived.

Unit Owners are advised to obtain at their own cost the following insurance, since it will not be provided by the Condominium: (i) liability coverage for occurrences within their respective Units and (ii) all-risk coverage for losses relating to Unit contents, replacements, additions, fixtures and improvements.

9. Management (Budget - $17,000)

The Managing Agent's fee is fixed by the proposed management agreement to be entered into by the Condominium with the Managing Agent on or before the Closing Date. The Managing Agent will also manage the Oceana Homeowners Association. See "Management Agreement, Contracts and Leases" for a summary of the provisions of the management agreement. The Managing Agent's fee for managing the Condominium is $250 per Residential Unit and is comparable to the prevailing cost of similar services.

The Managing Agent may also receive additional compensation from the Condominium or Unit Owners for the following: (i) commissions upon agreed terms for reselling Units; (ii) commissions for leasing or subleasing space in the Building; (iii) fees for services in connection with supervision of alterations or capital improvements to the Building outside the scope of ordinary repairs. The Managing Agent is affiliated with Sponsor's principal. See **"Management Agreement, Contracts and Leases"** and **"Identity of Parties"** for the relationship between the Managing Agent and Sponsor.

10. Legal and Accounting (Budget - $2,300)

It is anticipated that this item will be used primarily for auditing fees in connection with the preparation of the Condominium's audited financial statement for the first year of operation. The budgeted amount is based on a fee quotation of $1,300 provided by the firm of Reich & Reich, Certified Public Accountants, 420 Jericho Turnpike, Jericho, New York 11753. The balance of the budget item, which balance is $1,000, will be used to provide for minor, incidental legal services in the event the Condominium Board determines to engage an attorney.

11. HOA Charges (Budget - $200,996)

The Condominium will be responsible for the payment for the HOA Charges allocable to all Unit Owners. The HOA Charges payable by each Residential Unit Owner and Parking Space Unit Owner have been determined as described in the section of the Plan entitled "**Oceana Homeowners Association.**" This budget item is broken into two components. $75,925 reflects the estimated cost of HOA Charges to be borne by the Unit Owners for the expense to be incurred by the Oceana Homeowners Association, Inc. during the first year of operation for all items other than the operation of Recreation Facilities. It is anticipated that the Recreation Facilities will be available during the first year of Condominium operation. Therefore, the estimated cost of the Recreation Facilities to be borne by the Unit Owners is $125,071 based on the current estimated cost of operating such facilities. Such item has been included in the Projected Budget for the First year of Condominium Ownership. The actual amount of the HOA Charges to be borne by the Unit Owners for Recreation Facilities may increase or decrease in future years as the costs attributable to the operation of such facilities may increase or decrease from the amounts estimated herein. The HOA Board may reduce the HOA Charges during the First Year of Operation of the Oceana Homeowners Association (or any part thereof) from those projected in Schedule C to reflect the actual costs incurred by the Oceana Homeowners Association. No representation or warranty is made that such reduction in HOA Charges will actually occur during the First Year of Operation of the Oceana Homeowners Association or any part thereof. Sponsor reserves the right to elect, in its sole and absolute discretion, for any part or all of the First Year of Operation of the Oceana Homeowners Association, to bear the difference between the actual expenditures incurred by the Oceana Homeowners Association and the HOA Charges that would be required to be paid by each owner of a Unit (other than Sponsor) based on such Unit Owner paying his allocable share of the HOA Charges set forth in Schedule B (i.e., $75,925), as more fully set forth in the Plan. See **"Schedule C, Projected Budget of the Oceana Homeowners Association"** and **"Schedule C-1 Projected Budget of the Oceana Homeowners Association based on 850 Units"** for details.

12. Contingency (Budget - $14,000)

The contingency fund is intended to provide for (i) unanticipated operating expenses, (ii) unanticipated increases in the projected expenses and (iii) such other purposes as the Board may determine. Please see Note 15 below pertaining to the absence of provision for a yearly reserve fund for major capital repairs or replacements.

13. Other (Budget - $3,000)

The budget figure includes an estimate of license, registration and municipal permit fees.

14. Miscellaneous - (Budget - $1,000)

This amount has been allocated for miscellaneous items that the Condominium may incur.

15. Yearly Reserve Fund (not provided for)

The contingency fund (discussed above in Note 12), although not intended as a reserve for capital expenditures, may be utilized by the Condominium Board for such purposes. A reserve for capital expenditures is a method of budgeting for capital repairs and for improvements, which the Condominium Board may from time to time determine should be made to the Property. Schedule B does not provide for a reserve for capital expenditures. The contingency fund may not be sufficient to pay for major capital repairs or replacement items which may be needed within the first five (5) years of operation of the Condominium. It is noted that a number of major building components will be covered by guarantees that will in effect over varying periods of time. For such reason it is not anticipated that the Condominium will be required to expand significant funds for capital expenditure during the first 5 years of Condominium operation.

Special Note: The Condominium Board may reduce the Common Charges during the First Year of Condominium Operation (or any part thereof) from those projected in Schedule B to reflect any savings which may be realized as a result of the Buildings not being fully occupied. In such case, each Unit Owner (including Sponsor, with respect to the Unsold Units) will pay his pro-rata share of the Common Charges in such reduced amount as the Condominium Board may determine. No representation or warranty is made that such reduction in Common Charges will actually occur during the First Year of Condominium Operation or any part thereof.

If the anticipated closing date under the Plan is six (6) months or more after the projected date of the budget year for this Schedule B, then the Plan shall be amended to include a revised budget disclosing current projections. If the aggregate amount of Common Charges disclosed in such amended Schedule B exceeds by 25% or more the aggregate amount of Common Charges set forth in Schedule B as from time to time amended, then the Sponsor shall offer all Purchasers the right for a period of at least fifteen (15) days from the date of presentation of such amendment to rescind their offer to purchase whether or not Sponsor offers to guarantee the previous budget projections. Sponsor shall promptly return to a Purchaser, who exercises any such right to rescind, his deposit under his Purchase Agreement. Further, if the date of the first Unit Closing is delayed beyond twelve (12) months from the projected commencement date of Condominium operation (i.e., June 1, 2003), each Purchaser shall have a right to rescind his Purchase Agreement and, Sponsor shall similarly promptly return to a purchaser who

exercises such right to rescind, his deposit under his Purchase Agreement. Sponsor shall not declare the Plan effective if there are any material changes to the budget if these changes have not been disclosed by an amendment to the offering plan.

SCHEDULE C
OCEANA HOMEOWNERS ASSOCIATION, INC.
PROJECTED BUDGET Phase III
1ST OPERATIONAL YEAR
June 1, 2002 - May 31, 2003

INCOME(1)		
HOA Charges - Condominium (1)	$803,984	
HOA Charges - Garage Facility	$12,600	
		$816,584
EXPENSES		
Administrative		
Legal and Audit Fees (4)	$3,300	
Management Fee (5)	$32,700	
Miscellaneous (6)	$600	
Grounds & Roadway Expense		
Snow Removal (7)	$13,980	
Street Cleaning (8)	$6,600	
Lighting - including electricity (9)	$5,542	
Miscellaneous (10)	$4,000	
Payroll		
Payroll Expense (11)	$40,439	
Housing Costs (12)	$31,503	
Insurance		
Insurance Expense (13)	$25,852	
Security		
Security Guard Expense (14)	$113,880	
Systems Maintenance (15)	$12,000	
Taxes and Fees		
Real Estate (16)	-0-	
Franchise & Corporate (17)	$680	
Reserves (18)	$34,108	
Development Declaration Expenses		
Landscaping (19)	$13,600	
Tot Lot Maintenance (20)	$15,000	
Repair & Maintenance of Public Park (21)	$5,000	

Recreation Facilities

Utilities (22)	$42,800	
Recreation Center Management (23)	$375,000	
Repairs and Maintenance (24)	$35,000	
Miscellaneous (25)	$5,000	
		$816,584

FOOTNOTES TO SCHEDULE C
Phase III

1. **Share of HOA Charges allocable to all Member Condominiums**. (Budget - $803,984).

This figure represents the annual HOA Charges, during the first full year of Phase III of the HOA operation which is estimated to be June 1, 2002 -- May 31, 2003 reflecting the completion of first five buildings comprised of 272 Residential Units and 84 Parking Space Units. It is anticipated that the HOA will assume responsibility for maintenance of the Declarant's Improvements, including any "Off-Site Improvements" and Schedule C reflects such costs. HOA Charges reflected in Schedule C will be utilized by the HOA Board to repair, replace, restore, and operate the HOA Properties and portions of the Development Area which the HOA is required to maintain pursuant to an easement. The first year of HOA operation may commence earlier or later than June 1, 2002.

2. **Share of HOA Charges allocable to the Garage Facility**. (Budget - $12,600).

This figure represents the total annual HOA Charges to be levied against the non-condominium member Garage Facility for the projected first year of HOA operation. These HOA Charges will be utilized by the HOA Board to defray that portion of the HOA Expenses that is reasonably allocable to such Garage Facility. (The balance of the HOA Expenses is allocated to Oceana Condominiums Nos. One, Two and Three and is set forth in Note 1). It is estimated that 4% of the total HOA Expenses (exclusive of any costs allocable to Recreation Facilities) are allocable to the non-condominium member Garage Facility.

3. **Total Income**. (Budget - $816,584).

This amount is the total of the HOA Charges assessed to the Oceana Condominiums No. One, Two and Three, and to the Garage Facility.

4. **Legal and Audit Fees**. (Budget - $3,300).

This figure is based on estimate of Reich & Reich, Certified Public Accountants, 420 Jericho Turnpike, Jericho, New York 11753 dated November 19, 1999, that the cost of accounting services for the preparation of the annual tax return and financial statement of the Oceana Homeowners Association, Inc. is $2,300. The budget includes a small allowance of $1,000 for basic legal services for the Oceana Homeowners Association, Inc.

5. **Management**. (Budget - $32,700).

The Managing Agent's fee is fixed by the Management Agreement to be entered in to between the Oceana Homeowners Association and Allied Management, LLC on or before the Closing Date, for the term of such agreement. See "**Management Agreement, Contracts and Leases**" for a summary of the provisions of the management agreement and "**Identity of Parties**" for the relationship between the Managing Agent and Sponsor. The Managing Agent's fee is

approximately 4% of the HOA Charges and is comparable to the prevailing industry cost of similar services.

The Managing Agent may also receive additional compensation from the HOA for the following: (i) the cost inherent in preparation for all meetings of Lot Owners and the HOA Board, including, but not limited to cost of postage, etc.; and (ii) fees for services in connection with supervision of alterations or capital improvements to the HOA Property outside the scope of ordinary repairs. See "Management Agreement, Contracts and Leases."

6. **Miscellaneous**. (Budget - $600).

The category estimates the miscellaneous administrative expenses such as postage, stationery and annual meeting.

7. **Snow Removal**. (Budget - $13,980).

The budgeted amount reflects projected cost of snow removal for all the paved roadways, including surface parking spaces, and the common area sidewalks. The budgeted amount is based on an estimate provided by Top Job Maintenance, Inc. dated November 19, 1999.

8. **Street Cleaning**. (Budget - $6,600).

This item reflects the projected cost of street cleaning twice per month and is based on an estimate provided by Top Job Maintenance, 35 Hancock Street, Staten Island, New York, dated November 19,1999.

9. **Lighting**. (Budget - $5,542).

This item reflects the projected cost of maintaining the 32 anticipated site lights including bulb changes and electricity and is based on the estimated use of 27,328 kwh of electricity at an estimated rate of $.1156 per kwh, plus $1.95 per lamp per month, which rate reflects Con Edison's current service classification for street lighting. The utility portion of this item has been increased by seven percent (7%) for inflation. This budget item is based on an estimate dated November 17,1999 provided by Flushing Plaza Management Co., 41-04 Union Street, Flushing, New York 11355.

10. **Miscellaneous**. (Budget - $4,000).

The budget amount estimates that cost of general repairs to the HOA Property.

11. **Payroll Expenses**. (Budget - $40,439).

It is anticipated that legal requirements of Section 27-2053 of the New York City Administrative Code will be met by the Assistant Superintendent living in Unit 112. His salary will be paid by the HOA and is based on a non-union employee. (Such section of law requires that the owner of a multiple dwelling consisting of nine (9) or more dwelling units to either (i) perform

janitorial services itself, or (ii) provide a janitor who lives within either (a) one block or (b) 200 feet of the building, or (iii) provide a janitorial service that is on-call on a 24 hour a day --basis in a manner approved by the Department of Buildings.) It is anticipated that if and when additional residential buildings are constructed within the Development Area, the Managing Agent will engage on a phased-in basis, the staff described in Schedule C- I based on the number of occupied dwelling units. A maximum of three dwelling units will be purchased by the Oceana Homeowners Association for the use of three staff members who will ultimately live within the Development Area. See Schedule C- 1 for details.

Salary	based on a 54 pay week year to account for holidays sick and vacation pay	$32,400
FICA	7.65% of wages	$2,479
Unemployment	1.5% of first $7,000.00 of wages	$105
Workers Compensation Insurance	3.87% of wages	$1,254
Disability	.5% of the first $340 per week	$88
Health Insurance pkg.	based on current costs	$4,113
TOTAL		$40,439

12. **Superintendent's Housing**. (Budget - $31,503).

The HOA will provide the housing for the Assistant Superintendent as well as his salary. If and when additional buildings are constructed, the Managing Agent will engage and phase in the staff described in C-1. The budgeted amount of $31,503 consists of:

Mortgage Debt Service - The HOA Board will purchase Unit IC in Oceana Condominium No. I for $235,000. The Sponsor will either (i) finance the purchase of the Unit, (ii) finance such purchases in conjunction with one or more institutional lenders and/or (iii) arrange for one or more institutional lenders to finance 100% of the purchase price. The mortgage will be for a term of 30 years and will provide for payment of interest only at 10% per annum for the first five years. The mortgage will provide that commencing with the fifth anniversary of such mortgage and for the remaining 25 year term, the Oceana Homeowners Association will be required to make payments of principal (in an amount sufficient to liquidate the mortgage over the remaining 25 year term) plus interest. The mortgage will also provide that the interest rate commencing with such fifth anniversary will equal the "Prime Rate" as set forth on the "key rates table" appearing in the New York Times for the business day closest to said fifth anniversary date (or if the New York Times ceases to publish such a key rates table, the Prime Rate, as announced by Citibank, NA or any successor thereto). The

mortgage will be prepayable without penalty in full but not in part at any time. On January 4, 2000, the Prime Rate was 8.5%. However, no representation or warranty is made as to the Prime Rate that will be in effect on the fifth anniversary of any of the mortgages.

Annual Common Charges for such Unit, which are projected at $3,974 per year.

Annual real estate taxes are projected at $179.04 assuming the availability of a 421-a real estate tax abatement. If such abatement is not available, the cost of real estate taxes for such Unit are estimated to be $3,411.96 for the first year of HOA operation, as set forth in Schedule A of the Fourth Amendment to the Plan for Oceana Condominium No. One. If such abatement is not available, the cost of real estate taxes will increase as will the cost of HOA Charges and Common Charges payable by each Unit Owner. See the opinion of Brandt & Steinberg & Lewis LLP for a discussion of the availability and duration of 421-a real estate tax benefits.

Annual electric, gas and telephone and miscellaneous charges for the Unit is projected at $3,850.

13. **Insurance**. (Budget $11,867)

The following estimate for the cost of insurance is based upon coverages suggested and premiums estimated by Herman Wealcatch, Insurance, Inc., 155 White Plains Road, Tarrytown, New York 10591 dated January 17, 2000. Although the projection is considered to be reasonable, there can be no guarantee that the estimated premiums will not escalate or that such coverages will continue to be available. The estimate is based upon the following coverages:

A .Property Coverage
$2,700,000 all risk coverages the recreation building including the indoor lap pool.
$300,000 on contents
$25,000 on freestanding fences and walls
$100,000 employee dishonesty and forgery
$10,000 money and securities in/$2,500 out
$100,000 building ordinance

B. General Liability
$1,000,000 each occurrence/$2,000,000 aggregate, $10,000 medical payments – including auto non-ownership and hired car liability – additional insured unit owners – covers common areas only excluding recreation areas and garages.

C. Umbrella
$5,000,000 umbrella over above liability coverages

D. Condominium Directors' and Officers' Liability -- $1,000,000

Sponsor, at the sole cost and expense of the Oceana Homeowners Association, will cause to be delivered to the Oceana Homeowners Association on the Closing Date, policies providing the

insurance described above, to the extent then commercially obtainable, or binders therefor, and policies and binders may contain any deductibles which are then customary for the facilities then constructed. If the Oceana Homeowners Association does not have sufficient funds available on the Closing Date with which to pay any premiums then due on such policies, then the Sponsor will advance such insufficiency, and the amount which is advanced by the Sponsor shall be adjusted between the Sponsor and the Oceana Homeowners Association as provided in the "Closing Costs and Adjustments" section.

The suggested all risk coverage set for the above is based upon an agreed amount clause which avoids any issue of coinsurance in the event of a partial loss. In the opinion of the Insurance Consultant, the all risk coverage in the amount set forth above is presently sufficient to rebuild the items enumerated above should they be totally destroyed by fire. However, because of the difficulty of estimating replacement costs and because of escalating construction costs, there can be no warranty that the suggested coverages will yield sufficient proceeds to replace such items or any portion thereof in the event of a total or partial loss.

The above insurance coverage satisfies the requirements, if any, of the agreement with the Managing Agent.

14. **Security Guard Expense.** (Budget - $113,880).

This budget item is based on a security guard for 24 hours per day 365 days per year. The budget projects the cost of such security at $13.00 per hour based on the estimate of Flushing Plaza Maintenance Co., 41-04 Union Street, Flushing, New York 11355 dated November 17, 1999.

15. **Systems Maintenance.** (Budget - $12,000).

The budget item reflects projected cost to service and maintain the security booth and related security equipment including utilities as estimated by Flushing Plaza Maintenance Co. 41-04 Union Street, Flushing, New York 11355 in a letter dated November 17, 1999.

16. **Real Estate Taxes.** (Budget - $0).

Initially, the HOA Property will only consist of roadways and the Brighton Beach Avenue Open Space. It is anticipated that any real estate tax therein will be de minimus. It is anticipated that real estate taxes attributable to the value of the HOA Property will ultimately be reflected in the taxable assessed valuation of the Units. See Schedule C-1 for an estimate of real estate taxes applicable to the HOA Improvements.

17. **Franchises and Corporate Taxes.** (Budget - $680)

State and City taxes and surcharge per statute.

18. **Reserves.** (Budget - $34,108).

The budget item for Reserves is based on the schedule appended hereto. Schedule C-1 contains a schedule for reserves based on the inclusion of all HOA Property and HOA Improvements. The attached schedule is merely an estimate. The actual useful life of the items enumerated therein cannot be predicted with accuracy and may be longer or shorter than estimated.

19. **Development Declaration Expenses - Landscaping.** (Budget -$13,600)

The projected cost to maintain the trees along Coney Island Avenue, the area between the terminus of Coney Island Avenue and the public boardwalk and the Public Park area east of the Brighton Beach entry.

20. **Development Declaration Expenses - Tot Lot** - (Budget - $15,000)

Required annual payment for Tot Lot maintenance to the City of New York.

21. **Development Declaration Expenses - Repair & Maintenance of Public Park** - (Budget - $5,000)

Estimate cost for cleaning, park area, repairing benches, maintaining fences and the like.

22. **Utilities (Budget - $42,800)**

In a letter dated April 16, 1999, Abraham Joselow, P.E., P.C., 45 West 34 th Street, Suite 1101, New York, New York 10001 has estimated the electrical use and gas for the Health Club at $30,000 annually based on a 100 hour week. The Fitness Company in an June 9, 1999 letter has estimated the cost to heat the outdoor pool at $10,000 per season. The estimated amount is for full utility service to the clubhouse and pools including space heating and air conditioning, pool heating, light, elevator, pumps, etc, and has been increased by seven percent (7%) to reflect projected costs for the budget period.

23. **Recreation Center Management (Budget - $375,000)**

This item covers the projected cost to operate the Health Club including energy costs, labor and supervision. The Fitness Company has estimated the cost of managing the Health Club at $375,000 for the first year, in a letter dated June 6, 1999. Such cost includes payroll, including payroll taxes, health benefits, holiday and vacation pay and an operating company fee.

24. **Repairs and Maintenance (Budget - $35,000)**

The projected cost of repairs and maintenance for the Health Club building and equipment is based on an estimate from the Fitness Company, 175 East 96th Street, Suite 29K, New York, New York 10128 dated June 6,1999.

25. **Miscellaneous (Budget - $5,000)**

This item reflects an estimate for unprojected expenses. The projection is based on an estimate from the Fitness Company, 175 East 96th Street, Suite 29K, New York, New York 10128 dated June 6, 1999.

It is noted that at the outset, the HOA Declaration will cover only the Units contained in the Condominiums and may cover roadways and vacant land. Additional dwelling units and parking will likely be completed over the course of a number of years. It is anticipated that the various HOA Improvements will be completed within the times set forth under the section of the Plan entitled "**Oceana Homeowners Association**," and the Declarant's Improvements will be completed upon the completion of the requisite number of dwelling units, as set forth in the section of the Plan entitled "**Location and Area Information - The Development Declaration**." Sponsor reserves the right to elect, in its sole and absolute discretion, for any part or all of the First Year of Operation of the Oceana. Homeowners Association, in its sole and absolute discretion, to bear the difference between the actual expenditures incurred by the Oceana Homeowners Association and the HOA Charges that would be required to be paid by each owner of a Unit (other than Sponsor) based on such Unit Owner paying his allocable share of the HOA Charges (i.e., $803,984 if the Health Club is available and $346,184 if the Health Club is not then available) as more fully set forth in the Plan.

As more fully discussed under the section of the Plan entitled "**Oceana Homeowners Association**," the Oceana Homeowners Association will assess each condominium, cooperative or residential rental structure its pro-rata share of HOA Charges in the proportion that the number of dwelling units within such condominium, cooperative or residential rental building (other than those retirement units, senior housing units or assisted living units, which will not be responsible to pay for Recreation Facilities except to the extent that the residents thereof elect to utilize such facilities) bears to the total number of Completed Dwelling Units within the Oceana Homeowners Association. HOA Charges for each parking space and for each Garage Facility will be based on each such parking space or parking space in a garage facility (as the case may be) bearing 4% of the amount of HOA Charges allocated to a dwelling unit (other than those expenses attributable to Recreation Facilities).

If Sponsor makes available Recreation Facility Privilege Agreements, either Sponsor or, at Sponsor's option, the Recreation Facility Privilege Agreement Holder shall pay to the Oceana Homeowners Association an amount not less than the amount the then Managing Agent determines is the pro-rata amount reasonably attributable to the costs incurred by the Oceana Homeowners Association in connection with such Recreation Privilege Agreement Holder's use of the Health Club and related facilities.

LINE ITEM BREAKDOWN OF REPLACEMENT RESERVE ITEMS SCHEDULE C							
Description	Quantity	Unit Cost	Reserve Requirement Present Dollars	Existing Reserve Funds	Estimated Useful Life	Estimated Remaining Life	Annual Reserve Funding Required
Reserves							
Pavement	50,000 sq. ft.	$1.00 sq. ft.	$50,000	0	20 yrs	20 yrs	$2,500
Walkways	7,310	$5.00 sq. ft.	$36,550	0	20 yrs	20 yrs	$1,828
Exterior Lighting	32	$800	$25,600	0	20 yrs	20 yrs	$1,280
Pool Health Club							
Carpet/Paint	lump sum	$50,000	$50,000	0	5 yrs	5 yrs	$10,000
Pool	2	$100,000	$200,000	0	20 yrs	20 yrs	$10,000
Pool Equipment	lump sum	$5.00 sq. ft.	$20,000	0	10 yrs	10 yrs	$2,000
Roof	6,000 sq. ft	$5.00	$30,000	0	20 yrs	20 yrs	$1,500
Exercise Equipment	L.S.	$50,000	$50,000	0	10 yrs	10 yrs	$5,000
TOTAL							**$34,108**

SCHEDULE C-1
OCEANA HOMEOWNERS ASSOCIATION, INC.
PROJECT BUDGET
850 Units

INCOME		
HOA Charges - Other than Recreation Facilities Member Condominiums (1)	$706,377	
HOA Charges - Recreation Facilities - Member Condominiums (2)	$542,518	
HOA Charges - Non-Condominium Member Garages (3)	$29,432	
TOTAL INCOME (4)		$1,278,327
EXPENSES		
Administrative		
Legal and Audit Fees (5)	$3,300	
Management Fee (6)	$48,000	
Miscellaneous (7)	$2,000	
Grounds & Roadway Expense		
Landscaping (8)	$26,100	
Snow Removal (9)	$20,800	
Street Cleaning (10)	$12,450	
Sprinkler System (incl. Water) (11)	$11,800	
Lighting - including electricity (12)	$9,735	
Miscellaneous (13)	$10,965	
Recreation Facilities		
Utilities (14)	$42,000	
Recreation Center Management (15)	$375,000	
Repairs and Maintenance (16)	$35,000	
Miscellaneous (17)	$5,000	
Payroll		
Payroll Expense (18)	$122,236	
Housing costs (19)	$118,173	
Insurance		
Insurance Expense (20)	$47,500	

Security		
Security Guard Expense (21)	$227,760	
Systems Maintenance (22)	$10,000	
Development Declaration Expenses		
Maintenance Payment (23)	$15,000	
Landscaping (24)	$8,300	
Maintenance Payment (25)	$6,000	
Taxes		
Real Estate (26)	$87,518	
Franchise and Corporate (27)	$680	
Reserves (28)	$51,510	
TOTAL EXPENSES		$1,278,327

FOOTNOTES TO SCHEDULE C-1

1. Share of HOA Charges Allocable to all Member Condominiums for Expenses Other Than Recreation Facilities (Budget - $706,377)

This figure represents the annual HOA Charges, for a full year of HOA operation based on the inclusion of 850 dwelling units. These HOA Charges will be utilized by the HOA Board to maintain, repair, replace, restore, and operate the HOA Property, the HOA Improvements and those portions of the Development Area and "Off-Site Improvements" that the HOA is required to maintain pursuant to an easement or pursuant to the Development Declaration.

As set forth on Schedule C-1, the term "Members Condominium" includes cooperative corporations and other fee owners of Completed Residential Structures.

2. Share of HOA Charges allocable to Recreation Facilities for the Member Condominiums (Budget - $542,518)

This figure represents the total annual HOA Charges to be levied against, and collected from the member condominiums, during the projected first year of full HOA operation (i.e., based on the inclusion of 850 dwelling units) for the operation of the Recreation Facilities.

3. Share of HOA Charges allocable to the non-condominium Member Garage Facilities (Budget - $29,432)

This figure represents the total annual HOA Charges to be levied against the non-condominium member Garage Facilities during the projected first year of full HOA operation. These HOA Charges will be utilized by the HOA Board to defray that portion of the HOA Expenses that is reasonably allocable to such Garage Facilities (the balance of the HOA Expenses is allocated to the member condominiums and other fee owners of Completed Residential Structures and charges for Recreation Facilities and is set forth in Notes 1 and 3). It is estimated that 4% of the total HOA costs less the costs attributable to the Recreation Facilities are allocable to the non-condominium member Garage Facilities. It is anticipated that each parking space within each Garage Facility will bear a pro-rata share of such amount.

4. Total Income (Budget - $128,327)

This amount is the total of the charges assessed to member Condominiums and to non-condominium Garage Facilities.

5. Legal and Audit Fees (Budget - $3,300)

This figure includes the estimated costs of (i) accounting services for the preparation of the annual tax returns and financial statements of the HOA which is estimated at $2,300 by Reich & Reich CPA, P.C. in a letter dated June 9, 1999 and (ii) a small amount for basic legal services for the HOA.

6. Management (Budget - $48,000)

The Managing Agent's fee is fixed by the Management Agreement to be entered into by the HOA by on or before the Closing Date. See "Management Agreement, Contracts and Leases" for a summary of the provisions of the Management Agreement. The Managing Agent's fee is approximately 4% of the HOA Charges shown in Schedule C-1 and is comparable to the prevailing industry cost of similar services.

The Managing Agent may also receive additional compensation from the Oceana Homeowners Association, Inc. for the following: (i) the cost inherent in preparation for all meetings of Lot Owners and the HOA Board, including, but not limited to cost of postage, etc.; and (ii) fees for services in connection with supervision alterations or capital improvements to the HOA Properties and HOA Improvements outside the scope of ordinary repairs. See "Management Agreement, Contract and Leases and "Identity of Parties" for the relationship between the Managing Agent and Sponsor.

7. Miscellaneous (Budget - $2,000)

This category estimates the miscellaneous administrative expenses such as postage, stationery and annual meetings.

8. Landscaping (Budget - $26,100)

The projected cost of maintaining the landscaping of the HOA Property including lawn cutting, tree pruning, spring and fall cleanups and chemicals. The budgeted amount is based on an estimate from Top Job Maintenance, Inc. 35 Hancock Street, Staten Island, New York, dated June 8, 1999. Not included in this item is the landscape maintenance required pursuant to the Development Declaration, which is addressed elsewhere in the budget.

9. Snow Removal (Budget - $20,800)

This item reflects the projected cost of performing snow removal for all the paved roadways, including surface parking spaces, and the area sidewalks not part of any condominium. The budgeted amount is based on an estimate from Top Job Maintenance, Inc., 35 Hancock Street, Staten Island, New York, dated June 8, 1999.

10. Street Cleaning (Budget - $12,450)

This item reflects the projected cost of performing street cleaning twice per month.

11. Sprinkler System (Budget - $11,800)

This item reflects the projected cost of maintaining the sprinkler system for landscaping the HOA Property. The budgeted amount is based on an estimate from Top Job Maintenance, Inc., 35 Hancock Street, Staten Island, New York, dated June 8, 1999.

12. Lighting (Budget - $9,735)

The budgeted amount estimates the cost of maintaining the 64 anticipated site lights including bulb changes and electricity. The budget amount is based an estimate from Flushing Plaza Management Co., 41-04 Union Street, Flushing, New York 11355, dated June 6, 1999, as to the estimated cost of street lighting, which is based on the use of 54,656 kwh of electricity at an estimated rate of $.1156 per kwh plus $1.95 per lamp per month, which is based on the current rates under the Con Edison service classification for street lighting.

13. Miscellaneous (Budget - $10,965)

The budget amount estimates the cost of general repairs to the HOA Property throughout the Development Area.

14. Utilities (Budget - $42,000)

In a letter dated April 16, 1999, Abraham Joselow, P.E., P.C., 45 West 34th Street, Suite 1101, New York, New York 10001 has estimated the electrical use and gas for the Health Club at $30,000 annually based on a 100 hour week. The Fitness Company in an June 9, 1999 letter has estimated the cost to heat the outdoor pool at $10,000 per season. The estimated amount is for full utility service to the clubhouse and pools including space heating and air conditioning, pool heating, light, elevator, pumps, etc. A five percent (5%) increase has been added for inflation.

15. Recreation Center Management (Budget - $375,000)

This item covers the projected cost to operate the Health Club including energy costs, labor and supervision. The Fitness Company has estimated the cost of managing the Health Club at $375,000 for the first year, in a letter dated June 6, 1999. Such cost includes payroll, including payroll taxes, health benefits, holiday and vacation pay and an operating company fee.

16. Repairs and Maintenance (Budget - $35,000)

The projected cost of repairs and maintenance for the Health Club building and equipment is based on an estimate from the Fitness Company, 175 East 96th Street, Suite 29K, New York, New York 10128 dated June 6, 1999.

17. Miscellaneous (Budget - $5,000)

This item reflects an estimate for unprojected expenses. The projection is based on an estimate from the Fitness Company, 175 East 96th Street, Suite 29K, New York, New York 10128 dated June 6, 1999.

18. Payroll Expense (Budget - $122,236)

This item is based on a staff complement of a resident manager, a superintendent and an assistant superintendent and includes estimates wages, payroll taxes, insurance and any other benefits payable with respect to such staff.

Estimated wages of approximately $110,700 per annum are computed based upon a 54-pay week year to account for paid holidays, vacation and sick days.

It is assume that the staff will not be members of any union.

The estimated wages for the staff for the based on wages estimated to be for effect for the period July 1, 2000 to June 30, 2001 are summarize below.

Employee	Projected Weekly Wages For the Period Covered by Schedule B
Resident Manager	$800
Superintendent	$650
Assistant Superintendent	$600

No guarantee is made, however, as to the wage rates that will be in effect during the first year of condominium operation.

Estimated payroll taxes, insurance and any other benefits based on such estimated wages, are computed as follows:

Benefits and Payroll Taxes	Percentages of Wages/ Method of Computation	Amounts
FICA	7.65% of wages	$ 8,468
Unemployment Insurance	1.5% of first $7,000.00 of each employee's wages	$ 315
Worker's Compensation Insurance	1.5% of wages and the rental value of lodgings and utilities provided	$ 2,320
Federal Unemployment Insurance	0.8% of first $7,000 of each employee's wages	$ 168
Disability Insurance	0.5% of first $340/wk	$ 265

The percentages and methods of computation shown above may vary because of changes in the experience rating for the Development Area or negotiation of additional or other benefits or for other reasons.

The estimated amount of payroll taxes, insurance and any other benefits, when added to wages, will approximately equal the sum shown in the budget for labor expenses. The budget estimate for labor expense does not violate the New York State and federal minimum wage laws.

19. Superintendents Housing (Budget - $99,673)

1. Mortgage Debt Service

The HOA Board will purchase Unit 1C in Oceana Condominium No. One for $235,000 and up to two (2) other units within the Development Area at the following estimated prices: $250,000 and $265,000. The Sponsor will either (i) finance the purchase of the units, (ii) finance such purchases in conjunction with one or more institutional lenders and/or (iii) arrange for one or more institutional lenders to completely finance 100% of the purchase prices. Purchases of the second or third units will be phased in as the development progresses. Each such mortgage will be for a term of 30 years and will provide for payment of interest only at 10% per annum for the first five years. Each mortgage will provide that commencing with the fifth anniversary of such mortgage and for the remaining 25 year term, the Oceana Homeowners Association will be required to make payments of principal (in an amount sufficient to liquidate the mortgage over the remaining 25 year term) plus interest. Each mortgage will also provide that the interest rate commencing with such fifth anniversary will equal the "Prime Rate" as set forth on the "key rates table" appearing in the New York Times for the business day closest to said fifth anniversary date (or if the New York Times ceases to publish such a key rates table, the Prime Rate, as announced by Citibank, NA or any successor thereto). Each of the mortgages will be prepayable without penalty in full but not in part at any time. On January 4, 2000, the Prime Rate was 8.5%. However, no representation or warranty is made as to the Prime Rate that will be in effect on the fifth anniversary of any of the mortgages.

2. Annual Common Charges are project at $5,100 per unit per year.

3. Annual real estate taxes are projected at $.45 per sq. ft. x 1017-sq. ft. as set forth in Schedule A of the Plan. The budgeted amount assumes the availability of a 421-a tax abatement. If such abatement is not available, the cost of real estate taxes will increase. Purchasers should refer to Schedule A for an estimate of the real estate taxes applicable to Unit 1C in Oceana Condominium No. One in the event that 421 a real estate tax abatement in not available.

4. Annual electric, gas and telephone charges for the Units are projected at $8,000.

20. Insurance (Budget - $47,500)

The following estimate for the cost of insurance is based upon coverages suggested and premiums estimated by Herman Wealcatch, Insurance, Inc., 155 White Plains Road, Tarrytown, New York 10591, in a letter dated June 11, 1999. Although the projection is consider to be reasonable, there can be no guarantee that the estimated premiums will not escalate or that such coverages will continue to be available. The estimate is based upon the following coverages:

A. Property Coverage

$2,700,000 all risk coverage on the recreation building including indoor lap pool
$300,000 on contents
$100,000 building ordinance
$25,000 on free standing fences and walls
$100,000 employee dishonesty & forgery
$10,000 money and securities in/$2,500 out

B. General Liability

$1,000,000 each occurrence/$2,000,000 aggregate. $10,000 medical payments - including auto non-ownership and hired care liability - additional insured unit owners - covers entire property including swimming pools, fountains, pavilions, streets and sidewalks.

C. Umbrella

$5,000,000 umbrella over above liability coverages

D. Directors' and Officers' Liability - $1,000,000

Sponsor, at the sole cost and expense of Oceana Homeowners Associates, will cause to be delivered to the Oceana Homeowners Association on the Closing Date, policies providing the insurance described above, to the extent then commercially obtainable, or binders therefor. Such policies and binders may contain any deductibles which are then customary for the facilities then constructed. If the Oceana Homeowners Association does not have sufficient funds available on the Closing Date with which to pay any premiums then due on such policies, then the Sponsor will advance such insufficiency, and the amount which is advanced by the Sponsor shall be adjusted between the Sponsor and the Oceana Homeowners Association as provided in the "Closing Costs and Adjustments" section.

The suggested all risk coverage set forth above is based upon an agreed amount clause which avoids any issue of coinsurance in the event of a partial loss. In the opinion of the Insurance Consultant, the all risk coverage in the amount set forth above is presently sufficient to rebuild the HOA Improvements should they be totally destroyed by fire. However, because of the difficulty of estimating replacement costs and because of

escalating construction costs, there can be no warranty that the suggested coverages will yield sufficient proceeds to replace the HOA Improvements or any portion thereof in the event of a total or partial loss.

The above insurance coverage satisfies the requirements, if any, of the agreement with the Managing Agreement.

21. Security Guard Expense (Budget - $227,760)

It is assumed that when 850 dwelling units are occupied there will be round the clock security with one stationed guard and one roving guard (17,520 hours per year). Prior to the completion of the entire Development Area, round-the-clock security and a roving guard may not be available.

22. Systems Maintenance (Budget - $10,000)

The projected cost to service and maintain the security booth and related security equipment.

23. Development Declaration Expenses Maintenance (Budget - $15,000)

Pursuant to the Development Declaration, this amount must be paid annually to the City of New York, subject to based on increase in the Consumer Price Index increase.

24. Development Declaration Expenses - Landscaping (Budget - $8,300)

The projected cost to maintain the landscaping as provided for in the Development Declaration, including the trees along Coney Island Avenue, the public park, and the natural area park strip.

25. Development Declaration Expenses - Maintenance (Budget - $6,000)

This item reflects the projected cost of maintaining the various improvement required in the Development Declaration such as park benches, etc.

26. Real Estate Taxes (Budget - $87,518)

While it is likely that the taxable valuation of the HOA Property and HOA Improvements for real estate tax purposes will be reflected in the taxable valuation of each of the Units comprising part of the Condominium and each of the Lots on which are situated other condominiums, cooperatives, residential rental structures and garage facilities, this budget item makes provision for the estimated amount of real estate taxes for such HOA Property and HOA Improvements as if such HOA Property and HOA Improvements were taxed separately for real estate purposes (and not included in the taxable valuation of the Units and other Lots). This budget item is based on the estimate of Michael F. Seidenwar, Esq., 118-35 Queens Boulevard, Forest Hills, New York 11375 dated June 9, 1999, that the taxable valuation of the HOA Property and HOA Improvements for real estate tax purposes will be approximately $855,000 and that such

HOA Property and HOA Improvements will be regarded as "Class 4" property for which the applicable tax rate is estimated to be $10.236 per $100 of assessed valuation. Mr. Seidenwar is of counsel to Muss & Muss and serves as Sponsor's general counsel. Such rate is anticipated to be effective for tax year 2000/2001. The real estate taxes attributable to the HOA Property and HOA Improvements may vary if (i) the taxing authority establishes a different taxable assessed valuation for such HOA Property and HOA Improvements or (ii) the tax rate changes. In addition, the taxes may increase in future years as a result of increases in the assessed valuation or increases in the applicable tax rate.

If the real estate taxes attributable to the HOA Property and HOA Improvements are ultimately reflected in the assessed valuation of the Units, the assessed valuation of the Units reflected in Schedule A is likely to increase. There can be no assurance as to whether the taxing authority will reflect and include the taxable valuation in the taxable valuation of each Unit (and Lot), and if so, when such inclusion will occur.

27. Franchises and Corporate Taxes (Budget - $680)

State and City taxes and surcharge per statute.

28. Reserves (Budget - $51,510)

The budget item for Reserves is based on the Schedule appended hereto. The attached schedule is merely an estimate. The actual useful life of the items contained therein cannot be predicted with certainty and may be longer or shorter than estimated.

LINE ITEM BREAKDOWN OF REPLACEMENT RESERVE ITEMS

Description	Quantity	Unit Cost	Reserve Requirement Present Dollars	Existing Reserve Funds	Estimated Useful Life	Estimated Remaining Life	Annual Reserve Funding Required
Reserves							
Pavement	108,000 sq. ft	$1.00 sq. ft.	108,000	0	20 yrs	20 yrs	$5,400
Walkways	60,200	$5.00 sq. ft.	301,000	0	20 yrs	20 yrs	$15,050
Exterior Lighting	64	4800	51,200	0	20 yrs	20 yrs	$2,560
Pool/Health Club							
Carpet/Paint	lump sum	$50,000	$50,000	0	5 yrs	5yrs	$10,000
Pool	2	$100,000	$200,000	0	20 yrs	20 yrs	$10,000
Pool Equipment	lump sum	$20,000		0	10 yrs	10 yrs	$2,000
Roof	$6,000	$5.00 sq. ft.	30,000	0	20 yrs	20 yrs	$1,500
Exercise Equipment	L.S.	50,000		0	10 yrs	10 yrs	$5,000
TOTAL	$51,510						

BUCHBINDER & WARREN LLC
One Union Square West
New York, New York 10003
(212) 243-6722

OPINION OF LICENSED REAL ESTATE BROKER RE COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

January 27, 2000

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: Condominium Offering Plan (the "**Plan**") for Oceana Condominium Section III
Brooklyn, New York 11235 (the "**Property**")

Ladies and Gentlemen:

All capitalized items not otherwise defined herein shall have the same meanings ascribed to them in the plan.

The Sponsor has requested our opinion on whether the method used to determine the undivided percentage interest of each Unit in the Common Elements in the above referenced Condominium complies with Real Property Law Section 339-i ("**Section 339-i**")

We are a licensed real estate broker whose principals have been engaged in the real estate brokerage business for approximately 40 years. We have also been engaged in the operation and management of residential buildings in the greater New York area for approximately 40 years. We presently manage over 50 buildings consisting of over 2,000 units.

In connection with this opinion, we have reviewed Schedule A of the Plan, the proposed Declaration included in Part II of the Plan and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. We have not reviewed or verified the calculations of floor areas used in determining the sizes of Units or the Limited Common Elements.

Article 6 of the Declaration states that "the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the

particular Unit." Article 6 also states that the aggregate Common Interests of all Units equal one hundred percent (100%).

Section 339-i requires that the Common Interest of each Unit be based on any one of several methods of calculation. One of these allowable methods is the method stated in Article 6 of the Declaration (Section 339-i(1)(iv)).

We have evaluated the allocation of Common Interest among the Residential Units and the Parking Space Units made by the Sponsor based on the foregoing factors and it is our opinion that the allocation of Common Interest is consistent with Section 339-i.

This opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should be construed, as an opinion on any other aspects of the Plan. Further, we assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances, that may hereafter come to our attention pertaining to the subject matter hereof.

We are not acting as the selling agent of the Sponsor or the managing agent for the Property and we have no beneficial interest in the Sponsor or in the profitability of the conversion.

We consent to the incorporation of this opinion in the Plan and to the references to our name in the Plan in connection with this opinion.

Very truly yours,
BUCHBINDER & WARREN LLC

By: _____
Rosemary Paparo

Dated: January 27, 2000
New York, New York

CHANGES IN PRICES OR UNITS

The Sponsor reserves the right to change the price of any Unit without prior notice or amendment to the Plan except that a duly filed amendment to the Plan will be required for (a) an across the board price change affecting one or more lines of Units or Unit models, (b) a price change that is to be advertised, or (c) a price increase for an individual purchaser. The offering price of a Unit is negotiable and may be changed.

In order to meet the possible varying demands for the number and type of Units or to meet particular requirements of the prospective Purchasers or for any other reason, the Sponsor reserves the right for itself and its designees at any time, by amendment to the Plan and subject to the conditions set forth below, to: (i) change the price (as set forth above), the manner of payment, and any other term of sale, (ii) change the size, number and/or layout of Units, (iii) reapportion the percentage Common Interests shown in Schedule A, and (iv) change the size or quality of the public areas of the Property. Any reallocation of the percentage Common Interests among Units will vary the estimated Common Charges for such Units from the amounts set forth in Schedule A. After the Declaration is recorded, any of the changes discussed in clauses (ii) through (iv) above may only be made by duly recorded amendment to the Declaration. As more particularly provided in the Declaration, the Sponsor and its designees will have the right to so amend or cause the Board of Managers to so amend the Declaration and Floor Plans to the extent required in order to reflect changes made as provided above. In connection with any of the changes discussed in clauses (ii) and (iv) above, the Sponsor shall obtain the consents of all governmental authorities having jurisdiction (if such consent is required by law). Unless an affected Purchaser consents, no material change will be made in the Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for such Unit and the Purchaser thereof is not in default. Unless all affected Purchasers consent, no material decrease will be made in the size and no material adverse change will be made in the quality of Common Elements.

No material change will be made in the size or quality of public areas of the Property unless Purchasers who have executed and delivered Purchase Agreements pursuant to the Plan and who are not then in default thereunder are given the right to rescind such Purchase Agreements by notice of rescission personally delivered or sent by certified or registered mail, return receipt requested, to the Sponsor within fifteen (15) days after the date of presentation of an amendment disclosing such material change.

If a Purchase Agreement covering a Unit has been executed and delivered pursuant to the Plan, then, provided that the Purchaser is not in default thereunder, no material change shall made in the size, layout, or percentage of Common Interest of the Unit, unless the Purchaser consents thereto.

Reservation of Right to Negotiate Terms

Sponsor reserves the right, in its sole discretion and without prior notice or amendment to the Plan, to negotiate with purchasers all aspects of the purchase of any Unit, including, but not limited to: additions, or improvements to the Unit or the fixtures, furniture, furnishings, or equipment contained therein or credit allowances therefor; a reduced deposit towards purchase price; the application of interim rent towards the purchase price; maintenance subsidies or rebates; credits against the purchase price; and payment of all or part of the Purchaser's financing costs and/or closing costs (such as attorneys fees, title insurance premiums, origination fees, commitment fees, and interest subsidies or "buy-downs"); and waiver of certain fees and charges to be paid by Purchasers as set forth in the Plan. Sponsor does not represent that it will offer any, all, or any combination of the above incentives on any particular purchase and reserves the right to make, accept or reject such offers in its sole discretion. None of the foregoing benefits will be available to any purchaser unless specifically agreed to in writing by the Sponsor. The price and terms of all purchases will be solely as set forth in the terms of the Purchase Agreement entered into by and between the purchaser and the Sponsor. The Sponsor further reserves the right to amend the Plan from time to time to add or delete negotiable terms. Notwithstanding the foregoing, Purchase Agreements cannot currently be conditioned upon a Purchaser obtaining financing. If Sponsor, in its sole and absolute discretion, decides to offer Purchasers the opportunity to condition their Purchase Agreements upon obtaining financing, Sponsor shall amend the Plan.

INTERIM LEASES

Interim Leases

The Sponsor reserves the right in its sole and absolute discretion to lease vacant Units to Purchasers and non-Purchasers, provided that a temporary, partial or permanent certificate of occupancy is in effect for such Units permitting use pursuant to such lease. The lease will be for such rent and other terms as may be mutually agreed upon. Unless otherwise expressly agreed to by the Sponsor in writing, no portion of the rent paid under such lease will be credited toward the Purchase Price of a Unit.

The lease shall be prepared on a form of lease that will be available for inspection at the office of the Sponsor or the Selling Agent. The lease shall be an interim lease ("Interim Lease") and shall contain the default provisions (including failure of the tenant to comply with his obligations under his Purchase Agreement) described below. The term of each such lease shall expire on the earliest to occur of (i) the Closing Date, (ii) the date fixed in the lease for the expiration of the term, (iii) the date upon which the lease is terminated at the option of the Sponsor by reason of a default by the tenant under the lease or a casualty or condemnation affecting the Unit or (iv) the date upon which the lease is terminated by tenant or Sponsor as provided below. Except as provided below, the tenant shall be required to vacate the Unit on or before the date that the term of the lease expires.

If a tenant under an Interim Lease has entered into a Purchase Agreement under the Plan and if the Plan is abandoned by the Sponsor as provided in the Plan, then the Sponsor may terminate the lease as of the last day of any month during the term of the lease, on not less than thirty (30) days prior written notice, personally delivered or mailed by certified mail, return receipt requested, to the tenant, who shall deliver to Sponsor possession of the Unit vacant and broom clean in accordance with the provisions of the Interim Lease on or before the date of termination of the lease.

If a tenant under an Interim Lease has entered into a Purchase Agreement under the Plan and the tenant exercises any right to rescind the Purchase Agreement as provided in the Plan, then, as a condition of such rescission, the tenant's lease shall be terminated and the tenant shall deliver possession of the Unit to Sponsor vacant and in broom clean condition in accordance with the provisions of the Interim Lease.

It shall be a default under the Interim Lease if the tenant fails to comply with the all of his obligations under his Purchase Agreement and it shall be a default under his Purchase Agreement if the tenant fails to comply with all of his obligations under his lease. In the event of a default under the lease, the Sponsor shall have the right to cancel the Purchase Agreement upon thirty (30) days written notice to tenant (unless the tenant has cured such default within thirty (30) days after the date of mailing of such notice); however unless the lessee has vacated the Unit, before Sponsor may utilize the 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 lessee. If the Sponsor cancels the Purchase Agreement, then the Sponsor may retain any monies paid thereunder (not exceeding the sum of 10% of the purchase price thereunder plus all costs for any special work ordered by the Purchaser) together with interest earned thereon, if any, without prejudice to any other rights or remedies at law or in equity or under the Interim Lease, which the Sponsor or any other party may have by reason of the default under the Interim Lease. An interim tenant should note that among other things the term of the lease expires upon termination of the lease by Sponsor because of the tenant's default.

No rental protection laws are applicable (and none are intended to be applicable) to Interim Leases.

It should also be noted that a tenant of a Unit in the Building will be able to claim the income tax deductions described in the Plan, subject to the qualifications stated in the Plan, only if he is a Purchaser under the Plan and only for the period beginning on the actual date of closing pursuant to the Purchaser's Purchase Agreement, which closing may occur only on or after the Closing Date.

PROCEDURE TO PURCHASE

Execution of Purchase Agreement, Deposit and Trust Provisions

A person who wishes to purchase a Unit must complete and sign three copies of a Purchase Agreement and deliver the same to the Sponsor together with a bank check or certified check equal to the sum of (i) ten (10%) percent of the purchase price, plus (ii) the cost of any special work ordered by the Purchaser. Such check shall be drawn to the order of Herrick, Feinstein LLP, Attorney Escrow Account.

The terms of sale and other provisions of an actual Purchase Agreement entered into between the Sponsor and any Purchaser may vary from the provisions contained in the form of Purchaser Agreement contained in Part II of this Plan. However, such variations shall have no effect on the provisions of any other Purchase Agreement theretofore or thereafter entered into between the Sponsor and any other Purchaser nor shall such variations materially and adversely affect the Sponsor's obligations as set forth in the Plan.

All down payments paid by Purchasers on account of the purchase price of Units under the Plan, together with all interest accrued thereon (collectively the "Deposits"), will be placed in an account in conformity with the disclosure set forth below. Sponsor will comply with the escrow and trust fund requirements of Section 71-a of the Lien Law and General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated pursuant thereto.

Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the handling or disposition of Deposits paid by such purchasers. However, nothing in the preceding sentence shall limit the obligation of any purchaser to pay the fees and expenses of the Sponsor's attorneys (to the extent such fees and expenses are expressly disclosed in the Plan) in connection with the purchase or closing of the Unit purchased by such purchaser under the Plan.

A Deposit will be deemed to have been unconditionally tendered when it is delivered to the Selling Agent, together with a Purchase Agreement in the form agreed to by the Sponsor and signed by the Purchaser, without any request for a change in such form or the terms of the Purchase Agreement. Each Deposit will be placed, within five business days after the date on which such Deposit has been unconditionally tendered, in a special escrow account of Herrick, Feinstein LLP (hereinafter the "escrow agent"), whose address is 2 Park Avenue, New York, New York 10016. The signatories on this escrow account each of whom are members of Herrick, Feinstein LLP, are Edward M. Abramson, Harvey S. Feuerstein, Paul R. Herman, Michael Heitner, Leonard Grunstein, Carl F. Schwartz and Mark A. Goldsmith, c/o Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016. The name of the escrow account is "Herrick, Feinstein LLP, Attorney Escrow Account (the "escrow account"), and such escrow account is located in

The Bank of New York with offices at One Wall Street, New York, New York 10286 (the "Bank"). The Bank is covered by federal bank deposit insurance generally to a maximum of $100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amounts deposited directly by such person and Deposits held in escrow for such person by the escrow agent).

If an individual makes a Deposit for the down payment in excess of $100,000 for the purchase of a unit, or if the amount of such individual's other deposits at the Bank and such Deposit for the down payment exceed $100,000, the aggregate of such Deposit for the down payment and all other such deposits (i.e., personal deposits) will generally not be federally insured in excess of $100,000.

The escrow account will be an interest bearing account. Purchasers will receive all interest paid by the Depository on their deposits. As of December 21, 1999 the interest rate paid by the Depository on deposits in similar accounts is 2.35%.

All checks for down payments on account of the purchase price of a Unit under the Plan shall be made payable to or endorsed to the order of Herrick, Feinstein LLP, Attorney Escrow Account. Within ten business days after unconditional tender and delivery by a purchaser to the Selling Agent of a check for the down payment submitted with such Purchaser's Agreement on account of the purchase price thereunder, the escrow agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number. Subject to the provisions of the next sentence, if such purchaser does not receive notice of such deposit within fifteen business days after unconditional tender and delivery to the Selling Agent of such down payment, then such Purchaser may cancel such purchase and rescind such Purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such Purchaser's unconditional tender and delivery of such down payment to the Selling Agent. However, a purchaser shall not be entitled either to rescind such purchaser's Purchase Agreement or to receive a refund of such purchaser's Deposit where proof satisfactory to the Attorney General is submitted establishing that such down payment was timely deposited and notice as provided above was timely mailed to such purchaser in conformity with the Attorney General's regulations.

The escrow agent will hold a purchaser's Deposit in escrow until:

(i) otherwise directed in one or more writings signed by each of the Sponsor and such purchaser; or

(ii) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or

(iii) a judgment or order of a court of competent jurisdiction permits or requires the release of such Deposit; or

(iv) such Deposit is paid by the escrow agent into a court of competent jurisdiction; or

(v) such Deposit is paid to the Sponsor as provided below; or

(vi) such Deposit is paid to such purchaser as provided below.

If there is no written agreement between the Sponsor and a purchaser to release the Deposit paid by such purchaser, the escrow agent will not pay such Deposit to the Sponsor until after ten business days following the date that the escrow agent has given such purchaser written notice that the escrow agent intends to pay such Deposit to the Sponsor. Thereafter, such Deposit may be paid to the Sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and the escrow agent has received, within such ten business day period, notice from such purchaser that such application has been made.

The Sponsor will not object to the release of the Deposit paid by any purchaser to such purchaser, provided such purchaser has not defaulted and has timely and validly rescinded such purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

A Purchaser or the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Deposit paid by any purchaser. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved between the Sponsor and a purchaser of a Unit under the Plan relating to such purchaser's Deposit and, in the case of any purchaser, such purchaser has given notice of objection to the escrow agent within the ten business day period described above. A form for this purpose is contained in Part II of this Plan. The party applying for a determination must send all other parties a copy of the application.

Part II of this Plan contains a copy of the escrow agreement which is subject to the terms of the Attorney General's regulations. In the event of any conflict between such escrow agreement and either any other provision of this amendment, the Plan, or any Purchase Agreement, such escrow agreement shall control. The escrow agent will maintain all records concerning the escrow account for seven years after the closing of such account. Notices given by the escrow agent, the Sponsor, or its agents pursuant hereto shall be deemed given (i) upon delivery if personally delivered or (ii) upon the fifth day after the date of mailing.

Sponsor reserves the right to apply to the Attorney General to use alternate security in the form of a surety bond or letter of credit in lieu of escrowing Deposits. The Plan will be amended to disclose the terms of such alternate security. Upon the filing of such Amendment and Sponsor's compliance with the terms thereof and all other terms and conditions that may be imposed by the Attorney General, the escrow agent shall have the right to release the Deposit and pay same to Sponsor. Each purchaser shall be deemed to have consented to the use of such alternate security and the release of his Deposit as set forth herein and in such Amendment.

Balance of Purchase Price and Closing Documents

After this Plan has been declared effective, the Sponsor shall fix dates for closing title to all Units (each a "Closing Notice")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, which notice shall be served not less than thirty(30) days before the date set for the closing of the Units, except if the particular purchaser shall waive the requirement of 30 days' notice. The balance of the Purchase Price shall be payable on the Closing Date by certified check drawn on and certified by, or by a bank check drawn on and by, a bank which is acceptable to the Sponsor and which is a member of the New York Clearing House Association to the order of Sponsor or such other payee as Sponsor may direct.

Sponsor anticipates that the first closing of a Unit shall occur on or before June 1, 2002. If the date of the first closing of a Unit shall be delayed by more than 12 months after June 1, 2002, each purchaser will be offered a right to rescind his Purchase Agreement and receive the return of his Deposit, provided that he is not in default under his Purchase Agreement.

On the Closing Date, Purchaser shall be required to sign and deliver a Power of Attorney in the Plan covering the Unit and pay certain closing fees, costs and adjustments. The Purchaser shall also execute at the closing the New York State and New York City real property transfer tax returns covering the sale of the Unit, any real estate reporting return and statement required by the Internal Revenue Code (the "Code") or the regulations thereunder, all other documents required by law, and all other documents reasonably required by the Sponsor or required under such Purchaser's Purchase Agreement.

The Purchaser shall also cause his attorney to execute a designation agreement provided by the Sponsor designating such attorney as the "real estate broker" who is required to file a 1099 return with respect to the purchase, and the Purchaser shall indemnify the Sponsor and its attorneys against any costs resulting from the failure of such attorney to fulfill his duties as such "real estate broker."

Default by Purchaser

If a Purchaser defaults in (i) making any payments due under the Purchase Agreement, (ii) executing and delivering documents required to be executed and delivered under the Purchase Agreement, or (iii) any of his other obligations under the Purchase Agreement, then the Sponsor may at its option give written notice of default under the Purchase Agreement to the Purchaser. If the default is not cured within thirty (30) days after written notice thereof, then the Purchase Agreement shall be deemed canceled and Sponsor shall be entitled to retain the payment due upon execution of the Purchase Agreement and any payments made thereunder (but not exceeding the sum of 10% of the Purchase Price thereunder plus all costs for any special work ordered by the Purchaser), as and for liquidated damages. Cancellation of a Purchase Agreement will permit the Sponsor to sell the Unit to others as though the Purchase Agreement had never been made and the Purchaser shall not have any further rights against or obligations to the Sponsor, the Condominium or others purchasing such Unit.

Risk of Loss

The risk of loss or damage to the Property by fire or other casualty until the date of closing of title of the first Unit is assumed by Sponsor but without any obligation or liability upon Sponsor to repair or replace the same. Sponsor may, however, at Sponsor's option, elect to abandon the Plan (see "**Effective Date**") or to repair or replace such loss or damage. If Sponsor elects to replace such loss or damage, then at Sponsor's option it shall be entitled to reasonable adjournments of the closing.

Cooling Off Period and Sponsor's
Acceptance or Rejection of Purchase Agreement

There will be a $150 deposit required for each copy of the Plan and Amendments. The $150 deposit will be refunded if (i) the Plan and any Amendments are returned to the Selling Agent in good reusable condition within 21 days or (ii) the Purchaser signs and delivers to the Selling Agent a Purchase Agreement that is accepted by Sponsor. If a Purchaser has not been afforded at least three (3) days to review the Plan and all filed amendments thereto prior to executing and delivering his Purchase Agreement, then such Purchaser may rescind his Purchase Agreement by giving notice of rescission to the Sponsor within seven (7) days after the date of such Purchase Agreement.

Within twenty (20) days after the Purchaser delivers to Sponsor three copies of his Purchase Agreement executed by him together with the required deposit, the Sponsor shall either (i) accept such Purchaser Agreement and return one fully executed counterpart to the Purchaser thereunder (or the Purchaser's attorney) or (ii) reject such Purchase Agreement by notice thereof personally delivered or mailed by registered or certified mail return receipt requested to the Purchaser together with a refund of any

deposit made by the Purchaser under his Purchase Agreement. If the Sponsor takes no action within such twenty (20) day period, then the Purchase Agreement shall be deemed canceled. Until a Purchase Agreement is executed by Sponsor and returned to the prospective Purchaser, the Sponsor will not be bound by any such Purchase Agreement submitted to it. The Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, national origin, sex or any other ground prohibited by law.

Miscellaneous

Sponsor reserves the right from time to time to limit the number of Residential Units and Parking Space Units that may be sold to each purchaser and Parking Privilege Agreements that may be executed with each Purchaser. Sponsor further reserves the right to limit the number of Units to two (2) that may be sold to any Purchaser within the Development Area. In addition, Sponsor reserves the right to withhold Units from sale and/or to sell such Units at a later date without amendment to the Plan. Sponsor shall have the right but not the obligation to require that initial purchasers of Parking Space Units must be purchasers of a Residential Unit or must reside in a dwelling unit within the Development Area. In addition, Sponsor reserves the right to require that each purchaser of a Parking Space Unit produce a valid registration in such Purchaser's name (or the name of such Purchaser's spouse or adult child) evidencing his (or such spouse's or adult child's) ownership of the vehicle to be parked in such Parking Space Unit. Except as set forth below, the vehicle to be parked in such Parking Space Unit must be registered only to such Parking Space Unit Owner (or such person's spouse or adult child) and may not be registered to anyone else. A Parking Space Unit Owner may change the vehicle to be parked in his Parking Space Unit provided either (i) such vehicle is registered to such Parking Space Unit Owner (or the spouse or adult child of such person) or (ii) (provided the provisions of the Condominium By-Laws have been satisfied regarding the rights of first refusal) such vehicle is registered to another resident of the Development Area, and the Condominium Board is advised in writing at least five (5) business days in advance of such change and is furnished with a copy of the registration for such other vehicle. The foregoing restrictions shall be inapplicable to Parking Space Units owned by Sponsor or other Holder of Unsold Parking Space Units. Sponsor also reserves the right to require each purchaser to produce photo identification (i) prior to receiving a copy of the Plan, (ii) upon execution of a Purchase Agreement, (iii) upon conducting a pre-closing inspection of his Unit, and (iv) at the Unit Closing.

Units Sold in "As Is" Condition

A Unit shall be in its "as is" condition on the date of closing the title thereto without any obligation by Sponsor to make any repairs or improvements except as set forth in "Description of Property and Specifications" and "Inspection" below.

Conflicts Between Plan and Purchase Agreement

A complete copy of the Purchase Agreement is included in Part II of this Plan. If any provision of the Purchase Agreement is in conflict or inconsistent with any provision of the Plan, then such conflict or inconsistency shall be resolved in favor of the Plan. The Plan and the Purchase Agreement may not contain, or be modified to contain, a provision waiving a Purchaser's rights or abrogating Sponsor's obligations under the Plan or Article 23-A of the General Business Law.

No Financing Contingency.

The obligation of a Purchaser who executes and delivers a Purchase Agreement to consummate his purchase of a Unit is not conditioned upon Purchaser obtaining financing. Whether or not Purchaser is successful in obtaining financing for his purchase shall not affect Purchaser's obligation to consummate the purchase of the Unit in accordance with the provisions of his Purchase Agreement. Accordingly, Purchasers are advised to inquire about the availability of financing prior to executing a Purchase Agreement for a Unit.

Purchasers who obtain financing commitments should understand that such commitment may expire or lapse or that its terms may change prior to the Closing Date unless such commitment is extended. If a Purchaser's financing commitment lapses or expires or is changed prior to the Closing Date, it will not affect the Purchaser's obligation to consummate the purchase of the Unit in accordance with the provisions of his Purchase Agreement.

Sponsor and the Condominium will not be required to sign any financing documents which do not conform to the provisions of the Plan. Therefore, a Purchaser seeking financing should confirm with his lender that the loan documents will conform to the provisions of the Plan.

Availability of Financing for Purchase.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 35% or 50% or greater percentage) of the Residential Units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units sold is lower than a lender's particular minimum. Even after a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

Inspection

Purchasers will be required to inspect their Units before the Closing Date and execute an Inspection Statement. See the form of Inspection Statement annexed to the Purchase Agreement. Notwithstanding the fact that there may be construction items noted on the Inspection Statement which Sponsor has the obligation to correct under the Plan, Purchasers shall nonetheless be obligated to close on the Closing Date and pay the full purchase price without provision for any escrow. Each Purchaser will sign and deliver a separate statement signifying its satisfaction with each item excepted in the Inspection Statement, if any, immediately upon completion of the repair and adjustment or correction of the same. The Purchaser also acknowledges and agrees that the Seller shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein from and after the date of delivery of possession of the Unit to the Purchaser, except for those items, if any, expressly excepted in the Inspection Statement to the extent Seller is required to repair, adjust or correct the same under the Plan, and Seller's obligation regarding any such excepted items shall cease upon either the completion of the repair, adjustment or correction of the same or the assignment to the Purchaser of any applicable warranty covering the same. Nothing contained herein shall be construed to expand Seller's obligations to correct defects in design or construction beyond the those expressly required under the Plan under **"Obligations of Sponsor"**. A Purchaser who fails to inspect his Unit within seven (7) days of written notice from Sponsor or the Selling Agent will be deemed to have accepted the condition of the Unit and shall be obligated to close title to such Unit without any obligation on the part of Sponsor to correct any defects in such Unit.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Right of Assignment by Purchaser

The Purchaser may not assign his Purchase Agreement without first obtaining the written consent of the Sponsor.

EFFECTIVE DATE

The Sponsor's offer to sell Units pursuant to the Plan is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods described in the Plan. The following provisions shall determine whether, when and how the Plan will be declared effective:

(1) The Sponsor may at its option declare the Plan effective if Purchase Agreements with bona fide purchasers, including investors, have been accepted by the Sponsor for not less than 15% of the Residential Units. The Plan will not be declared effective based on purchase agreements:

(i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or

(ii) if the Purchaser rescinded his Purchase Agreement not more than seven (7) days after delivering an executed Purchase Agreement, by either personal delivery of a written notice of rescission to Sponsor or Selling Agent within such seven (7) day period or mailing the notice of rescission to Sponsor or Selling Agent and having the mailing post-marked within such seven (7) day period, unless such Purchaser had been afforded not fewer than three (3) business days to review the Plan and all filed amendments prior to executing his Purchase Agreement; or

(iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of 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, the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder, a member, 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

submits proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

(2) The Sponsor must declare the Plan effective when the Sponsor has accepted Purchase Agreements for the sale of at least 80% of the Residential Units, provided that none of the Purchasers counted towards this 80% requirement are in default under their Purchase Agreements and provided further that construction of the Building contemplated under the Plan has been completed as provided in the Plan.

(3) If the Plan has not been declared effective, it may be abandoned by Sponsor at any time before the condition set forth in paragraph 2 above has been met.

(4) The Plan will be declared effective either by a duly filed amendment to the Plan or by a written notice mailed or personally delivered to Purchasers, in which event an appropriate amendment to the Plan will be submitted to the Department of Law for filing within five (5) business days after service of the notice. The closing of title to the first Unit pursuant to the Plan shall not be consummated until the Plan is declared effective and such amendment is accepted for filing.

(5) Once the Plan has been declared effective the Plan may not be abandoned by Sponsor except for (i) defect(s) in title which either cannot be cured without litigation or cannot be cured for less than one half of one percent of the total amount of the offering, that is $131,200 ("Maximum Amount") in the aggregate; (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than the Maximum Amount in the aggregate; or (iii) the taking of the Property or any material portion thereof by condemnation or eminent domain.

If the Plan is abandoned, then all moneys paid by Purchasers under Purchase Agreements, which were not previously canceled in accordance with provisions of the Plan shall be refunded to them, no later than 15 days after the amendment to the Plan abandoning the Plan has been accepted for filing. If Sponsor abandons the Plan, Sponsor shall not retain any Purchaser's down payment (or any interest thereon). The Sponsor shall promptly (i) file a notice of abandonment on Form RS-3, or such other form as the Department of Law may require, disclosing the reasons for such abandonment and account for the disposition of all moneys received by the Sponsor under the Plan, and (ii) submit to the Department of Law for filing an amendment to the Plan disclosing that the Plan has been abandoned, the amount of the payments made under Purchase Agreements and the time and manner in which these funds will be returned to Purchasers.

After the Plan has been declared effective, the sale of Units to Purchasers will close at a place and on a date ("Closing Date") to be fixed by the Sponsor, which date shall, in the case of any Purchase Agreement dated before the date the Plan has been declared effective, be not less than thirty (30), nor more than one hundred eighty (180) days, after the date on which the Plan shall have been declared effective, unless the closing is adjourned, provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan. Notwithstanding the foregoing, the Closing Date may be postponed from time to time, as may be reasonably required by Sponsor to comply with the "Prerequisites to Closing of Title" set forth under the section of the Plan entitled "**Terms of Sale; Closing of Title to Units**."

TERMS OF SALE; CLOSING OF TITLE TO UNITS

Prerequisites to Closing of Title

The closing for any Unit means the transfer of title to such Unit, by means of the delivery of a deed to such Unit by the Sponsor to the Purchaser of such Unit, and the simultaneous performance by such Purchaser of his obligations to the Sponsor including, without limitation, payment of the balance of the Purchase Price for such Unit which is due on the Closing Date for such Unit. The closing of title to each Unit shall take place only after or concurrently with the following events:

(a) The Plan being declared effective by Sponsor.

(b) The issuance of a partial, temporary or permanent certificate of occupancy for such Unit or the Building in which such Unit is located.

(c) The certification by the Sponsor's architect or engineer that any work to be performed by the Sponsor in advance of the Closing Date has been completed substantially in accordance with the Plans and Specifications, except (a) work in the Building which is customarily left incomplete until after occupancy, (b) work in any Unit to be done by or for the account of Purchasers, and (c) punchlist items.

(d) The recording or filing with the Office of the City Register, in Kings County, as required by law, of the Condominium Declaration, Condominium By-Laws (including the Rules and Regulations), Floor Plans and engineer's and tax authority certification required by Section 339-p of the Condominium Act and the recording of the HOA Declaration and By-Laws.

(e) The release of the Unit and its appurtenant interest in the Common Elements from the lien of any mortgages and other liens, except any mortgage or lien requested or made by the Purchaser on or before the time of closing for such Unit.

(f) Written notice of the Closing Date (which notice shall advise the Purchaser of the opportunity to inspect the Unit and the Common Elements) is given to the Purchaser as provided in this Plan.

(g) The execution and delivery to the Purchaser, the Purchaser's attorneys or the Purchaser's title company of a Unit Deed covering the Unit in the form set forth in Part II of the Plan.

(h) The execution and delivery by the Purchaser of the Power of Attorney, in the form set forth in Part II of the Plan.

(i) The payment by the Purchaser of the purchase price and any closing fees and costs provided under the Plan.

(j) The assignment to the Unit Owner by the Sponsor of assignable manufacturer's warranties, if any, with respect to equipment and appliances installed in and serving only the Unit; and the assignment to the Condominium of any assignable manufacturer's warranties with respect to equipment and appliances installed in and serving only the Common Elements. The Sponsor shall not be obligated to assign any warranties which are not assignable or that have not been delivered to the Sponsor, or that relate to any Common Elements that have not been completed by the Sponsor.

State of Title

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the closing for such Unit free and clear of all liens, encumbrances, and title exceptions other than those described in the proposed Unit Deed and the title exceptions and other matters set forth below (collectively the "Permitted Encumbrances"):

(a) Any state of facts shown on (i) the survey made by Wohl & O'Mara, L.L.P. dated August 4, 1997; and any additional state of facts a subsequent accurate survey and inspection made on the Closing Date for such Unit would show, provided that such additional state of facts is not otherwise disclosed in this Plan and does prohibit the use of the Unit for residential or commercial use, as the case may be.

(b) All terms, easements, covenants and conditions of the Development Declaration and any amendments thereto.

(c) All terms, easements, covenants and conditions of the Declaration of Covenants and Restrictions of the Oceana Homeowners Association Inc. and the By-Laws and Rules and Regulations of the Oceana Homeowners Association, Inc. and any amendments thereto.

(d) The following easements, agreements, declarations and restrictions of record:

1.	Liber 4591 cp. 332	Declaration by B.B. Battery Park, Inc. (Creates certain private roads and easements.)
2.	Liber 5676 cp. 367	Agreement with the City of New York.
3.	Liber 8781 cp. 554	Easement with the City of New York (For installation of electric lighting Brighton - 13th Street.)
4.	Liber 8963 cp. 367	Easement with the City of New York

(For installation of electric street illumination - Brighton 13th St.)

5. Reel 4371 page 652 Declaration by Alexander Muss & Sons (Restrictions and Requirements for Development with Public Pedestrian Easement - Cancels prior Declaration Reel 2923 page 1874).

6. Reel 4416 page 2477 - First Amendment to Declaration Reel 4371 page 652.

7. Reel 4402 page 2406 Second Amendment to Declaration Reel 4371 page 652.

8. Reel 4512 page 190 Declaration of Covenants, Easements and Restrictions.

9. Reel 4526 page 678 Con Ed Utility Easement.

10. Mortgages in favor of the Construction Lender to be released with respect to a Unit and its appurtenant interest in the Common Elements at the Unit closing.

(e) Zoning regulations, ordinances, building restrictions and regulations;

(f) Consents by the Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;

(g) Encroachments of the Buildings, either of them, walls, stoops, steps, balconies, ornamental columns, windows, door caps, keystones, ledges, pilasters, watertables, coping, trim and cornices, and any other part thereof, if any, upon any street or highway or upon any adjoining property and similar encroachments upon the Property;

(h) Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the Property and the Buildings or either of them;

(i) The lien of any mortgage, lien or other encumbrance granted, created, or obtained by the Purchaser;

(j) Easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

(k) Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and residential use of the Residential Unit or the existence and parking use of the Parking Space Unit as the case may be;

(l) Rights, if any, to maintain vaults and chutes under the sidewalk;

(m) The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items is made as provided in this Plan;

(n) Service, labor, concessionaire and maintenance agreements contemplated under this Plan;

(o) Any Interim Lease with the Purchaser for such Unit and any other leases, tenancies and occupancies permitted by the Purchase Agreement for such Unit;

(p) Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to the Purchaser's title insurance company together with the required recording or filing fee or (ii) as to which the Purchaser's title insurance company or the Preferred Title Company (as hereinafter defined) will insure that the lien, encumbrance or lis pendens will not be collected out of or enforced against the Unit;

(q) The lien of any assessment or assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;

(r) Party wall agreements, if any;

(s) Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of the Sponsor or any of its principals, provided the Sponsor delivers to the Purchaser or the Purchaser's title insurance company or the Preferred Title Company an affidavit showing that such judgments, bankruptcies or other returns are not against the Sponsor;

(t) Uniform Commercial Code financing statements or conditional bills of sale provided that (i) such statements were filed on a date more than five years prior to the Closing Date, (ii) Sponsor executes and delivers to the Condominium an affidavit setting

forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a tenant or Unit Owner is the debtor thereunder;

(u) The printed exceptions set forth in Ticor Title Guarantee Company or in any title policy issued by a title company that is authorized to do business in the State of New York and that is a Member of the New York Board of Title Underwriters, including without limitation the following:

(v) Defects and encumbrances arising or becoming a lien after the Closing Date;

(w) Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property;

(x) Any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to the use, occupancy, subdivision or improvement of the Unit or the Property, adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof;

(y) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of the Purchaser;

(z) Title to any property beyond the lines of the Unit or the Property, or title to areas within or rights to easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, other than the ordinary rights of access and egress belonging to abutting owners;

(aa) Title to any personal property, whether the same be attached to or used in connection with the Unit or the Property or otherwise;

(bb) All of the terms, easements, covenants and conditions of the Condominium Declaration and Condominium By-Laws (including the Rules and Regulations) as they are subsequently filed or recorded and the Plan and Purchase Agreement and any amendments thereto.

(cc) The rights of the City of New York in Sea Coast Terrace (formerly Brighton 13th Street), Brightwater Avenue, Brighton 111th Street, and Brighton 12th Street all shown on the City Plan.

(dd) Easements for the continuance of encroachments on the Unit and on the Common Elements and any Limited Common Elements by other Units or portions of the Common Elements and any Limited Common Elements then existing, by reason of the

construction of the Buildings, or thereafter occurring by reason of the settling or shifting or renovation or rehabilitation of the Buildings or either of them, or by reason of the repairs, alterations, and/or restoration by Sponsor, or the Condominium Board to other Units or such Common Elements and any Limited Common Elements 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 and any Limited Common Elements made by the Condominium Board, and similar encroachments by the Unit on other Units and the Common Elements and any Limited Common Elements, so that any such encroachments may remain as long as the Buildings stand;

(ee) Easements in favor of the owners of other Units to use sidewalks, pipes, flues, wires, conduits, ducts, cables, storm drainage facilities, sanitary system, water, sewer, utility lines, and other Common Elements and any Limited Common Elements, including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of support, subjacency and necessity in favor of the other Units and/or the Common Elements and any Limited Common Elements;

(ff) Easements to the Sponsor, Declarant and any affiliate of the Sponsor and Declarant and their successors, assigns, invitees, licensees contractors, employees and tenants, on, in, over and across all areas of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use sidewalks, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, sanitary system, water, sewer and other utility lines and other Common Elements and any Limited Common Elements; (ii) ingress to and egress from all areas of the Property (including any driveways) and the use thereof (in common with Unit Owners) for the construction, development, and maintenance contemplated by the Development Declaration and the Plan of all portions of the Property, the Development Area and the "Off-Site Improvements"; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit or the sale or leasing of any space within the Development Area (see also the heading **"Sponsor's Right of Access"** in **"Rights and Obligations of Sponsor"**);

(gg) Easements in favor of the Condominium Board and the HOA Board, their agents, contractors and employees to have a right of access to the Unit and to the Common Elements and any Limited Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements and any Limited Common Elements or any other Units; and

(hh) Garage Facilities constructed in easement zones and all easements necessary to the operation thereof and agreements and restrictions and easements in favor of (x) Garage Facility Owners and Sponsor and (y) the owner of the parcel on the north portion of the Property over a Lot tentatively denominated as Block 8720, Lot 80, as are more fully described under, "Garage Facilities and Parking Space Units" and "The

Oceana Homeowners Association." Such easements, to the extent they affect the Property, will be recorded prior to the Closing Date.

(ii) Easements in favor of the Sponsor, Declarant and the Selling Agreement and any affiliate or employee and their successors, assigns and invitees, on, over and across all portions of the Property and the Development Area (including all of the Common Elements, such as, without limitation the lobby and elevator of the Building and all streets and sidewalks) in connection with the use of portions of the Building as model apartments and as a sale/rental office for any space within the Development Area.

Garage Facility Owners, Sponsor and its designees, as the case may be, (without the necessity of obtaining the consent of the Board of Managers or the Unit Owners) and the Board of Managers (without the necessity of obtaining the consent of the Unit Owners) shall each have the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, cable television, telephone, water, sewer or other utility lines, flues, ducts and appurtenances in, under and through the Development Area and the Property including, without limitation, within any of the Units, and to relocate any existing utility, sewer and drainage easements in any portion of the Property or the Development Area including, without limitation, within any of the Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of a Unit after construction thereof without the consent of the Owner of such Unit.

If requested by the Purchaser, Costa Tesnakis as agent for Ticor Title Guarantee Company (the "Preferred Title Company"), will agree to insure, upon payment by Purchaser of the premium for such insurance (see the estimate of the cost described below in "Closing Costs and Adjustments"), (i) that the Purchaser has fee title to the Unit, free and clear of all liens and encumbrances except those set forth in the Plan, and subject to the provisions of the Declaration and By-Laws and any mortgage executed, or any other encumbrance created, by the Purchaser; (ii) that the Unit is part of the Condominium which was validly created pursuant to Article 9-B of the Real Property Law. While the Purchaser will be free to select a title company of his choice, the Sponsor's obligation to deliver title to the Unit as provided above will be deemed satisfied if the Preferred Title Company is prepared to insure such title subject to those title exceptions permitted under this Plan. Since the Sponsor has no obligation to satisfy the requests of any title company other than the Preferred Title Company, Purchasers who use a title company other than the Preferred Title Company may not be able to obtain a title insurance policy that will satisfy the requirements of lenders and other persons. In addition, Purchaser is required to pay an additional fee of $350 to Sponsor's attorneys if Purchaser obtains title insurance from a title insurer other than the Preferred Title Company, for the additional work involved.

Deed

The Unit Deed to be delivered by the Sponsor for any particular Unit shall be a bargain and sale deed with covenant against grantor's acts in the form set forth in Part II of the Plan.

Personal Property

All personal property which is located within any particular Unit on the date the Purchase Agreement is signed for such Unit, which is used in connection with it, and which is owned by the Sponsor, is included in the conveyance of such Unit unless specifically excepted in such Purchase Agreement. All personal property affixed to or located within the Common Elements that is owned by the Sponsor and is used in connection with the Common Elements on the date of the recording of the Declaration shall be deemed to be part of the Common Elements unless such personal property is used in connection with any Unit which is owned by the Sponsor or unless otherwise provided in this Plan.

Each Purchaser shall accept title to his Unit (without abatement in, or credit against, the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Buildings including the so-called "punch list items" or (b) any Building other than the one in which the Unit is situated or (c) other Units or (d) portions of the Common Elements or Limited Common Elements have not been completed. The Sponsor, however, will remain obligated to complete construction in accordance with the Plans and Specifications as provided in the Plan.

A Purchaser will be required to examine his Unit with the Sponsor's representative during normal business hours prior to the title closing for his Unit and will be obligated to sign and deliver to the Sponsor at or before the closing an Inspection Statement in the form set forth in Part II acknowledging the condition in which he has received his Unit.

If there are encumbrances (other than Permitted Encumbrances) affecting the Property at the time of the Closing Date under the Plan, the Sponsor, except as set forth below or as otherwise provided in this Plan, shall cause such encumbrances to be cured on or before the Closing Date or within a reasonable time thereafter.

CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs and Adjustments

Summarized below are the estimated closing costs and expenses to be borne by each Purchaser of a Unit:

(1) Cost of Title Insurance. If the Purchaser orders title insurance he will have to pay the premium for such title insurance. The premium will vary depending on the purchase price of the Unit. If ordered from the Preferred Title Company, the premium for: (a) fee title insurance, is presently estimated to be $371.00 for the first $35,000 or less of fee insurance, plus $4.32 for each $1,000 (or fraction thereof) of additional fee insurance from $35,001 to $50,000, plus $3.52 for each $1,000 (or fraction thereof) of additional fee insurance from $50,001 to $100,000, plus $2.82 for each $1,000 (or fraction thereof) of additional fee insurance from $100,001 to $500,000, plus $2.58 for each $1,000 (or fraction thereof) of additional fee insurance from $500,001 to $1,000,000, and (b) if a mortgage title insurance policy is simultaneously issued with the fee title insurance policy, the mortgage title policy is presently estimated to be (i) on the amount of the mortgage title insurance that does not exceed the amount of the fee title policy, $318.00 for the first $35,000 or less of mortgage title insurance, plus $0.88 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $35,001 to $50,000, plus $1.185 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $50,001 to $100,000, plus $0.71 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $100,001 to $500,000, plus $0.65 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $500,001 to $1,000,000, and (ii) on the amount of the mortgage title policy that is in excess of the fee title policy, $318.00 for the first $35,000 or less of mortgage title insurance, plus $5.13 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $35,001 to $50,000, plus $3.95 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $50,001 to $100,000, plus $3.36 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $100,001 to $500,000, plus $3.06 for each $1,000 (or fraction thereof) of additional mortgage title insurance from $500,001 to $1,000,000. Thus, assuming a $250,000 purchase price and a $187,000 mortgage, the premium for mortgage and fee title insurance in the respective amounts at present rates will be approximately $1,487.00. The above amounts are merely estimates of the amounts that would be charged by the Preferred Title Company, and are subject to change by it. These amounts do not reflect a discount for any prior title insurance issued to the Sponsor or its predecessor, but if there is any reduction in the title insurance premium for fee or mortgage insurance by virtue of the Purchaser's title insurer using a reissue rate or similar rate (as a result of title insurance premiums previously paid by the Sponsor or its predecessor with respect to the Property) then the amount of such savings may be retained by the Purchaser and need not be reimbursed to the Sponsor at the closing for the Purchaser's Unit.

(2) Recording Fees and Transfer Taxes. Each Purchaser will have to pay (a) the fee for recording the deed covering the Unit and the power of attorney in favor of the Board of approximately $62.00 for the deed and $32.00 for the power of attorney based on a rate of $17.00 plus $5.00 per page, plus $25.00 in addition for the deed since it will be accompanied by a New York City transfer tax return, (b) for Residential Units, the New York City real property transfer tax of 1.0% (or 1.425% if the purchase price is greater than $500,000) of the purchase price (plus any portion of such tax and the New York State real estate transfer tax paid by the Purchaser), (c) for the Parking Space Unit, the New York City real property transfer tax of 1.425% of the purchase price (plus any portion of such tax and the New York State real estate transfer tax paid by the Purchaser), and (d) the New York State real estate transfer tax of $2.00 per $500 (or fractional portion thereof) of the purchase price (plus any portion of such tax and the New York City real property transfer tax paid by the Purchaser). Pursuant to Section 11-2104 of the New York City Administrative Code and Section 1404(a) of the New York Tax Law, the New York City real property transfer tax and the New York State real estate transfer tax would be (in the absence of any provision, such as is provided in this Plan, for the Purchaser to pay such tax) the obligation of the seller in connection with the transfer by the seller of the Unit to a purchaser, although such purchaser is liable for such tax if the seller fails to pay it. While the New York City and New York State transfer taxes are customarily paid for by the seller in condominium unit transactions, the burden of paying those taxes may be modified by contract. As is common in many other condominium developments in New York State, the Purchase Agreement provides that the Purchaser of a Unit will be required to pay these transfer taxes at the closing. A Purchaser of a Residential Unit priced at $250,000.00 would pay approximately $3,549 for transfer taxes. In addition, if the Purchaser pays $1,000,000.00 or more for one or more Residential Units, the Purchaser will be obligated to pay the additional 1% transfer tax (known as the "Mansion" tax). The amount of the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax paid by the purchaser are included for the purpose of computing the applicability and amount of the Mansion Tax.

(3) Loan Closing Costs. If the Purchaser obtains a purchase money first mortgage loan from a lending institution, he will customarily pay at the closing of title the following additional costs: (i) mortgage recording tax in the amount of approximately 2.0% of the mortgage if it does not exceed $500,000, minus a $25.00 deduction if the mortgage states that it covers a one or two family dwelling (although the aggregate mortgage recording tax is generally 2.0%, Chapter 788 of the Laws of 1978 provides that a portion of said tax equal to .25% of the mortgage shall be paid by the lender in certain cases); (ii) the premium for the mortgage title insurance policy discussed above; (iii) mortgage recording fees based on the rates discussed above; (iv) the lending institution's attorneys' fees pertaining to the mortgage; (v) the lending institution's appraiser's fees; and (vi) origination or other fees. In addition, the Purchaser may be required by the lending institution to deposit monthly with the lending institution a reserve for the payment of real estate taxes and insurance premiums commencing with the date of closing of title to the Unit. The amount of the deposit will be a multiple of the estimated monthly real estate taxes and insurance premiums and will vary in accordance with the date of closing of title

to the particular Unit. The Sponsor makes no representation as to what additional closing costs may be charged by a particular lender.

(4) Late Fee. If Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the date originally scheduled for the Closing Date and (ii) Purchaser shall pay to Sponsor, as a late fee, an amount equal to 0.0328% times the unpaid portion of the purchase price for his Unit for each day's delay, beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.

(5) Mortgage Recording Tax Credit. To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Sponsor at the closing for such Unit the amount of any such credit.

(6) Working Capital Fund Contribution. A Working Capital Fund for the Condominium shall be established as follows: Upon the closing of the purchase of a Unit, the Purchaser will be required to pay to the Condominium an amount equal to one (1) months' common charges for such Unit ("Unit Working Capital Fund Contribution") as initial working capital, provided that, if Sponsor has already paid the Unit Working Capital Fund Contribution for such Unit (pursuant to the last sentence of this paragraph), such amount shall be paid instead to Sponsor to reimburse Sponsor for such contribution to the Working Capital Fund. This contribution is not refundable or transferable if the Purchaser sells his Unit. If any Unit shall be unsold at the time of the transfer of control or loss of control by Sponsor of the Board of Managers, Sponsor shall pay to the Condominium an amount equal to one months' common charges for each such then unsold Unit, and, upon the sale of each such Unit, the Purchaser of such Unit shall reimburse Sponsor for the contribution made by Sponsor to the Working Capital Fund with respect to such Unit.

(7) Reimbursement of 421-a Costs. Each purchaser of a Residential Unit will be required to reimburse Sponsor the sum of $350 to defray costs incurred by Sponsor (including attorneys' fees and disbursements) in obtaining 421-a real estate tax benefits.

(8) Closing Adjustments. At the closing for any Unit, adjustments will be made between Sponsor and each Purchaser with respect to (a) real estate taxes and any assessments, on the basis of the period for which assessed, (b) Common Charges for the month in which title closes, (c) accrued rent and any other charges pursuant to the lease to the Purchaser, if any, covering the Purchaser's Unit and (d) water charges and sewer rents if separately assessed. Each Purchaser shall pay to the Sponsor the amount of any net adjustments in favor of Sponsor. All adjustments shall be made between the Sponsor

and the Purchaser as of the midnight preceding the date for the closing of title fixed in the original notice of closing for such Unit by the Sponsor, whether or not title actually closes on that date, unless the closing is adjourned at the Sponsor's request. If a Unit has not then been separately assessed for the current tax fiscal year, the apportionment of taxes for such Unit shall be based upon the then existing assessment for the Land and the Building (times the then applicable tax rate) multiplied by the percentage of Common Interest in the Common Elements appurtenant to the Unit as shown in Schedule A, divided by the aggregate of the Common Interests of all Units at the Property subject to such real estate taxes. If the Land and Building has not been separately assessed, such apportionment will be based at Sponsor's option, upon the written opinion of either (i) an attorney who specializes in real estate tax matters or (ii) a licensed appraiser as to the taxable valuation of the Land and Building for the fiscal period for which the apportionment is to be made. If the real estate taxes have not yet been paid for the current fiscal year in which the Closing Date for a Unit occurs, then, at the Sponsor's option, the Purchaser of such Unit will pay his proportionate share of such real estate taxes (for such then current fiscal year) to the Sponsor on the date on which title closes, and the Sponsor will then be responsible for payment of such amount paid by the Purchaser to the Sponsor on account of real estate taxes for the then current tax fiscal year. Until separate tax bills are issued with respect to the Units, real estate taxes and any assessments shall be a Common Expense, except to the extent an apportionment is made as provided above, and the Board shall pay such taxes and any assessments to the appropriate local taxing authority.

(9) Each Purchaser will be responsible for the fees and expenses of his own attorney if he chooses to retain one.

(10) Each Purchaser shall be required to pay to the Sponsor or Sponsor's attorneys a fee for each Unit purchased which will cover the legal and other fees and expenses of processing the sale of the Unit at the same time as the balance of the purchase price for the Unit is due and payable under the Plan as follows:

(a) Basic fee for closing of sale, with or without financing (including, without limitation, preparation of the Unit Deed and Power of Attorney, and coordinating and attending the closing as set forth in the Plan) --$950.

(b) Additional attendance fee in the event that closing does not occur at the offices of Herrick, Feinstein –$350 (such fee may be increased if the closing occurs outside of New York City).

(c) Additional fee if closing adjourned for any reason other than at Sponsor's request -- $200 for each time closing is so adjourned.

(d) In the event Purchaser obtains title insurance from a title insurer other than the Preferred Title Company, an additional fee of $350 to Seller's attorneys for the additional work involved.

(11) Each Purchaser shall pay to the Condominium Board a $700 move-in deposit by bank check or certified check. Such deposit shall be refunded provided the Purchaser's move-in is accomplished in compliance with all applicable Rules and Regulations of the Condominium and no portion of the Property is damaged during the course of the Purchaser's move. If any portion of the Property is damaged during the Purchaser's move, the cost of repair will be deducted from the move-in deposit and the balance will be returned to the Purchaser. If the move-in deposit is insufficient to cover the cost of such repair, the Purchaser will remain liable for any deficiency. Moving must be scheduled with the Managing Agent for such times during weekdays as the Managing Agent shall designate.

From and after the closing of title to his Unit, the Purchaser will be obligated for the payment of Common Charges, real estate taxes and assessments, water charges and sewer rents (if separately assessed against the Unit) and all other expenses with respect to his Unit whether or not he has taken possession of his Unit.

The mortgage and fee title policy premiums, the recording taxes and charges and the transfer tax rates set forth above are those in effect as of the date of this Plan, and are subject to change. Each Purchaser shall be required to pay the title policy premiums, recording taxes and charges, deed stamps and any transfer taxes in effect as of the date of the closing of title to his Unit.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to the Units will be the items described above. If any other items are to be apportioned at closing, the Sponsor will advise the Purchaser in writing of those items at least three (3) days before the closing.

Expenses of Offering

The Sponsor will pay all of the expenses of creating the Condominium and of making this offering to Purchasers, including the closing costs of the Sponsor in connection with this Plan, except for such closing fees to be paid by Purchasers as may be described above and in the other provisions of this Plan. For the most part, these costs paid by the Sponsor include legal and other professional fees incurred in connection with the preparation of this Plan, filing fees incurred in connection with submissions to the Department of Law, recording fees for the Declaration, selling commissions of brokers engaged by the Sponsor, and advertising and reproduction costs of the Sponsor.

Closing Adjustments Between Sponsor and Condominium

The Sponsor will be responsible for all the required operating expenses of the Property accruing prior to the date of the closing of title to the first Unit pursuant to the Plan. The Condominium shall be required to pay all operating expenses of the Property accruing on or after the date of the closing of title to the first Unit pursuant to the Plan.

The following items shall be apportioned between the Sponsor and the Condominium as of midnight of the date preceding the date of the closing of title to the first Unit pursuant to the Plan: (a) water charges and sewer rents (unless separately assessed to Units) based on the fiscal year therefor or, if there be water meters on the Property, the Sponsor shall furnish readings to a date not more than thirty (30) days prior to the date of the closing of title to the first Unit pursuant to the Plan and the unfixed water charges and the unfixed sewer rents, if any, based thereon for the interim shall be apportioned on the basis of such last reading; (b) deposits, fees, charges or payments in connection with all permits, licenses, utilities, service and maintenance agreements which are assigned by the Sponsor to the Condominium; (c) the cost of fuel on hand, if any, as estimated by the Sponsor's supplier and any other supplies on hand; (d) insurance premiums for transferable policies, if any, which Sponsor transfers to the Condominium; (e) employees' wages (vacation and severance pay, pension and welfare benefits) and any other payments or obligations relative to employees, if any; (f) charges for electricity for the Common Elements; and (g) operating expenses and any other prepaid items (including, without limitation, charges for gas and electricity for the Building, if applicable). In addition, the Sponsor shall pay all installments for assessments due prior to the date of closing of title to the first Unit pursuant to the Plan and the Condominium shall pay all such installments due after such date.

If the net closing adjustments are in favor of the Sponsor, then the amount of such net closing adjustments shall be paid to the Sponsor in twelve (12) equal monthly installments commencing one month after the date of closing of the first Unit, in accordance with a promissory note of the Condominium to be delivered to Sponsor on the Closing Date pursuant to the Plan. The note shall mature on the first anniversary of the date of closing of the first Unit at which time all unpaid principal shall be due and payable. The note shall not provide for interest, except that from and after the maturity, whether by acceleration or otherwise, the note shall bear interest at the lesser of (i) 24.5% per annum or (ii) the highest rate permitted by law.

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Work

No bond or other security has been furnished to secure performance of the following obligations.

Sponsor has undertaken the following obligations in connection with the construction of the Buildings:

1. Sponsor will, at Sponsor's sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, which are necessary to complete the construction of the Building substantially in accordance with the description contained in "Description of Property and Specifications contained in Part II of the Plan.

2. Sponsor will cause any mechanic's liens arising out of the improvements to the Building to be discharged on or prior to the Closing Date, or in the alternative Sponsor may elect to make arrangements with the Preferred Title Company to affirmatively insure against collection thereof out of or enforcement against the Unit or any portion thereof by providing an indemnity, posting a bond or escrowing a sum deemed sufficient by the Preferred Title Company.

3. If, by the Closing Date under the Plan, only a temporary Certificate of Occupancy for the Building shall have been issued, then the Sponsor will use all reasonable diligence to cause the local building department to renew continuously the temporary Certificate of Occupancy until the permanent Certificate of Occupancy covering all Units offered under this Plan shall have been issued. Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the temporary Certificate of Occupancy and to obtain such permanent Certificate of Occupancy. Prospective purchasers are advised that a permanent Certificate of Occupancy is required for permanent use of the Building. A temporary Certificate of Occupancy may only be renewed, pursuant to current laws and practices, for a total of up to two years from the date of its original issuance. If the temporary Certificate of Occupancy shall have expired prior to issuance of a permanent Certificate of Occupancy, occupancy of the Units will be a violation of law, subjecting the occupants to legal penalties, including possible eviction of occupants. The Sponsor anticipates obtaining a permanent Certificate of Occupancy for the Building by no later than two years from the Closing Date and shall use reasonable efforts to obtain same.

4. In the event that a permanent Certificate of Occupancy for the Building has not been issued as of the date of the closing of the first Unit in the Building and the Sponsor has obtained at least a temporary Certificate of Occupancy for such Building, the Sponsor will continue to hold all monies previously deposited and being held in escrow pursuant to Section 352-e(2-b) of the General Business Law unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect as is necessary from time to time will be released to the Sponsor. Upon the issuance of the permanent Certificate of Occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may either (i) deposit with an escrow

agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by Sponsor's engineer or architect or (ii) certify that the unfunded portion of its construction loan is not less than the amount so certified, in which event Sponsor may utilize the unfunded portion of its construction loan to ensure such completion.

The Sponsor will deliver and assign to the Board of Managers upon the recording of the Declaration all manufacturers' and contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Common Elements, if any, to the extent made by such manufacturers and contractors and to the extent such warranties and bond are assignable. Sponsor will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Condominium Declaration and, in addition, will provide the Board with a full set of building plans filed with the Department of Buildings. At or prior to the closing of each Unit, Sponsor shall deliver and assign to the purchaser any manufacturer's warranties with respect to equipment and appliances installed in such Unit to the extent made by the manufacturer and to the extent such warranties are assignable.

5. Sponsor or its representatives will make periodic visits to the Property and to the HOA Property at reasonable intervals and, except as hereinafter provided, Sponsor will correct or cause to be corrected patent defects in the construction or design of the Building and the Units and the HOA Improvements or in the installation or operation of any mechanical equipment therein but only if (a) such patent defects are due to substantially improper workmanship or material substantially and materially at variance with the architectural plans and specifications or a defect in design which renders the Building or Units or the HOA Improvements or their respective systems or equipment unsafe or inoperable; and (b) (i) as to any Unit, Sponsor is notified of such defects in purchaser's Inspection Report to be completed, dated and signed prior to the closing of title to purchaser's Unit or (ii) as to the Common Elements, Sponsor is notified by a majority of those resident members of the Condominium Board who are unrelated to Sponsor within two (2) months from the time they are elected at the first meeting of the Units Owners or (as to the HOA Improvements), by a majority of those members of the HOA Board who were not elected or designated by Sponsor or by the Class D Members, within two (2) months following the date that they are elected. If any patent defect in the Common Elements within an Unsold Unit or an HOA Improvement can only be detected after said two (2)month period by occupancy of such Unsold Unit or use of the HOA Improvement, then Sponsor will correct such defect referred to in the preceding clause (a) if notified by (x) a majority of those resident members of the Condominium Board who are unrelated to Sponsor within two (2) months from the closing of title to such Unsold Unit or (y) to an HOA Improvement, by a majority of those Members of the HOA Board who were not elected or designated by Sponsor or by the Class D Members, within two (2) months following the date that the use of such HOA Improvement commences.

6. Sponsor will correct or cause to be corrected latent defects (that is, defects which are not visually ascertainable) in the construction or design of the HOA Improvements, the Building and the Units or in the installation or operation of any

mechanical equipment therein but only if (a) such latent defects are due to substantially improper workmanship or material substantially and materially at variance with the architectural plans and specifications or a defect in design which renders the Building or Units or the HOA Improvement or their systems or equipment unsafe or inoperable; and (b) (i) as to any Unit, Sponsor is notified of such defects in writing by the Unit Owner within one (1) year from the closing of title to such Unit or (ii) as to the Common Elements, Sponsor is notified by a majority of those resident members of the Condominium Board who are unrelated to Sponsor within one (1) year after the Closing of title to the first Unit under the Plan or (iii) as to any HOA Improvement, Sponsor is notified by a majority of the Members of the HOA Board (other than any Members elected or designated by Sponsor or by the Class D Members) within one (1) year following the date that the use of such HOA Improvement commences.

Sponsor, in its sole discretion, shall select the method of correcting any defect. On one (1) days' notice from Sponsor, the Condominium Board, the HOA Board and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building, the HOA Improvement and/or the Unit in question on any weekday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications for the Building or the HOA Improvements (as the case may be).

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified in purchaser's Inspection Report or within the time periods specified herein or (ii) the Condominium Board the HOA Board and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building and/or the Unit and/or the HOA Improvement in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's architect or engineer, in his (their) sole discretion.

Except as expressly set forth above in Paragraphs 5 and 6, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building, the HOA Improvement or all other installations, apparatuses, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Except as provided in this Plan or under applicable law, each purchaser shall be required to complete the payment of the purchase price (without the provision of an escrow) and accept title at the time of closing, notwithstanding Sponsor's failure to complete the construction, finishing and decorating of the Unit or other Units or hallways or the Common Elements or any portion of the HOA Property or HOA Improvements so long as a temporary or permanent Certificate of Occupancy has been issued covering the Unit to be closed and such Unit's kitchen and bathroom appliances and fixtures (i.e., refrigerator, ranges, oven, sinks, toilet and bath fixtures) are operable and its windows, interior walls and floors are installed in accordance with this Plan.

Notwithstanding any provisions to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any purchaser as a result of, (a) (i) any insubstantial variations from the plans and specifications or the description of the Building, or a Unit, or any HOA Improvement set forth in this Plan or (ii) variations from the plans and specifications or description of the Building or a Unit or an HOA Improvement set forth in this Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially equal or better quality and design; or (b) defects in design which do not affect the safety of the Unit Owners or their property nor render the Building, or the Units, or an HOA Improvement or their respective systems or equipment inoperable.

SPONSOR SHALL NOT BE RESPONSIBLE FOR CORRECTING OR REPAIRING ANY DEFECTS IN CONSTRUCTION (INCLUDING, WITHOUT LIMITATION, DEFECTIVE MATERIALS OR DEFECTIVELY CONSTRUCTED COMPONENTS OR PORTIONS OF THE BUILDING OR UNIT OR AN HOA IMPROVEMENT) OR DEFECTS IN THE INSTALLATION OR OPERATION OF ANY APPLIANCES (INCLUDING, WITHOUT LIMITATION, KITCHEN APPLIANCES), EQUIPMENT OR FIXTURES, TO THE EXTENT COVERED BY ASSIGNABLE WARRANTIES OR OTHER UNDERTAKINGS (HOWEVER DENOTED) FROM MANUFACTURERS, CONTRACTORS MATERIALMEN, OR OTHERS, WHICH ARE ASSIGNED TO ONE OR MORE PURCHASERS OR THE CONDOMINIUM BOARD OR THE HOA BOARD.

In addition, without limitation, in no event shall Sponsor or any contractor or supplier be responsible for correcting or repairing any of the following: (i) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, (ii) defects of an insubstantial nature, such as, without limitation, nail pops, ridging on sheet rock walls and ceilings, lumber shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance doors within reasonable tolerances of doors of similar size and weight and quality, slight scratches in plastic laminate, porcelain, or other surfaces, imperfect bath and kitchen tile grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation in joints of flooring or between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in concrete roof pavers (if any), or concrete cracks(if any) which do not impair the structural soundness of the Building or the HOA Improvements, (iv) variations in floor levels, (v) ceiling imperfections, (vi) painting defects, (vii) alignment of bathroom or kitchen finishes, (viii) air infiltration from windows (ix) normal plumbing, elevator, trash chute, heating and air conditioning noises, (x) normal floor noises and creaking, (xi) floor discoloring, (xii) variations in width, length or tone of wood floors, (xiii) repair of chips, scratches, mars, breaks or other defects in any windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, ceramic tile, marble floors and walls, resilient flooring, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent

to the Closing Date, paint touch-ups, repairs of dented appliances, carpet discoloration, stretching or shrinkage, or replacement of fluorescent light ballasts, (xv) variations in tone or color of marble or stone used in bathrooms or variations in tone or color of vanity tops or other marble or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and colored brick, (xvii) ponding and/or controlled drainage on the roof surface, (xviii) cracks in pressure treated wood used or intended for use outside the Building, (xix) seepage through masonry walls, (xx) the partial or total death of any trees, shrubs, bushes, ground cover, grass or other landscape improvements, (xxi) damage to walkways or other concrete areas caused by the application of deicers, (xxii) water problems caused by ice dams, normal plumbing and heating noises, (xxiii) normal settlement cracks on concrete foundations, Parking Space Units, patios, terraces, green-houses, sidewalks and other flat work, or (xxiv) basement leaks resulting from acts of God or alteration of landscaping or grading, leakage resulting from "ice dams" forming on roofs, shading variations of the exterior siding straining (on the face surface or grooves), and shading variations on fascias from staining. Sponsor shall be obligated to repair abnormal scratches by filling any plastic laminate scratches or refinishing any porcelain scratches but Sponsor shall not be obligated to replace such plastic laminate or porcelain surfaces. References in this section or elsewhere in this Plan to excluded repairs or excluded conditions with respect to various items listed shall not be construed to imply any equipment, fixtures or appliances or other items except as expressly provided in the"**Description of Property and Improvements."**

Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations pursuant to Paragraphs 5 and 6 shall be to replace or repair, at Sponsor's option, any defective item of construction (arising as a result of substantial and material defects in material or as a result of improper workmanship substantially at variance with the Plans and Specifications) subject to the terms and conditions (and within the time limits) set forth herein.

The Sponsor reserves the right to amend the Plans and Specifications and to make changes in the materials, equipment and fixtures if (a) required or approved or accepted by governmental authorities having jurisdiction over the Property or the Development Area or by the Sponsor's architect; or (b) required by job conditions, local shortages or unavailability of materials; or (c) ordered by a Purchaser for his or her Unit without affecting Units previously sold. Changes in materials, appliances and fixtures may also be made by the Sponsor provided that such substitutions are of substantially equal or better quality. However, the Sponsor may not change the size, the location of the Building or Units, other improvements, or the Common Elements if any such change materially adversely affects the percentage of Common Interests or value of any Unit either to which title has closed, or for which a Purchase Agreement has been executed and is in effect, unless all of the directly affected Unit Owners consent in writing to such change and all directly affected contract vendees consent to such changes or are given the right to rescind and receive a refund of their down payments. All the foregoing amendments, modifications and changes

to the Plans and Specifications may be made without prior notice or amendment to the Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of insubstantial variations in the dimensions or arrangement of rooms, walls or other areas within Units or the Common Elements or within any HOA Improvement from the Plans and Specifications, or the description of the Building, Unit or an HOA Improvement set forth in Paragraphs 5 and 6.

Where alternatives are specified or where a particular practice, method, or design of construction, equipment, material or supply is not specified, the choice and decision of the Sponsor shall be determinative.

The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to the construction of the Building, the Units and the HOA Improvements in accordance with the Plans and Specifications and correction or repair of any defects, and no other warranties or undertakings shall be implied. The Sponsor has no obligation to make repairs or improvements of any kind to the Property or the HOA Improvements, except as expressly set forth in Paragraphs 5 and 6. The construction or improvement obligations of the Sponsor under this section shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. All obligations of the Sponsor hereunder shall be enforceable only by the Board of Managers of the Condominium (or, as to HOA Improvements, by the HOA Board) and not by the individual Unit Owners unless the claim against the Sponsor relates to one Unit only, is not a common claim affecting two or more Units, and the Board of Managers has failed to take action to enforce such obligation.

Sponsor's Right of Access

Sponsor and its designees, contractors, subcontractors, agents and employees will have a right of access to all portions of the Development Area (including, without limitation, the HOA Property, each Unit and all of the Common Elements, and the Limited Common Elements) for purposes of constructing the Building or any part hereof, completing the improvements to the Building or performing alterations and repairs in or about Units owned by the Sponsor or its designees or in fulfilling Sponsor's obligations under the Plan or for any lawful purpose (including all activities in connection with development, construction, sales and leasing of the Development Area or any portion thereof), provided (i) Sponsor repairs any resulting damage to any of the foregoing, as the case may be, and restores same to substantially the condition it was in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the owner of the Unit to which access is required or the Board of Managers in the case of the Common Elements.

The Sponsor and its designees, employees and agents will also have the general right to perform all activities at the Condominium in connection with a program to sell or lease all or any portion of or interest in the Property or the Development Area. For example, the Sponsor will have the right to show the Condominium and model Units to prospective Purchasers, to maintain model Units and a sales or leasing office at the Condominium and to post signs in connection therewith.

For Additional Special Rights Of Sponsor under the Condominium Declaration with respect to the combining and splitting of Units, designation of Limited Common Elements and other matters, please see the sections of the Plan entitled "**Rights and Obligations Of Unit Owners and Board Of Managers; Summary of By-Laws**" and the copy of the Condominium Declaration and By-Laws contained in Part II of the Plan.

Sponsor's Liability

Except for the Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to the Units that shall remain unsold from time to time (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements.

The Sponsor makes no undertakings or warranties except as hereinabove set forth and none should be implied. The Sponsor does not warrant or guarantee the materials, workmanship or any other aspect of the Units or the Common Elements or any of the HOA Improvements, any personal property or any portion thereof, except to the extent expressly provided in this Plan.

The Sponsor's liability to any Purchaser under this Plan, or to the Condominium Board or to the HOA Board with respect to the Sponsor's obligations under this Plan (including, but not limited to, completion of the construction in accordance with the Plans and Specifications, as set forth in this section of the Plan) shall in no event exceed the aggregate net proceeds paid to the Sponsor from the sale of all Units after payment of, or reserve for, all costs, expenses and liabilities paid or incurred in connection with the promulgation and consummation of this Plan (including, but not limited to, the offering and sale of the Units and the creation of the Condominium and the HOA and the construction of the "Declarant's Improvements" and all other HOA Improvements). Nothing contained in this paragraph shall limit Sponsor's liability for personal injury (including wrongful death) or shall be in derogation of Article 23A of the General Business Law, Section 5-322.1 or 5-323 of the General Obligations Laws or Part 20 of the Regulations issued by the Department of Law concerning newly constructed and vacant condominiums.

The Sponsor has reserved the right to transfer or sell the Units owned by the Sponsor or its designees to any person or entity as Sponsor may elect (including, without limitation, in bulk to investors) and otherwise liquidate its assets at any time.

Indemnity of Condominium and HOA by Sponsor and Assumption by Condominium and HOA

The Sponsor shall indemnify and defend (with counsel selected by Sponsor) and hold the Condominium Board, the Unit Owners and the HOA harmless from any costs, expenses, claims, suits or proceedings with respect to the Property arising out of the Sponsor's default prior to the Closing Date in performing its obligations under the Plan or the representations made by the Sponsor in this Plan. The foregoing obligation to indemnify and defend the Condominium Board, the Unit Owners and the HOA is expressly conditioned upon the Condominium Board, the Unit Owners and/or the HOA, as applicable fully cooperating with any such defense. The settlement of any matter that is the subject of the foregoing indemnity shall be determined by Sponsor in its sole discretion. The Condominium or the HOA (whichever is applicable) shall assume the performance of all obligations (including payment obligations) of the Sponsor, if any, accruing on or after the date of the closing of title to the first Unit pursuant to the Plan, under the labor, service, maintenance and concessionaire agreements in effect on such date which have been assigned to the Condominium or the HOA pursuant to the Plan, and shall indemnify and hold the Sponsor harmless from and against any and all claims, liabilities, costs and expenses arising out of or with respect to such agreements or with respect to the Property, the HOA Property, or those portions of the Development Area and "Off-Site Improvements" to be operated and maintained by the HOA and accruing on or after such date (or, if the HOA assumes operation of any portion of the Development Area, HOA Property or "Off-Site Improvements" after such date, from and after the date the HOA assumes such operation).

The risk of loss or damage to the Property by fire or other casualty until the date of closing of title of the first Unit is assumed by Sponsor but without any obligation or liability upon Sponsor to repair or replace the same. Sponsor may, however, at Sponsor's option, elect to abandon the Plan (see **"Effective Date"** section of this Plan) or to repair or replace such loss or damage. If Sponsor elects to replace such loss or damage, then at Sponsor's option, it shall be entitled to reasonable adjournments of the closing.

Survival of Sponsor's Obligations

The Sponsor's representations under the Plan, all obligations pursuant to the GBL, and such additional obligations under the offering plan which are to be performed subsequent to the Closing Date shall survive delivery of the deed to a Unit affected by such obligation, for the limited time periods set forth in the Plan. However, all obligations of the Sponsor under the Plan with respect to any Unit or Unit Owner and under the Purchase Agreement for such Unit with such Unit Owner shall not survive, and shall be deemed

satisfied upon, the delivery of the deed for such Unit except as otherwise expressly provided in the Plan or such Purchase Agreement.

Sponsor's Obligations for Retained Units

So long as Sponsor retains title to any Units, Sponsor shall pay all Common Charges, special assessments and real estate taxes with respect to such Units. The Sponsor represents that its financial resources are sufficient to meet its obligations described above in this paragraph and its other obligations under his Plan. Sponsor presently intends to fund such obligations primarily from income from projected sales of Units. However, no bond or other security has been furnished by the Sponsor and the Sponsor's ability to perform its obligations hereunder will depend solely upon its financial condition if and when called upon to perform. No warranty is made that the Sponsor will be financially able to perform any or all of such obligations. If Sponsor is unable to perform, the Plan will be amended and Sponsor shall cease sales pending the acceptance for filing such amendment. Further any contract vendee who has not closed title to his Unit will be offered recission. If Sponsor shall be dissolved or liquidated Sponsor shall provide one or more financially responsible entities or individuals who will assume the status and obligations of the Sponsor under the Plan, applicable laws or regulations. In addition, if Sponsor shall transfer ten or more Residential Units or twenty percent (20%) or more of the total numbers of Residential Units in the Condominium, whichever is less, to other than bona fide purchasers for occupancy the principal of Sponsor shall provide one or more financially responsible entities or individuals who will assume the status and the obligations of the Sponsor under the Plan, applicable laws or regulations. As used in the preceding sentence, "bona fide purchaser for occupancy" means a purchaser who purchases a Residential Unit for occupancy by such purchaser or for occupancy by a person related by blood or marriage to such purchaser.

Construction Financing

Sponsor has not yet obtained a commitment for a construction loan, the Plan will be amended when Sponsor receives a construction loan commitment. Sponsor believes that the proceeds of a construction loan, when received, will be sufficient to permit it to commence and complete construction of the Condominium. Sponsor anticipates, but does not represent or warrant, that it will be able to utilize a portion of the proceeds of sale from the Units and will receive additional construction financing that will enable it to complete the Health Club and other amenities described under **"Description of Property and Improvements,"** and **"Location and Area Information."**

Insurance Described in Condominium Budget

Sponsor shall cause the Condominium to obtain and have in effect as of the Closing Date the insurance described in the Condominium Budget set forth as Schedule B to this Plan. Such coverage will provide for sufficient coverage for the insurance company to

waive any co-insurance requirement or will contain an agreed amount replacement value provision.

CONTROL BY SPONSOR

The Condominium shall initially be governed by a three (3) member Condominium Board. Sponsor anticipates that it will designate John Busch, Joseph Muss and Jason Muss each of whom is related to Sponsor's principal or employed by Sponsor, as the initial (3) three members of the Condominium Board. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such member. The initial members of the Condominium Board will be designated by the Sponsor and will resign in favor of a new seven (7) member Condominium Board to be elected at a meeting of Unit Owners to be held within forty-five (45) days after the Closing Date. Thereafter, the Condominium Board shall consist of seven (7) members. A member of the Condominium Board need not be a Unit Owner in the Condominium.

The Sponsor and any of its designees owning Units:

(a) shall not be entitled to elect a majority of the members of the Condominium Board from and after the earlier of the following dates: 1) the fifth anniversary of the Closing Date under the Plan, and 2) the date on which the Sponsor and such designees own less than 50% of the outstanding Common Interests of the Condominium. Upon the earlier of the aforementioned dates (the "Transition Date"), so many serving members of the Board elected by the Sponsor and such designees, as shall reduce the number of such members to less than a majority of the Board, shall resign.

(b) may not exercise a veto over expenditures (a) which are covered in the budget set forth in Schedule B, and which are for the period covered by said budget, (b) which are for capital repairs required for the operation and maintenance of the Condominium or, (c) which are required to comply with applicable laws or regulations, to remedy any notice of violation or work order by the insurer with respect to the Property.

Until the sooner of (i) the date on which the Common Interests of all Unsold Units is in the aggregate less than 25% of the Common Interests of all Units, or (ii) the fifth anniversary of the Closing Date, neither the Condominium Board of Managers, nor officers, nor Unit Owners, except upon the written consent of the owners of Unsold Units representing a majority of the Common Interests allocated to all Unsold Units, shall (a) increase the number or change the type of employees described in Schedule B; (b) provide for services other than those described in Schedule B unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule B; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) borrow money; or (e)

cause their representatives on the Condominium Board to (i) change the insurance coverage on the Property from the coverage described in Schedule B unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Condominium or unless such change is required by the holder of any mortgage on the Property or by the insurance carrier insuring the Property to satisfy insurance requirements or (ii) take any action inconsistent with (a), (b), (c), (d) or (e); or (f) remove any directors or managers elected by Sponsor, its designees or by the owners of Unsold Unit except for cause.

BOARD OF MANAGERS; SUMMARY OF BY-LAWS

Common Interest

Each Unit has been allocated a percentage ownership of the Common Elements of the Condominium (a "Common Interest") based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Every Unit Owner will be responsible for his proportionate share of the Common Expenses of the Condominium, generally based upon his Common Interest (except as otherwise provided in Schedule B and in the Declaration or By-Laws), and will have the same proportionate share of any Common Profits of the Condominium or any distribution upon termination or condemnation of the Condominium.

Description of Unit

A Unit Owner will obtain fee title to the Unit, subject to the Permitted Encumbrances. Generally, each Residential Unit consists of the area measured: (a) vertically by the top of the concrete floor and the underside of the concrete or suspended ceiling of the Unit and (b) horizontally from the innermost face of the metal stud which makes up the outermost exterior wall to the centerline of the partitions separating one Unit from another Unit or one Unit from the corridor, stairs, elevator and other mechanical equipment spaces. Each Parking Space Unit will consist of the area measured horizontally from the lines delineating one Parking Space Unit from another, as depicted on the Floor Plans. Any Common Elements located within any Unit shall not be considered as part of that Unit. For a detailed description of the Unit to be conveyed, see "Declaration" and "Condominium Floor Plans" in Part II of the Plan.

Each Unit shall be deemed to include also (i) that portion of any wall or partition separating such Unit from Common Elements that lies between the Unit side of such wall or partition and the frame or masonry, as the case may be, of such wall or partition and (ii)

the doors and windows which open from the Unit and any balcony or terrace shown on the Floor Plans to be a Limited Common Element appurtenant to such Unit.

Description of Common Elements

The Common Elements of the Condominium consists of the entire Property other than the Units. A Unit Owner will have an undivided interest in all of the Common Elements. The Common Elements may not be divided or partitioned except as provided in the Condominium Act.

The General Common Elements include (even if within the dimensions of a Unit) the following: (a) the Land; (b) the foundation walls enclosing the Common Elements in the cellar, columns, girders, beams, footings, supports, concrete floor slabs, concrete ceilings, exterior walls and interior load-bearing walls to the extent the same supports any Unit (or any part thereof) or any Limited Common Elements; (c) all walls and partitions separating Units from the General Common Elements other than portions thereof that lie between the Unit side of such walls and partitions, and the centerline of the metal stud which makes up such walls or partitions; (d) (to the extent not located within or specifically made part of a Unit) stairs, stairways, trash chutes and trash chute rooms, pump rooms, electrical switch rooms, gas rooms, the lobbies, hallways and corridors within the General Common Elements, and entrances to and exits from the General Common Elements; (e) the central and appurtenant installations and equipment for services such as power, light, telephone, gas, heat and cold water and sewer and fire safety systems serving the Units including all pipes, ducts, wires, cables and conduits used in connection therewith and all maintenance, compactor rooms, elevators including the elevator shafts, pits and machine rooms, meter and common equipment spaces in connection therewith (except for appliances and equipment located in and serving only a Unit which shall constitute a part of such Unit); (f) maintenance and common equipment spaces and common tanks, pumps, motors, fans and controls or other such equipment; (g) all Units which may hereafter be acquired and held by the Board on behalf of some or all Unit Owners but only while so held; (h) to the extent not specifically made a part of a Unit or a Limited Common Element by the terms of the Declaration, all other parts of the Property including all apparatus and installations existing on the Land for common use or which are necessary or convenient to the existence, maintenance or safety of the Property; and (i) the roofs.

Limited Common Elements

Limited Common Elements consist of, with respect to a Unit, those Common Elements (such as a balcony or terrace) which are so designated on the Floor Plans or in the Declaration (or re-designated as a Limited Common Element in accordance with the Condominium Declaration) and which in either case serve or benefit exclusively such Unit. In the event that any item is described above as both a General Common Element and a Limited Common Element, it shall be deemed a General Common Element. In the event

of any conflict between the description in the Declaration and the Floor Plans, such description in the Declaration shall control.

Sales and Leases of Units

Any Residential Unit Owner may sell or lease his Residential Unit, and the Parking Space Unit Owner may sell or lease the Parking Space Unit, provided he first gives the Condominium Board and, within the first ten (10) years following the filing of the Condominium Declaration, Sponsor (with respect to the Parking Space Unit) notice of his intention to sell or lease such Unit and an opportunity to purchase or lease such Unit, as the case may be, at the same price or rental and on the same terms as are offered in good faith by a prospective purchaser or lessee, as the case may be, as more specifically provided in the By-Laws. If the Board or Sponsor (with respect to the Parking Space Unit) does not elect to purchase or lease such Unit, as the case may be, by giving written notice as provided in the By-Laws to such Unit Owner within five (5) business days after receipt of the Unit Owner's notice of intention to sell or lease described above (or within five (5) business days following the date that the Unit Owner furnishes such additional information as the Condominium Board or Sponsor reasonably requests), then the Unit Owner will have a period of ninety days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in the notice. If both Sponsor and the Condominium Board desire to exercise such right, Sponsor's election to exercise such right shall prevail. If such written agreement is not executed by the Unit Owner within the ninety day period, or the sale or lease, as the case may be, is not consummated on or before the intended closing date, or commencement date of the term of the lease which, as the case may be, is provided in the notice, then the Unit Owner will be required to offer again the Unit first to the Board and Sponsor as described above before entering into such sale or lease. The Condominium Board may not exercise its option to purchase or lease any Unit without prior approval of a Majority in Common Interest of the Unit Owners. The terms of any such lease, including the rent, will be subject to applicable state and local laws. Parking Space Units must be owned and used by residents of the Development Area. The foregoing restriction shall be inapplicable to Parking Space Units owned by Sponsor or Unsold Parking Space Units.

If the Condominium Board elects to exercise such right of first refusal, the purchase of any Unit by the Condominium Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such account are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his respective Common Interest as a Common Charge, and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit, provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interest.

While held by either the Condominium Board or Sponsor, such Unit may be used for any purpose permitted by law for which such Unit may be used pursuant to the Declaration and the By-Laws. The Condominium Board or Sponsor, as to a Parking Space Unit, may sublet any such Unit which is so leased without the consent of the landlord. Any Unit which is acquired and held by the Condominium Board on behalf of all Unit Owners shall become part of the Common Elements, but only while so held. If any Unit shall be acquired by the Condominium Board, or its designee, on behalf of some or all Unit Owners, as tenants in common, then all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit. The Condominium Board has the power to sell, lease, mortgage, or otherwise deal with any Unit acquired by the Condominium Board or its designee, on behalf of all Unit Owners, but shall not have the power to cast the votes appurtenant to such Unit. Any proceeds of the disposition of a Unit will be received by the Condominium Board for all Unit Owners or for the Unit Owner for whom such Unit was acquired.

The Condominium Board may not discriminate against any person for any reason proscribed by applicable civil rights laws.

The sale and lease restrictions described above shall not apply to any Unit which is (i) owned by (a) the Sponsor or its designee, or the holder of a mortgage made by the Sponsor to the Construction Lender or any other mortgagee, (b) the Board, or (c) a mortgagee or his nominee who has acquired title to any Unit at a foreclosure sale of his mortgage or by deed in lieu thereof delivered in a bona fide transaction, provided, however, that a succeeding Unit Owner shall be bound by, and his Unit subject to, the sale and lease restrictions described above; (ii) transferred by the Unit Owner thereof to his spouse, adult child, parent, adult sibling or to any affiliate of the Unit Owner (as defined in the Condominium By-Laws); or (iii) transferred by a Unit Owner by gift, devise, will or intestacy, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the sale and lease restrictions described above.

Notwithstanding the foregoing, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than any mortgages) are paid and satisfied at or prior to closing.

A conveyance of a Unit by a Unit Owner must include the appurtenant Common Interest for such Unit.

Restrictions on Occupancy and Use

The Rules and Regulations annexed to the By-Laws provide, in part, as follows:

(i) no animals of any kind shall be kept or harbored in any Residential Unit without the prior written consent of Sponsor (for so long as Sponsor owns any Unsold Units) or the Condominium Board (after Sponsor no longer owns any Units). Such consent

will not be granted in any event for more than two pets consisting of dogs and/or cats or any pets that may be reasonably expected to exceed a weight of 50 pounds when fully grown;

(ii) no sign shall be affixed by any Residential Unit Owner on any part of the outside of the Building, no laundry may be hung outside the Building or on any balcony or terrace, no awnings, aerials or other projections shall be attached by any Residential Unit Owner to the outside of the Building, and no blinds, shades or screens shall be used by any Residential Unit Owner on the exterior of any window or door of any Residential Unit;

(iii) each Residential Unit may be used only for dwelling purposes and such "home occupation" use under the Zoning Resolution of the City of New York as may be permitted by law, as provided in the Declaration, the Certificate of Occupancy for the Building, and applicable zoning law, except that the Sponsor and any affiliates of the Sponsor shall have the right, without charge, (a) to have a general or sales office in one or more Units or elsewhere on the site, to use one or more Units as models and for other promotional purposes in connection with the sale or lease of Units and other portions of the Development Area; (b) to have its employees, contractors and sales agents present on the site; and (c) 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 Buildings and the Development Area (including the "Off-Site Improvements"), to comply with their obligations under this Plan and to develop the Property and the Development Area (including the "Off-Site Improvements").

(iv) Residential Unit Owners shall not cause or permit any disturbing noises or objectionable odors from their Residential Units, or permit or keep in their Residential Units any inflammable, combustible or explosive material, chemical or substance (except as required in normal household use);

(v) except as provided otherwise in the Declaration, the Common Elements shall not be obstructed or encumbered by refuse or otherwise, or used for any purpose other than 1) ingress or egress to and from the Units and 2) delivering and shipping of merchandise and the like to and from the Units, and the Common Elements shall not be altered or affected by any Unit Owner without the prior written consent of the Board.

There are no restrictions on occupancy of any Unit owned by corporations, partnerships, or fiduciaries in addition to the restrictions on individual Unit Owners.

Further restrictions on the use of Units are set forth in the Declaration, By-Laws and in the Rules and Regulations reproduced in Part II of the Plan.

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his Unit provided that the Board is notified in writing as provided in the By-Laws of the making of such mortgage and the Board receives a conformed copy of the note and mortgage. The By-Laws provide certain rights to the Sponsor or the holder of a mortgage of record ("Permitted Mortgage") against a Unit.

Common Charges - Determination and Assessment

The Board determines the amount of Common Expenses payable by each Unit Owner. Common Expenses include, without limitation, the expenses of maintaining and operating the General Common Elements and the types of expenses set forth in Schedule B, which covers the first year of operation of the Condominium. In addition, the Common Charges include the HOA Charges payable by the Unit Owners. In the discretion of the Board, the Common Expenses may also include reserves, working capital and other sums necessary to carry on the affairs of a condominium.

The Common Expenses set forth in Schedule B do not include maintenance, repairs or decoration of any of the Units or any portions thereof, payments required pursuant to the terms of the Unit Owners' mortgages, electricity and other utilities consumed within the Unit, and real estate taxes covering the individual Units. However, until the Units are separately assessed, all real estate taxes with respect to the Property will be treated as a Common Expense. See footnote 6 to Schedule A.

The Board may commence to assess Common Charges upon the closing of title to the first Unit pursuant to the Plan or at any subsequent date as in its sole discretion it may determine. The estimated Common Charges projected for the assumed first year of condominium operation which will be collected monthly by the Board (based on the Common Expenses as estimated in Schedule B) are set forth on Schedule A. However, additional services which the Unit Owners may desire or other factors can increase these charges. Except as set forth in the Condominium By-Laws each Unit Owner will be required to pay a portion of the Common Expenses equal to the product of the percentage amount of his Common Interest, multiplied by the amount of the Common Expenses (except as otherwise provided in the Condominium Declaration or By-Laws), which shall be levied as a Common Charge against his Unit.

At least annually the Board will prepare and furnish to the Unit Owners a budget for Common Expenses. The Board will assess in advance Common Charges against each Unit Owner to meet Common Expenses. Until the Board otherwise determines, the Common Charges will be placed in an account in the name of the Board with The Bank of New York or such other bank as Sponsor shall designate by written notice to the Managing Agent.

Liens for the Non-Payment of Common Charges and Working Capital

Under Section 339-z of the Condominium Act the Condominium Board shall have a lien against each Unit for its unpaid Common Charges prior to all other liens except liens for the payment of taxes and all sums unpaid on a Permitted Mortgage. The Board may foreclose the lien in the same manner as a mortgage on real property and in so doing shall be entitled to recover all costs incurred including reasonable attorney's fees. Moreover, if any Unit Owner fails to pay any payment of Common Charges within fifteen (15) days of its due date, such Unit Owner shall be obligated to pay a late charge at the rate of $0.02 per dollar per month or any part thereof for all such overdue Common Charges. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of the Unit in accordance with the provisions of the Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Condominium Board or its nominee on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and the By-Laws. In that case, he shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay his mortgage. A Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. Upon a resale, the Purchaser of a Unit shall be liable for the payment of unpaid Common Charges assessed against the Unit prior to the acquisition of the Unit by the Purchaser, except as hereinafter provided. A Purchaser of a Unit at a foreclosure sale pursuant to a Permitted Mortgage against such Unit shall not be liable, and such Unit shall not be subject to a lien, for the payment of Common Charges assessed prior to the acquisition of title to the Unit by said Purchaser. However, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale.

Repairs to and Maintenance of Units, Limited Common Elements, and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural ordinary or extraordinary, which are either: (a) in or to any Unit (other than to the Common Elements within the Unit) and, including, without limitation, the exterior surface of windows, electrical, plumbing, and heating fixtures, exterior installations made by the Unit Owner, as well as non-structural repairs and replacements to skylights will be made by the Unit Owner of such Unit at such Unit Owner's sole cost and expense, subject to the restrictions set forth in the By-Laws (including obtaining the Managing Agent's consent and the Condominium Board's consent, if applicable), and (b) in or to the Common Elements, and any balcony will be made by the Board and the cost and expense thereof will be charged as a Common Expense as provided in the By-Laws.

The By-Laws provide, among other things, that each Unit and all portions of the Common Elements shall be kept in first class condition. In the event that any Unit Owner fails to keep his Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default (see the heading "Rights of Access" below in this section). The Rules and

Regulations require that at least 80% of the floor area of Residential Units (except for kitchens and bathrooms) must be carpeted.

If any maintenance of, replacement of or repairs to the Property or any part thereof are necessitated by the negligence of any Unit Owner, his tenants or visitors or occupants of the Unit, then the entire cost thereof shall be borne by such Unit Owner.

Additions, Alterations and Improvements by Unit Owners

No Unit Owner (except Sponsor) may perform any Work in or to his Unit or its appurtenant Limited Common Elements without the prior written approval of both Sponsor, for so long as Sponsor owns any Unsold Units and the Condominium Board. In order to coordinate the performance of work and to maintain the integrity of the Building, the Building systems, the Facilities and the Common Elements the following procedures will govern work to be performed by Unit Owners: Provided Sponsor grants such approval, the Condominium Board will not unreasonably withhold its approval. Further, provided the plans and specifications submitted by the Unit Owner have been reviewed by Sponsor's construction professionals, the Condominium Board will not require the Unit Owner to submit the plans and specifications to the Condominium Board's construction professionals for review. Such approval may be conditioned, in the discretion of Sponsor and the Condominium Board, upon the Unit Owner's compliance with the following:

(i) The Unit Owner shall submit to Sponsor (for so long as Sponsor owns any Unsold Units) or to the Condominium Board (after Sponsor ceases to own any Unsold Units) proposed plans and specifications (the "**Proposed Plans**") for the work that the Unit Owner wishes to perform. Such Proposed Plans must be prepared by an architect or engineer licensed to practice in the State of New York engaged by the Unit Owner (the "**Unit Owner's Architect**") at the Unit Owner's sole cost and expense.

(ii) The Unit Owner shall submit an estimate prepared by a contractor licensed to do business in the City and State of New York of the cost of the work together with evidence of the Unit Owner's financial ability complete the work. Any contractor engaged by a Unit Owner to perform work must be compatible and engage laborers who are compatible with any labor engaged by Sponsor and/or the Condominium Board in or about the Building and the Development Area.

(iii) Simultaneously with the submission of the Proposed Plans, the Unit Owner shall submit to Sponsor or to the Condominium Board (whichever is applicable) for transmission to the architect or engineer reviewing same, his check, to order of such licensed architect or engineer as Sponsor or the Condominium Board (as the case may be) has engaged (the "**Building's Architect**") to review the Proposed Plans, in payment of the fee of the Buildings' Architect in connection with the review of the Proposed Plans.

(iv) The Unit Owner shall, promptly, and in no event later than 45 days from the date that the Unit Owner is notified of any changes that may be required in his Proposed Plans, at his sole cost and expense, cause such Unit Owner's Architect to make all changes that may be required by Sponsor, the Condominium Board and the Building's Architect. The Unit Owner shall promptly pay such additional fee(s) as may be incurred in connection with the review by the Building's Architect of any such changes.

In this regard, each Unit Owner acknowledges that Sponsor, the Condominium Board and the Building's Architect may each deny or condition their approval of or require the Unit Owner to make changes in and to the Unit Owner's Proposed Plans and specifications for a broad range of reasons, including, without limitation, compliance with applicable law, aesthetic considerations, concerns regarding the impact of the work on the capacity of Building systems and Facilities, concerns about the impact and/or potential encroachment of the work (both during construction and as ultimately completed) on other Unit Owners, other Units or the Common Elements, the impact of the work on Sponsor's ability to market Unsold Units, the need or desirability of coordination the work proposed by the Unit Owner with work to be performed by other Unit Owners and potential costs, if any (such as increased utility or insurance costs) resulting from the work.

The Unit Owner shall execute an agreement in form and content reasonably satisfactory to Sponsor or the Condominium Board, as the case may be, incorporating the provisions of this section and any other conditions as may be imposed by either of them in connection with the work.

(v) The Unit Owner shall submit the revised Proposed Plans to the Sponsor, the Condominium Board and the Building's Architect for approval and shall comply with any further comments regarding the Proposed Plans within fifteen (15) days.

(vi) The Unit Owner shall obtain all applicable governmental approvals and permits at his sole cost and expense and provide a copy thereof to Sponsor and the Condominium Board within three (3) business days following receipt, but in all events prior to the commencement of the work.

(vii) The Unit Owner shall, at his sole cost and expense, prior to the commencement of the work obtain and provide evidence of such insurance coverage, including coverage for the types of risks and at such minimum policy limits as may be required by Sponsor and the Condominium Board in connection with the work. The insurance policies obtained by the Unit Owner must name Sponsor and the Condominium Board as additional insured parties, must provide that they may not be canceled without thirty (30) days' prior written notice to Sponsor and the Condominium Board and must be maintained in effect until the work is complete and all governmental "sign-offs" and approvals have been

obtained. Sponsor and the Condominium Board reserve the right to require the Unit Owner's contractor (the "**Contractor**") to maintain in effect during the course of the work such types and amounts of insurance coverage as they may reasonably determine.

(viii) The Unit Owner shall only engage the services of a contractor(s) and professionals who are duly licensed to perform the services for which they have been engaged. The Unit Owner shall submit to the Managing Agent the name of the contractor(s) and professionals together with evidence that such contractor(s) and professionals satisfy the requirements of this section.

(ix) The Unit Owner shall, within thirty (30) days of receipt of approval commence the work and proceed with all due diligence to complete same.

(x) The Unit Owner shall notify Sponsor and the Condominium Board immediately in the event any hazardous situation or emergency situation arises during the performance of the work and shall immediately take all steps as may be appropriate to correct such hazardous situation.

(xi) Sponsor the Condominium Board and the Managing Agent and any professionals engaged by any of them shall have the right to inspect the Unit and the work from time to time, without notice to the Unit Owner. However, no such inspection shall be deemed to be either (I) a waiver of compliance or (ii) a determination as to compliance or conformance of such work with applicable laws.

(xii) In the event that any hazardous situation or emergency situation, Sponsor, the Condominium Board and the Managing Agent may each, without notice to the Unit Owner, take all steps as may necessary, appropriate or desirable to cure, correct or alleviate such hazardous condition or emergency situation. The cost of any such cure, correction or alleviation shall be borne by the Unit Owner, paid by the Unit Owner within ten (10) days of being billed and, if billed by the Condominium Board, shall constitute a lien on his Unit (similar to the lien of Common Charges) until paid.

(xiii) If the Unit Owner fails to pursue the Work to completion with due diligence, Sponsor, the Condominium Board and the Managing Agent shall each have the right (but not the obligation) to complete the Work in accordance with the Unit Owner's Plans, at the expense of the Unit Owner. The cost of such completion shall be borne by the Unit Owner and shall be paid by the Unit Owner within ten (10) days of being billed, and, if billed by the Condominium Board, shall constitute a lien on the Unit (similar to the lien of Common Charges) until paid.

(xiv) The Unit Owner shall, within thirty (30) days of the imposition thereof, cause all mechanics liens and other liens to be bonded or discharged.

(xv) The Unit Owner shall deliver a set of "as-built" plans to the Condominium Board at the Unit Owner's expense.

(xvi) Promptly, but in no event later than thirty (30) days following the completion of the Work, the Unit Owner shall obtain and provide to the Condominium Board all governmental "sign-offs" and documents evidencing the completion of the Work in accordance with all Applicable Law.

(xvii) Sponsor, the Condominium Board and the Managing Agent each reserve all rights at law and in equity (including the right to injunctive relief) to enforce the provisions of this section and any agreement made by any of them with a Unit Owner in connection with work to be performed by such Unit Owner.

(xviii) Unit Owners are advised that for so long as Sponsor owns at least one Unsold Unit, Sponsor reserves the right to require the Unit Owner to utilize a contractor and other professionals approved by Sponsor in connection with the performance of the Work.

Non-structural interior additions, alterations, or improvements, by a Residential Unit Owner to his Residential Unit, may be made without the consent of the Board but subject to the Declaration and By-Laws. The Board shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within thirty (30) days after such request which shall be deemed to have been made following the submission of the items required in paragraphs (i), (ii), and (iii) above, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Residential Unit permitted hereunder shall be executed by the Board, without, however, incurring any liability on the part of the Board to any contractor, subcontractor or materialman 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.

Insurance

The insurance coverage to be provided by the Condominium Board for the benefit of each Unit Owner, and a Unit Owner's right to obtain supplemental or additional insurance, is set forth under the "Insurance" heading in the "Rights and Obligations of Board of Managers/Summary of By-Laws" section. Certain coverages that are not provided by the Board, and the availability of additional or supplemental coverages, are generally discussed in the insurance footnote to Schedule B.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agents, managers, superintendents and other persons authorized by the Board or by the Oceana Homeowners Association will have a right of access to any Unit for the purposes, among others, of making inspections of, or removing violations of governmental laws or regulations against, any part of the Property, curing defaults under the Declaration and By-Laws and the Rules and Regulations thereunder, or correcting any conditions originating in any Unit and threatening another Unit, any Common Element or any portion of the Development Area or the HOA Property. The Sponsor, and its designees owning Units, shall also have a right of access to each Unit, the Common Elements or elsewhere on the Property in order to inspect, maintain, repair, replace or alter their Units or the Common Elements as provided in the Declaration and the By-Laws.

Garage Facility Owners shall also have a right of access to the Common Elements in order to inspect, maintain, repair, replace or alter any Common Elements serving such Garage Facility, as provided in the Declaration and the By-Laws; provided, however, that in no event shall such right of access be exercised so as to unreasonably interfere with the ability of any Unit Owner to use his Unit for its intended purpose. In addition, the Garage Facility Owner shall, at its sole cost and expense, promptly restore such Common Elements following any such work.

Compliance with Terms of Declaration. By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Condominium Declaration and the Condominium By-Laws and the Rules and Regulations thereunder. Failure to comply is grounds for an action for damages or injunctive relief, or both. The Condominium By-Laws, together with the Rules and Regulations thereunder, will be recorded with the Condominium Declaration in the Office of the City Register in Kings County.

Units Owned by the Sponsor or its Designees

Except to the extent prohibited by law, and subject to certain restrictions set forth in the Declaration including compliance with all applicable laws and governmental regulations, if any, Sponsor, and its designees owning Units, will have the right, without the vote or consent of the Board or the other Unit Owners to: (a) make decorations, alterations (including, without limitation, demolition), additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, of any type or nature whatsoever, in, to, and upon (i) any of its Units; (ii) any utilities servicing such Units whether located within the Unit or the Common Elements; (b) change the layout and number of rooms of any of its Units from time to time; (c) change the size and/or number of any of his Units or subdivide the same into any desired number of condominium units (or by combining any Units resulting from such subdivision); (d) combine any of its Units,

and any other Units with the consent of the Owners of the Units to be combined; (e) create and designate a Limited Common Element for the exclusive use of the newly created condominium units, and convert space or constituents of its Unit into a newly designated Limited Common Element and/or convert and designate a Limited Common Element as a part of the newly created condominium units; (f) reapportion among the newly created condominium units resulting from any such subdivision (or combination) their appurtenant Common Interests; (g) dedicate certain utility, sewer, and drainage easements; (h) amend the Certificate of Occupancy for the Building or obtain a new Certificate of Occupancy for the Building; and (i) amend (and cause the Board to amend) the Declaration and/or By-Laws in order to effectuate any of the foregoing.

The consent of the Condominium Board and/or the other Unit Owners is not required for the exercise by the Sponsor or its designees of the rights and powers described above. Nonetheless, the Sponsor or its designees may require that the Condominium Board and other Unit Owners execute any amendment to the Declaration or By-Laws proposed by the Sponsor or its designees as provided above and any other application or other document necessary or convenient to the exercise by the Sponsor or its designees of any of its rights or powers described above (including, without limitation, any application or document required by the Department of Buildings and/or the Real Property Assessment Bureau of the City of New York in connection with an amendment to the Certificate of Occupancy of the Building or the establishment of separate tax lots for any newly created Units or reapportionment of assessed valuation by reason thereof). The Sponsor and its designees are granted an irrevocable power of attorney coupled with an interest to execute, deliver and/or record any such amendments, applications or other documents on behalf of the Board and the Unit Owners. The Condominium Board shall without delay and without change to a Garage Facility Owner, execute such documents as may be required by such Garage Facility Owner in connection with any application or document required by the Department of Buildings and/or the Real Property Assessment Bureau of the City of New York in connection with the creation or dedication of any utility, sewer and/or drainage easements affecting such .001Garage Facility.

The Sponsor or its designees shall have the right to maintain a general or sales office in any Unit owned by any of them and to use any Unit owned by any of them as a model and for other promotional purposes in connection with the sale or lease of Units in the Condominium and other portions of the Development Area.

The Sponsor or its designees shall also have the right to apply for tax exemption and/or tax abatement with respect to the Property and/or with respect to any of the Units without the consent of the Board and/or Unit Owners.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS; SUMMARY OF BY-LAWS

The Condominium is an unincorporated association which is created by virtue of submission of the Property to the provisions of the Condominium Act in accordance with the Declaration and By-Laws set forth in Part II of the Plan. Summarized below are certain provisions of the By-Laws, including certain of the provisions relating to governance of the Condominium. A Purchaser should review in detail the full text of the Declaration, By-Laws, and Rules and Regulations thereunder which are set forth in Part II of the Plan.

The Condominium Board has no authority to remove any of its members, but the Board may, by the affirmative vote of a majority of its members, remove any officer, either with or without cause.

Any member of the Condominium Board may be removed with or without cause by a Majority in Common Interest of the Unit Owners electing any such member pursuant to the By-Laws, except that if any member of the Board was elected by the Sponsor or its designees, he may not be removed for other than cause except by the written consent of the Sponsor or its designees, as the case may be.

Powers and Duties of the Condominium Board

Subject to applicable laws and the Condominium Declaration and Condominium By-Laws, the powers and duties of the Board include, without limitation, (a) the operation and maintenance of the Common Elements, and employment of personnel for such purpose, (b) determination and collection of the Common Charges, (c) amending the Rules and Regulations, (d) having bank accounts and investing funds for the Condominium, (e) acquiring, selling, leasing, and mortgaging Units, (f) insuring the Property, adjusting claims, and repairing the Common Elements after a casualty or condemnation, (g) enforcing obligations of Unit Owners, (h) borrowing money on behalf of the Condominium, (i) granting certain utilities and other easements, and (j) representing all Unit Owners in connection with a protest of real estate taxes.

The potential personal liability of the Condominium Board is discussed under the heading "Liability of Board, Officers, and Unit Owners" which appears later in this section.

Voting by Unit Owners

At each Unit Owner's meeting, each Unit Owner will be entitled to cast one (1) vote at all meetings of the Unit Owners for each .00001 of one (1%) percent of Common Interest applicable to his or its Unit except as provided below.

Except as provided below, each Unit Owner in the Condominium, including the Sponsor and any of its designees owning Units, will be entitled to vote for members of the Board based on their percentage Common Interest. Each Unit Owner shall for the purpose of electing members of the Condominium Board be entitled to cast his votes for each

member of the Condominium Board to be elected, but may not cumulate such votes. Each member of the Condominium Board shall serve a one year term.

The vote of a Majority in Common Interest of Unit Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except as provided above with respect to the election of the members of the Condominium Board and as otherwise provided in the Declaration or the By-Laws.

Meetings of Unit Owners

After the first meeting of the Unit Owners described above (see "Control by Sponsor"), the By-Laws provide that annual meetings shall be held on the second Tuesday of November of each succeeding year unless such day shall be a holiday, in which event the meeting shall be held on the next succeeding business day. At such meeting, the Unit Owners shall elect members of the Condominium Board and shall also transact such other business of the Condominium as may properly come before the meeting.

It shall be the duty of the President of the Condominium to call a special meeting of the Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by not less than 5% in Common Interest of the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. The By-Laws provide that no business shall be transacted at a special meeting except as stated in the notice.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. No officer of the Condominium shall, except as may otherwise be provided by the Condominium Board from time to time, receive any compensation for acting as an officer of the Condominium.

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 President, including presiding at meetings and appointing committees. The President must be a member of the Condominium Board. The Vice President performs the duties of the President when he is absent or unable to act. The Secretary keeps the minutes and gives notice of meetings. The Treasurer keeps financial records and deposits funds for the Condominium.

Repairs and Replacement of Common Elements and Limited Common Elements

The repair, replacement, and maintenance of the Common Elements (and any Limited Common Elements) is discussed under the heading "Repairs to and Maintenance of Units, Limited Common Elements, and Common Elements" in **"Rights and Obligations of Unit Owners"** above.

Units Acquired By the Condominium Board

All Units acquired or leased by the Condominium Board or its designee, shall be held by such Condominium Board or its designee, on behalf of all Unit Owners and the rent or purchase price, closing costs and adjustments payable in connection therewith shall constitute a Common Expense. No Units held by the Condominium Board shall carry any voting rights.

Repair or Reconstruction after Fire or Other Casualty

If the Building or any part thereof are damaged or destroyed by fire or other casualty, the Condominium Board will, except as set forth below, arrange for the prompt repair and restoration thereof (but excluding machinery, appliances, fixtures, furniture, furnishings or other personal property within a Unit) . If the insurance proceeds are insufficient to cover the cost of repairs or restorations, then such cost shall constitute a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to reduce unpaid liens on his Unit, in the order of priority of such liens.

If three-fourths or more of the floor area of the Building is destroyed or substantially damaged and if seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly resolve within sixty (60) days from the day of such damage or destruction to proceed with the repair or restoration thereof, then the Buildings will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common. In that case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable as hereinabove provided in the event of a loss amounting to $125,000 or less. However if such proceeds are in excess of $125,000, then such proceeds shall be payable to The Bank of New York, so long as such bank is the holder of a certain mortgage made by Sponsor to such bank, and thereafter to the Insurance Trustee pursuant to the provisions of the By-Laws. The Bank of New York shall be the Insurance Trustee unless

or until replaced by a bank or trust company in the State of New York designated by the Condominium Board. Notwithstanding the foregoing, Sponsor shall have the right to designate the Insurance Trustee for so long as one Unit remains unsold. The fees and expenses of the Insurance Trustee shall be paid by the Condominium Board and shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, to the extent obtainable at reasonable rates and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, and vandalism and malicious mischief endorsements, insuring the Building (but excluding machinery, appliances, fixtures, furniture, furnishings or other personal property within a Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to at least 80% of the full replacement value of the Buildings (exclusive of foundation and footings), without deduction for depreciation; (b) rent insurance in an amount equal to Common Charges for six months; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance on equipment constituting a Common Element; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance, to the extent, if any, determined by the Condominium Board; (h) fidelity bond for the Managing Agent of the Condominium, to the extent, if any, determined by the Condominium Board; (i) errors and omissions coverage for members of the Condominium Board and officers, to the extent, if any, determined by the Condominium Board; (j) comprehensive general liability insurance and (k) such other insurance as the Condominium Board may determine from time to time.

The amount of fire insurance and all risk extended coverage to be maintained until the first meeting of the Condominium Board following the first annual meeting of the Unit Owners shall be in at least the sum set forth in "Footnotes to Schedule B".

All policies of physical damage insurance shall contain, to the extent obtainable at reasonable rates, waivers of subrogation and waivers of any defense based on co-insurance or other insurance or of invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and their mortgagees. Duplicate originals or certificates of insurance for all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and their mortgagees at least ten days prior to the expiration of the then current policies. Each such policy shall contain a New York standard mortgagee clause in favor of each mortgagee of

a Unit which shall provide that the loss, if any, thereunder shall be payable to the mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee hereinafter set forth. Any insurance maintained by the Condominium Board may contain such deductible amounts as the Condominium Board may determine from time to time.

The premiums for all insurance referred to above shall be a Common Expense unless the Condominium Board determines to otherwise equitably apportion the cost of insurance among the Unit Owners as provided in the Condominium By-Laws.

Each Unit Owner may carry supplemental or additional insurance for his own benefit, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such supplemental or additional insurance carried by such Unit Owner.

Liability of Condominium Board. Officers, and Unit Owners

To the extent permitted by applicable law, no member of the Condominium Board or any managing agent, manager, or officer shall have any personal liability with respect to 1) any contract, act or omission of the Condominium Board or any managing agent, manager, or officer in connection with the affairs or operations of the Condominium (except in their capacities as Unit Owners), or 2) any mistake of judgment, negligence, or otherwise, except in either case for their own willful misconduct or bad faith. The Condominium By-Laws require that every contract made by the Condominium Board or by any managing agent thereof or any officer shall state that (a) it is made only as agent for all Unit Owners and such Condominium Board or managing agent or officer shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interests of all Units owned by such Unit Owner bears to the aggregate Common Interests of all Units, and (ii) unless provided by the Condominium Board in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Common Interest. A Unit Owner shall, in the same proportion as his Common Interest, indemnify each member of the Condominium Board and each officer against any and all claims, liabilities, damages, costs and expenses (including, without limitation, reasonable attorney's fees) arising out of or related to the performance of such duties as a member of the Condominium Board or officer, except those arising out of his own bad faith or willful misconduct, and except as may be provided by law. The Condominium Board may contract, or effect any other transaction, on competitive terms, with any member of the Condominium Board, any officer, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct, and except as may be provided by law.

Reports. Notice, Books and Records

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners within four months after the end of each fiscal year.

Except for the first meeting of Unit Owners after the Closing Date under the Plan, there is no notice required for annual meetings. Instead the Condominium By-Laws provide that the annual meeting is to be held on the second Tuesday of November each year, unless such day shall be a holiday, in which event the meeting shall be held on the next succeeding business day.

In accordance with the provisions of the Condominium By-Laws, the Condominium Board shall furnish the Unit Owners, at least ten (10) days prior to adoption thereof, the proposed annual budget for the Condominium.

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, but not more than once a month.

Amendments to Condominium Documents

Generally, subject to certain exceptions including, among others, exceptions concerning the Sponsor and its designees, any provisions of the Declaration, Condominium By-Laws, or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of not less than sixty-six and two thirds (66 ⅔%) percent in number and in Common Interest of all Unit Owners. A Majority in Common Interest of the Unit Owners may overrule the Condominium Board's amendment of the Rules and Regulations.

It is possible that amendments, modifications, additions or deletions of or to the Declaration, the Condominium By-Laws and the Rules and Regulations, may be necessary, appropriate or desirable in connection with the subdivision or combination of Units owned by the Sponsor or its designees and/or the offering for sale or lease of all or any portion of Units owned by (or the exercise of certain rights under the Declaration held by) the Sponsor or its designees, and in connection therewith the Sponsor or its designees, as the case may be, may, subject to compliance with all applicable laws and governmental regulations, if any, cause the Declaration, the Condominium By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted in accordance with the provisions of the Declaration and Condominium By-Laws.

Termination of Condominium

The Condominium shall continue (unless terminated by casualty loss, condemnation or eminent domain as provided in the Condominium By-Laws) until such time as the Property shall be withdrawn from the provisions of the New York Condominium Act as a result of the vote to do so of at least ninety-five (95%) percent in number and in Common Interest of all Unit Owners and all of the holders of mortgages affecting any of the Units. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale, otherwise payable to any Unit Owner, to the payment of any liens on his Unit, in the order of such priority of such liens. Until the termination of the Condominium, no Unit Owner shall maintain an action for partition of the Property or the Common Elements.

Right of First Refusal by Condominium Board and Sponsor

The right of first refusal of the Condominium Board with respect to the sale or lease of a Residential Unit and Parking Space Units and Sponsor, with respect to Parking Space Units, is discussed under the heading "Sales and Leases of Units" and set forth in the Condominium By-Laws in Part II of the Plan.

Review of Real Estate Tax Assessments

The Condominium Board may act as an agent of each Unit owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Condominium Board may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements, and legal fees paid or incurred in connection with any such complaint or application.

Reserves

The Condominium Board has the right to assess Common Charges for such reserves as the Condominium Board may determine to be reasonably necessary for general operating costs and expenses, working capital and/or replacement and improvement of Common Elements.

Condominium Declaration and Condominium By-Laws

A copy of the Condominium Declaration and By-Laws is set forth in Part II of the Plan.

Real Property Law Section 339-KK

The New York Real Property Law was amended on July 22, 1998, to add Section 339-KK, which Section provides a new procedure for the collection of Common Charges if a non-occupant owner fails to pay such Common Charges within sixty (60) days of the expiration of any grace period after they are due. Under such Section of Law:

> 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 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.
>
> Nothing in such section shall limit any rights of unit owners or of the Board of Managers existing under any other law or agreement.
>
> 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.

Real Estate Taxes

From and after the date that Units are separately assessed, each Unit will be taxed as a separate tax lot for teal estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to any lien arising from the non-payment of real estate taxes on other Units. Purchasers should refer to **Schedule A, Purchase Prices and Related Information** and **Real Estate Tax Counsel's Opinion** for details regarding estimates of the assessed valuation of the Property following completion of construction, the tax rate, the real estate tax benefit that may be applicable and a schedule describing the reduction in benefits following the eleventh tax year. Sponsor will use its best efforts to (i) apply for such real estate tax benefits; (ii) file all applications and timely comply with all procedures required to properly process; and (iii) (for so long as Sponsor controls the Condominium Board) maintain such benefits and will retain all records required by the New York City Department of Housing Preservation and Development ("HPD") and will make such records available for inspection and photocopying to (x) the Condominium Board and (y) HPD. Purchasers are advised that HPD routinely conducts audits which can result in reduction or revocation of benefits if proper documentation is not provided.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM AND THE OCEANA HOMEOWNERS ASSOCIATION

Income Tax Deductions to Unit Owners

Ownership of a Unit entitles the owner, subject to certain restrictions described below, to deduct for federal, New York State, and in the case of New York City residents, New York City, income tax purposes, real estate taxes assessed against the Unit and paid by such owner and interest on certain mortgages made against the Unit. Generally, an individual Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated secondary residence subject to certain limitations. See **"Opinion Of Counsel"**.

The following summary is for informational purposes only and is based upon information provided by Sponsor's counsel, Herrick, Feinstein LLP, in its opinion set forth in the Section of the Plan entitled "**Opinion of Counsel**".

Each Unit Owner will own his Unit, together with its appurtenant Common Interest, in fee simple, and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Because each Unit Owner will own his Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Herrick, Feinstein LLP that, under present law, Residential Unit Owners and Residential Unit Owners who own Parking Space Units will, for federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes incurred in connection with such Residential Units and Parking Space Units in the taxable year in which the same are paid or accrued. It is also the opinion of Herrick, Feinstein LLP that, under present law, each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction that is allowed for federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. It is noted that Parking Privilege Holders are not separately assessed real estate taxes and accordingly are not entitled to income tax deductions in connection therewith.

The aforesaid deductions, however, are subject to certain exceptions and limitations, which are more particularly discussed in the income tax opinion set forth in the Section of the Plan entitled "**Opinion of Counsel**."

Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium Board. See the income tax opinion in the Section of the Plan entitled "**Opinion of Counsel**" for a further discussion of the tax status of the Condominium.

HOA Charges will, though payable through the Condominium Board, be borne by members of the Association and assessed and collected by the Board of Directors of the Association. Under Code Section 528, a homeowners association board may be eligible to elect to be exempt from federal income tax on association charges collected from members of the association provided the requirements of Section 528 with certain modifications relating to residential real estate management associations, are met. The tax status of the Oceana Homeowners Association is uncertain. In addition, the Oceana Homeowners Association may be liable for sales tax. Purchasers should carefully review the "**Opinion of Counsel**" for details.

No representations or warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow any of the aforementioned deductions or that the tax laws, or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Herrick, Feinstein LLP has based its income tax opinion will not change. In no event will Sponsor, the Selling Agent, the Managing Agent, or any other person connected with this offering be liable if, at any time or for any reason, it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid make any representations or warranties with respect to the tax consequences of this Plan or the tax consequences or ownership of any Units offered under the Plan, and no one has been authorized to make such representations or warranties.

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UPON WHICH SPONSOR'S COUNSEL BASE ITS OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL SPONSOR, THE SELLING AGENT, SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, THE HOA BOARD OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT RESIDENTIAL UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE, THE NEW YORK TAX LAW, THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT TO ANY OF THEM. MOREOVER, NONE OF THE AFORESAID MAKES ANY REPRESENTATIONS, GUARANTIES OR WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNIT OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, GUARANTIES OR WARRANTIES OTHER THAN THOSE CONTAINED HEREIN.

EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.

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January 24, 2000

Brighton Development, LLC
118-35 Queens Boulevard
Forest Hills, New York 11375

Re: Condominium Offering Plan for
Oceana Condominium No. Three
60 Oceana Drive West
Brooklyn, New York (the "Plan")

Gentlemen:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for the purposes of the New York City earnings tax on nonresidents) to persons who, pursuant to the Plan, purchase for residential use Units (the "Unit Owners") in Oceana Condominium No. Three (the "Condominium"), which Condominium is situated within the Oceana Homeowners Association, Inc. (the "Association"), (ii) the treatment for such income tax purposes of the Common Charges paid or borne by the Unit Owners, (iii) the legality and validity of the Declaration of Covenants, Restrictions and Easements of the Oceana Homeowners Association (the "HOA Declaration"), (iv) the status of the Association under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"), (v) the liability of the Association for sales taxes pursuant to state or local law, and (vi) whether the method used to determine the undivided percentage interest of each Unit in the Common Elements of the Condominium complies with Real Property Law Section 339-i ("Section 339-i"). Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder, Section 339-i, and such other materials as we deemed relevant.

1. Deductibility of Mortgage Interest and Real Estate Taxes.

Pursuant to the Plan, a Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple, and, once each Unit is separately assessed for real estate taxes as provided in the Plan, each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. In our opinion,

under Sections 163 and 164, respectively, of the Code, a Unit Owner will, for federal income tax purposes, be entitled to a deduction for interest paid with respect to such mortgage indebtedness and for real estate taxes paid with respect to a Unit during a taxable year, subject, however, to the conditions discussed below. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

An individual owner of a Unit who uses such unit for personal purposes may only deduct interest on debt secured by such Unit if such debt was incurred to acquire, construct or substantially improve his principal residence or designated secondary residence but only to the extent the principal amount of all such debts do not exceed $1 million ($500,000 for married persons filing separately) in the aggregate and such debts are secured by such residence. In addition, an individual may deduct, generally, the interest on other debt secured by such residences to the extent the principal amount is not in excess of $100,000 ($50,000 for married persons filing separately).

The deductions for real estate taxes and mortgage interest incurred with respect to a Unit which the Unit Owner uses for personal purposes are itemized deductions which are subject to the overall limitation on itemized deductions imposed by Section 68 of the Code. Pursuant to Section 68, if a taxpayer's adjusted gross income exceeds the Applicable Amount set forth in Section 68(b) of the Code, such person's itemized deductions are reduced by the lesser of (1) 3 percent of the amount by which such taxpayer's adjusted gross income exceeds the applicable amount, or (2) 80 percent of the amount otherwise allowable as an itemized deduction. The Applicable Amount is $100,000, adjusted for inflation (for 1999 the inflation adjusted Applicable Amount is $126,600). The Applicable Amount for married persons filing separately is one-half of the foregoing amount.

Taxpayers who intend to use a Unit in a trade or business or to hold a Unit for the production of rental income may be subject to the passive activity loss rules of Code Section 469. Taxpayers who intend to hold a Unit for investment will be subject to the investment interest rules of Code Section 163(d). Such taxpayers should consult their personal tax advisers as to the effect of Code Section 469 or 163(d) on their interest deduction.

It is also our opinion that an individual Unit Owner will, for New York State income tax purposes (and if such Unit Owner is a New York City resident, then for New York City resident income tax purposes only), likewise be entitled to a deduction equivalent to that which is allowed for federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the State Tax Law. New York imposes its own limitation on itemized deductions. If a taxpayer's adjusted gross income is more than $100,000 but not more than $475,000, New York itemized deductions are reduced by up to 25%.

The Tax Reform Act of 1986 modified the alternative minimum tax ("AMT") which a taxpayer may be subject to if the tax computed on that basis exceeds the regular income tax. Certain deductions are not allowed in computing a taxpayer's income for AMT purposes including, generally, deductions both (1) with respect to mortgage interest on a personal residence which is not "qualified housing interest" and (2) with respect to real estate taxes payable in connection with such residence. Interest in connection with debts incurred to acquire, construct or substantially improve a principal residence or designated secondary residence used

by the taxpayer is "qualified housing interest" which can be deducted in full in computing taxable income for AMT purposes.

2. Common Charges.

Common Charges will be borne by Unit Owners and assessed and collected by the Board of Managers of the Condominium (the "Condominium Board"). Under Code Section 528, a condominium board may be eligible to elect to be exempt from federal income tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met.

Section 528 permits both a condominium management association and a residential real estate management association to elect its benefits only if (a) substantially all of the units are used by individuals for residences, and (b) the condominium management association or residential real estate management association is:

(1) organized and operated to provide for the acquisition, construction, management, maintenance and care of association property;

(2) 60 percent or more of the gross income of the association for the taxable year must consist solely of amounts received as membership dues, fees, or assessments from owners of residential units (in the case of a condominium management association) or from owners of residences or residential lots (in the case of a residential real estate management association);

(3) 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; and

(4) No part of the net earnings of the organization may inure (other than by acquiring, constructing, or providing management, maintenance and care of the association property, and other than rebate of excess membership dues, fees or assessments) to the benefit of any private shareholder or individual.

Treasury Regulation §1.528-4(b) provides that in the case of a condominium management association, substantially all of the units will be treated as used by individuals for residences only if at least 85% of the total square footage of all units is used as such residences. The Condominium is comprised of Residential Units and Parking Space Units. In this regard, Treasury Regulation § 1.528-4(b) further provides that units which are used for purposes auxiliary to residential use shall be considered used for residential purposes. Accordingly, the Parking Space Units should be considered as used for residential purposes although no warranty can be made in this regard. While it is likely that at least 85% of the total square footage of all Units actually will be used for residential purposes, this cannot be determined at this time with certainty. It is presumed that if the 85% test is met, the Condominium Board will make the election to apply Section 528.

However, it should be noted that the Condominium Board and the Board of Directors of the Association (the "Association Board") (each, a "Board") would each, if permitted to make an

election under Section 528 of the Code, still be required to pay a tax for any taxable income it may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year (other than "exempt function income" as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding "exempt function income") computed with certain modifications provided in Section 528. "Exempt function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units (in the case of a condominium management association) or owners of real property (in the case of a residential real estate management association).

If an election under Section 528 is not available or in effect with respect to either the Condominium Board or the Association Board for a taxable year, the tax status of the Condominium Board or the Association Board will be governed by the rules in effect prior to the enactment of Section 528, under which the tax status of the Board is uncertain.

Because the By-Laws of the Condominium and the Association each provide that their respective boards will act as agent of the Unit Owners or the members (as the case may be), the Condominium Board and the Association Board may each take the position that it simply acts as agent for the Unit Owners or members (as the case may be) and is not a separate taxable entity. In such a case, the Unit Owners or the members would include in their gross income, and be taxed on, income derived by the Condominium Board or the Association Board (as the case may be), which may include interest or similar income which is earned from interim investments of the amounts which are assessed and collected from the Unit Owners or members, and may also include income from any concession and other rental income.

However, the Internal Revenue Service may contend that, for purposes of those matters administered through the Condominium Board or the Association Board, such as assessment and expenditure of Common Charges or Association Charges, the Condominium Board or the Association Board constitutes an association separately taxable as a corporation, See, Code Section 7701(a)(3); Treasury Regulation §301.7701-2. In such event, such Board may be deemed to be subject to federal corporate income tax on the Common Charges or Association Charges, which in such case would be deemed to constitute gross income of such Board to the extent that the Common Charges or Association Charges (together with any income earned from other sources, such as interim investments of funds by such Board) exceed the current expenses paid or incurred by such Board which would be deductible for federal income tax purposes. In such case, the Condominium Board or the Association Board (as the case may be) may likewise be subject to the New York State Corporation Franchise Tax. See, e.g., Department of Taxation and Finance Advisory Opinion TSB-A-97(24)C (September 30, 1997). In FLR 92-120 (October 28, 1992) and FLR 92-11 (July 29, 1992) the New York Department of Finance interpreted Section 11-602.1 of the Administrative Code as requiring an unincorporated association to issue stock in order to become subject to the General Corporation Tax. Those rulings held that the Condominium Board would be subject, however, to the unincorporated business tax on any income which is not exempt from federal taxation pursuant to Section 528 of the Code. However, subsequent to the issuance of those rulings, the Administrative Code was amended and the General Corporation Tax now applies to all associations taxable as a corporation for federal income tax purposes whether or not shares of stock are issued.

Even if the Condominium Board and the Association Board are each treated as separate taxable entities, published rulings indicate that Common Charges and Association Charges assessed by the Condominium Board and the Association Board respectively, should not constitute gross income of such Board to the extent that such charges are designated for use solely to make specified capital improvements and are maintained in a separate bank account, because either the Condominium Board or the Association Board is deemed to receive and hold such Common Charges or Association as agent for the Unit Owners from whom the assessments were collected (Rev. Rul. 75-370, 1975-2 C.B. 25) or because the assessed Common Charges or Association Charges are deemed to be nontaxable contributions to the capital of the Condominium Board and the Association Board (Rev. Rul. 75-371, 1975-2 C.B. 52; cf., Concord Village, Inc., 65 T.C. 142 (1975)). However, if treated as contributions to capital, it should be noted that when such amounts (together with any other funds accumulated by the Condominium Board or Association Board) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners or members, and that each Unit Owner or member should therefore be subject to tax on his pro rata share of the amount expended to the extent of the earnings of the Condominium Board or Association Board (as the case may be).

In the event that either the Condominium Board or the Association Board is required to pay any federal, New York State or New York City income or franchise taxes, and an additional assessment is made in order to meet such tax liability, the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 C.B. 19.

3. The Legality and Validity of the HOA Declaration

It is our opinion that the HOA Declaration, annexed in Part II of the Plan, will, when recorded in the Office the Register of the City of New York in Kings County, be legal and valid and that persons purchasing Units shall automatically become members of the Association, assuming those rights and obligations of membership as are set forth in the Association.

4. The Status of the Association Under the Code

Association Charges will, though payable through the Condominium Board, be borne by members of the Association and assessed and collected by the Association Board. Under Code Section 528, a homeowners association board may be eligible to elect to be exempt from federal income tax on association charges collected from members of the association provided the requirements of Section 528 (generally described in Part 2 above) with certain modifications relating to residential real estate management associations, are met.

Treasury Regulation §1.528-4(c) provides that in the case of a residential real estate management association, substantially all of the lots or buildings will be considered as used by individuals as residences if at least 85% of the lots are zoned for residential purposes. Lots will be treated as zoned for residential purposes even if under such zoning lots may be used for parking spaces, swimming pools, and similar purposes which are ancillary to residential uses. Current zoning permits use of the use of the lots covered by the HOA Declaration for residential, parking, and similar purposes which are ancillary to residential uses. In this regard, it is noted

that the HOA Declaration provides that each condominium unit and other fee interest in real property situated within the area covered by the HOA Declaration is a separate lot. However, the Internal Revenue Service may contend that the Association fails to satisfy the 85% requirement as aforesaid, because certain Garage Facilities situated within the property covered by the HOA Declaration may be owned and operated for purposes that the Internal Revenue Services may regard as not being ancillary to residential use.

As described in Part 2 above, an organization cannot qualify as a homeowners association under Section 528 unless 60 percent or more of its gross income for such taxable year is exempt function income as described in Treasury Regulation §1.528-9. Such section provides that exempt function income consists solely of income which is attributable to membership dues, fees, or assessments of owners of residential units or residential lots. Treasury Regulation §1.528-(9)(c)(2) provides that exempt function income does not include payments received from persons who are not members of the association. Thus, it is unlikely that payments to the Association by persons described in the Plan as "Recreation Privilege Agreement Holders" will qualify as exempt function income.

Treasury Regulation §1.528-9 (c)(3) further states that exempt function income does not include "amounts received for special use of the organization's facilities, the use of which is not available to all members as a result of having paid the dues, fees or assessments required to be paid by all members." In this regard, it is noted that members of the Association who own lots consisting solely of parking facilities and community facilities (i.e., medical office space) are not required to pay any portion of the Association charges that relate to the operation and maintenance of recreation facilities. Additionally, members of the Association (if any) who own lots on which are situated retirement facilities may elect on an annual basis whether to utilize (and bear a proportionate share of the cost of the operation and maintenance of) the Association's recreation facilities. Treasury Regulation §1.528-(9)(d) provides that notwithstanding the foregoing, amounts received from members for special use of an association's facilities will be considered exempt function income if the following two conditions are satisfied (1) the amounts paid by the members are not paid more than once in any twelve month period; and (2) the privilege obtained from the payment of such amount lasts for the entire twelve month period or portion thereof in which the facility is commonly in use. In this regard, it is noted that the Association's By-Laws provide that the amount assessed with respect to recreation facilities is assessed and payable once annually, although members of the association also have the option to pay such amount in monthly installments. Whether 60 percent of the Association's income for any year will be exempt function income cannot be determined with certainty.

If an election under Section 528 is not available or in effect for a taxable year, the tax status of the Board will be governed by the rules in effect prior to the enactment of Section 528, under which the tax status of the Board is uncertain. Purchasers should refer to Part 2 above for further discussion.

5. Liability of the Association for Sales Tax

The Association may be subject to sales tax with respect to recreational assessments and also maintenance charges. In an advisory opinion issued by the New York State Commissioner of Taxation and Finance on October 29, 1987, with respect to the Stratford Green Homeowners

Association, it was stated that the homeowners association was deemed to be a "social and athletic club" which is subject to state and local sales taxes. This determination was made since the "roadways, parking area, landscaping, lawn sprinkler systems, storm drainage, and tennis court [owned by the homeowners association] . . . is not intended for public use but to provide, in addition to the tennis court, areas where members may congregate for recreation and social activities."

6. Compliance with Real Property Law Section 339(i).

Section 339-i.1 requires that the Common Interest of each Condominium Unit be based on any one of the following methods of calculation:

(i) the approximate proportion that the fair value of the unit at the date of the declaration bears to the then aggregate fair value of all the units;

(ii) the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all of the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements;

(iii) 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;

(iv) upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

Section 6 of the Condominium Declaration states that "the Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value of such space to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit." The Condominium Declaration also provides that the aggregate Common Interests of all Units equal one hundred percent (100%).

In connection with this opinion, we have reviewed the opinion of Buchbinder & Warren, LLC, licensed real estate brokers, included in Part I of the Plan, the information provided by you on Schedule A and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. We have not reviewed or verified the calculations of floor areas used in determining the sizes of Units or the Limited Common Elements, which calculations have been furnished by you.

Based on the foregoing factors and the factual opinion of Buchbinder & Warren, LLC with respect to the allocation of the Common Interest among the Units made by the Sponsor, it is our opinion that the requirements of Section 339-i have been met.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Condominium Board. Purchasers must also be aware that under certain circumstances a Unit Owner, by virtue of his ownership of a Unit, may be deemed to become a resident of New York City and that no opinion is expressed herein as to the circumstances under which this may occur, or with respect to the income, estate or other tax consequences that may arise therefrom. Each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

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

NO WARRANTIES ARE MADE THAT INTERNAL REVENUE SERVICE, THE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UPON WHICH THE COUNSEL TO THE SPONSOR BASE ITS OPINION (SET FORTH ABOVE) WILL NOT CHANGE AND IN NO SUCH EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, THE ASSOCIATION BOARD, COUNSEL TO THE CONDOMINIUM BOARD, THE ASSOCIATION BOARD, THE SELLING AGENT OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, THE NEW YORK TAX LAW, THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT OF ANY THEREOF. MOREOVER, NONE OF THE AFORESAID MAKES ANY WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNITS OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN.

Part 6 of the foregoing opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should be construed, as an opinion on other aspects of the Plan, such as the valid creation of a condominium, which is to be determined by a title insurance company.

The opinions contained herein are based upon our review of applicable statutory law and judicial precedent existing as of the date hereof, and we express no opinion as to the effect of any law that is hereafter enacted or any court case that is hereafter decided. We assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances, that may hereafter come to our attention pertaining to the subject matter hereof.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,

Herrick Feinstein LLP

HERRICK, FEINSTEIN LLP

RESERVE FUND

No funds have been set aside by the Sponsor as a reserve fund for capital expenditures. Since the Buildings are being constructed as set forth in the Section of the Plan entitled Description of Property and Specifications and certain major Building components and systems will be covered by warranties of varying duration, it is not anticipated that there will be significant major capital expenditures needed for the Common Elements of the Buildings within five years after the Closing Date. However, since no reserve fund is being funded by the Sponsor under this Plan and the budget for the first year of condominium operation does not provide for yearly contributions to a reserve fund for capital expenditures, Sponsor does not represent or warrant that the Condominium will have sufficient funds for any such capital expenditures within five years following the Closing Date should such capital expenditures be needed. However, the budget for the first year of Condominium operation as set forth in this Plan provides for an amount for contingencies, which the Condominium Board may elect to use to apply to some or all of the costs of any such needed capital expenditures. In addition, the Condominium Board may also elect to apply some or all of the Working Capital Fund to such costs. No representation is made by Sponsor that the Working Capital Fund or other funds of the Condominium, if any, will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the Working Capital Fund (and such other funds, if any) for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges.

WORKING CAPITAL FUND

A working capital fund ("Working Capital Fund") for the Condominium shall be established as follows: Upon the closing of the purchase of a Residential Unit from Sponsor, the purchaser will be required to pay to the Condominium an amount equal to one months' Common Charges for such Residential Unit ("Unit Working Capital Fund Contribution") as initial working capital, provided that, if Sponsor has already paid the Unit Working Capital Fund Contribution for such Residential Unit (as provided below), such amount shall be paid instead to Sponsor to reimburse Sponsor for such contribution to the Working Capital Fund. This contribution is not refundable or transferable if Purchaser sells his Residential Unit. If any Residential Unit shall be unsold at the time of the transfer of control or loss of control by Sponsor of the Condominium Board of Managers, Sponsor shall pay to the Condominium an amount equal to one months' common charges for each such then Unsold Residential Unit, and, upon the sale of each such Residential Unit, the purchaser of such Residential Unit shall reimburse Sponsor for the contribution made by Sponsor to the Working Capital Fund with respect to such Residential Unit.

The Working Capital Fund may be used by the Condominium for working capital and for other purposes as determined by the Condominium Board.

Except as expressly provided in this Section of the Plan, Sponsor shall have no obligation to establish or make any contributions to a working capital fund or reserve fund of any kind with respect to the Condominium or the Property.

So long as a majority of the members of the Condominium Board are the Sponsor's representatives, the Sponsor's representatives shall not use the Working Capital Fund to reduce the Common Charges projected in Schedule A.

No representation is made by Sponsor that the Working Capital Fund will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the Working Capital Fund for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges.

Neither the Department of Law nor any other government agency has passed on the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Summarized below are the terms of the management agreement and all of the contracts and leases made or to be made by the Sponsor or the Condominium Board on or before the Closing Date, which will bind the Condominium on or after the Closing Date and which are not disclosed elsewhere in this Plan.

(1) Management Agreements

On or before the Closing Date, the Condominium Board on behalf of the Condominium will enter into an agreement with Allied Brighton Management, LLC, with offices at 118-35 Queens Boulevard, Forest Hills, New York 11375 to act as Managing Agent of the Property for a period of three years from the Closing Date. Principals of the Managing Agent are affiliates of the principal of the managing member of Sponsor. It is anticipated that the HOA Board on behalf of the Oceana Homeowners Association will have entered into an agreement with such Managing Agent prior to the Closing Date under the Plan. For its services, the Managing Agent will receive from the Condominium annual compensation of $250 per Residential Unit, payable in equal monthly installments and will receive four percent (4%) of the annual HOA Charges and Special Assessments assessed by the HOA Board. The management agreements will be assignable by the Managing Agent and may be canceled by either party for the other party's default of any substantial obligation thereunder after thirty (30) days' prior written notice and failure to cure the default within such thirty (30) days. In addition, the Condominium Board and the Oceana Homeowners Association may each cancel the management agreement without cause during the first thirty (30) days following the first anniversary of the Closing Date.

The services to be rendered to the Condominium by the Managing Agent will include: (a) billing and collecting Common Charges, rent and other charges; (b) hiring and discharging employees; (c) making periodic inspections of the Property and supervising repairs, services, maintenance, alterations and improvements; (d) purchasing supplies for the Building; (e) maintaining the corporate books and attending Condominium Board and Unit Owners' meetings; (f) verifying and paying bills received for services, work and supplies, and paying taxes; (g) maintaining payroll records and filing withholding tax statements for Building employees; (h) furnishing monthly statements of receipts and disbursements to the President and Treasurer of the Condominium; (i) preparing and submitting annually to the Condominium Board an operating budget of the anticipated receipts and expenses for the ensuing year; (j) sending notices, preparing agenda, attending meetings and preparing minutes; and (k) generally doing all things reasonably deemed necessary or desirable to the Condominium Board of the Condominium for the proper management of the Buildings.

The Managing Agent will obtain the consent of the Condominium Board prior to making any alteration or request involving an expenditure in excess of Five Thousand Dollars ($5,000) or entering into any service contract for a term in excess of two years requiring any regular annual payment in excess of Five Thousand Dollars ($5,000). The Management Agreement entered into by the Oceana Homeowners Association will contain a comparable provision.

The Managing Agent will not prepare the Condominium's annual certified financial statement. Such statement will be prepared by an independent certified public accountant employed by the Condominium at its own cost and expense.

The Condominium will reimburse the Managing Agent on demand for any sums advanced by the Managing Agent for the Condominium's account in payment of any obligation or necessary expense connected with the maintenance or operation of the Building or otherwise. The Condominium shall indemnify and hold the Managing Agent harmless from and against any liability, damages, claims, costs and expenses (including reasonable attorneys' fees) arising out of any (i) injury to any person or property in, about or in connection with the Property, from any cause whatsoever, unless such injury is caused by the Managing Agent's own negligence or failure to comply with its obligations under the management agreement and (ii) acts properly performed by the Managing Agent pursuant to the management agreement or the instructions of the Condominium Board.

If the Condominium Board and/or the HOA Board so elects, the Managing Agent may be bonded at all times during the term of the management agreement under a fidelity bond in favor of the Condominium or the Oceana Homeowners Association. The cost of the bond will be borne by the Condominium or the HOA.

The Managing Agent will perform substantially similar services for the Oceana Homeowners Association and will oversee the management of the HOA Properties

(including those portions of any Off-Site Improvements and any Lot situated in the Development Area which the Oceana Homeowners Association is required to maintain pursuant to the Development Declaration or any easement).

(2) Telecommunications Agreement

Sponsor anticipates that it will enter into an agreement for an initial term of seven (7) years, renewable for one additional seven (7) year term, with RCN Telecom Services of New York, Inc., with offices at 1133 Avenue of the Americas, New York, New York ("RCN"), pursuant to which RCN will make available to residents of the Development Area including Unit Owners certain cable, telephone and internet services. If a Unit Owner elects to obtain such services, such Unit Owner will contract with and pay the cost of those services selected by the Unit Owner directly to RCN.

RCN shall have an easement and access through the Development Area and the Condominium and all portions thereof including the Common Elements and the Units for the installation, operation, ownership, maintenance, repair, replacement and removal of its "Facilities," which include, without limitation, wire, cable, satellites, antennae, conduits, ducts, interducts, computers, switches, nodes, converters, laterals and similar equipment. In addition, RCN shall have an easement for the use of roof space and approximately 100 square feet of space located in a basement or cellar for use as equipment space.

RCN will pay to Sponsor a fee during the term of the agreement (and any renewal thereof) based on a percentage of the total receipts of RCN on account of services it provides within the Development Area. Such fee shall belong solely to Sponsor and neither the Condominium Board nor the HOA nor any Unit Owner or Lot Owner shall be entitled to any portion thereof. At the Closing, the Condominium Board and the HOA shall each assume in writing, Sponsor's obligations under the agreement with RCN to the extent applicable to the respective portions of the Development Area operated by each, and shall execute and deliver to Sponsor such documents as may reasonably be required by Sponsor to effectuate the foregoing.

Although it is not anticipated that there will be any other contracts binding on the Condominium (except as disclosed above, in the footnotes to Schedule B and except for a written easement agreement with the Garage Facility Owner described under "**Description of Property and Improvements**" - "**The Garage Facility and Parking Space Units**"), the Sponsor reserves the right, prior to the Closing Date, upon such terms and conditions to which Sponsor shall agree, to (a) renew, extend or modify any of the contracts summarized above, and (b) make other or additional labor, maintenance, service or concession contracts with respect to the Property. Thus the payments to be received and/or paid by the Condominium may be more or less than the amounts shown in Schedule B. However, if (i) the term of any new contract exceeds, or the term of any existing contract is extended for a period which exceeds, two (2) years (or three (3) years in the case of any union contract), or (ii) the cost of any such new or modified contract

materially increases any expense shown in Schedule B, then the Sponsor will disclose such term, decrease in income or increase in expense, as the case may be, in a duly filed amendment to the Plan.

IDENTITY OF PARTIES

Sponsor:

The Sponsor, Brighton Development, LLC, is a Delaware limited liability company that was formed on or about March 27, 1998. The Sponsor maintains offices at 118-35 Queens Boulevard, Forest Hills, New York 11375. Brighton Development, LLC is comprised of two members, Allied Brighton, LLC, the managing member, which entity is a New York limited liability company that was formed on or about January 27, 1998 and Carlyle Brighton, LLC, which entity is a Delaware limited liability company that was formed on or about January 21, 1998. Carlyle Brighton, LLC is not involved in the conduct of the offering. Allied Brighton, LLC is comprised of Joshua L. Muss, the managing member, and a Muss family trust, of which Harriet Muss is a trustee. Ms. Muss is not involved in the conduct of the offering. Joshua L. Muss is the sole member of Sponsor.

The Muss family, with the same business address as Sponsor has been in the building business for over 50 years and has constructed thousands of single and two-family homes, low and high rise homes, shopping centers and office buildings. Joshua L. Muss was a principal of the Sponsor of (i) Oceana Condominium No. One (accepted for filing on September 12, 1999); (ii) Oceana Condominium No. Two (submitted to the Department of Law on November 18, 1999 but not yet accepted for filing); (iii) Woodbrooke Estates Condominium Sections I (accepted for filing on July 1, 1980), II-A, II-B (accepted for filing on April 25, 1983), III and VI (accepted for filing on March 15, 1985) located at Charleston Avenue and Hampton Place, Staten Island, New York; (iv) Fawn Ridge Condominium, Section I and II, Staten Island, New York (accepted for filing on April 18, 1983 and November 16, 1983 respectively); and (v) Twin Oaks at Woodbrooke, Staten Island, New York. Each of the above communities (other than Oceana Condominium No. One and Oceana Two) were sold, built and closed from 1981 to 1990. Oceana Condominium No. One is currently under construction. Units in Oceana Condominium No. One are currently being offered for sale. It is anticipated that construction of Oceana Condominium No. Two will commence in June, 2000. Joshua L. Muss was also a principal of the sponsor of the conversion to condominium ownership of 41-40 Union Street, Flushing, New York, the Offering Plan for which was accepted for filing on January 31, 1985 and the first closing of which occurred on January 16, 1986; and a principal of the sponsor and selling agent of Captain's Quarters, Bayview Avenue, Staten Island, the offering plan for which was accepted for filing on April 25, 1986 and the first closing of which occurred on October 26, 1987. The term "Principal" as used herein shall mean a "Principal" as presently defined under the regulations of the Department of Law of the State of New York (i.e., "all individual sponsors, all general partners of sponsor that are partnerships, all officers, directors and shareholders of a corporate sponsor that are actively involved in the planning and consummation of the offering, and all other individuals who both (i) own an interest in or control sponsor and (ii) actively participate in the planning or consummation of the offering, regardless of the form of organization of Sponsor"). The complete offering plans covering such properties are is on file with the Department of Law of the State of New York, Real Estate Financing Bureau, 120 Broadway, New York, New York 10271, where they are

available for public inspection. Sponsor (and its principal) is current on all its respective financial obligations, if any, under such offering plans.

Managing Agent:

Allied Brighton Management, LLC, having an address at 118-35 Queens Boulevard, Forest Hills, New York 11375 ("Managing Agent") is the Managing Agent in connection with the Plan. Joshua L. Muss, is the principal of the Managing Agent. Mr. Muss is also the managing member of Sponsor. Entities affiliated with the Managing Agent manage several rental, cooperative and homeowners association properties in the New York metropolitan area. It is anticipated that the Managing Agent will also manage Oceana Condominium No. One and Oceana Condominium No. Two.

Selling Agent:

Brighton Sales & Marketing, Inc., with an office at 118-35 Queens Boulevard, Forest Hills, New York 11375 (the "Selling Agent") is the Selling Agent under the Plan. Joshua Muss is a licensed real estate broker. Principals of the Selling Agent are affiliates of the principal of the managing member of Sponsor. Entities affiliated with the Selling Agent have marketed several cooperative, condominium and homeowners association properties in the New York metropolitan area, including Oceana Condominium No. One. It is anticipated that the Selling Agent will also act as the Selling Agent for Oceana Condominium No. Two.

Sponsor's Architect:

The Sponsor's architect of record is Schuman, Lichtenstein, Claman & Efron, having an office at 841 Broadway, New York, New York 10003. Sponsor's project development architect is Stanley Michael Krebushevski, Architect, P.C. having an office at 1562 Richmond Road, Staten Island, New York. Although Sponsor's architect has no ownership or proprietary interest in Sponsor, the Property, the Condominium or any other individual interest in this transaction, the Sponsor's architect will receive fees as compensation for services rendered in its capacity as Sponsor's architect.

Sponsor's Attorneys:

The Sponsor is represented by Herrick, Feinstein LLP, with offices at 2 Park Avenue, New York, New York 10016, in all matters generally relating to the Plan, including the preparation of the Plan. Jean E. Gallancy, Esq. is the attorney who was principally involved in the preparation of the Plan.

Escrow Agent:

The Escrow Agent for all Deposits under the Purchase Agreement is Herrick, Feinstein LLP with offices at 2 Park Avenue, New York, New York 10016. Herrick, Feinstein LLP represents Sponsor connection with the preparation of this Plan.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give all Unit Owners annually:

(1) a financial statement of the Condominium prepared by a certified public accountant or public accountant. Such statement shall be a certified statement while Sponsor is in control of the Condominium Board of Managers.

(2) prior annual notice of the annual Unit Owners' meeting; and

(3) a copy of the proposed annual budget of the Condominium and the Oceana Homeowners Association by 30 days prior to the date set for adoption thereof by the Condominium Board and the HOA Board, respectively. While Sponsor is in control of the Condominium Board such budget shall be certified to be adequate in accordance with Section 20.4(d) of the applicable regulations of the Department of Law.

DOCUMENTS ON FILE

Sponsor agrees that copies of this Plan and all exhibits and documents referred to herein shall be on file and available for inspection by prospective Purchasers and by any person who shall have purchased a Unit under this Plan or participated in the offering of such Units, at the office of the Sponsor, and shall remain available for such inspection for a period of six (6) years from the date the Condominium Declaration is recorded. Sponsor shall deliver to the Condominium Board a copy of the filed Floor Plans and the filed Condominium Declaration at the time of the closing of the first Unit.

GENERAL

Pending Litigation

Except for any tax certiorari proceedings, there are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or the Condominium or any other person or persons, the outcome of which may materially affect this offering, the Property, the rights of existing tenants, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium, or the operation of the Property as a Condominium.

The following lawsuits are pending against affiliates of Sponsor:

[redacted] v. Allied Princess Bay Co. (Supreme Court, Richmond County, Index No. 10429/98.) The plaintiff is seeking damages in the sum of $245,000 plus interest for alleged breach of warranty and alleged defective workmanship related to premises known as 74 Admiralty Loop, Staten Island, New York. An answer was interposed on or about March 30, 1998 denying the allegations and discovery demands were filed shortly thereafter, which to date have not been responded to. It is anticipated that a Motion to Preclude and/or Dismiss for failure to respond to discovery demands will be made shortly. Since the action is in its early stages and the plaintiff has failed to comply with the defendant's discovery demands, it is unknown what the potential exposure of Allied Princess Bay Co. is since no damages have been documented.

[redacted] v. Allied Princess Bay Co. (Supreme Court, Richmond County, Index No. 4201/92.) Plaintiff is seeking damages in the sum of $124,900 plus interest for alleged breach of contract, alleged fraud and alleged breach of warranty. Depositions are currently taking place and the matter is scheduled to proceed to trial shortly. The defendant does not believe that its exposure, if any, is significant.

Amendments to Plan

The Sponsor reserves the right, from time to time prior to the Closing Date, without obtaining the consent of Purchasers or others, to revise the terms and conditions on which the Units offered hereby are to be sold, including changes affecting the rights, obligations and liabilities of Purchasers, the Sponsor and the Condominium. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If an amendment materially adversely affects the rights, obligations or liabilities of then existing Purchasers, or substantially and materially reduces the undertakings or obligations of the Sponsor, Purchasers will be given the right to rescind their Purchase Agreements by notice personally delivered or sent by certified mail to the Sponsor within fifteen (15) days after the date of service of the amendment, and the Sponsor shall refund any payments made by such Purchaser pursuant to his Purchase Agreement with interest earned thereon, if any, within thirty (30) days of receipt of such notice of rescission. However, such rescission, as to Purchasers who are then tenants of the Building, shall be conditioned on the cancellation of any interim or other lease and surrender of possession of their Units.

No Prior Offering

To the Sponsor's knowledge, the Property has not been the subject of any prior cooperative or condominium offerings in the past five (5) years.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor and its agents will not discriminate against any person on any basis prohibited by applicable civil rights laws relating to the sale of the Units offered by the Plan.

This Plan As Fair Summary

This Plan contains a fair summary of the material provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

No person has been authorized to make any representation which is not contained herein. Information, data or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

The documents and reports contained in Part II of this Plan are an integral part of the Plan and should be considered carefully by prospective Purchasers. Merely reviewing the summaries of documents set forth in Part I of the Plan is no substitute for a careful review of the actual documents, some of which are set forth in Part II of the Plan and others of which are available for inspection by all prospective Purchasers at the office of the Sponsor. Therefore, prospective purchasers and their attorneys and other, financial

advisors should read the entire Plan, which consists of Part I and Part II, and should review all documents in connection with the Plan.

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property and Specifications prepared by Stanley Michael Krebushevski, Inc., Architect, and the Description of Property and Specifications prepared Schuman Lichtenstein Claman Efron, Architects contained in Part II of the Plan.

Sponsor anticipates that the construction of the Buildings will be substantially completed on or before the Closing Date.

DOCUMENT NUMBER 1

PURCHASE AGREEMENT made this _____ day of _____, 19__, between _____,
as Purchaser and Brighton Development, LLC, as Seller

RECITALS

(a) The name of the Condominium is **Oceana Condominium No. Three**.

(b) The address of the Property is 60 Oceana Drive West, Brooklyn, New York.

(c) (i) The Residential Unit covered by this Purchase Agreement is the Unit designated as Unit Number _____ in the Building known as 60 Oceana Drive West, Brooklyn, New York.

(ii) **(Delete if inapplicable)** The Parking Space Unit covered by this Purchase Agreement is the Unit designated as Unit Number _____.

(d) (i) The Common Interest appurtenant to the Residential Unit is: _____%

(ii) The Common Interest appurtenant to the Parking Space Unit (if applicable) is _____%

(e) The Purchaser's residence address, if an individual, or business address, if an entity, is:

_____
_____
_____

(f) The Purchaser's telephone number is _____.

The Purchaser's social security number or federal identification number is _____.

(g) (i) The Purchase Price for the Residential Unit is $_____

(ii) The Purchase Price for the Parking Space Unit (if applicable) is $_____

(h) The Total Purchase Price is: $_____

(i) The Down Payment payable herewith: $ _____

(j) The Balance of the Purchase Price (to be paid at Closing) is: $_____

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1. The Plan. Purchaser acknowledges that he has, before signing this Purchase Agreement, received and read a copy of the Condominium Offering Plan for the above named Condominium sponsored by Seller and all amendments thereto, if any, filed with the Department of Law of the State of New York at least three (3) business days prior to the date hereof. Such Condominium Offering Plan together with any amendments heretofore or hereafter made thereto are hereinafter collectively referred to as the "Plan." The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Purchaser also acknowledges and agrees that the Plan may be amended from time to time by the Seller and any such amendment shall neither excuse Purchaser from performing any of its obligations hereunder nor entitle Purchaser to any abatement in the Purchase Price. Any such amendments (i) may be made without Purchaser's consent or approval, except as otherwise provided in "Changes in Prices or Units" and the other provisions of the Plan, and (ii) shall not entitle Purchaser to a right of cancellation, except as set forth in the Plan. Purchaser acknowledges that Purchaser has had a full opportunity to examine all documents referred to in the Plan including the Plans and Specifications for the Building described in the Plan and investigate all statements made in the Plan.

2. Definitions. Terms not defined in this Agreement which are also used in the Plan shall have the same meanings herein as in the Plan unless the context otherwise requires.

3. Agreement to Purchase. Seller agrees to sell and convey, and Purchaser agrees to purchase, the above-described Residential Unit, and if so indicated, Parking Space Unit together with the above-stated Common Interest appurtenant to each (collectively "Unit"), each for the Purchase Price stated above, upon and subject to the terms and conditions set forth in this Agreement and in the Plan. If so indicated, at the Closing, Purchaser agrees to enter into a Parking Privilege Agreement on the terms and conditions set forth in the Plan.

4. Payment of the Purchase Price. The Purchaser shall deliver herewith, to the Seller, Purchaser's check to the order of "Herrick, Feinstein LLP Attorney Escrow Account for the amount of the above-stated Down Payment, subject to collection. The balance of the Purchase Price shall be paid to Seller at closing.

Except for the Down Payment, which is to be paid as provided above, any payments to be made by Purchaser under this Agreement (including, without limitation, the payment of the balance of the Purchase Price), whether to, on behalf of or at the request of Seller, shall be made by unendorsed certified check, or bank check, drawn in either case on a member bank of the New York Clearing House Association payable to the order of the Seller, subject to collection.

In the event that any check for any payment to be made by Purchaser under this Agreement (including, without limitation, the Down Payment) shall be dishonored for any reason whatsoever, it shall be deemed a material default by Purchaser hereunder and Seller may, in that event, cancel this Agreement and notwithstanding such cancellation, be entitled to recover the amount of such check in addition to any other sums Seller may be entitled to under this Agreement. If at any time a check or other instrument for the payment of money delivered by Purchaser pursuant to the provisions of this Agreement is dishonored for any reason whatsoever, without limiting the foregoing provisions, Purchaser shall reimburse Seller for the costs and expenses (including, but not limited to, reasonable attorneys' fees) of collection of any such check or other instrument.

At the request of Seller at closing Purchaser shall pay the balance of the Purchase Price to such payees as Seller shall direct.

5. Closing of Title.

5.1 The closing of title hereunder shall occur at the offices of Seller's attorneys or at such other place as Seller shall designate and at a time and on a date ("Closing Date")designated by Seller which is not earlier than thirty (30) days, nor more than one hundred eighty (180) days, after the Plan has been declared effective, unless the Closing Date is adjourned by Seller. Notwithstanding the foregoing, the Closing Date may be adjourned from time to time as may reasonably be required to comply with the "Prerequisition to Closing Title" set forth under the section of Plan entitled "Terms of Sale: Closing of Title to Units." The closing of title shall not occur until there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan. If the date of this Purchase Agreement is after the closing of the sale of the First Unit under the Plan, then the Closing Date shall be that date which is 90 days after the date of this Agreement. Seller shall give Purchaser notice of the scheduled Closing Date at least thirty (30) days in advance thereof. Seller shall have the right to adjourn the date of closing of title from time to time by written notice to Purchaser. If the closing is adjourned by Seller, then Seller shall fix a new date and time for closing and shall give Purchaser not less than ten (10) days' prior written notice of the new scheduled date and time for closing. Closing of title shall occur only after or concurrently with compliance with the requisites to closing set forth in the Plan.

5.2 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Seller on which the deed(s) to the Unit is to be delivered to Purchaser or any adjourned date fixed by Seller pursuant to subsection 5.1 hereof.

6. The Deed and Power of Attorney

6.1 On the Closing Date, upon receipt by Seller of all payments and documents required hereunder, Seller shall deliver to Purchaser a deed or deeds to the

Unit in substantially the form contained in Part II of the Plan, conveying the Unit to Purchaser as provided in the Plan, subject to the exceptions referred to in the Declaration, Condominium By-Laws, the Plan and Exhibits thereto. The deed(s) shall be executed and acknowledged by Seller, and shall be in form for recording.

6.2 On the Closing Date and simultaneously with the delivery of the deed(s) conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board of Managers prepared by Seller and substantially in the form contained in Part II of the Plan. Purchaser shall pay all recording or other fees in connection with the recording of the power of attorney. The power of attorney may be delivered to Purchaser's title company, if any, for recording and shall be marked for return to the Condominium Board of Managers or their attorneys after recording.

6.3 Purchaser agrees that at the Closing Purchaser shall (i) execute and deliver (a) the power of attorney as provided in Section 6.2 above and (b) other closing documents as requested by the Seller, (ii) pay any net adjustments in favor of Seller, Purchaser's closing costs and fees and any processing fees, as provided in the Plan, and (iii) pay to the Condominium the contribution(s) to the Working Capital Fund required to be made by each purchaser as provided in the Plan, together with all other payments to or deposits with the Condominium as may be provided in the Plan.

7. State of Title. On the Closing Date, Seller shall convey to Purchaser title in fee simple to the Unit, free and clear of all encumbrances other than the Permitted Encumbrances set forth in the Plan. Seller shall have no obligation to cause Purchaser's title company, if any, to omit any exceptions to title.

8. Closing Adjustments.

8.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit, except as provided in the Plan:

(a) If the Unit is separately assessed as of the Closing Date, then, real estate taxes and assessments against the Unit (if any) on the basis of the period for which assessed;

(b) If the Unit is not separately assessed as of the Closing Date, then the product of real estate taxes and assessments against the Property (if any) on the basis of the period for which assessed multiplied by the Common Interest appurtenant to the Unit, divided by the aggregate of the Common Interests of all Units at the Property subject to such real estate taxes and assessments;

(c) Common Charges for the month in which title closes;

(d) Accrued rent and any other charges pursuant to the lease, if any, covering the Unit; and

(e) Water charges and sewer rents, if separately assessed, on the basis of the period for which assessed.

8.2 In the event that the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed(s), if any, shall be paid by Purchaser and shall not be considered a defect in title.

8.3 **If Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the Closing Date originally specified by the Seller (or the originally scheduled closing date specified in this Agreement, as the case may be) and (ii) Purchaser shall pay to Seller, as a late fee, an amount equal to 0.0328% times the unpaid balance of the Purchase Price for his Unit for each day's delay, beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Seller postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.**

8.4 To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Seller at the closing for such Unit the amount of any such credit.

8.5 Any error or omissions in computing closing adjustments shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing of title.

9. Closing Costs. Purchaser, in addition to the legal fees of Purchaser's counsel, if any, and the amount of any net adjustments in favor of Seller and the other payments required under this Agreement shall pay any closing costs specified in the Plan including, without limitation, any processing fees, and closing fees to Seller's attorneys, and other fees and payments provided in the Plan. Without limiting the foregoing, Purchaser shall be required to pay to the Seller or Seller's attorneys a fee for each Unit purchased, which will cover the legal and other fees and expenses of processing the sale of the Unit, at the same time as the balance of the purchase price for the Unit is due and payable hereunder, as follows:

(a) Basic fee for closing of sale, with or without financing (including, without limitation, preparation of the Unit Deed(s) and Power of Attorney, and coordinating and attending the closing as set forth in the Plan) -- $950

(b) Additional attendance fee in the event that closing does not occur at the offices of Herrick, Feinstein -- $350 (may be increased if the closing occurs outside of New York City).

(c) Additional fee if closing adjourned for any reason other than at Sponsor's request -- $200 for each time closing is so adjourned.

(d) In the event Purchaser obtains title insurance from a title insurer other than Costa N. Tesnakis, Agent for Ticor Title Guarantee Company, an additional fee of $350 to Seller's attorneys for the additional work involved.

The Purchaser further agrees to pay at the closing of title the following costs that apply to the closing of any purchase money loan to finance the purchase: the actual cost of title examination; cost of mortgage title insurance; bank attorneys' fees for preparation of the documents necessary for the mortgage loan; mortgage origination fees; bank credit and appraisal fees; survey costs; mortgage recording taxes; private mortgage insurance (if applicable); and any other governmental charges assessed on a loan. The Purchaser shall pay the premium for a fee title insurance policy if desiring such coverage.

10. Real Property Transfer Tax. Purchaser shall pay all real property transfer taxes (including, without limitation, the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax), recording and other fees in connection with this transaction and the recording of the deed(s). Purchaser's responsibility to pay real property transfer taxes shall include any increases or additions to such taxes which are due by reason of the fact that Purchaser is paying such taxes instead of the Seller. Seller and Purchaser shall duly execute and swear to any transfer tax return and any other form then required by law, all of which shall be prepared by Seller.

11. Federal Form 1099. The Purchaser shall cause its attorney to execute a designation agreement designating such attorney, or such other person specified by the Seller, as the "real estate broker" who is required to file a 1099 return with respect to the sale of the Unit pursuant to Section 6045 of the Code. The Purchaser shall cause such "real estate broker" to make such 1099 return and to comply with all other requirements of Section 6045 of the Code in connection with the sale of the Unit, and the Purchaser shall indemnify and hold harmless the Seller and its attorneys against any and all penalties, loss, and expense (including, without limitation, attorneys' fees) resulting from the failure of the

Purchaser or such "real estate broker" to comply with the Code and the provisions of this Agreement and such designation agreement.

12. Down Payment to be held in Trust. The Down Payment paid by Purchaser hereunder on account of the Purchase Price of the Unit, (collectively the "Deposit"), will be placed in an account in conformity with the provisions set forth below. Seller will comply with the escrow and trust fund requirements of Section 71-a of the Lien Law and General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated pursuant thereto. Purchaser shall not be obligated to pay any legal or other expense of the Seller in connection with the handling or disposition of the Deposit paid by Purchaser. However, nothing in the preceding sentence shall limit the obligation of Purchaser to pay the fees and expenses of the Seller's attorneys as set forth herein or in the Plan in connection with the purchase or closing of the Unit purchased by Purchaser under the Plan.

The Deposit will be deemed to have been unconditionally tendered when it is delivered to the Selling Agent, together with this Purchase Agreement in the form agreed to by the Seller and signed by the Purchaser, without any request for a change in such form or the terms of the Purchase Agreement. The Deposit will be placed, within five business days after the date on which such Deposit has been unconditionally tendered in a special escrow account of Herrick, Feinstein LLP (hereinafter the "escrow agent"), whose telephone number is (212) 592-1400. Herrick, Feinstein LLP's address is 2 Park Avenue, New York, New York 10016. The signatories on this escrow account are Edward M. Abramson, Harvey S. Feuerstein, Paul R. Herman, Michael Heitner, Leonard Grunstein, Carl F. Schwartz, and Mark Goldsmith. The name of the escrow account is Herrick, Feinstein LLP, Attorney Escrow Account (the "escrow account"), and such escrow account is located in The Bank of New York with offices at One Wall Street, New York, New York 10286 (the "Bank"). The Bank is covered by federal bank deposit insurance generally to a maximum of $100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amounts deposited directly by such person and Deposits held in escrow for such person by the escrow agent). If Purchaser makes a Deposit in excess of $100,000 for the purchase of a Unit, or if the amount of such Purchaser's deposits at the Bank and such Deposit exceed $100,000, the aggregate of such Deposit and all other such deposits will generally not be federally insured in excess of $100,000.

The escrow account will be an interest bearing account. Purchaser will receive the interest earned on the Deposit.

The check for the Deposit shall be made payable to or endorsed to the order of Herrick, Feinstein LLP, Attorney Escrow Account. Within ten business days after unconditional tender and delivery by Purchaser to the Selling Agent of a check for the Deposit submitted with this Purchase Agreement on account of the purchase price hereunder, the escrow agent will notify the Purchaser that such funds have been deposited

into the escrow account and will provide the account number. Subject to the provisions of the next sentence, if Purchaser does not receive notice of such deposit within fifteen business days after unconditional tender and delivery to the Selling Agent of such Deposit, then Purchaser may cancel this purchase and rescind this Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after Purchaser's unconditional tender and delivery of such Deposit to the Selling Agent. However, Purchaser shall not be entitled either to rescind this Purchase Agreement or to receive a refund of the Deposit where proof satisfactory to the Attorney General is submitted establishing that such Deposit was timely deposited and notice as provided above was timely mailed to Purchaser in conformity with the Attorney General's regulations.

The escrow agent will hold the Deposit in escrow until:

(i) otherwise directed in one or more writings signed by each of the Seller and Purchaser; or

(ii) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or

(iii) a judgment or order of a court of competent jurisdiction permits or requires the release of the Deposit; or

(iv) the Deposit is paid by the escrow agent into a court of competent jurisdiction; or

(v) the Deposit is paid to the Seller as provided below; or

(vi) such Deposit is paid to Purchaser as provided below.

If there is no written agreement between the Seller and Purchaser to release the Deposit paid by Purchaser, the escrow agent will not pay such Deposit to the Seller until after ten business days following the date that the escrow agent has given Purchaser written notice that the escrow agent intends to pay such Deposit to the Seller. Thereafter, the Deposit may be paid to the Seller unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and the escrow agent has received, within such ten business day period, notice from Purchaser that such application has been made. Notwithstanding the foregoing, Purchaser hereby agrees that the Deposit will be paid to the Seller at the Closing.

Purchaser expressly authorizes the escrow agent to release the Deposit and pay same to Seller upon Seller's compliance with such requirements as may be imposed

by the Attorney General and the acceptance for filing by the Attorney General of an amendment authorizing Seller's use of alternate security.

The Seller will not object to the release of Purchaser's Deposit paid by Purchaser to Purchaser, provided such Purchaser has not defaulted and has timely and validly rescinded this Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

Purchaser or the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Deposit paid by Purchaser. Seller must avail itself of this procedure if there is a dispute which needs to be resolved between the Seller and Purchaser relating to Purchaser's Deposit and, in the case of Purchaser, Purchaser has given notice of objection to the escrow agent within the ten business day period described above. A form for this purpose is contained in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application.

Notices given by escrow agent, Seller or its agents pursuant to this paragraph 12 shall be deemed given (i) upon delivery if personally delivered or (ii) upon the fifth day after the date of mailing. Purchaser acknowledges and agrees that in any dispute between the Purchaser and the Seller, Herrick, Feinstein LLP may act as Seller's attorneys.

13. Binding Effect of Development Declaration; Condominium Declaration, Condominium By-Laws and Rules and Regulations; and HOA Declaration, HOA By-Laws and Rules and Regulations. Purchaser acknowledges that upon acquiring the Unit Purchaser will automatically (i) be bound by the terms and conditions of the Development Declaration and (ii) become a member of the Oceana Homeowners Association. Purchaser hereby accepts and approves the Plan including, without limitation, the Development Declaration, the Condominium Declaration, Condominium By-Laws and Rules and Regulations thereunder and the HOA Declaration, the HOA By-Laws and the Rules and Regulations thereunder and agrees to abide and be bound by the terms and conditions of each of the foregoing.

14. Agreement Subject to Mortgage. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage against the Unit, the Property, or the Development Area or any part thereof or any interest therein, heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with

any schedule of payments or accelerated by virtue of the right of the lender to make advances before they become due in accordance with the schedule of payments. Seller shall, at its option, either satisfy such mortgages or obtain a release of the Unit from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or the Development Area or portions thereof, other than the Unit shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of his other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that the Unit is released from, or not subject to, the lien of any such mortgage.

15. Default by Purchaser. If Purchaser shall (a) fail to pay any installment of the Purchase Price or any other payment when due as herein provided (including, without limitation, if any check made or delivered by the Purchaser hereunder is dishonored), (b) fail to execute the power of attorney, New York City and New York State real property transfer tax returns or any other documents, as herein provided, (c) fail to pay any closing costs or other payments due and payable pursuant to this Agreement or the Plan, or (d) default in the performance of any of his other obligations hereunder, then the sole right and remedy of Seller under this Agreement shall be to cancel this Agreement by giving notice to Purchaser and to proceed against Purchaser as provided below. At the expiration of thirty (30) days after the date of giving of the cancellation notice (unless Purchaser shall have theretofore cured his default) this Agreement shall be deemed canceled and (i) Seller shall be entitled to the amount due and payable upon execution of this Agreement and any amounts paid hereunder (but not exceeding the sum of 10% of the Purchase Price hereunder plus all costs incurred for any special work ordered by Purchaser), together with interest earned thereon, if any, as and for liquidated damages, (ii) Seller shall have the right to sell the Unit to others as though this Agreement had never been made and (iii) Purchaser shall not have any further rights against or obligations to the Seller, the Condominium, the Oceana Homeowners Association or any purchaser of the Unit. Whether or not Seller has canceled this Agreement as provided above, if Seller has not collected the proceeds of any check for any payments due under this Agreement, then Seller may take such actions at law and in equity as may be required in order to collect the same.

16. Interim Leases and Default or Rescission. If Purchaser is a tenant at the Property pursuant to an Interim Lease for the Unit, and Purchaser shall default in such Interim Lease, then Seller may elect to terminate the Interim Lease and such default shall be deemed a default under this Agreement. The provisions of this Agreement shall not limit any other rights or remedies at law or in equity or under the Interim Lease which Seller or any other party may have by reason of such default under the Interim Lease. The right is reserved to the Seller to apply any rent security against any rent arrearage or other default and in addition to sue any tenant to the extent such rent security is insufficient. Notwithstanding the foregoing, before Seller may utilize the default under the Interim Lease to declare a default under this 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.

17. Agreement Subject to Plan Being Declared Effective. The performance by Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned at any time prior to its becoming effective as provided in the Plan and thereafter upon certain terms and conditions as provided in the Plan. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason, then this Agreement shall be deemed canceled and the Plan terminated on the date specified in a notice thereof by the Seller to the Purchaser. Within forty-five (45) days thereafter Purchaser shall receive a refund in full of all moneys paid by him hereunder with interest earned thereon, if any (except as provided in Paragraph 15 hereof), and, upon such refund neither party shall have any further rights, obligations, or liability to or against the other or the Condominium under this Agreement and the Plan.

18. Seller's Inability to Convey Marketable Title. If Seller is unable to deliver marketable title to the Unit to Purchaser subject to the exceptions set forth in the Plan in accordance with the provisions of this Agreement and the Plan, Seller shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Seller elects to attempt to cure such inability then it shall be entitled to an adjournment of the Closing Date for a reasonable period of time within which to complete such cure. However, Seller may notify Purchaser at any time of its refusal either to cure or to continue to cure, as the case may be, such inability and if Purchaser is not in default hereunder, Purchaser shall have the option to (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Seller for damages or otherwise) or (b) terminate this Agreement and this shall be the sole right of Purchaser if Seller does not cure such inability. If Purchaser so elects to terminate this Agreement, Seller shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and upon making such payment, this Agreement, shall be terminated and neither party shall have any further rights, obligations or liability to or against the other under this Agreement and the Plan. The foregoing option must be exercised by notice of Purchaser in writing to Seller within ten (10) days after the giving of Seller's notice of refusal to cure such inability. If Purchaser fails to give such notice to Seller within said ten (10) day period, it shall be conclusively deemed that Purchaser has elected to acquire title to the Unit subject to such inability as aforesaid.

19. Construction. (a) The Seller shall complete the construction of the Property contemplated under the Plan in accordance with the terms and conditions of the Plan. Purchaser acknowledges and agrees that, among other things, under the Plan the Seller has the right to modify and amend the Plans and Specifications including among other things in order to substitute materials, equipment or fixtures, all in accordance with the terms and conditions of the Plan. Purchaser also acknowledges and agrees that (i) completion of the construction will occur in accordance with the provisions of the Plan notwithstanding the fact that there may be any number of items which remain uncompleted

as of the Closing Date within the Unit covered by this Agreement or in the Property and (ii) no escrow will be required in connection therewith. Seller however will be obligated to complete any uncompleted portions of the construction in accordance with the Plans and Specifications as of the Closing Date after the closing. In connection therewith, Purchaser shall permit Seller and its designees access to the Unit for the purpose of completing any such constructions in accordance with the provisions of the Plan or to satisfy any of Seller's other obligations under the Plan or under any purchase agreement for a Unit.

(b) The Purchaser acknowledges and agrees that: (i) any of the obligations of Seller under this Agreement or the Plan including the obligation to complete the improvements described in the Development Declaration and the Plan and specifications are subject to acts of God, strikes, lockouts, weather, floods, epidemics, quarantine restrictions, freight embargo, shortages of or inability to obtain adequate materials, equipment or labor, governmental restrictions or preemptions, damage by fire or the elements or any other cause over which the Seller does not have control and the period within which Seller must complete any of its obligations, if any, shall be extended by the period of such delay; (ii) Seller will not be liable for and will have no obligation to correct certain variations from the Plans and Specifications as provided in the Plan and will only be responsible to correct certain construction defects to the extent and on the terms and conditions set forth in the Plan; and (iii) Seller will not be liable to Purchaser for any delay in completing its obligations hereunder or under the Plan or the Development Declaration or closing hereunder.

20. Fixtures, Appliances and Personal Property. Only those appliances, fixtures, furnishings and items of personal property which are described in the Plan as being part of the Unit and are actually located in the Unit on the Closing Date are included in the sale of the Unit pursuant to the provisions of this Agreement. Purchaser acknowledges and agrees that other than as expressly provided in the Plan, Seller makes no representation in connection with such appliances, fixtures, furnishings and items of personal property and Seller expressly disclaims any implied warranties of merchantability or fitness for a particular purpose.

21. Acceptance of Unit. The Purchaser will accept title to the Unit without any reduction or postponement of payment of the Purchase Price even if construction of the Unit is not fully completed although substantially completed as provided in the Plan, and the Buildings, other Units and the Common Elements or, as to any of "Declarant's Improvements" (including "Off-Site" Improvements), HOA Improvements or any other improvements to the Development Area have not been completed within the time frame (if any) projected in the Plan. The Purchaser agrees to inspect the Unit with the Seller's representative during normal business hours before the Closing Date and to sign and deliver to the Seller before that time an Inspection Statement in the form of Exhibit A to this Agreement, showing the condition in which the Purchaser has received the Unit. Purchaser acknowledges and agrees that: (i) acceptance by the Seller of the Inspection Statement shall not constitute an agreement by the Seller to cure the exceptions noted therein, and Seller's sole obligation with respect to the same shall be as provided in the

Plan; (ii) notwithstanding the fact that there may be construction items noted on the inspection statement which Seller has the obligation to correct under the Plan, Purchaser shall nonetheless be obligated to close on the Closing Date and pay the full purchase price without provision for any escrow. The Purchaser will sign and deliver a separate statement signifying its satisfaction with each item excepted in Exhibit A, if any, immediately upon completion of the repair and adjustment or correction of the same. The Purchaser also acknowledges and agrees that the Seller shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein from and after the date of delivery of possession of the Unit to the undersigned, except for those items, if any, expressly excepted in Exhibit A to the extent Seller is required to repair, adjust or correct the same under the Plan, and Seller's obligation regarding any such excepted items shall cease upon either the completion of the repair, adjustment or correction of the same or the assignment to the Purchaser of any applicable warranty covering the same. Nothing contained herein shall be construed to expand Seller's obligations to correct defects in design or construction beyond the those expressly required under the Plan under "Rights and Obligations of Sponsor".

22. Damage to the Unit. If between the date of this Agreement and the Closing Date, the Unit is damaged by fire or other casualty, the following shall apply:

23.1. The risk of loss to the Unit by fire or other casualty until the earlier of (a) the Closing Date or (b) possession of the Unit by Purchaser, is assumed by Seller, but without any obligation of or liability by Seller to repair or restore the Unit or the Property. If Seller elects to repair or restore the Unit, then this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Seller shall be entitled to an adjournment of the Closing Date for a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall belong entirely to Seller and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of the preceding sentence shall survive the closing of title.

23.2 If the Seller notifies Purchaser that it does not elect to repair or restore the Unit or, if the Condominium Declaration has been recorded prior thereto, there is damage to part of the Building other than the particular Unit covered by this Agreement and the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium By-Laws, then provided that the Purchaser has not assumed the risk of loss by taking possession of the Unit, this Agreement shall be deemed terminated, and provided Purchaser is not then in default under this Agreement, Seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party shall have any further rights, obligations or liability to or against the other hereunder and under the Plan.

If the Purchaser has assumed the risk of loss, then this Agreement shall continue in full force and effect but without any obligation of or liability by Seller to repair or restore the Unit or the Property and upon closing hereunder, subject to the rights of any holder of a mortgage affecting the Unit, Seller shall turn over to Purchaser the net proceeds (after legal and other expenses of collection) actually collected by Seller under the provisions of such insurance policies, if any, covering such damage to the extent that they were attributable to such damage to the Unit, less any sums expended or incurred by Seller for restoration of the Unit, and the Seller shall assign, without recourse, Seller's right to any insurance payments, not yet received by Seller attributable to such damage to the Unit, less any unrecouped sums therefore expended or incurred by Seller for the restoration of the Unit and any legal and/or other expenses of collection.

24. No Representations. Purchaser acknowledges and represents that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller, or otherwise, including, but not limited to, any relating to the description or physical condition of the Property or the Unit, or the size or the dimensions of the Unit, or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the estimated HOA Charges. the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented. No person has been authorized to make any representations on behalf of Seller except as herein or in the Plan specifically represented; Purchaser having relied solely on his own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No oral representation or statements shall be considered a part of this Agreement. The Purchaser agrees that the Seller and its agents and contractors will have no liability to the Purchaser nor shall Purchaser be relieved of any of its obligations hereunder if there is a minor error or inaccuracy in the layout or dimensions of the Unit or of the Common Elements or any Limited Common Elements of the Condominium as shown on the Floor Plans or the Plans and Specifications so long as the layout and dimensions conform substantially to the plans and specifications as they may be changed when permitted by the Plan.

25. Broker. Purchaser represents to Seller that Purchaser has not dealt with any broker, other than the Selling Agent in connection with this transaction. Purchaser agrees that should any claim be made against Seller for commissions by anyone other than the Selling Agent, based on alleged dealings with Purchaser or Purchaser's representatives, Purchaser shall (i) give testimony to such effect in any case, action or proceeding by any broker other than the Selling Agent, and (ii) indemnify and hold Seller harmless from and against any and all liabilities, claims, damages, costs and expenses (including but not limited to reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive the closing of title.

26. Assignment. Purchaser shall not have the right to assign or otherwise transfer to another person, persons or entity, his rights and obligations under this

Agreement without the prior written consent of Seller. If the Seller consents to such assignment, the Seller and/or its designees shall be paid by the Purchaser such additional fees as the Seller specifies. Seller may assign this Agreement without limitation.

27. Purchaser's Certifications. Purchaser certifies that he has agreed in good faith to purchase the Unit for his own use and not as an accommodation to Seller and with no repurchase agreement. Purchaser represents to the Seller, the Condominium and the HOA as follows: (i) if Purchaser is an individual then Purchaser is over 18 years of age and resides in the State of New York, and (ii) if Purchaser is an entity then it is legally authorized to acquire the Unit and has an office for the conduct of its business in New York.

28. Possession of Unit and Purchaser's Work. Purchaser shall not be entitled to possession of the Unit until after the closing has occurred under this Agreement. The Purchaser shall not make any alterations or installations (by himself or with any of his contractors) in the Unit, and the Purchaser will not make any applications (with respect to such alterations or installations) to any governmental entity, until the later of (i) the closing has occurred under this Agreement and (ii) a permanent certificate of occupancy with respect to the Building has been obtained after the completion of the work described on the Plans and Specifications. Purchaser's agreements under this Paragraph 28 shall survive the deliver of the deed.

29. No Financing Contingency. While Purchaser is free to seek mortgage financing from any lending institution to purchase the Unit, the rights and obligations of Purchaser hereunder (including without limitation, the obligation of Purchaser to close on this transaction) are not conditioned upon Purchaser obtaining a commitment for financing. Accordingly, in the event that Purchaser fails to pay the balance of the Purchase Price when due, because Purchaser has been unable to obtain mortgage financing (or otherwise), Purchaser will be deemed to be in default under this Purchase Agreement. Any references in this Agreement to any loan to finance this purchase shall not be deemed to imply that this transaction is contingent in any manner on Purchaser obtaining financing.

30. Right to Cancel. Unless Purchaser has received a copy of the Plan and all filed amendments thereto at least three (3) days before signing this Agreement, Purchaser may cancel this Agreement for a period of seven (7) days after the date of this Purchase Agreement by giving notice of cancellation to the Seller prior to the expiration of said seven (7) day period. If Purchaser exercises his option to rescind this Agreement, then in that event all moneys paid by Purchaser on account of the Purchase Price hereunder shall be refunded to Purchaser within ten (10) days after the expiration of the aforesaid seven (7) day period. If Purchaser does not give a cancellation notice to the Seller in accordance with Article 33 within the aforesaid seven (7) day period, this Agreement will become binding upon the Purchaser upon the expiration of said period.

31. Binding Effect. Purchaser acknowledges that this Agreement will not be binding on the Seller until a fully executed counterpart of this Agreement has been delivered to Purchaser or Purchaser's attorney. Within twenty (20) days after delivery to the Seller of three (3) copies of this Agreement (with the terms, including, without limitation, the Purchase Price, and in the form which has previously been provided by the Seller) executed by Purchaser, together with the above-stated Deposit, the Seller shall either (i) accept this Agreement and return one fully executed copy thereof to Purchaser or Purchaser's attorney or (ii) reject this Agreement, by giving to Purchaser or Purchaser's attorney notice thereof together with a refund of the above-stated Down Payment with interest earned thereon, if any. In the event that Seller takes no action within said twenty (20) day period, then in such event this Agreement (with the terms and in the form provided above) shall be deemed canceled.

32. Working Capital Fund Contribution. On the Closing Date, Purchaser shall pay to the Condominium Board of Managers a sum equal to one month of Common Charges with respect to the Residential Unit purchased as initial working capital for the Condominium as provided in the Plan; provided that if Seller has already paid such contribution to the Working Capital Fund for the Unit, then such amount shall be paid instead to Seller to reimburse Seller for such contribution to the Working Capital Fund attributable to such Residential Unit.

33. Notices. Notices hereunder shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, as follows: to Purchaser, at the address stated in this Agreement; and to the Seller at the address set forth above, with a copy to (a) Muss & Muss, 118-35 Queens Boulevard, Forest Hills, New York 11375 and (b) Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016, Attention: Leonard Grunstein, Esq. Notices shall be deemed given when personally delivered or mailed. Any of the parties noted in this paragraph may change their address for purposes of this paragraph by giving notice thereof to the other parties as provided above. Herrick, Feinstein LLP may give notice on behalf of the Seller.

34. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

35. Survival of Seller's and Purchaser's Obligations. All of the obligations of Seller under this Agreement shall be deemed satisfied upon delivery of the deed(s) to the Unit and the closing of title hereunder and no obligations of Seller shall survive delivery of the deed except as otherwise expressly provided in this Agreement or the Plan. Except where the context otherwise requires, all the representations, warranties, and obligations of Purchaser under this Agreement shall survive delivery of the deed and the closing of title hereunder.

36. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments, and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or any transaction contemplated herein or to confirm any of the obligations of Purchaser hereunder or any right to be created or transferred hereunder or pursuant to any such transaction.

37. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable either as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

38. Strict Compliance. Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

39. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to contracts made and to performed wholly in the State of New York, without regard to principles of conflicts of law.

40. Waiver of Jury. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate any such claim with, any action or proceeding in which a jury trial is waived.

41. No Recordation. This Agreement shall not be recorded by Purchaser without Seller's consent. Any purported recordation thereof by Purchaser shall be void and constitute a default by Purchaser hereunder.

42. Entire Agreement. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties hereto and constitutes the entire agreement between them. Purchaser acknowledges and agrees that the Plan may be amended by Seller from time to time as provided in the Plan and that this Agreement may be amended by Seller to conform to the provisions of any such amendment by delivering to Purchaser a notice thereof, subject however to any rights which Purchaser may have as provided in the Plan.

43. Certain References. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used unless the context otherwise requires.

44. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

45. Successors and Assigns. The provisions of this Agreement shall bind Purchaser and his heirs, legal representatives, successors and assigns and inure to the benefit of Purchaser's heirs, legal representatives and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

46. Lease Termination. If Purchaser is or will be a tenant before the Closing Date, then by executing and delivering this Agreement such tenant hereby terminates as of the Closing Date his lease of the Unit.

47. No Oral Changes. This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto at the time of execution hereof, in a separate written agreement signed by the parties or in an amendment to the Plan as provided in Section 42 above.

48. Selection of Colors. It is agreed that in the event and wherever the Purchaser has the right to make a selection of colors, fixtures, and/or materials as set forth in the Plan, he shall do so within seven (7) days after written demand therefor. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures, and materials, and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth.

49. Seller's Right to Make Changes in Materials, etc. The Seller reserves the right to make changes or substitutions of materials or construction for items as set forth in the Offering Plan or the Plans and Specifications, provided any such changes are of comparable value and quality.

50. Closing Deed. The closing deed(s) shall be in proper statutory form for recording; shall be a Bargain and Sale deed with covenants against grantor's acts; shall be duly executed and acknowledged by the Seller at the Seller's expense and shall contain such a description of the premises as shall be acceptable and/or approved so as to validly convey under Article 9-B of the New York Real Property Law (the "Condominium Act") the Unit and the undivided interest in the common elements referred to herein.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

Purchaser(s): _____

_____

Seller: _____

By:_____
Name:
Its:

EXHIBIT A TO PURCHASE AGREEMENT

FORM OF INSPECTION STATEMENT

Date: _____

_____

_____

_____

Re: Unit Number ___ in the Building known as 60 Oceana Drive West, at Oceana Condominium No. Three

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted I/we found the following items in good condition:

Number	Items	Purchaser's Initials	Exception if any
1	Walls		
2	Floors		
3	Ceilings		
4	Windows		
5	Doors		
6	Electric, plumbing and heating fixtures		
7	Painted surfaces		
8	Sinks, tubs, bowls		
9	Kitchen cabinets and counter tops		
10	Vanity tops and base cabinets		
11	Medicine cabinets		
12	Hardware		
13	Kitchen Appliances		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets and vanity knobs may be installed just prior to my/our date of moving in. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

_____

Purchaser's Signature

Seller's Representative

Purchaser's Signature

DOCUMENT NUMBER I-A

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: Oceana Condominium No. Three
60 Oceana Drive West
Brooklyn, New York 11235

File Number:_____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

(6) Name of Applicant _____

(7) Address of Applicant _____

(8) Name, Address, and Telephone Number of Applicant's Attorney (if any) _____
_____
_____

(9) This is an application for
[ ] return of down payment.
[ ] forfeiture of down payment.
[ ] other: _____
_____

(10) The project is [ ] a conversion of occupied premises.
[x] newly constructed or rehabilitated.
[ ] vacant (as is).

(11) The project is structured as

[ ] a cooperative.
[x] a condominium.
[ ] a homeowners association.
[ ] a time share.

[ ] other: _____

(12) Name and Address of Sponsor: _____

_____

(13) Name and Address of Escrow Agent: _____

_____

(14) If down payments are maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

(15) If down payments have been secured by bonds:

(a) Name and address of bond issuer or surety: _____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____

_____

_____

_____

(16) If down payments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

_____

(b) Date of expiration of the letter of credit, if known:

_____

(17) Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date:

_____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed.
Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Down payments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

(18) Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or
purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____
_____
_____
_____
_____
_____

(19) State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

(20) I am contemporaneously sending a copy of this application to the following persons: _____

_____
_____
_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are

punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____

DOCUMENT NUMBER 1-B

ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 2000, between Brighton Development, LLC ("SPONSOR") as SPONSOR of the offering plan to the extent described below, and Herrick, Feinstein LLP ("ESCROW AGENT"), as ESCROW AGENT.

WHEREAS, SPONSOR is the sponsor of a condominium offering plan for the sale of Condominium Units in a condominium to be known as Oceana Condominium No. Three Condominium located at 60 Oceana Drive West, Brooklyn, New York (the "Premises") (such plan being called the "Plan"); and

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

WHEREAS, SPONSOR desires that ESCROW AGENT act as ESCROW AGENT for deposits by purchasers on account of the purchase price of units in such Condominium (collectively, "Units" and each a "Unit") under the Plan, together with all accrued interest thereon (collectively the "Deposits"), 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 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers on account of the purchase price of under the Plan. The escrow account has been opened with The Bank of New York with offices at One Wall Street, New York, New York 10286. The account number is _____.

1.2 The name of the account is "Herrick, Feinstein LLP Attorney Escrow Account.

1.3 The sole signatories on such account (the "escrow account" are Edward M. Abramson, Harvey S. Feuerstein, Paul R. Herman, Michael Heitner, Leonard Grunstein, Carl F. Schwartz and Mark Goldsmith).

1.4 The escrow account shall be an interest-bearing account.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received by ESCROW AGENT from each prospective purchaser of a Unit under the Plan, on account of the purchase price thereunder, prior to closing of such Unit, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of Herrick, Feinstein LLP Attorney Escrow Account. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly after receipt by ESCROW AGENT of such instrument following any attempts to deposit it; but, in any event, following such unsuccessful attempts to deposit it, ESCROW AGENT shall mail or otherwise send such instrument to such prospective purchaser within five business days of such receipt of such instrument by ESCROW AGENT. In the event of such return of such instrument, then such instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 For purposes of this Section 2.2, an unconditional tender and delivery of a down payment shall be deemed to have been made if a down payment is delivered together with a Purchase Agreement in the form agreed to by SPONSOR without any request for a change in such form or the terms of such Purchase Agreement. Within 10 business days after unconditional tender and delivery to the Selling Agent of the down payment required to be submitted by a purchaser on account of the purchase of a unit under the Plan, together with the Purchase Agreement for the purchase of such unit, ESCROW AGENT shall notify such purchaser of the deposit of such funds in the bank indicated in the Plan, provide the account number and disclose the initial interest rate. Subject to the provisions of the next sentence, if such purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to the Selling Agent of such down payment, then such purchaser may cancel the purchase and rescind such purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such purchaser's unconditional tender and delivery of such down payment to the Selling Agent, if any, or such purchaser may apply to the Attorney General for relief. However, a purchaser shall not be entitled either to rescind such purchaser's Purchase Agreement or to receive a refund of such purchaser's Deposit where proof satisfactory to the Attorney General is submitted establishing that such Deposit was timely deposited and notice as provided above was timely mailed to such purchaser in accordance with all regulations of the Attorney General.

3. RELEASE OF FUNDS.

3.1 "Consummation of the Plan" shall mean the first closing of title for the sale of a Unit under the Plan and in accordance with its requirements.

3.2 ESCROW AGENT shall continue to hold a purchaser's Deposit in escrow until: (a) Escrow Agreement is authorized to release the Deposit pursuant to an Amendment to the Plan that authorizes Sponsor to furnish "alternate security" and Sponsor has furnished such alternate security in accordance with the terms of sale amendment, or (b) otherwise directed in one or more writings signed (whether on the same or separate counterparts) by each of SPONSOR and such purchaser, or (c) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (d) a judgment or order of a court of competent jurisdiction permits or requires the release of such Deposit, or (e) such Deposit is paid by ESCROW AGENT into a court of competent jurisdiction, or (f) such Deposit is paid to SPONSOR as provided below, or (g) such Deposit is paid to such purchaser as provided below.

3.3 SPONSOR shall not object to the release of the Deposit of any purchaser to such purchaser, provided such purchaser has not defaulted and has timely and validly rescinded such purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

3.4 If there is no written agreement between SPONSOR and a purchaser to release the Deposit paid by such purchaser, ESCROW AGENT shall not pay such Deposit to SPONSOR until after 10 business days following the date that ESCROW AGENT has given such purchaser written notice that ESCROW AGENT intends to pay to SPONSOR such Deposit. Thereafter, such Deposit may be paid to SPONSOR unless such purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received, within such 10 business day period, notice from such purchaser that such application has been made.

4. RECORD KEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

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 Department of Law of such transfer.

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

5. GENERAL RIGHTS AND OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship, pursuant to this Agreement, shall exist between ESCROW AGENT and purchasers who have paid Deposits which are held by ESCROW AGENT, and ESCROW AGENT acknowledges such fiduciary obligations.

5.3 ESCROW AGENT undertakes to perform only such duties as are expressly set forth herein. If there is any conflict or inconsistency between the provisions of this Agreement and either the Plan or any Purchase Agreement (as defined in the Plan), the provisions of this Agreement shall be controlling.

5.4 If conflicting demands are made or notices are served upon ESCROW AGENT with respect to this Agreement, or if ESCROW AGENT shall hold a good faith belief that the rights of a claimant to any Deposit are not absolutely clear, the signatories hereto agree that ESCROW AGENT may refuse to comply with any such claim or demand and, except as hereinafter set forth in this Agreement, may withhold and stop all further proceedings in the performance of this Agreement so long as such disagreement shall continue. In so doing, ESCROW AGENT shall not be or become liable for damages or interest to any of the signatories hereto or to any other person for its failure to comply with such conflicting or adverse demands or notices. ESCROW AGENT may continue to so refrain and so refuse to act until (i) the rights of the adverse claimants have been finally adjudicated in a court having and assuming jurisdiction of the parties and/or the Deposit, as the case may be, or (ii) all differences, with respect to any Deposit, shall have been resolved by mutual agreement of SPONSOR and the purchaser who paid such Deposit, and ESCROW AGENT shall have been notified thereof in writing signed by both of said parties. In the alternative, ESCROW AGENT may, but shall not be obligated to, file a suit in interpleader for a declaratory judgment for the purpose of having the respective rights of the claimants adjudicated, and/or may deposit any Deposit with a court of competent jurisdiction, in which event SPONSOR agrees to pay all costs, expenses and attorneys' fees incurred by ESCROW AGENT in connection therewith. In the event that ESCROW AGENT shall deposit any Deposit with such court, the ESCROW AGENT shall be fully released and discharged from any and all further duties and obligations hereunder with respect to such Deposit.

5.5 ESCROW AGENT shall not be responsible for any interest on any Deposit except for such as is actually received by ESCROW AGENT.

5.6 SPONSOR hereby agrees to indemnify ESCROW AGENT from, and to hold it harmless against, any loss, liability or expense (including, without limitation, attorneys' fees and expenses) incurred without gross negligence, willful default, or bad faith on the part of ESCROW AGENT, arising out of or in connection with its entering into this

Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim or liability.

5.7 In any action or proceeding, ESCROW AGENT may represent SPONSOR, even if such action or proceeding relates to or involves any Deposit, at the same time as ESCROW AGENT is holding such Deposit pursuant to this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver to ESCROW AGENT each Deposit on account of the sale of a unit under the Plan which has been received by SPONSOR or such agents prior to closing of the sale of such unit within one business day of receipt thereof.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

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

(a) 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; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor ESCROW AGENT; or

(c) All Deposits held by ESCROW AGENT have been paid by ESCROW AGENT from the escrow account as provided in this Agreement.

ESCROW AGENT shall not be responsible for any delay between either i) any such cancellation by SPONSOR of the designation of ESCROW AGENT or ii) the resignation of ESCROW AGENT, and, in either such case, the date on which an amendment to the Plan appointing a successor ESCROW AGENT has been filed by the Department of Law and notice thereof has been given to ESCROW AGENT. Once any such cancellation of the designation of ESCROW AGENT has been given to ESCROW AGENT, or once ESCROW AGENT has given to SPONSOR notice of resignation as ESCROW AGENT,

then in either case ESCROW AGENT shall not be obligated to accept thereafter any new Deposits in the escrow account.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1(a) or (b) above, ESCROW AGENT shall deliver any and all Deposits held by it in escrow to the new successor ESCROW AGENT set forth in such amendment to the Plan, provided ESCROW AGENT has received a copy of such amendment.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their 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 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from the Deposits nor from any interest accruing thereon, if any (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) and that compensation to ESCROW AGENT, if any, shall not be deducted from the Deposits (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) by any financial institution under any circumstance. SPONSOR shall reimburse to ESCROW AGENT any fees or charges incurred in connection with the establishment and maintenance of the escrow account.

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. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13. NOTICE.

13.1 All notices and communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or sent by regular, certified or registered mail, with or without return receipt requested, postage prepaid, addressed as follows:

To SPONSOR: Brighton Development, LLC
118-35 Queens Boulevard
Forest Hills, New York 11375

To ESCROW AGENT: Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016

or at such other address as any of the above may have furnished, as the address of such party, to the other parties in a notice given in accordance with the provisions of this Section. All notices sent in accordance with this Section shall be deemed given upon personal delivery or five days after the date of mailing, as the case may be.

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

ESCROW AGENT:

HERRICK, FEINSTEIN LLP

by: _____

SPONSOR:

BRIGHTON DEVELOPMENT, LLC
by: Allied Brighton LLC, Managing Member

by:_____
Joshua L. Muss, Managing Member

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DOCUMENT NUMBER 2

EXHIBIT E TO
THE OCEANA CONDOMINIUM NO. THREE

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the declaration (the "**Declaration**") establishing a plan for condominium ownership of the premises known as and by the street number 60 Oceana Drive West, Brooklyn, New York 11235 (the "**Property**") under Article 9-B of the Real Property Law of the State of New York, dated _____, 200_, and recorded in the Office of the Register of the City of New York, County of Kings, on _____, 200_, in Reel _____, Page ____, or (b) in the by-laws of the Condominium (the "**By-Laws**") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____ , (having an office) (residing)*** at _____, the owner of the Residential Condominium Unit (and Parking Space Unit) (the "**Undersigned's Unit**") known as Unit No. ___ (and Unit No. _) in Oceana Condominium No. Three (the "**Condominium**"),in the building known by the street address as 60 Oceana Drive West, Brooklyn, New York 11235 and forming a part of the Condominium consisting of the real property and improvements thereon as more particularly described on Schedule A annexed hereto and made a part hereof, such Unit being also designated as Tax Lot __ (and Tax Lot __) in Block 8720 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, (does)(do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner so desiring to sell, convey, transfer, assign or lease, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender such Unit pursuant to the terms of Article II, Section 2(g) of the By-Laws, and (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and, with respect to any transfer pursuant to the terms of subdivision 1(a) or 1(c) of this paragraph at such price or at such rental, as the case may be, as such attorneys-in-fact deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, on such terms as such attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in such premises which the undersigned could do if the undersigned were personally present, and (2) to execute, acknowledge and

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***Delete inapplicable parenthetical(s).

deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does)(do)*** hereby irrevocably nominate, constitute and appoint Brighton Development, LLC. (the "**Sponsor**"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of such documents, when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 9 of the Declaration or (ii) will be required by (A) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (B) any governmental agency having regulatory jurisdiction over the Condominium, or (C) any title insurance company selected by Sponsor to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivisions (i) or (ii) of this paragraph will not (x) change the Common Interest of the Undersigned's Unit, (y) require a material, physical modification to the Undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivisions (x) or (y) of this paragraph) or the holder of such mortgage (in the event described in (z) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as Sponsor or its designee will cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the __ day _____, 200__.

_____

_____

***Delete inapplicable parenthetical(s).

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the __ day of _____ in the year ____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A

All that certain plot, piece or parcel of land, situate lying and being in the Borough of Brooklyn, County of Kings, City and State of New York bounded and described as follows:

BEGINNING at the point on the easterly side of Coney Island Avenue, distant 561.38 feet southerly, as measured along said easterly side of Coney Island Avenue, from the point formed by the intersection of said easterly side of Coney Island Avenue (100.0 feet wide) with the southerly side of Brighton Beach Avenue (100.0 feet wide).

RUNNING THENCE easterly and perpendicular to said Coney Island Avenue 197.00 feet to a point of curvature.

THENCE easterly and southerly on a curve deflecting to the right having a radius of 10.00 feet a central angle of 90 degrees, 00 minutes, 00 seconds and a distance of 15.71 feet to a point of tangency.

THENCE southerly and parallel to said Coney Island Avenue 93.38 feet to a point of curvature.

THENCE southerly and westerly on a curve deflecting to the right having a radius of 10.00 feet a central angle of 90 degrees, 00 minutes, 00 seconds and a distance of 15.71 feet to a point of tangency.

THENCE westerly and perpendicular to said Coney Island Avenue 197.00 feet to a point on said easterly side of Coney Island Avenue.

THENCE northerly along said easterly side of Coney Island Avenue 113.38 feet to the point or place of beginning.

DOCUMENT NUMBER 3

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the _____ day of _____, 200_ between Brighton Development, LLC, a Delaware limited liability company, having offices at 118-35 Queens Boulevard, Forest Hills, New York 11375 (the "Grantor"), and _____, a _____, with offices/ residing at _____, New York (the "Grantee").

W I T N E S S E T H

That the Grantor, in consideration of Ten Dollars ($10.00) 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 Residential Condominium Unit (the "Residential Unit") (*delete if inapplicable)* (and the Parking Space Unit) in the condominium known as Oceana Condominium No. Three (the "Condominium") (comprised of the building known by the street number 60 Oceana Drive West Brooklyn, New York 11235 (the "Building"), said Residential Unit being designated and described as Residential Unit No. ____ (*delete if inapplicable*) (said Parking Space Unit being designated and described as Parking Space Unit No. ___) in that certain declaration dated _____, 200_, made by the Grantor under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated (which Land is more particularly described on Schedule A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of the City of New York, County of Kings (the "City Register's Office"), on the ____ day of _____, 200_, in Reel ____, at page ___ (such declaration and any amendments thereto being referred to hereinafter, collectively, as the "Declaration"); and also as to the Residential Unit designated as Tax Lot ____ in Block 8720 (*delete if inapplicable*) (and, as to the Parking Space Unit, designated as Tax Lot __ in Block 8720) on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Brooklyn and on the floor plans of the Building (the "Floor Plans"), certified by _____, on the ____ day of _____, 200_, and filed in with the Real Property Assessment Department of the City of New York on _____, 200_, as Condominium Plan No.____ and also filed in the City Register's Office, County of Kings on _____, 200_, as Condominium Map No. ____.

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Residential Unit (*delete if inapplicable)*(and an undivided _____% interest in the Common Elements appurtenant to the Parking Space Unit).

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

Together with and subject to the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the Condominium By-Laws of Oceana Condominium No. Three (including but not limited to the Rules and Regulations thereunder) as such Declaration and Condominium By-Laws may be amended from time to time (said Condominium By-Laws and any amendments thereto being referred to hereinafter, collectively, as the "Condominium By-Laws"), all of which shall constitute covenants running with the land and shall bind any and all persons having at any time any interest or estate in the Unit(s), as though recited and stipulated at length herein;

Subject to the rights, obligations, easements, restrictions and other provision set forth in that certain Declaration made as of July 30, 1998, by Alexander Muss & Sons, which Declaration was recorded in the office of the Register of the City of New York, County of Kings, on the 12th day of January, 1999, in reel 4371, at page 652.

Subject to the rights, obligations, easements, restrictions and other provision set forth in that certain Declaration of Covenants, Easements and Restrictions establishing the Oceana Homeowners Association dated June 18, 1999, which Declaration of Covenants, Easements and Restrictions (and the By-Laws of the Oceana Homeowners Association, including but not limited to the Rules and Regulations thereunder) was recorded in the office of the Register of the City of New York, County of Kings, on the 25th day of June, 1999, in Reel 4512, at page 190, all of which, together with any amendments thereto, shall constitute covenants running with the land and shall bind any and all persons having any interest or estate in any real property covered thereby including any Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (the Land and Building being referred to hereinafter, collectively, as the "Property").

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

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

By accepting delivery of this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the Condominium By-Laws (including, but not limited to, any Rules and Regulations adopted under the Condominium By-Laws) and agrees to comply with all the provisions thereof.

If the Unit is a Residential Unit (as such term is defined in the Declaration), then except as otherwise specifically permitted by the Condominium Board (as such term

is defined in the Declaration) or provided in the Declaration or in the Condominium By-Laws, the Unit is intended for residential use only.

If the Unit is a Parking Space Unit (as defined in the Declaration), then the Unit may be used for parking one passenger motor vehicle.

The Grantor covenants that the Grantor has not done or suffered anything to be done whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the Condominium By-Laws (and any Rules and Regulations adopted under the Condominium By-Laws). This covenant is for the personal benefit of the Grantee only and cannot be assigned to or exercised by, and shall not inure to the benefit of, any other person or entity, including, but not limited to, any insurer of the Grantee's title or any successor to the Grantee's interest.

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of the deed so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

GRANTOR:

Brighton Development, LLC
By Allied Brighton LLC,
Managing Member

By:_____
Joshua L. Muss,
Managing Member

GRANTEE:

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of _____, in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf on which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of _____, in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf on which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York bounded and described as follows:

BEGINNING at the point on the easterly side of Coney Island Avenue, distant 561.38 feet southerly, as measured along said easterly side of Coney Island Avenue, from the point formed by the intersection of said easterly side of Coney Island Avenue (100.0 feet wide) with the southerly side of Brighton Beach Avenue (100.0 feet wide).

RUNNING THENCE easterly and perpendicular to said Coney Island Avenue 197.00 feet to a point of curvature.

THENCE easterly and southerly on a curve deflecting to the right having a radius of 10.00 feet a central angle of 90 degrees, 00 minutes, 00 seconds and a distance of 15.71 feet to a point of tangency.

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THENCE northerly along said easterly side of Coney Island Avenue 113.38 feet to the point or place of beginning.

SCHUMAN LICHTENSTEIN CLAMAN EFRON • ARCHITECTS
841 BROADWAY, NEW YORK, N.Y. 10003-4785 • (212) 979-8400 • FAX (212) 979-8387

DESCRIPTION OF PROPERTY

For

OCEANA CONDOMINIUM NO. THREE

60 OCEANA DRIVE WEST (BUILDING "C")

Dated: January 20, 2000



PETER CLAMAN • JERROLD CLARKE • ENZO DEPOL • SAKY YAKAS • JAMES DAVIDSON

REPORT INDICATING CONSTRUCTION TYPES AND MATERIALS FOR PROPOSED STRUCTURE TO BE LOCATED AT 60 OCEANA DRIVE WEST

GENERAL

The following Description of Property and Specifications was prepared by the architectural firm of Schuman Lichtenstein Claman Efron Architects, and is included in this Offering Plan in reliance upon the expertise of such firm.

DESCRIPTION OF PROPERTY

The specifications which follow are intended to outline generally the nature of work, materials and equipment and to indicate the contemplated character of the Building, but shall not be interpreted as enlarging in any manner, directly or by inference, the obligations of the Sponsor as set forth in the Plan. Except as otherwise provided in this general description, where alternatives are specified, or where a particular practice, method or design of construction, equipment, material or supply is not specified, the choice and decision of the Architect and Engineering consultants shall determine and be conclusive. In the event that the plans and specifications as modified from time to time in accordance with the provisions of the Plan, shall be inconsistent with this general description, the plans and specifications as modified shall govern. A copy of the plans and specifications (which contain details of the systems, materials and the names of the manufacturer and model numbers of equipment employed in the construction of the Building) are on file at the Selling Agent's office and will be available for inspection by prospective purchasers during normal business hours.

A. LOCATION AND USE OF PROPERTY

The property of the development site is located in Brighton Beach, Brooklyn, New York.

The development site is bounded by Brighton Beach Avenue (a final mapped street) to the north, Seacoast Terrace (a private final mapped street) to the east, Coney Island Avenue (a final mapped street) to the west and a 50'-0" wide mapped park strip to the south.

The site for Oceana Condominium No. Three is located within the northwest quadrant of the development site. The Oceana Condominium No. Three site is bounded to the south by Oceana Condominium No. One and west by Coney Island Avenue and to the north and the east by potential future development.

The development site is one zoning lot presently known as Block 8720, part of Tax Lot 14 and has been tentatively subdivided into 23 individual tax lots for each section of potential future development. The zoning lot and its subdivision conform to all applicable New York City Zoning regulations.

1. *Address:*

Oceana Condominium No. Three (Building "C") 60 Oceana Drive West.

2. *Block:* 8720

Oceana Condominium No. Three (Building "C") - Tentative Tax Lot 60

3. *Zoning District:* R7-1

4. *Permissible Use:* Residential

B. STATUS OF CONSTRUCTION

1. ***Year Built:***

Oceana Condominium No. Three – Building "C" is anticipated to start construction on or about February 2001 and is anticipated to be substantially completed by June 2002 unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which Sponsor has no control.

2. ***Class of Construction:***

The building will be classified as Class I-D (fireproof) and will conform to all applicable regulations of the Building Code of the City of New York (Building Code).

3. ***Certificate of Occupancy:***

After completion of construction, the Sponsor will undertake to apply for a permanent Certificate of Occupancy for the building from the Department of Buildings of the City of New York ("Department of Buildings").

C. SITE

1. ***Size:***

In accordance with the Survey prepared by Wohl & Omara, Land Surveyors, Staten Island, New York, the zoning lot 14 for the development site has a frontage of 786.76 feet along Coney Island Avenue, a total frontage of 546.94 feet along Brighton Beach Avenue, frontage of 854.77 feet along Seacoast Terrace and 720.00 feet along the mapped 50'-0" wide park strip. The development site area equals 652,2187 square feet.

The Oceana Condominium No. Three site Tentative Tax Lot 60 (Building "C") measures 93.38 feet northerly; along Coney Island Avenue; 197.00 feet easterly; 15.71 feet radius; 93.38 southerly along Brighton 11th Street; 15.71 feet radius; 197.00 feet westerly; and has an area of approximately 23,427 square feet (0.53 acres).

2. ***Buildings and Uses:***

a. One medium rise residential building is proposed to be built. The residential building will consist of a below grade and/or partially below grade level for parking with first floor containing the residential lobby and apartments, with four lower typical floors and seven upper typical floors above. There will be 68 residential units within Building "C".

b. Public and Management Spaces:

At grade level of the building there will be a lobby and mailbox area. There will be one level below grade or partially below grade, which will consist of mechanical equipment room(s), trash compactor room, electrical meter room(s), storage space(s) and parking area.

3. ***Streets:***

An internal private street system will be provided throughout the development site for vehicular circulation. This internal street system will connect to the existing peripheral public streets at Brighton Beach Avenue, Coney Island Avenue and Seacoast Terrace (a private street). The internal private streets will be called Oceana Terrace, Oceana Drive East and Oceana Drive West. The internal private street system will not be open for public vehicular use and will be restricted to use by the residents and their guests. The internal private street system provides vehicular access to the entrances of buildings, parking areas and below grade garages.

The internal private street system is designed in accordance with NYC Fire Department Regulations.

a. Paving:

Minimum pavement width to be 30'-0" measured from curb face to curb face. Pavement specifications will be in accordance with Department of Highways of NYC for the paving of private streets and curbs. Pavement shall consist of 3" asphaltic wearing course on an 8" graded stone base. Paving to be installed by the Sponsor.

b. Curbing:

Private street curbs are to be poured in-place concrete, 6" wide and 18" minimum depth. Curb specifications will be in accordance with Department of Highways of NYC for the paving of private streets and curbs. Curbs are to be installed by the Sponsor.

c. Catch Basins and Drainage:

The street catch basins and related drainage facilities are designed in accordance with NYC Department of Buildings and NYC Department of Environmental Protection regulations. The catch basins and related drainage facilities are to be installed by the Sponsor.

d. Street Lighting:

Street lighting will be installed in accordance with the Administrative Code of the City of New York (as the Code may change from time to time), providing at least an average of 1/1000 of a watt illumination per square foot of street area with New York City regulation type 100 watt high pressure sodium vapor lamps or equivalent. Street lighting to be installed by the Sponsor.

e. Code Conformance:

As stated above for each item.

4. ***Drives, Sidewalks and Ramps:***

An internal sidewalk system consisting of a minimum 5'-0" wide paved area will be provided throughout the project for pedestrian circulation. This internal sidewalk system will connect to the existing peripheral public sidewalks at Brighton Beach Avenue, Seacoast Terrace and Coney Island Avenue. The internal sidewalk system is generally located adjacent to the internal street system and drives and provides pedestrian access to the entrance of the building.

a. Paving:

Sidewalks to be concrete and driveways and parking areas to be asphalt. All to be installed by the Sponsor.

b. Curbing:

Concrete curbs are to be installed by the Sponsor.

c. Catch Basins and Drainage:

On site drainage facilities are to be installed by the Sponsor.

D. **UTILITIES**

1. Gas to be supplied by Brooklyn Union Gas Company. Gas usage will be metered.

2. Electric to be supplied by Consolidated Edison of New York. Electric usage will be individually metered.

3. Water for building domestic, fire protection uses and on-site fire hydrants will be provided by New York City Water Department. Connections will be made to the existing New York City water mains located in Coney Island Avenue and Brighton Beach Avenue. A private water main distribution system will be installed within the property limits, which will distribute water throughout the site. The Sponsor will make connections to the New York City water mains and install all internal water distribution facilities. Water usage will be metered in accordance with N.Y.C.D.E.P. requirements.

All internal water distribution pipe, fittings and valves are to be "field lock joint: type Class 56 ductile iron pipe as per the N.Y.C.D.E.P. approved Water Main Plan, No. PWK-01/99 prepared by Wohl & Omara, LLP Civil Engineers and Land Surveyors.

a. New York City Sanitary Sewers exist in Coney Island Avenue and Brighton Beach Avenue and connections thereto will be made. New York City Storm Sewers exist in Coney Island Avenue and Brighton Beach Avenue and connections thereto will be made. The Sponsor will make connections to the New York City sanitary and storm sewers. Additional on-site storm drainage detention facilities will be provided in the form of on site drywells. These facilities are to be installed by the Sponsor.

E. SUB-SOIL CONDITIONS

1. Load Bearing Capacity:

Soil borings were taken in various areas throughout the property by Tri-State Drilling, Garden City, New York. The boring logs indicate that soil conditions are medium to compact fine sand which will require the dynamically compacted soil for spread footings to support the building for two ton bearing capacity.

2. Moisture or Seepage:

Because of the proximity to the shoreline, it is anticipated that in major storm conditions water may rise above the lowest parts of the cellar. Foundations are designed to meet the requirements as specified in Article 10 of the N.Y.C. Building Code, "Special Flood Hazard Areas", Zone B.

3. Flood Potential:

See E.2. above.

F. LANDSCAPING AND ENCLOSURES

1. Grass Cover:

There will be lawn areas around the buildings and throughout the development site which areas will be seeded with lawn seed appropriate to develop lawn turf suitable for the geographic locale of the site.

2. Plantings:

There will be plantings around the buildings and throughout the development site.

3. Trees:

There will be trees to be planted along the street curb, around the buildings and throughout the development site.

4. ***Fencing:***

Fencing of certain areas on the development site will be installed by the Sponsor.

5. ***Gates:***

Gates delineating certain areas within the development site will be installed by the Sponsor.

6. ***Garden Planter Walls:***

There will be garden planter walls throughout the development site.

7. ***Additional Landscaping Features:***

Benches will be reflected in the Sponsor's landscape plan prepared by the Sponsor's landscape architect.

G. BUILDING SIZE

1. ***Total Height:***

Apartment Building: - Building "C"

a. Building "C" is a twelve (12) story building, 118'-11" feet high. The building height is measured to the top of the roof slab from the building datum. The building datum is the top of the first floor slab. The elevations of the finished grade around the perimeter of the building vary. The height of the first floor above the average finished grade around the perimeter of the building is approximately 4'-0".

b. The elevator by-pass level has a height above the roof slab of 5'-4" and the elevator machine room has a height of 9'-2".

c. The roof parapet, which is a series of mansard and dormer type roofs, is 3'-6" feet to 15 feet in height above the top of the roof.

H. OCCUPANCY

1. The Building "C" will contain a below grade or partially below grade lowest level which will consist of mechanical equipment room(s), trash compactor room, electric meter room, storage spaces, elevator pit, fire stair and exit corridor to outside the building. Sponsor, as the initial owner of the Garage Facility, shall have the right to offer Parking Privilege Agreements for up to 25 parking spaces in the Garage Facility to purchasers of Residential Units.

2. The grade and/or above grade levels will contain residential units and surface parking space units. The building will contain 68 residential units consisting of __ zoning rooms. The calculation of the number of zoning room is based upon the New York City Zoning Ordinance.

The common elements of the condominiums of Building "C" will encompass the entire Oceana Condominium No. Three property, including the land and all parts of the building and improvements thereon, other than the units.

Generally, the common elements will consist of those parts of the building and all apparatus, installation systems, equipment and facilities therein for the common use of the units and the unit owners, or which are necessary or convenient for the existence, maintenance or safety of the property.

The common elements or limited common elements will include, among other things, all foundations, footings, columns, girders, beams, supports, floor slabs, exterior walls, balconies, fire stairs, the corridors, fire rated partitions between units and/or public spaces, structural bearing partitions, common mechanical space below grade, the pump room, the gas meter, electric switch gear room, the compactor and service rooms, all roofs, elevator (including its shaft, pit and machine room), the landscaped outdoor spaces, the lobby and all other parts of the building and apparatus, installation systems, equipment and facilities therein (including pipes, wires, ducts, vents, cables, conduits, antennae, satellite dishes and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of the building.

I. DIMENSIONS OF THE UNITS

Each Residential Unit will consist of the area measured horizontally from the inner most face of the metal stud which makes up the inner exterior wall to the centerline of the partitions separating one unit from another unit or one unit from the corridor, stairs, elevator and other mechanical equipment spaces. Columns, mechanical pipes and shafts are not deducted for the purpose of floor area measurements.

Each Residential Unit will consist of a volume measured vertically from the top of the concrete floor to the underside of the concrete or suspended ceiling except that any common elements located within any unit shall not be considered as part of that unit.

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall within a room or space, subtracting cutouts.

The Sponsor reserves the right to make changes due to unforeseen conditions, in accordance with the Offering Plan.

Each Parking Space Unit will consist of the area measured horizontally from the lines delineating one Parking Space from another. Any Common Elements located within any Unit shall not be considered as part of that Unit. Purchasers are advised to inspect the Units, which they are interested in purchasing.

J. STRUCTURAL SYSTEM

Building "C" consists of a five-story (5) base and a seven (7) story tower plus a garage in the cellar, (which will not be part of the condominium). The structural design of the foundations and superstructure will be in accordance with the New York City Building Code, including all regulations for wind and seismic loads and effects of flood hazard area.

All floors and roofs above the cellar will be precast, pre-stressed hollow core concrete plank.

The first floor over the garage will be supported on reinforced concrete foundation walls along the perimeter of the building and on 2 hour protected high strength structural steel girders framing to structural steel columns and concrete foundation walls at the interior.

From the first to the sixth floors the concrete plank will be supported by masonry bearing walls.

Above the sixth floor, the concrete plank will be supported by structural lightweight steel stud bearing walls.

The garage floor, below grade is to be a concrete slab on grade. Foundation walls and columns will be supported on reinforced concrete spread footings. Cellar slabs and footings will bear on dynamically compacted soil with an allowable bearing pressure of two (2) tons per sq.ft.

K. EXTERIOR BUILDING

1. Exterior Walls:

All exterior walls shall consist of an Exterior Insulated Finish System type finish (Dryvit Insulation System or equivalent), rigid insulation (R value = 4.0), 5/8 inch thick Den-Glass Gold or approved type sheathing, structural metal C-studs (size and gauge as required), additional fiberglass batt or mineral wool insulation metal studs (as required, R value = 11.00 min.) and a gypsum board interior finish. All exterior wall assemblies shall have insulation values in compliance with the New York State Energy Code and fire resistance ratings in compliance with the New York City Building Code.

2. ***Windows and External Balcony and Terrace Door:***

All windows to be L.B. Plastics, or approved equivalent brand. Windows shall be vinyl double hung type Class C50 or C55 (depending on the specific location on the building). Sliding glass doors (at balconies and terraces) shall be vinyl-sliding type. All windows and sliding glass doors to be thermo-barrier insulated glass type with a factory warranty for twenty (20) years against edge seal and/or coating failure, and shall meet the requirements of New York State Energy Code. All windows shall be provided with weather stripping and caulked as required.

3. ***Parapets and Copings:***

Parapets and copings located at the balcony above the lobby facade are to be constructed out of structural metal C-studs with an E.I.F.S. type finish (Dryvit Insulation System or equivalent).

4. ***Chimney and Caps:***

An approved type "B" metalbestos gas vent chimney terminating at the roof suitable for gas fired building mechanical equipment will be provided in accordance with applicable codes.

5. ***Balconies:***

Residential unit balconies will be comprised of concrete plank floors and metal railings.

6. ***Terraces:***

Residential unit terraces will consist of the roofing system specified in Section "M" and will contain 24 inches x 24 inches x 2 inches deep concrete pavers over in lieu of the gravel topping.

L. EXTERIOR ENTRANCE

1. The main building lobby entrance and vestibule doors and frames will be aluminum, anoxic or approved equivalent finish and glass.

2. Additional exterior entrance doors will be painted hollow metal. Exterior entrances will be master-keyed with cylindrical locks.

3. Exterior stairs, where provided, are to be concrete on grade with metal or aluminum railing.

4. Exterior ramps, where provided, are to be concrete on grade with metal or aluminum railing.

5. Metal or aluminum railings are to be provided along all exterior balconies.

6. Mailboxes are located in a designated area of the lobby on the first floor of the building. Mailboxes will be U.S. Governmental approved. Mailboxes to be front loading type and will have an anodized finish.

7. Lighting: Recessed incandescent and/or wall mounted fixtures.

8. Intercom System at site entrance to all individual residential units.

M. ROOF AND ROOF STRUCTURE

The roof slab to be precast concrete plank. The bulkheads consist of stairs and elevator machine rooms. The bulkhead roofs to be precast concrete plank.

1. The roof insulation will be a Dow Chemical Styrofoam RM Brand or equivalent rigid polystyrene insulation board of varied thickness, tapered for roof drainage purposes.

2. The roof insulation shall be covered by a built up roofing system with a gravel topping.

3. The roofing system shall have a life expectancy not less than 10 years.

4. The roofing system shall have a ten-year manufacturers guarantee to be provided by the roofing contractor.

5. The flashing at the roof will be aluminum cap and base flashing.

6. The roof drains will be cast iron with flashing collar, gravel stop and cast iron dome strainer. Roof drain to be controlled flow type as required by the City of New York.

7. The roof drains leaders will be cast iron pipe.

8. There are no roof skylights in Building "C".

9. The roofing system of the elevator machine room bulkhead and stair bulkhead will be similar to the main roof.

10. An exterior metal staircase with metal railing shall be provided at the roof level for access to the elevator machine room. A fixed metal ladder shall be provided for access to the bulkhead roof.

11. There are mechanical exhaust fans on the roof level.

12. All roof parapets, mansards and dormers to be constructed of metal C-studs with metal standing seam roofing with factory applied finish. All open metal framing to have epoxy finish.

13. Fire Escapes: There are no exterior fire escapes in Building "C. Interior fire stairs are provided.

14. Yards and Courts: The building is surrounded by open area and therefore, there are no yards or courts.

N. INTERIOR STAIRS

1. All interior exit stairs, including intermediate landings to be precast concrete. Stairs to be provided with continuous 1 ¼" metal pipe railing.

2. There will be two adjacent staircases serving Building "C". One stairway will begin at the first level and terminate at the top level. One stairway will begin at the cellar level and terminate at the roof. Both stairways will be enclosed in two-hour fire rated wails at all floors. All partitions, concrete floors, walls and ceilings will be painted.

3. Interior stairs within duplex apartments will be constructed of wood and provide a continuous handrail, 30" to 34" above the stair nosing.

O. INTERIOR DOORS AND FRAMES

1. Residential unit entrance doors and frames will be one and one-half (1-1/2) hour rated F.P.S.C. painted hollow metal type with a chime and a viewing device to the public corridor. They will be 1-3/4 inches thick and will be 3 feet 0 inches wide and 7 feet 0 inches high.

   The bedroom, bathroom, and some closet doors within each residential unit will be 1-3/8 inches thick and 6 feet 8 inches high, painted hollow core masonite wood doors with painted metal knock-down bucks or pre-hung wood frames.

2. Stair, hall, and corridor doors and frames will be one and one-half hour rated F.P.S.C. painted hollow metal type.

3. Roof doors and frames will be one and one-half hour rated F.P.S.C. painted hollow metal type.

P. ELEVATOR

1. Building "C" is served by two elevators.

2. The elevators at Building "C" will have a capacity of 2,500 lbs. The elevators will have a speed of 200 F.P.M.

3. The elevators at Building "C" will have automatic duplex selective – collective type operation.

4. The control type at Building "C" will be direct drive.

5. The elevators will have sliding automatic doors.

6. The elevators at Building "C" will serve the cellar (including below grade garage) through the twelfth (12) floor (not including the roof level).

7. The elevators at Building "C" will be a geared automatic passenger elevators manufactured by Mainco Company or approved equivalent.

8. The elevator machine rooms at Building "C" will be located in the roof bulkhead above the main roof level.

Q. ELEVATOR CAB

1. The elevator cabs will be provided by elevator manufacturer.

2. The floor material will be carpet, tile, or marble.

3. The walls will be wood veneer, mica, metal, plastic laminate and/or mirror.

4. The ceilings will be either laminate, chem-metal drop ceiling, and/or other appropriate selection.

5. The lighting of the cabs will be recessed or wall mounted lighting.

R. AUXILIARY FACILITIES

1. Laundry Area:

Each residential unit will have all necessary hook-ups for a residential type stack unit washer and gas dryer. Each gas dryer will be vented into a vent shaft terminating on the roof where a mechanical exhaust fan will remove the dryer exhaust. The room containing the washer/dryer is not required to have mechanical ventilation.

2. Refuse Disposal:

a. A trash chute is located in the trash chute closet at each floor. Trash will terminate in the compactor room located at the cellar level. The trash chute will be a metal 24 inches in diameter with fire sprinkler heads installed as per the governing codes and regulations.

b. There will be no incinerators in this building.

c. The compactor will be manufactured by HiRise/IDC Systems or equal.

d. The trash chute and compactor unit will comply with the requirements of the New York City Building Code.

e. The compacted bags will be stored in the compactor room until they are transferred to the street.

f. The bags will be picked up by the New York City Department of Sanitation.

S. PLUMBING AND DRAINAGE

1. Water Supply:

There will be one 4-inch water service connection for the building. All floors will be supplied with water; a triplex type constant pressure pump to provide pressure to fixtures.

Water distribution pipes within the building will be non-ferrous copper types "L" or "K" with lead free joints.

A separate 8-inch water service connection will be made to the private water main system for the garage sprinkler system.

2. *Fire Protection Systems:*

a. Standpipes:

A fire standpipe will be provided in the fire stair at each floor of the building. Fire extinguishers will be provided in the garage.

b. Hose Rack, Hoses and Nozzles:

A cabinet located at the entry level of the building will contain hoses, nozzles and appurtenances as required by code.

c. Sprinklers:

A dry pipe sprinkler system will be provided for the parking level with air compressor and dry pipe valve assembly. All garage areas are to be sprinklered except the electric room. Sprinkler heads will be of ordinary hazard type. Sprinkler protection will be provided for the compactor chute and room as well as in front of each compactor hopper vestibule. Water service for same will be connected to the domestic pressurized water system. An alarm system will be connected to a central supervisory station.

Sprinkler piping to be steel.

d. *Siamese Connection:*

There will be two standpipe and two sprinkler Siamese connections located on the exterior of the building.

3. ***Water Storage Tanks and Enclosures:***

There will be a 500 gallons of storage in building for domestic hot water enclosed in mechanical equipment room.

4. ***Water Pressure and How Maintained:***

Water pressure will be boosted and maintained by a triplex set of pressure pumps with automatic controls.

5. ***Sanitary Sewage System:***

The building sanitary sewage system will be a gravity system for all fixtures on all floors. A sewer ejector will be provided for the garage, janitor's toilets and below sewer level fixtures. Sewage disposal from the buildings will be into a site sanitary sewer connected to the municipal sewer system in Coney Island Avenue.

Sanitary sewer piping within the building to be no-hub cast iron and/or bell and spigot cast iron.

6. ***Permits Required:***

Permits are required and will be obtained by the Sponsor.

7. ***Storm Drainage System:***

The storm water run-off from all roof and paved areas are via conducted drain pipes, storm inlets and drainage structures with piping to an internal storm water sewer system which is connected to, and discharges into an existing New York City sewer, located in Brighton Beach Avenue

Storm water runoff from landscaped areas will be collected via yard drains and discharged to either the internal storm sewer system or on-site drywells where some of the storm water will be allowed to infiltrate into the ground in quantity as permitted by the New York City Department of Environmental Protection.

Storm sewer piping within the building to be no-hub caste iron and/or bell and spigot cast iron.

a. *Catch Basins:*

Area drains and catch basins will be provided along the internal street system for the collection of storm water runoff and site drainage.

b. *Yard and Roof Drains:*

Yard and planter drains will be provided for landscaped areas. Roof drains will be provided at roof areas to collect storm water runoff.

c. *Piping:*

The drainage piping materials will be cast iron, reinforced concrete or other approved type by Code.

d. *Sump Pumps:*

Storm water drainage below sewer main levels will be ejected via sump pumps.

T. HEATING

1. *Heating and Distribution of Domestic Hot Water:*

Heating will consist of forced hot water circulation with duplex centrifugal pumps (one spare). Apartment heating will consist of Ice Cap manufactured packaged terminal through-wall combination cooling-heating units or equivalent with hot water coils. Controls will be provided within the unit for control of heat and cooling. Heating will be provided to 72F within the apartments whenever outdoor temperatures are as low as 15F with 15mph winds.

Domestic hot water will be provided with separate hot water heater and storage tanks. Capacity will be sufficient to maintain peak usage of hot water.

2. *Number of Boilers and Description*

Heating boilers will consist of modular gas fired cast iron boilers manufactured by Slant/Fin, Hydortherm or equivalent. There will be 16 modules, each 350,000 BTUH capacity per building. Burners shall be integral natural draft.

3. *Type of Control*

Heating will be controlled with Tekmar boiler module control utilizing outdoor temperatures and scheduled hot water distribution with night setback and morning pickup. Pump controls will start circulation whenever outdoor temperature drops below 65 degrees F.

4. ***Radiators, Piping, Insulation, Pumps, Valves, Etc.***

Piping will consist of copper distribution. Valves shall be bronze fitted and non-ferrous. Pumps shall be of the centrifugal type non-overloading. Pipe insulation shall be rigid fiberglass as per the Energy Code Requirements.

5. ***Fuel***

Natural gas will be provided by Brooklyn Union Gas Company having a capacity of approximately 100,000 BTU/cu.ft. Gas will be master metered for low-pressure distribution.

U. GAS

1. See (D)(1), (T)(5)
2. Piping will be black iron with malleable iron finish.

V. AIR CONDITIONING

1. ***Type of System:***

The cooling portion of the terminal through-wall combination cooling-heating units are electrically powered air-cooled systems. Units will be 115 volt for smaller bedrooms and 208 volt for living rooms and larger bedrooms, minimum 7700 BTU cooling capacity. Individual wall sleeves at the exterior walls will be provided. Controls will be provided within each unit for control of heat and cooling in each room. Cooling will be provided sufficient to maintain an average of 78F dry bulb 60% humidity indoors when outside conditions are 91F dry bulb with 75% humidity.

2. ***Central System:***

None.

3. ***Cooling Towers, Condensers:***

None

4. ***Individual Units:***

Individual units and sleeves are provided for each room (see (1) above). Unit efficiencies will comply with Energy Code requirements.

W. VENTILATION

All exhaust and air supply systems will be provided as required by applicable codes.

1. The boiler rooms will be vented to the outside.

2. All interior kitchens shall be provided with mechanical ventilation as required by code (2 CFM per square foot of area, minimum).

3. All interior bathrooms will be mechanically ventilated as required by Code (50/cfm per toilet)

4. Ducts and shafts for both kitchen and bathroom exhausts will be provided with exhaust fans on roof.

5. Corridors will be mechanically supplied with 100% outdoor air at a minimum rate of ½ CFM per square foot of corridor floor area.

6. The parking garage portion of the below grade or partially below grade lowest level will be mechanically exhausted at the rate of 4 air changes per hour, two of which shall be taken low and 2 taken high. A system of carbon monoxide detectors will activate the exhaust system should the threshold of carbon monoxide be exceeded. Makeup air will be provided with exterior louvers and openings in garage walls.

X. ELECTRICAL SYSTEM

1. Building Service:

The building electric service will consist of 120/208 volt, 3 phase, 60-cycle switchgear from Con Edison's underground distribution system. Service to the building will consist of service switches, totaling approximately 5000 amperes.

2. Service To Individual Units:

Service to each apartment will be 60 to 100 amperes with circuit breaker protection. Service risers to the apartments will consist of conduit or BX using copper conductors.

3. Compartment Switch Gear:

Switchgear will be located in the cellar in the electrical room, which will also contain the individual electric meters for apartments, public light and power and garage.

4. ***Unit Service:***

Apartments will be provided with electric panels of the circuit breaker type consisting of 15 ampere and 20 ampere breakers. Service will be adequate to handle modern usage appliances, personal computers, air conditioning equipment, dishwasher and washer-dryer.

5. ***Adequacy:***

a. *Service:*

There will be an average of 18 circuits per apartment. Service will be in accordance with New York City Electrical Code. Circuits are provided as follows:

- At least two (2) for general-purpose appliance circuits in the kitchen and dining areas.
- Outlet for dishwasher and range.
- At least one A/C outlet in each bedroom and living room. One ground fault type outlet located in each bathroom. One outlet for clothes washer/dryer, located in apartment laundry area.
- Circuits are provided for 3 watts per sq.ft. of lighting and general receptacle load.

b. *Lighting and Fixtures:*

Permanent installed lighting fixtures are provided in foyer, kitchen, bathroom, hallways, balcony and walk-in closets. Lighting fixtures will be wall or ceiling type mounted fixtures. Fixtures will be fluorescent or incandescent type.

c. *Convenience Outlets:*

Convenience outlets are provided as per Building Code requirements. Living room outlets are wired on at least two (2) separate circuits.

Y. INTERCOM AND TELEVISION RECEPTION FACILITIES

1. Complete distribution system in accordance with applicable codes is provided for cable TV reception including one (1) television outlet in every living room and bedroom within each residential unit.

2. Voice intercom and door signal systems will be provided per individual apartment.

Z. TELEPHONE

1. Telephone outlets will be provided in all living rooms, bedrooms and kitchens.

AA. PUBLIC AREA LIGHTING

1. In general, fluorescent type lighting fixtures are provided for all stairs, basements, lobbies and public corridors. All lighting will be adequate for the specific task and area.

2. The site will be lit to varying degrees of intensity, based on anticipated use of each area.

BB. GARAGE AND PARKING AREAS

1. ***Location of the Garage:***

A portion of the below grade or partially below grade lowest level of the buildings (directly underneath) contains a parking garage.

2. ***Type of Parking:***

The below grade garage parking spaces will be self-parking.

3. ***Garage Ventilation:*** *See (W)(e)*

4. ***Garage Fire Protection****: See (S)(2)*

5. ***Drainage:***

a. Storm water drainage in the below grade garage level will be collected via ramp drains and floor drains and directed to a sump pit where it will be ejected to the storm sewer or on site drywells. Drains will be provided with interceptors.

b. Storm water drainage of the on-grade site parking areas will be directed to site catch basins and drains.

CC. SWIMMING POOL

N/A (See Technical Outline Specifications for Oceana Homeowners Association).

DD. TENNIS COURTS, PLAYGROUNDS AND RECREATIONAL FACILITIES

N/A (See Technical Outline Specifications for Oceana Homeowners Association).

EE. ADDITIONAL ITEMS

Approvals and Permits Required:

Sponsor has obtained approval of the foundation plan, from the N.Y.C. Department of Buildings, and will obtain all other necessary approvals and permits to implement the project.

The documents have been coordinated and comply with the handicapped requirements based on the New York City Building Code. The documents have been reviewed and approved for compliance by the New York City Department of Buildings.

FF. UNIT INFORMATION

BUILDING "C"– OCEANA CONDOMINIUM THREE
APARTMENT DESCRIPTION

UNIT NO.	FLOOR	DESCRIPTION
1A	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
1B	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
1C	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
1D	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
1G	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
1H	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, 1 BALCONY
1I	1	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 3 BATHS, LAUNDRY, 2 BALCONIES
1J	1	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 1 BATH, LAUNDRY
2A	2	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS , LAUNDRY, BALCONY
2B	2	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
2C	2	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS , LAUNDRY, BALCONY
2H	2	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY
2I	2	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 3 BATHS , LAUNDRY, 2 BALCONIES
2J	2	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 1 BATH, LAUNDRY
3A	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS, LAUNDRY, BALCONY

BUILDING "C"– OCEANA CONDOMINIUM THREE

APARTMENT DESCRIPTION / Continued

UNIT NO.	FLOOR	DESCRIPTION
3B	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
3C	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
3D	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS,2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
3E	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
3F	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
3G	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
3H	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
3I	3	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOM, 3 BATHS,
		LAUNDRY, 2 BALCONIES
3J	3	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 1 BATH,
		LAUNDRY
4A	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
4B	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
4C	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
4H	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,,
		LAUNDRY, BALCONY
4I	4	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 3 BATHS,
		LAUNDRY, 2 BALCONIES
4J	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOM, 1 BATH,
		LAUNDRY
5A	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY

BUILDING "C"– OCEANA CONDOMINIUM THREE
APARTMENT DESCRIPTION / Continued

UNIT NO.	FLOOR	DESCRIPTION
B	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
5C	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
5D	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
5E	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
5F	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
5G	4	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		POWDER ROOM, LAUNDRY, 2 BALCONIES
5H	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, BALCONY
5I	5	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 3 BATHS,
		LAUNDRY, 2 BALCONIES
5J	5	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 1 BATH,
		LAUNDRY
6A	6	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY
6B	6	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, 2 BALCONIES, TERRACE
6C	6	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		STUDY, LAUNDRY, 2 BALCONIES, TERRACE
6D	6	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 2 BATHS,
		POWDER ROOM, STUDY, LAUNDRY, 2 BALCONIES, TERRACE
7-11A	7,8,9,10,11	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY
7-11B	7,8,9,10,11	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, 2 BALCONIES
7-11C	7,8,9,10,11	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		STUDY, LAUNDRY, 2 BALCONIES
7-11D	7,8,9,10,11	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 2 BATHS,
		POWDER ROOM, STUDY, LAUNDRY, 2 BALCONIES

BUILDING "C"– OCEANA CONDOMINIUM THREE

APARTMENT DESCRIPTION / Continued

UNIT NO.	FLOOR	DESCRIPTION
PH1	PENTHOUSE	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS,
		2 BATHS, LAUNDRY
PH2	PENTHOUSE	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		LAUNDRY, 2 BALCONIES
PH3	PENTHOUSE	LIVING/DINING ROOM, FOYER, KITCHEN, 2 BEDROOMS, 2 BATHS,
		STUDY, LAUNDRY, 2 BALCONIES
PH4	PENTHOUSE	LIVING/DINING ROOM, FOYER, KITCHEN, 3 BEDROOMS, 2 BATHS,
		POWDER ROOM, STUDY, LAUNDRY, 2 BALCONIES

68 RESIDENTIAL UNITS FOR BUILDING "C"

FF. UNIT INFORMATION / continued . . .

1. *Finish Schedule For Typical Apartment*

ROOM/SPACE	FLOOR	WALL	BASE	CEILING
Living Rooms	Wood	Paint	Wood	Textured Paint
Bedrooms	Wood	Paint	Wood	Textured Paint
Foyers/Halls	Wood	Paint	Wood	Textured Paint
Closets	Vinyl or Wood	Paint	Wood	Textured Paint
Bathrooms	Ceramic or Marble Tile	Paint and/or Tile	Tile	Acoustical Tile, Paint and/or Textured Paint
Kitchens	Ceramic Tile	Paint	Wood	Acoustical Tile, Paint and/or Textured Paint

2. *Bathroom Fixtures:*

All bathrooms and powder rooms shall have American Standard fixtures or equal.

3. *Kitchen Appliances:*

Brand: - GENERAL ELECTRIC or Equal
Gas Stove - JGBP30WE or Equal
Microwave - JVM1631W (1.6 C.F.) or Equal
Dishwasher - GSD2000 Or Equal or Equal
Refrigerator - (18.2 cf) TBX181A or Equal

4. *Laundry Appliances*

Provisions for installation of washer/dryer (to be provided and installed by Unit Owner) has been provided.

GG. FINISH SCHEDULE FOR SPACES OTHER THAN APARTMENT

ROOM/SPACE	FLOOR	WALL	BASE	CEILING
Boiler Rooms	Cement Finish	Cement Finish	Cement Finish	Cement Finish
Electric Meter Rooms	Sealant	Cement Finish	Cement Finish	Cement Finish
Elevator Cab	Carpet, Tile or Marble	Wood Veneer, Metal and/or Laminate	Wood Veneer, Metal and/or Laminate	Laminate, Chem-metal Dropped Ceiling, or equal.
Compactor Rooms	Cement Finish	Cement Finish	Cement Finish	Cement Finish
Trash Chute Room	Painted	Painted	Painted	Painted or Textured Paint
Fire Stairs (Nos. 1 & 2)	Cement Finish	Paint	Paint	Cement Finish
Lobby	Carpet, Tile and/or Marble	Paint and/or Wall Covering	Wood, Tile and/or Marble	Acoustic Tile, Paint and/or Textured Paint
Mail Room	Carpet, Tile and/or Marble	Paint and/or Wall Covering	Wood, Tile and/or Marble	Acoustic Tile, Paint and/or Textured Paint
Residential Corridor	Carpet* and/or Tile	Paint and/or Wall Covering	Wood, Tile and/or Marble	Acoustic Tile, Paint and/or Textured Paint
Elevator Machine Rooms	Cement Finish	Cement Finish	Cement Finish	Cement Finish

* Carpeting if selected will be installed over padding and will be selected form the available carpeting in the $14 per square foot range.

* * * * *

PAGES 237 THROUGH 239 HAVE BEEN INTENTIONALLY DELETED

CONDOMINIUM FLOOR PLANS

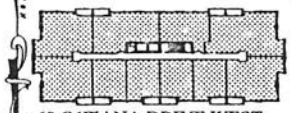
All dimensions of the following floor plans and Schedule A of the Plan and Schedule B of the Condominium Declaration are approximate and may exceed the usable floor area of the Unit which is so depicted. The following floor plans are subject to variations between such floor plans and the actual condominium floor plans to be filed with the Office of the City Register, County of Kings, and to changes in fenestration and other revisions which are deemed advisable by the local department of buildings or other agencies having jurisdiction over same, or which are necessitated by job conditions, or are permitted to be made by Sponsor in accordance with the Plan.

Oceana

Residential Development

Brighton Beach
Brooklyn, New York

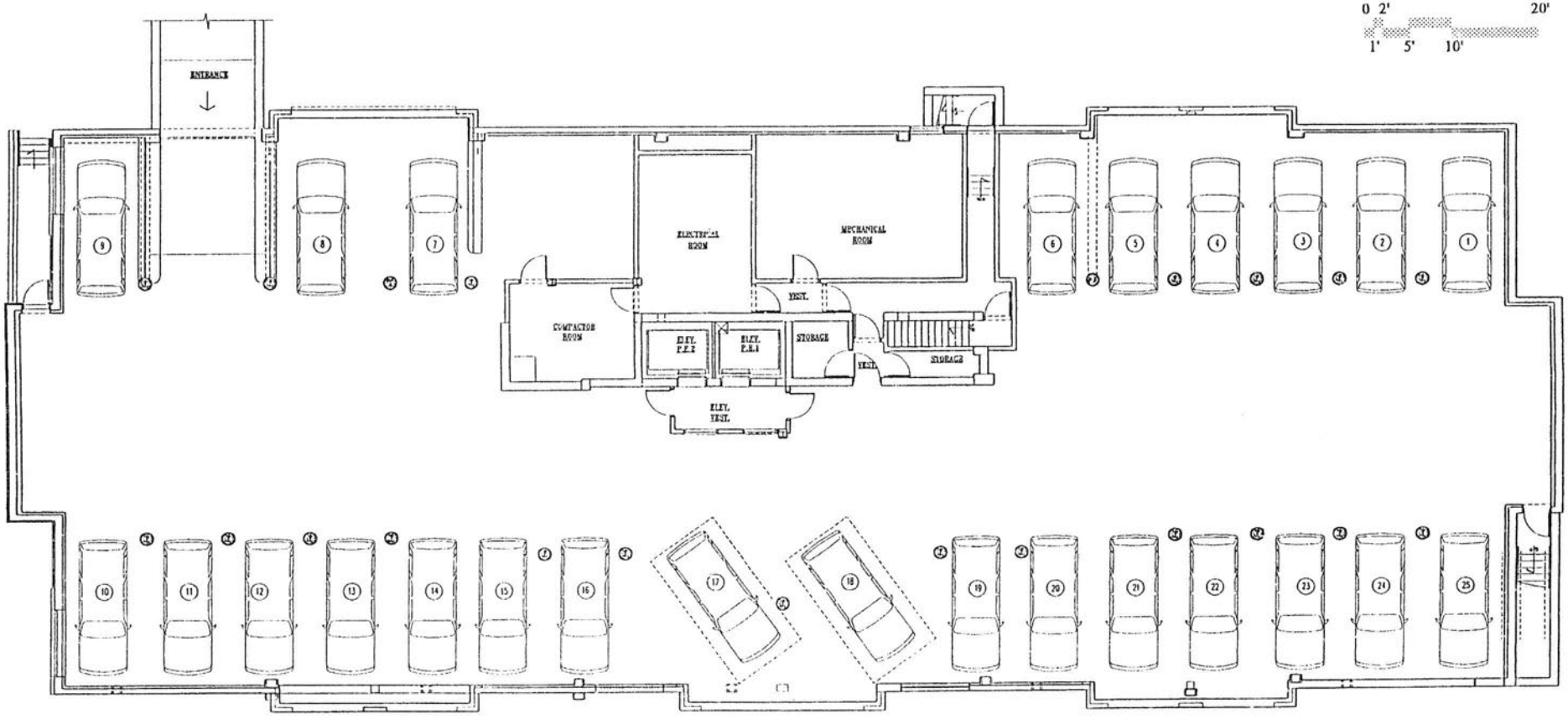
Key Plan



60 OCEANA DRIVE WEST

CELLAR/GARAGE PLAN

0 2' 20'
1' 5' 10'



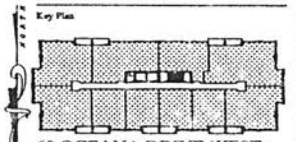
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSER RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE OFFERING PLAN.

Oceana

Residential Development

Brighton Beach
Brooklyn, New York

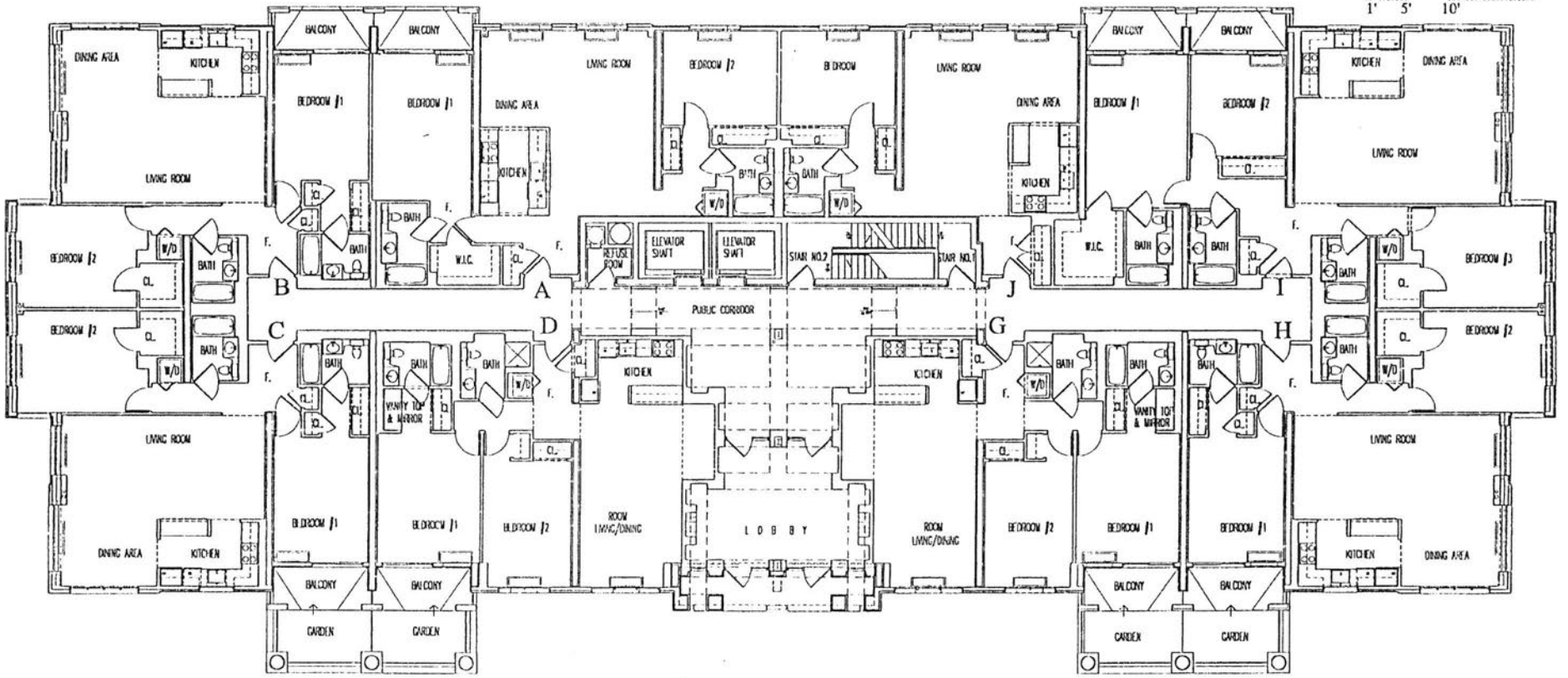
Key Plan



60 OCEANA DRIVE WEST

FIRST FLOOR PLAN

0 2' 20'
1' 5' 10'



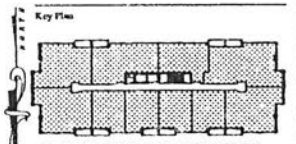
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Residential Development

Brighton Beach
Brooklyn, New York

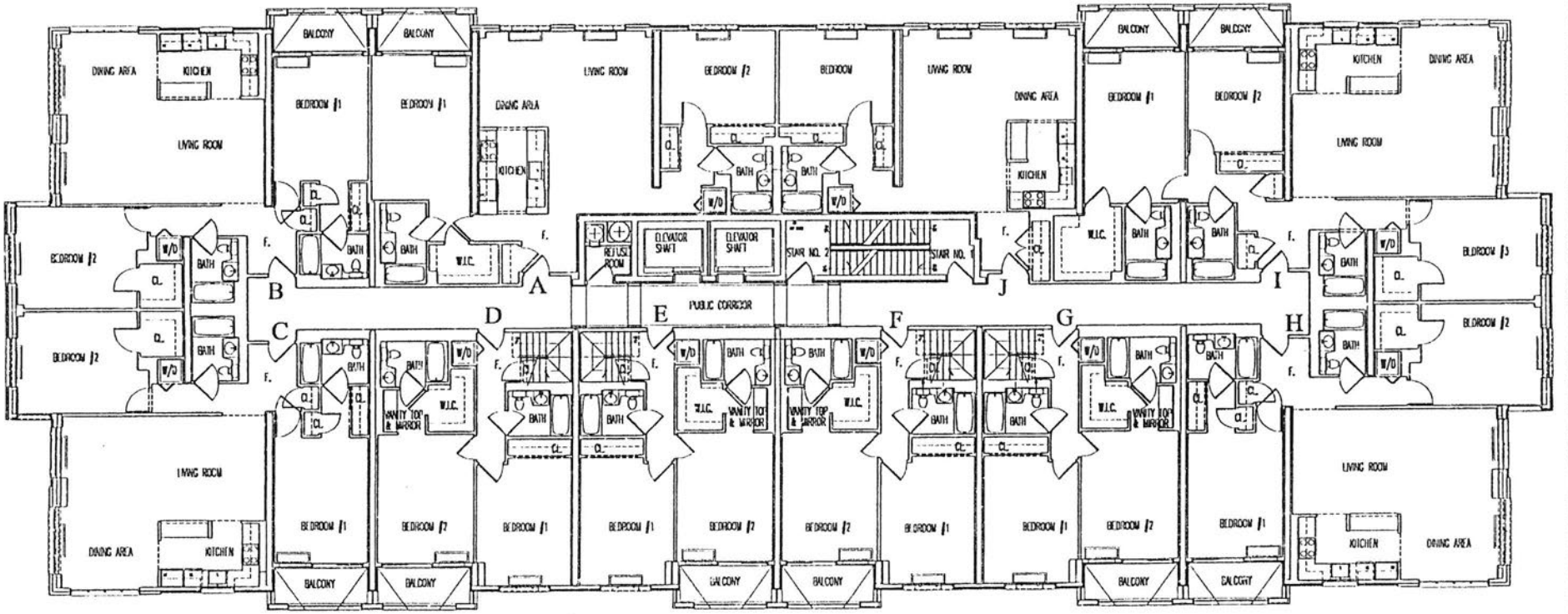
Key Plan



60 OCEANA DRIVE WEST

SECOND FLOOR PLAN

0 2' 20'
1' 5' 10'



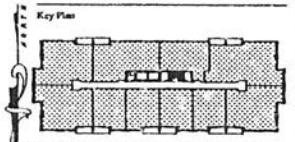
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Residential Development

Brighton Beach
Brooklyn, New York

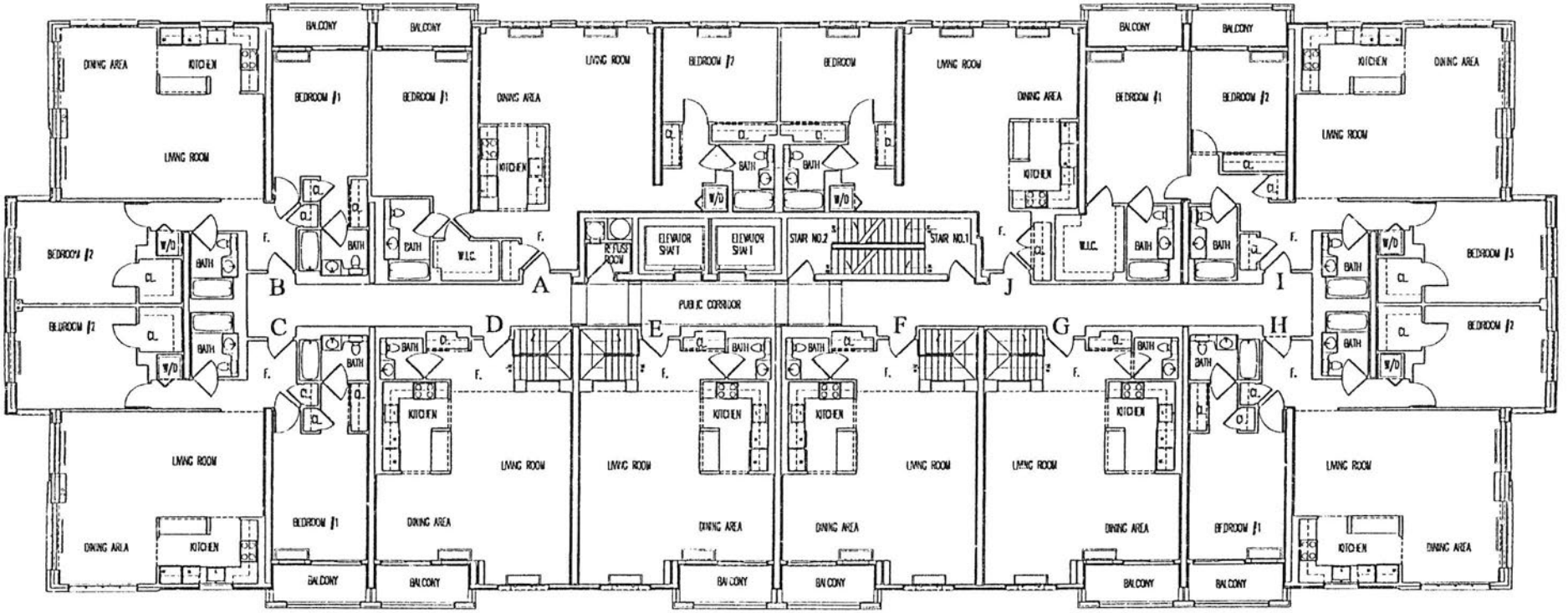
Key Plan



60 OCEANA DRIVE WEST

THIRD FLOOR PLAN

0 2' 20'
1' 5' 10'



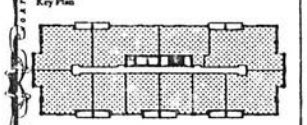
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Residential Development

Brighton Beach
Brooklyn, New York

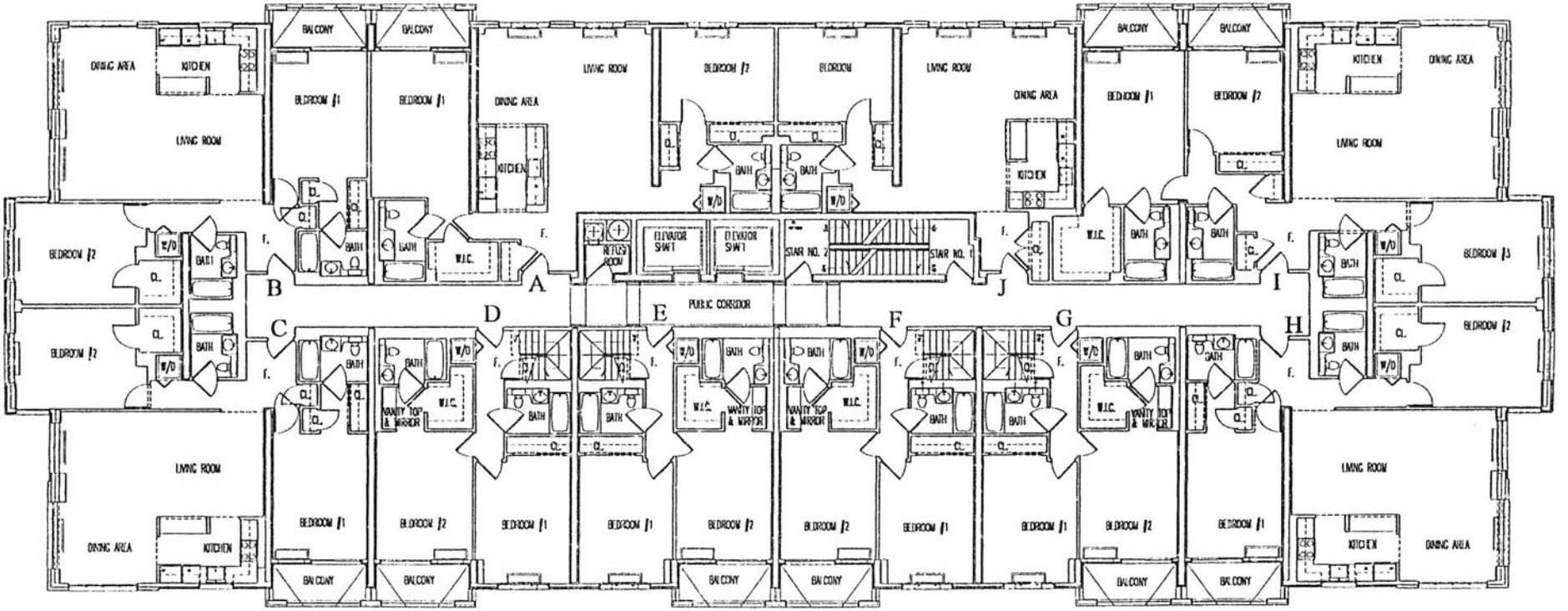
Key Plan



60 OCEANA DRIVE WEST

FOURTH FLOOR PLAN

0 2' 20'
1' 5' 10'



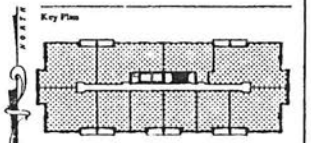
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Residential Development

Brighton Beach
Brooklyn, New York

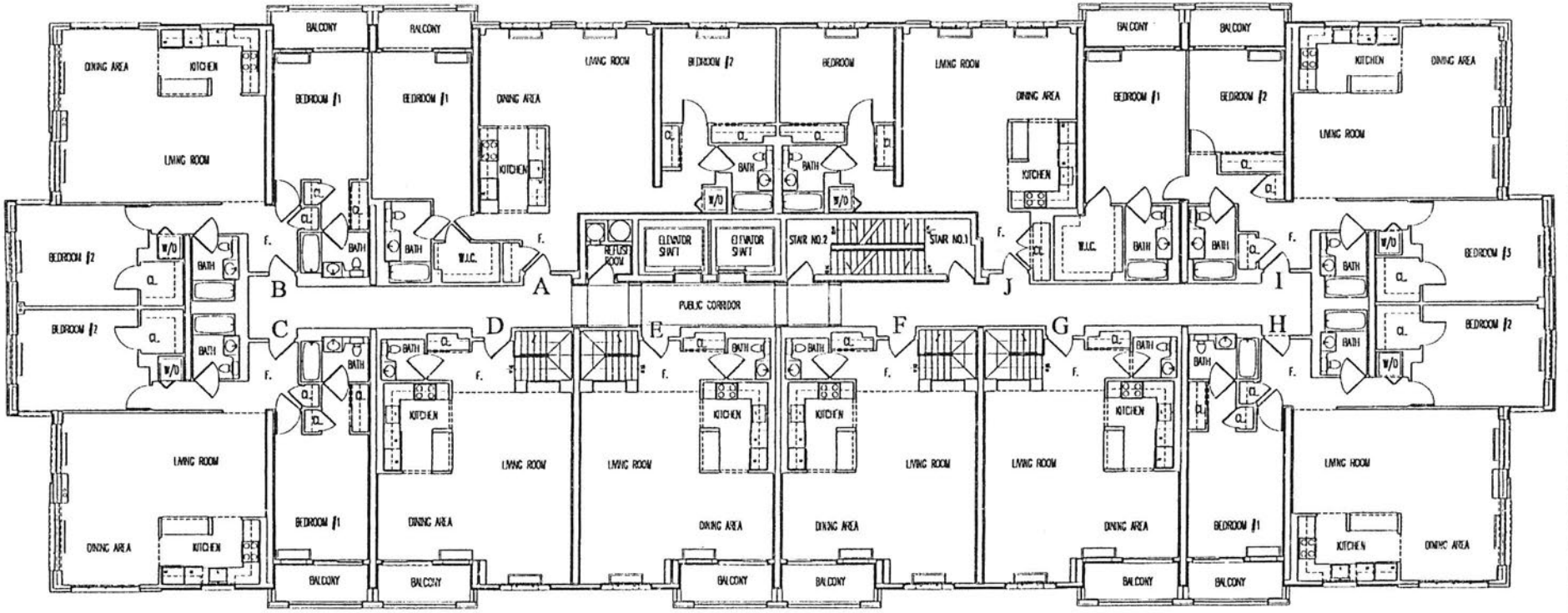
Key Plan



60 OCEANA DRIVE WEST

FIFTH FLOOR PLAN

0 2' 20'
1' 5' 10'



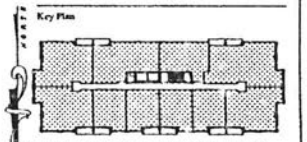
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Residential Development

Brighton Beach
Brooklyn, New York

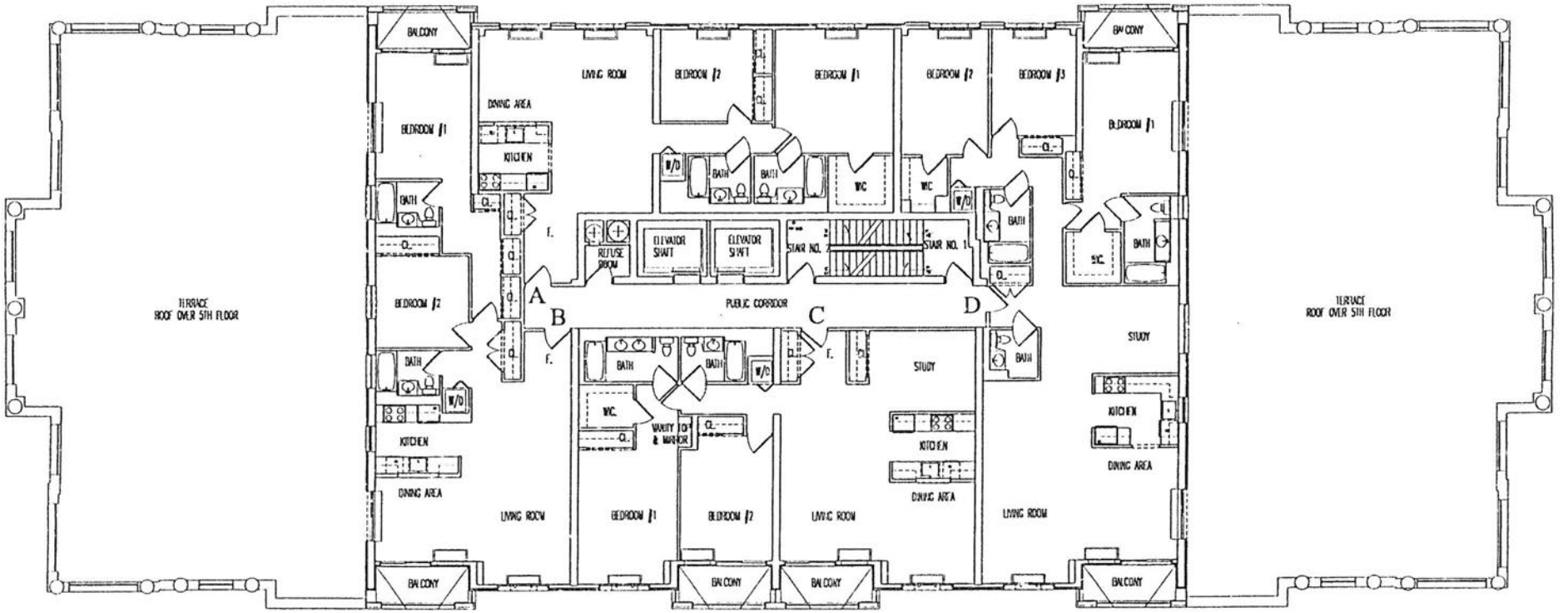
Key Plan



60 OCEANA DRIVE WEST

SIXTH FLOOR PLAN

0 2' 20'
1' 5' 10'



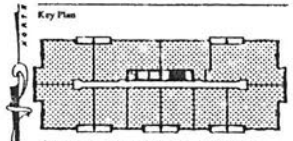
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Oceana

Residential Development

Brighton Beach
Brooklyn, New York

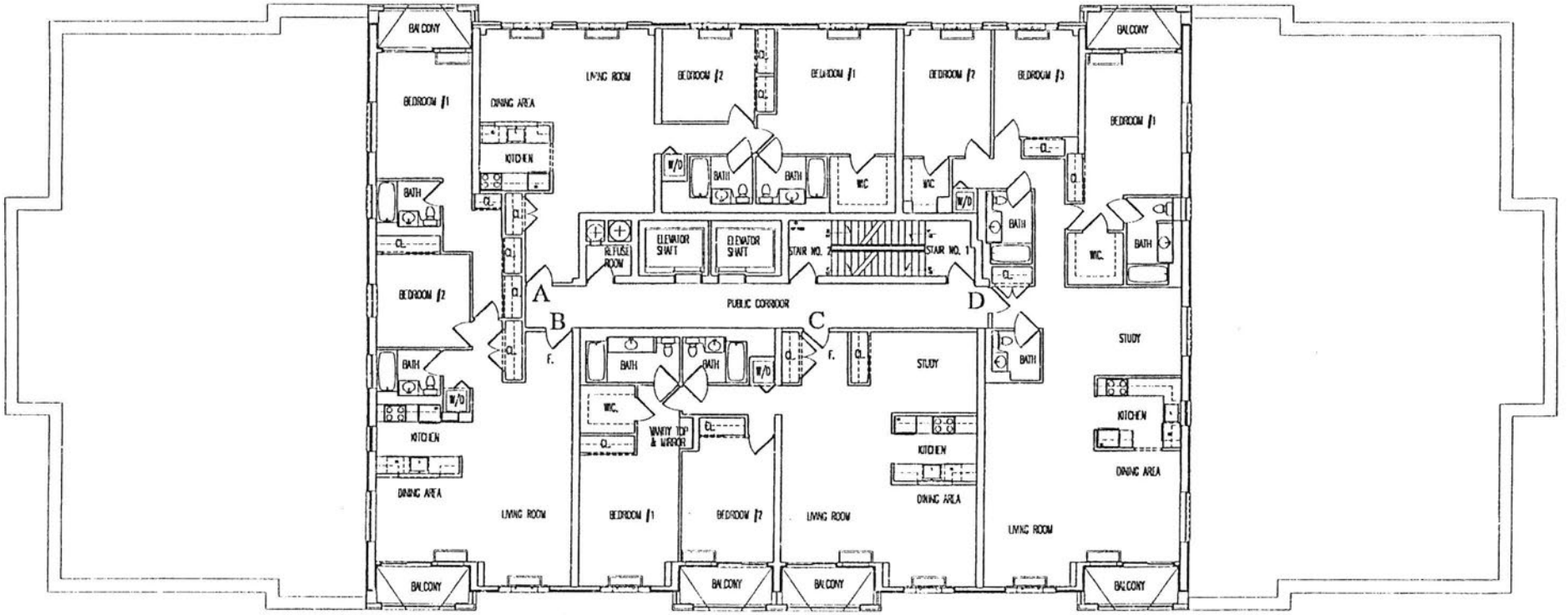
Key Plan



60 OCEANA DRIVE WEST

7TH.-12TH. FLOOR PLAN

0 2' 20'
1' 5' 10'

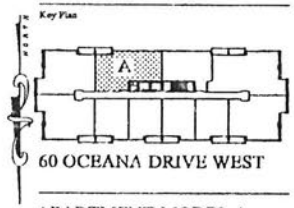


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSER RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE OFFERING PLAN.

Oceana

Residential Development

Brighton Beach
Brooklyn, New York

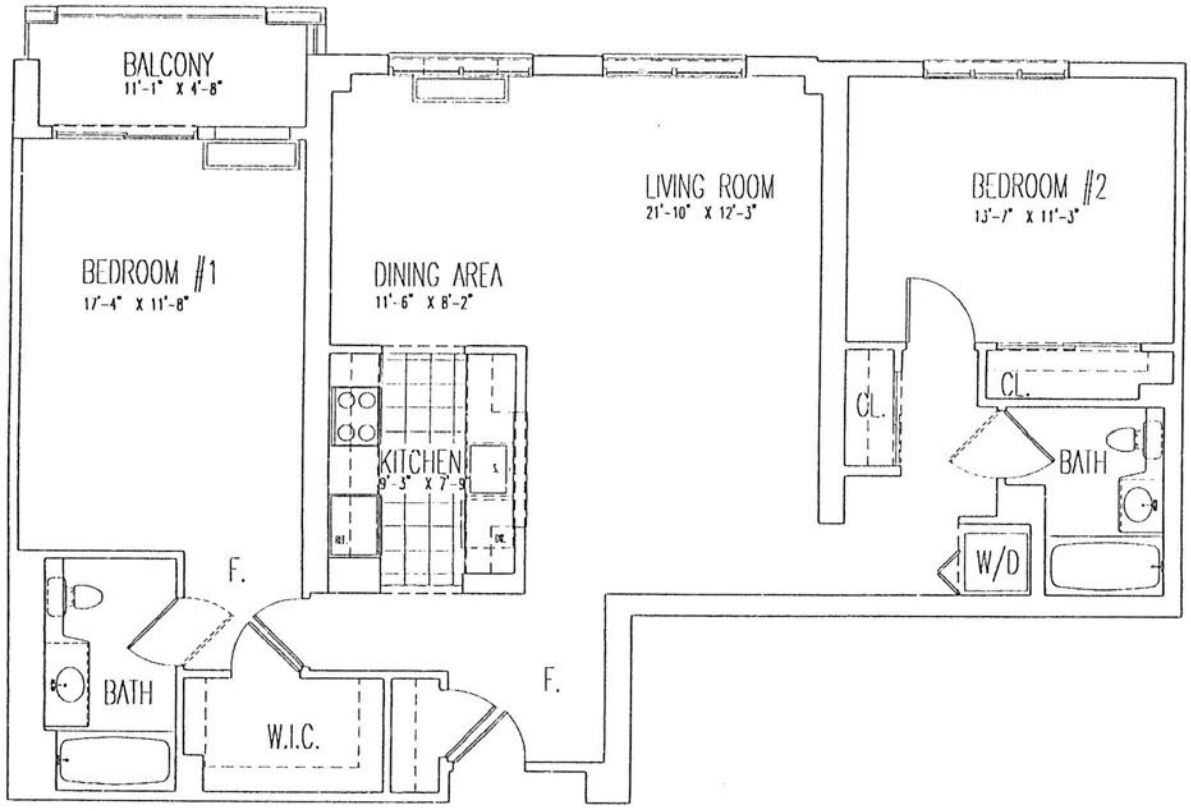


60 OCEANA DRIVE WEST

APARTMENT-MODEL A
AREA= 1,242 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 BALCONY

0 2' 6' 10'
1' 3'



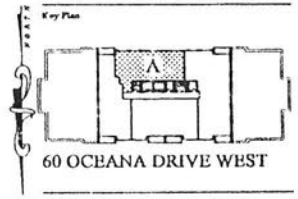
PUBLIC CORRIDOR

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSER RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE OFFERING PLAN.

Oceana

Residential Development

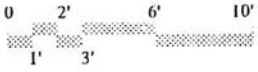
Brighton Beach
Brooklyn, New York

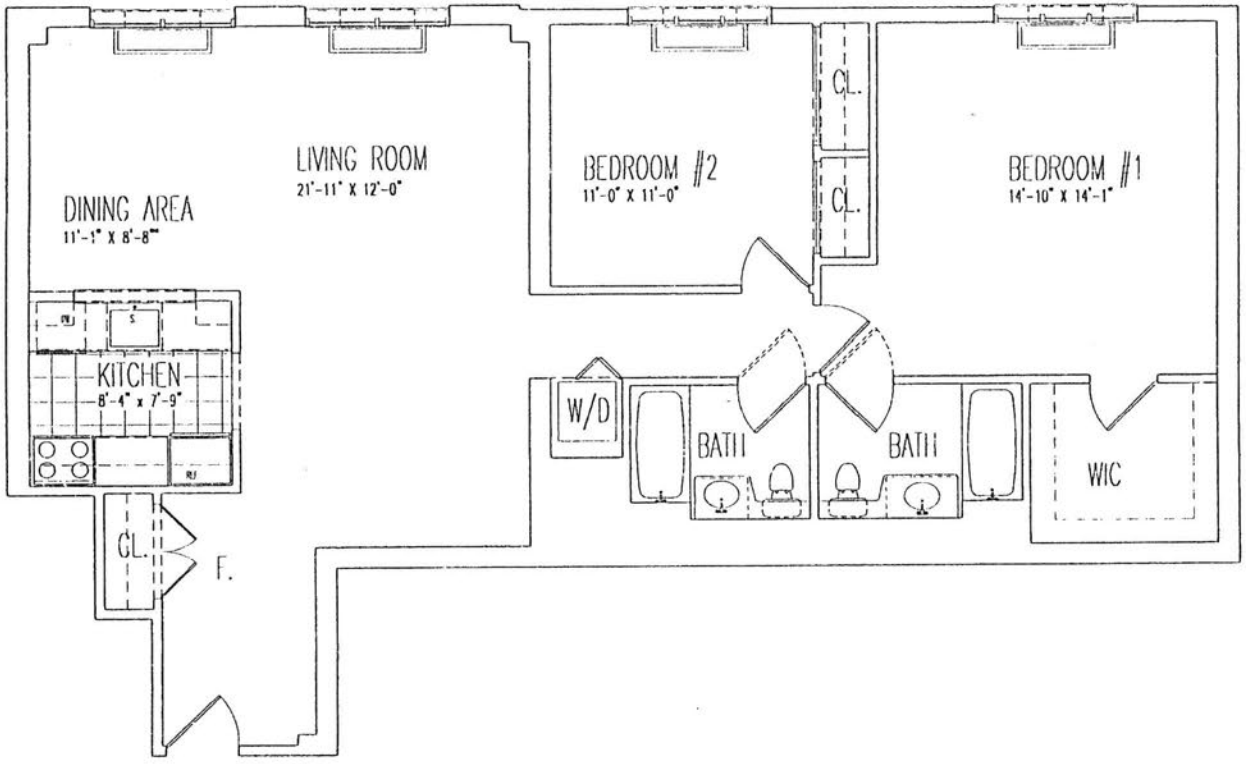


60 OCEANA DRIVE WEST

APARTMENT-MODEL A
AREA= 1,181 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM



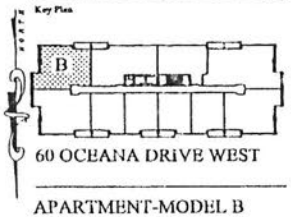


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSER RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE OFFERING PLAN.

Oceana

Residential Development

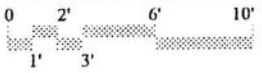
Brighton Beach
Brooklyn, New York

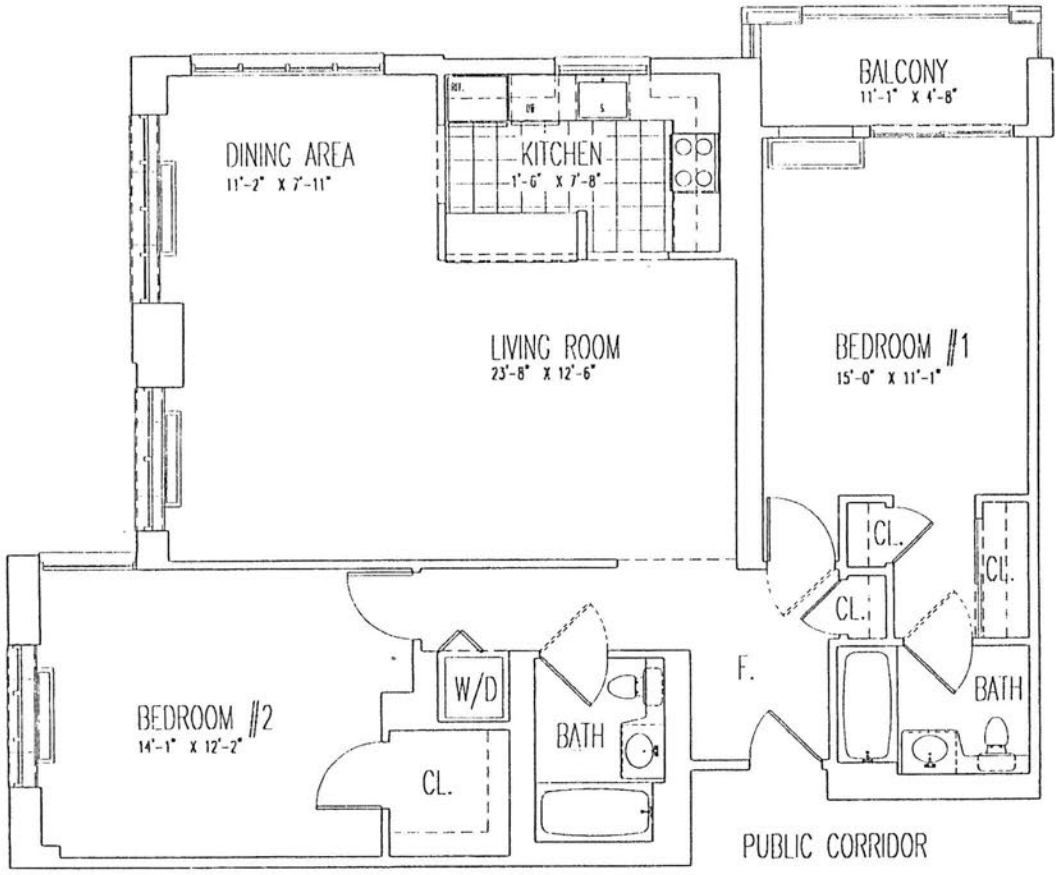


60 OCEANA DRIVE WEST

APARTMENT-MODEL B
AREA= 1,200 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 BALCONY



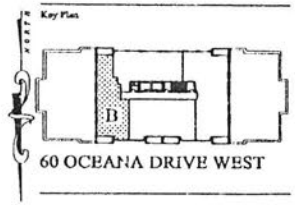


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Oceana

Residential Development

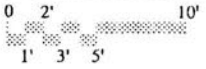
Brighton Beach
Brooklyn, New York

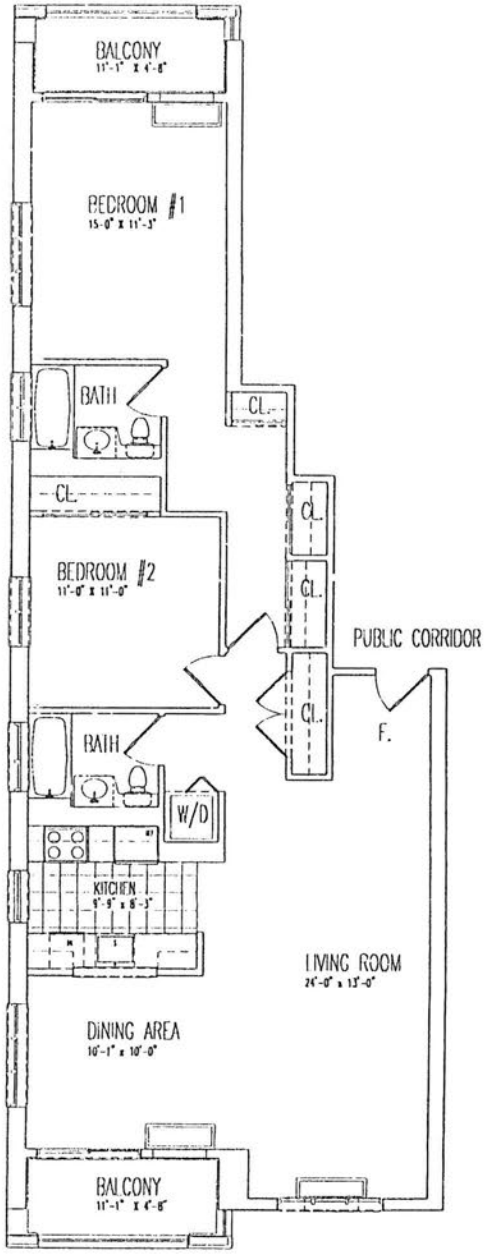


60 OCEANA DRIVE WEST

APARTMENT-MODEL B
AREA= 1,180 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
2 BALCONIES



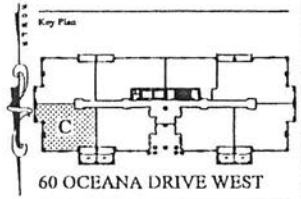


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Oceana

Residential Development

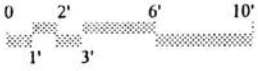
Brighton Beach
Brooklyn, New York

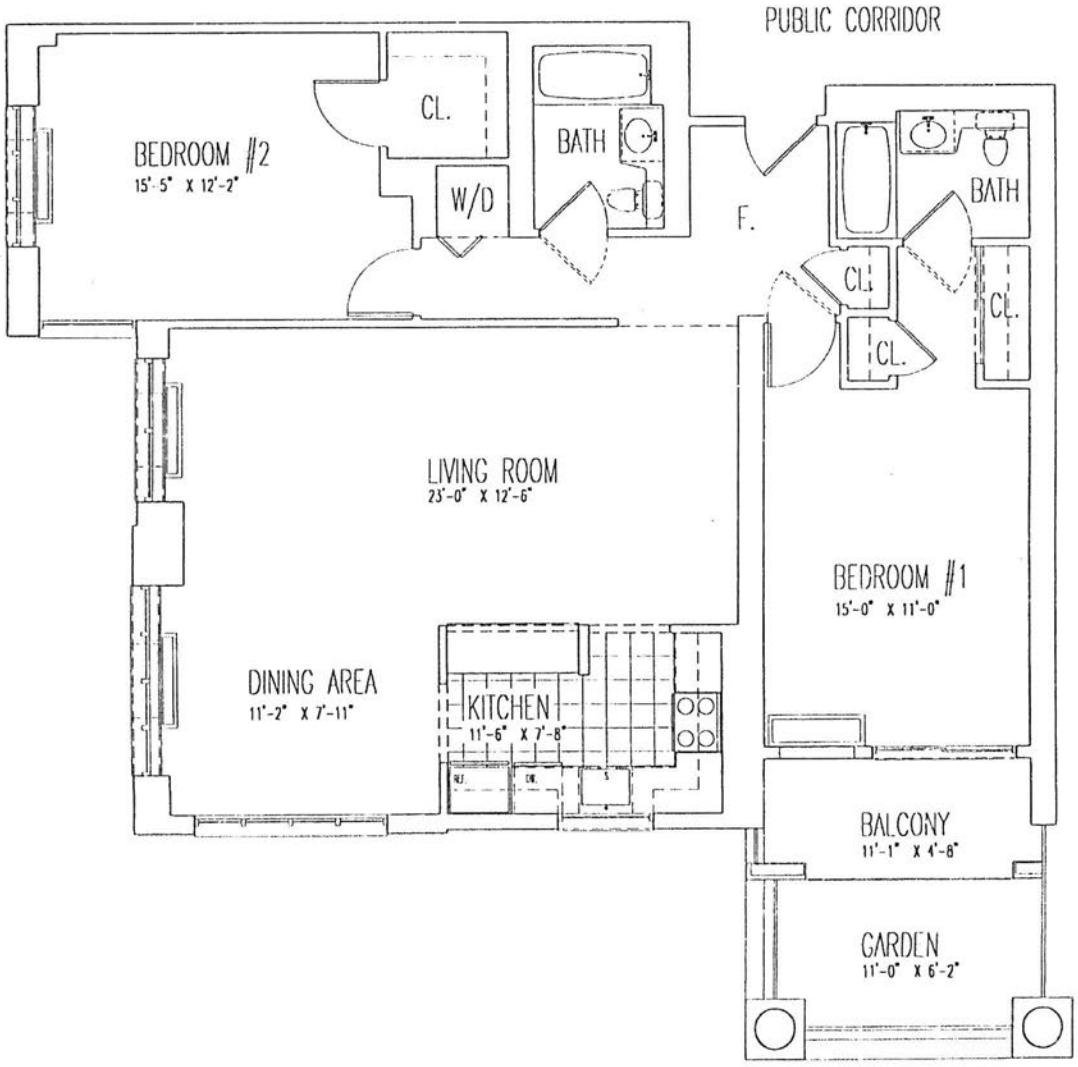


60 OCEANA DRIVE WEST

APARTMENT-MODEL C
AREA= 1,200 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 BALCONY, 1 GARDEN



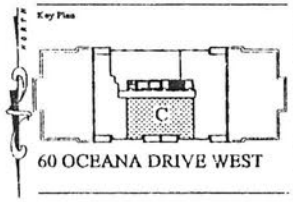


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Oceana

Residential Development

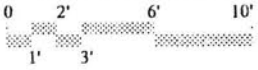
Brighton Beach
Brooklyn, New York

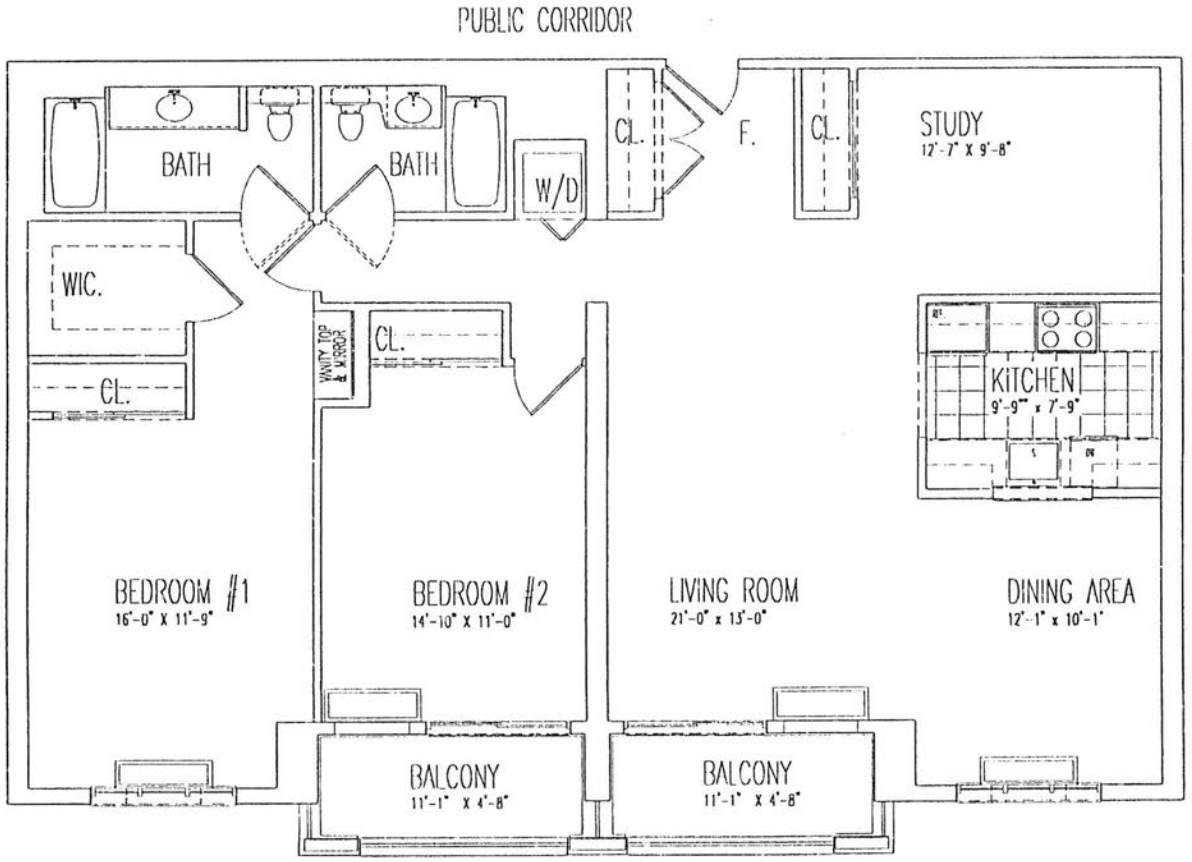


60 OCEANA DRIVE WEST

APARTMENT-MODEL C
AREA= 1,401 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 STUDY
2 BALCONIES



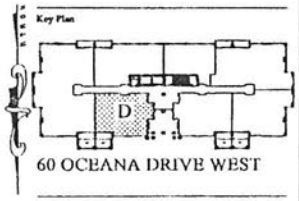


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Oceana

Residential Development

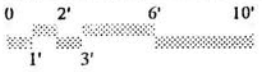
Brighton Beach
Brooklyn, New York

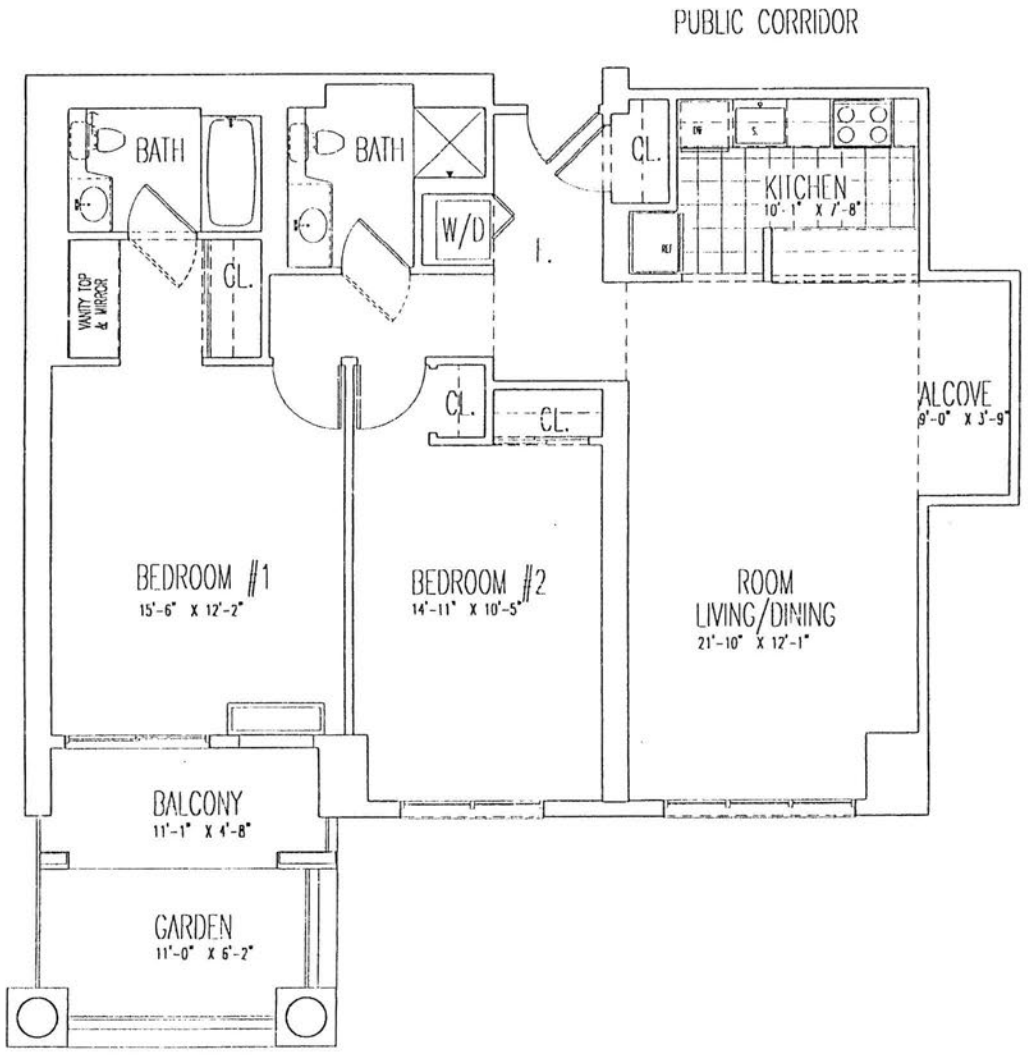


60 OCEANA DRIVE WEST

APARTMENT-MODEL D
AREA= 1,110 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 BALCONY, 1 GARDEN



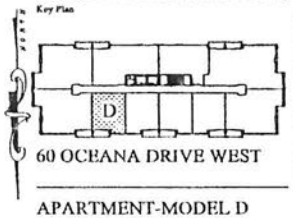


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Oceana

Residential Development

Brighton Beach
Brooklyn, New York

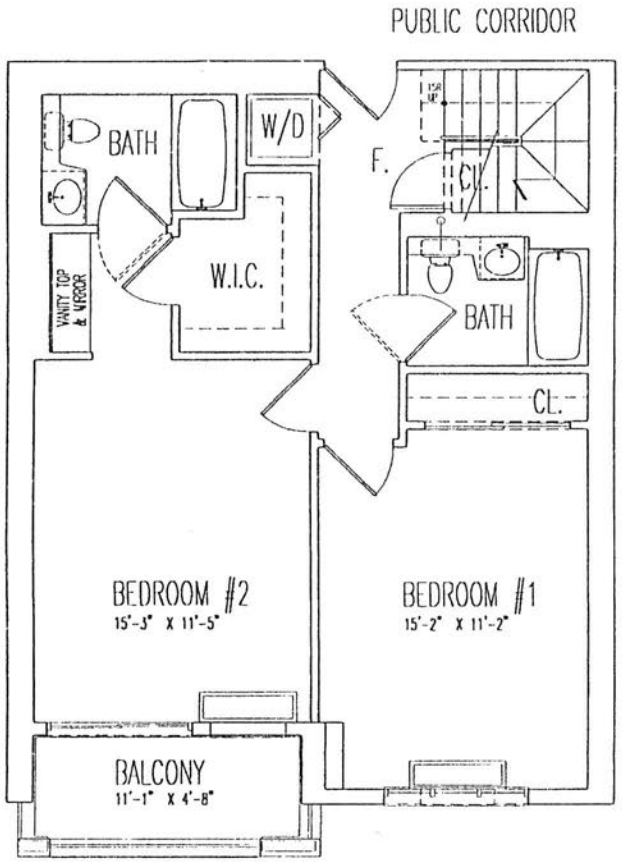


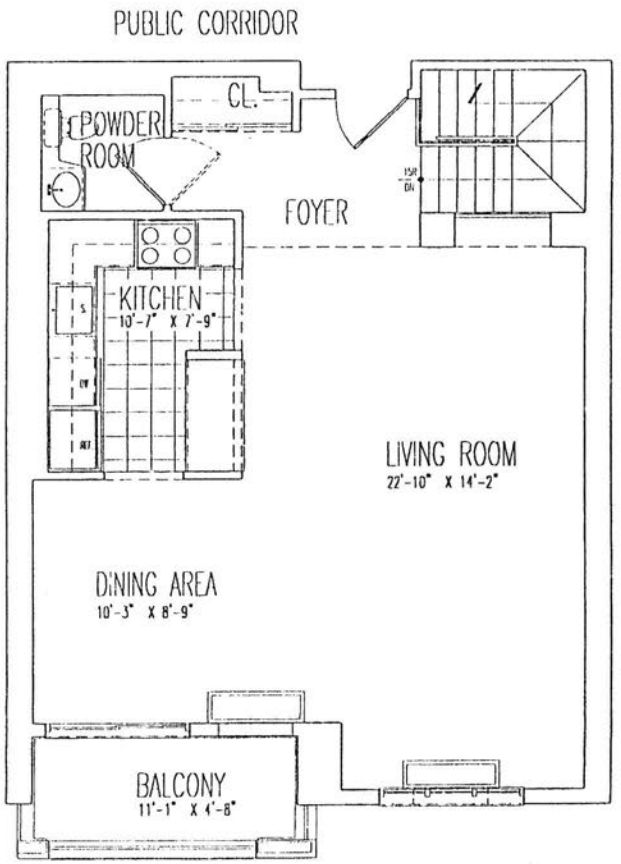
60 OCEANA DRIVE WEST

APARTMENT-MODEL D
AREA= 1,376 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 POWDER ROOM
2 BALCONIES

0 2' 6' 10'
1' 3'



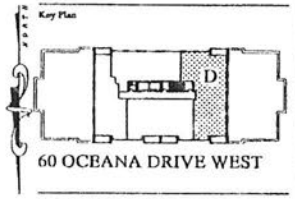


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Oceana

Residential Development

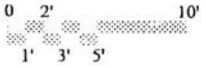
Brighton Beach
Brooklyn, New York

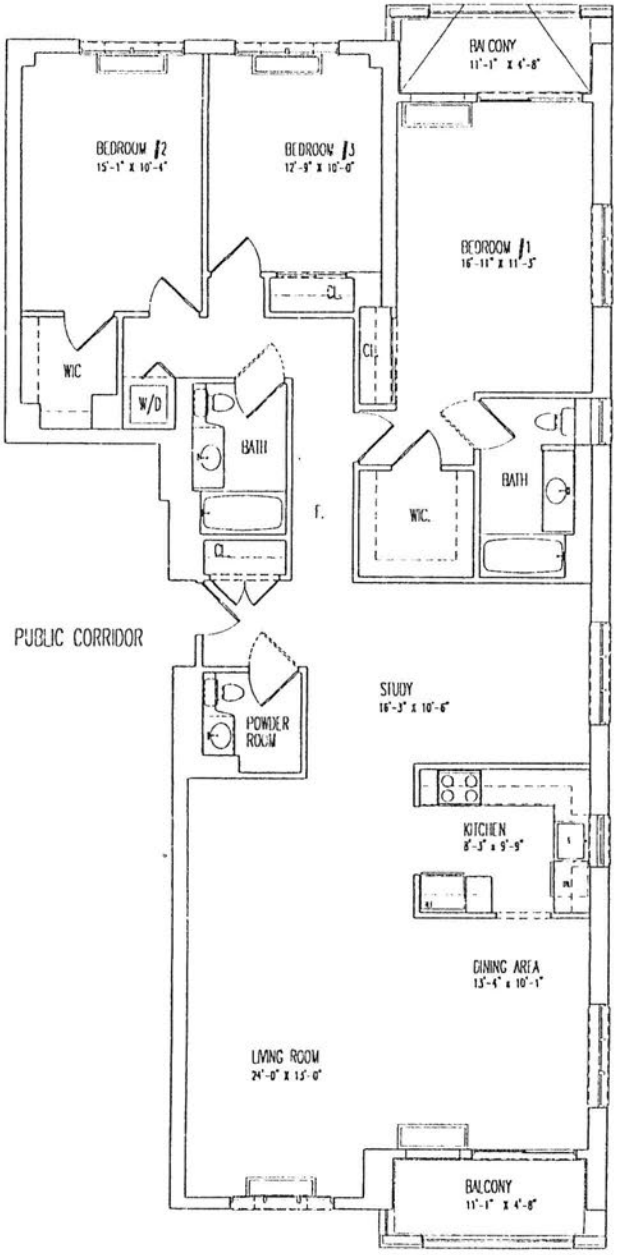


60 OCEANA DRIVE WEST

APARTMENT-MODEL D
AREA= 1,743 SF

3 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 POWDER ROOM
2 BALCONIES



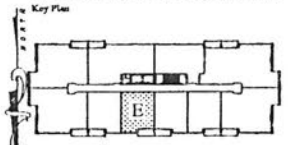


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Oceana

Residential Development

Brighton Beach
Brooklyn, New York

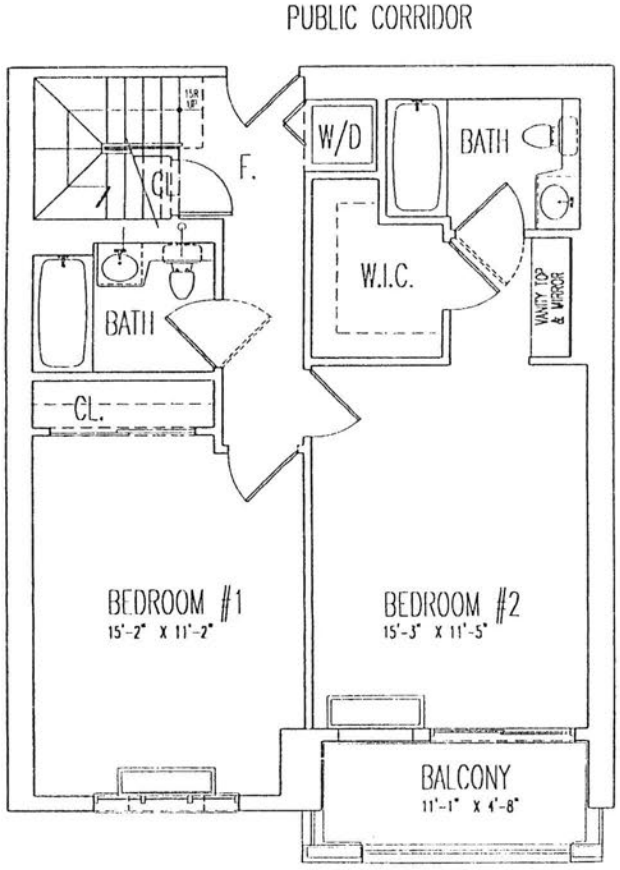


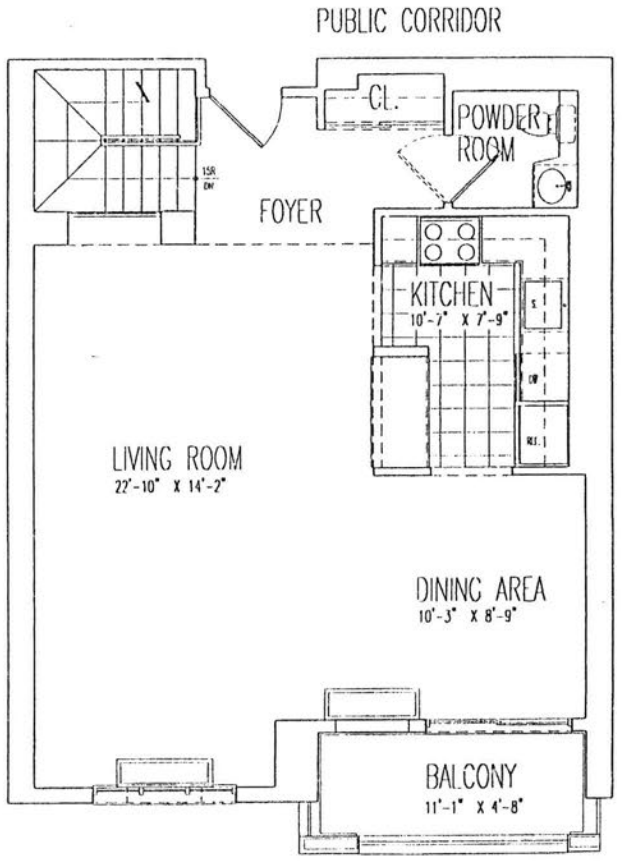
60 OCEANA DRIVE WEST

APARTMENT-MODEL E
AREA= 1,376 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 POWDER ROOM
2 BALCONIES

0 2' 6' 10'
1' 3'



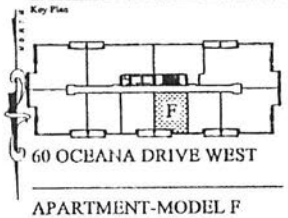


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Oceana

Residential Development

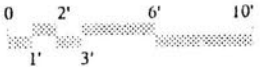
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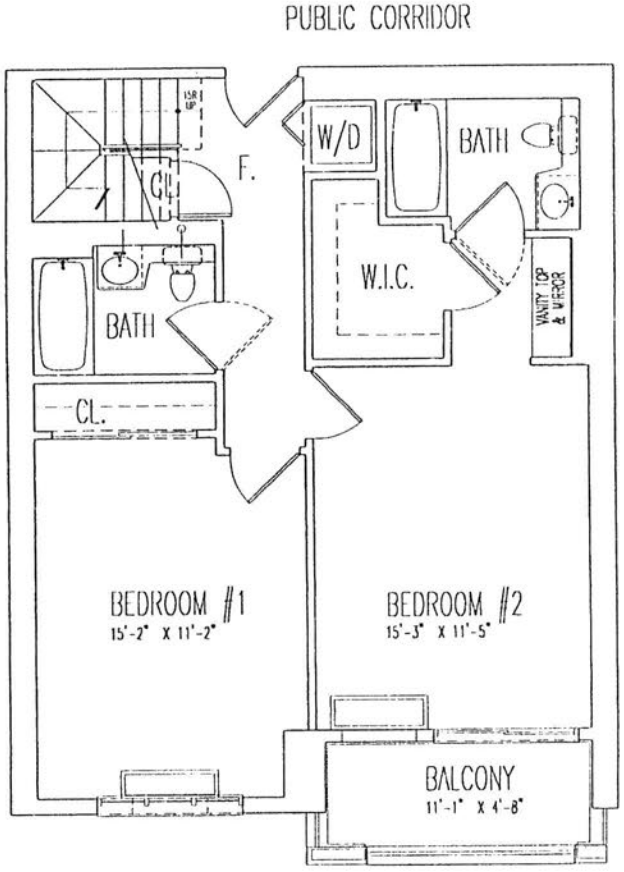


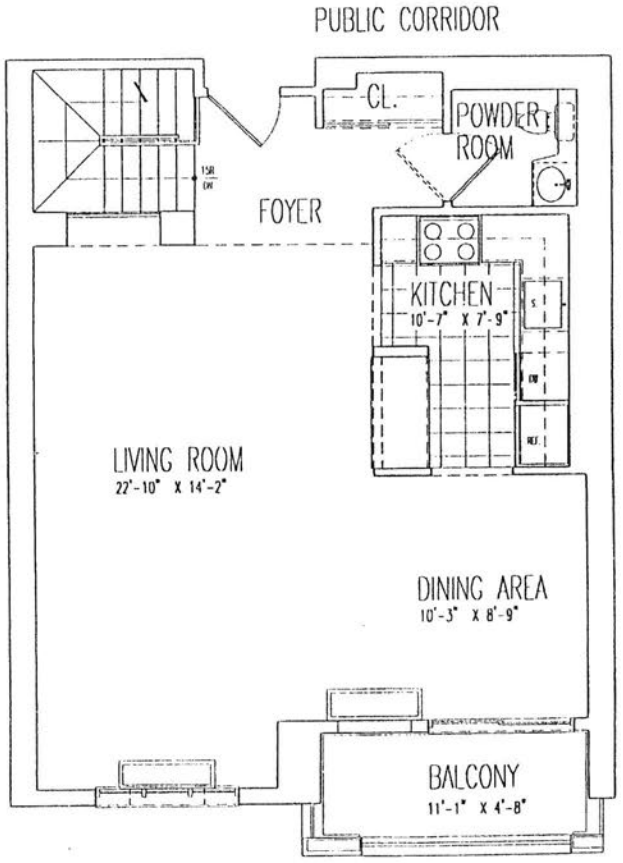
60 OCEANA DRIVE WEST

APARTMENT-MODEL F
AREA= 1,376 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 POWDER ROOM
2 BALCONIES





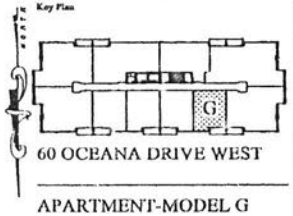


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Oceana

Residential Development

Brighton Beach
Brooklyn, New York

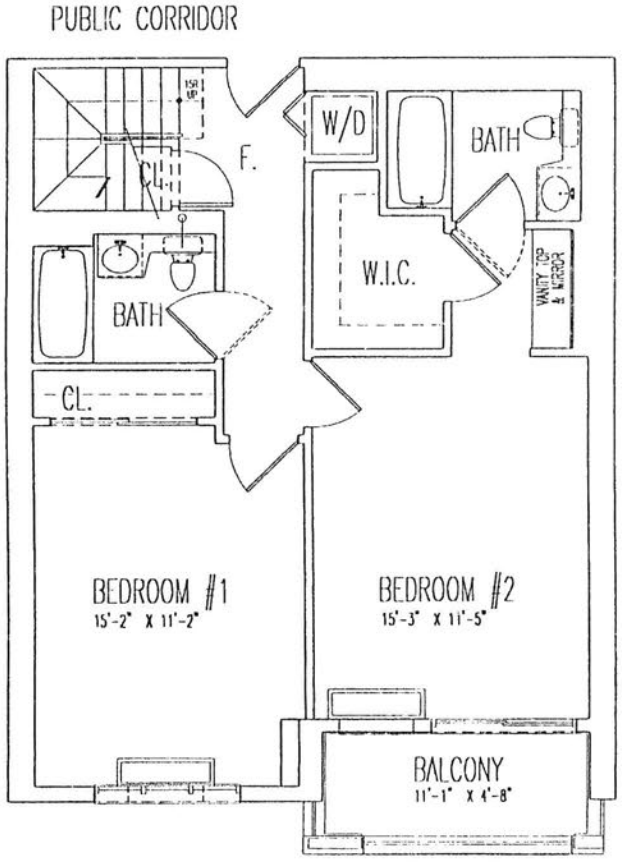


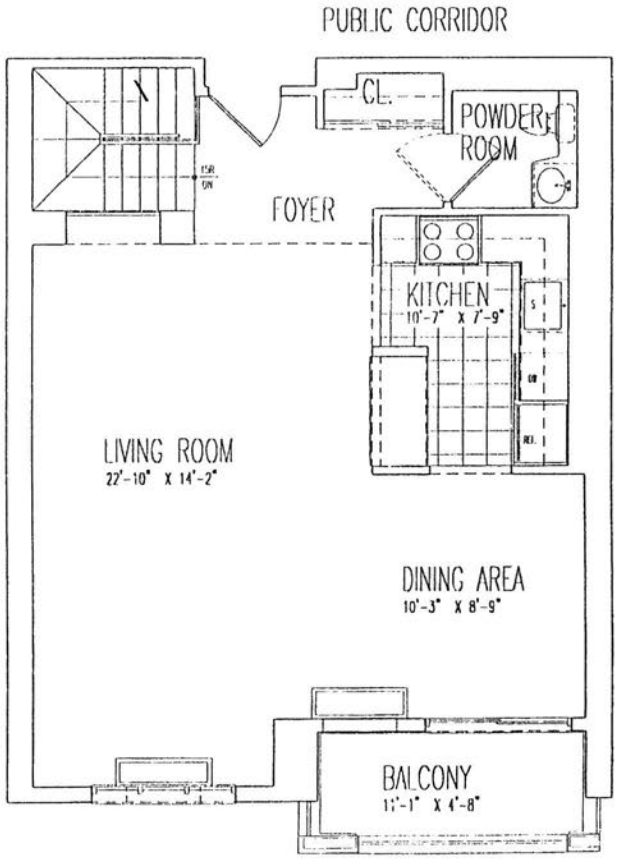
60 OCEANA DRIVE WEST

APARTMENT-MODEL G
AREA= 1,376 SF

2 BEDROOM,2 BATHS
LIVING/ DINING ROOM
1 POWDER ROOM
2 BALCONIES

0 2' 6' 10'
1' 3'



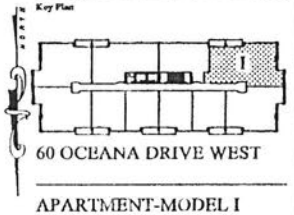


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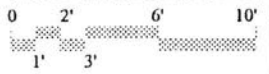
Brighton Beach
Brooklyn, New York

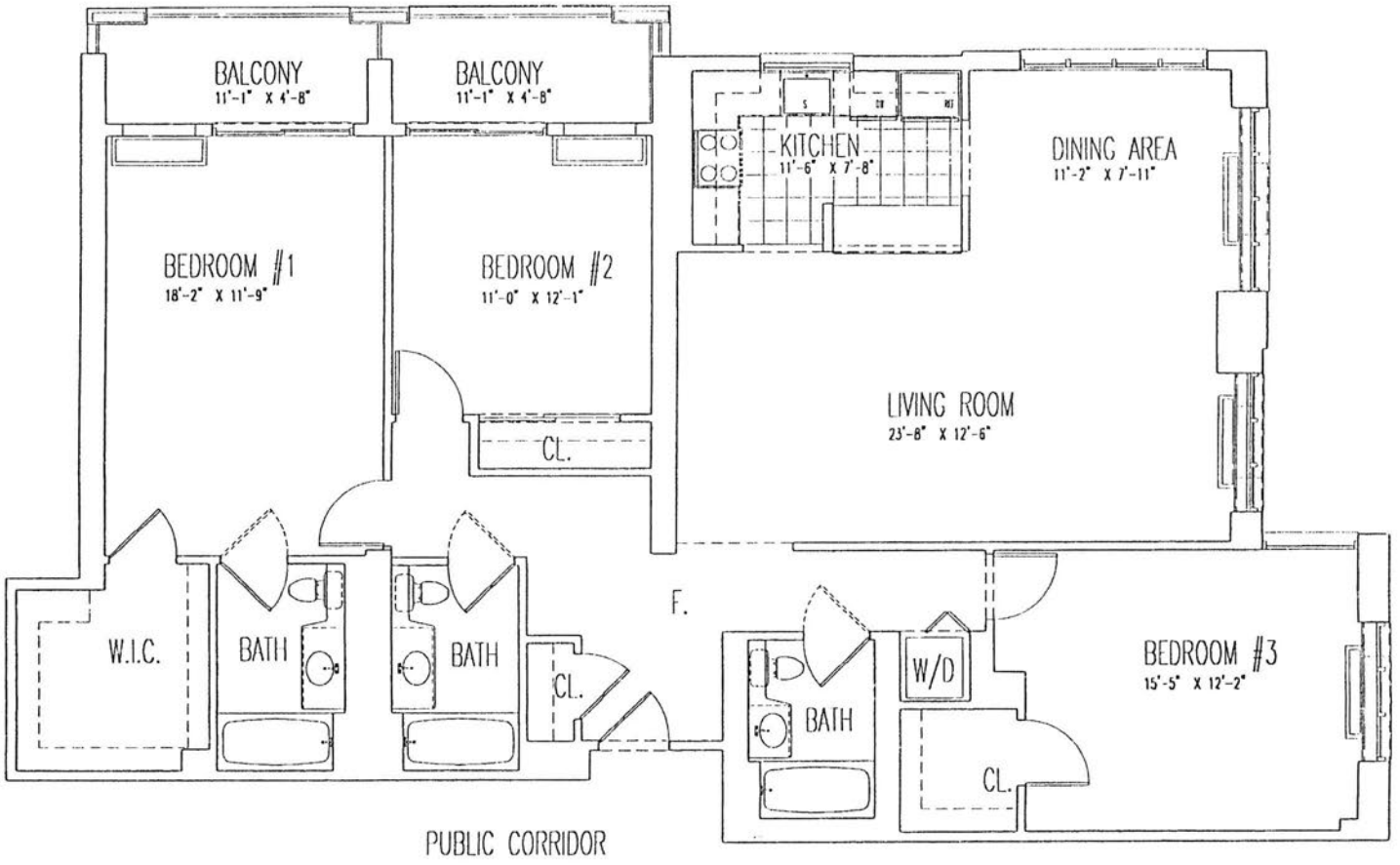


60 OCEANA DRIVE WEST

APARTMENT-MODEL I
AREA= 1,563 SF

3 BEDROOM,3 BATHS
LIVING/ DINING ROOM
2 BALCONIES



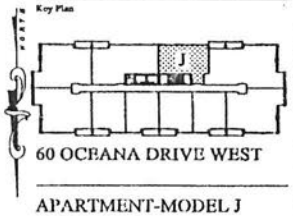


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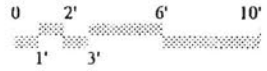
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Brooklyn, New York

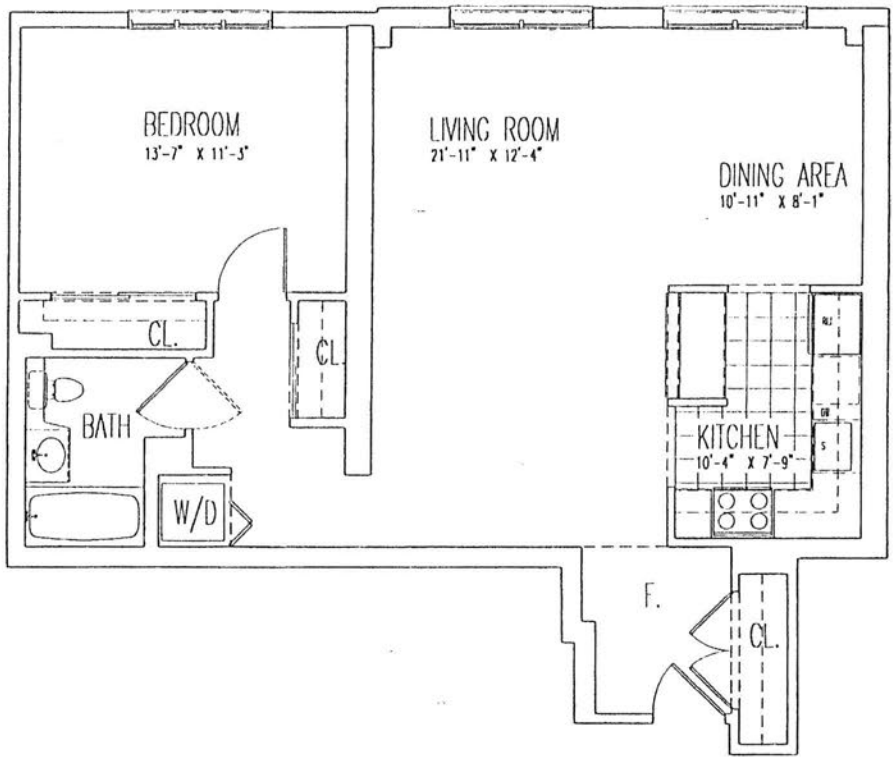


60 OCEANA DRIVE WEST

APARTMENT-MODEL J
AREA= 871 SF

1 BEDROOM,1 BATH
LIVING/ DINING ROOM





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SCHUMAN LICHTENSTEIN CLAMAN EFRON • ARCHITECTS
841 BROADWAY, NEW YORK, N.Y. 10003-4785 • (212) 979-8400 • FAX (212) 979-8387

DESCRIPTION OF PROPERTY

FOR

OCEANA HOMEOWNERS ASSOCIATIONS

HEALTH CLUB
AND
INTERNAL ROADWAY SYSTEMS

Dated: April 15, 1999



PETER CLAMAN • JERROLD CLARKE • ENZO DEPOL • SAKY YAKAS • JAMES DAVIDSON

REPORT INDICATING CONSTRUCTION TYPES AND MATERIALS FOR PROPOSED STRUCTURES TO BE LOCATED AT 80 OCEANA DRIVE WEST AND 85 OCEANA DRIVE EAST

GENERAL

The following Description of Property and Specifications was prepared by the architectural firm of Schuman Lichtenstein Claman Efron Architects, and is included in this Offering Plan in reliance upon the expertise of such firm.

DESCRIPTION OF PROPERTY

The specifications which follow are intended to outline generally the nature of work, materials and equipment and to indicate the contemplated character of the Recreational Facilities Building and Internal Roadway System. It shall not be interpreted as enlarging in any manner, directly or by inference, the obligations of the Sponsor as set forth in the Plan. Except as otherwise provided in this general description, where alternatives are specified, or where a particular practice, method or design of construction, equipment, material or supply is not specified, the choice and decision of the Architect and Engineering consultants shall determine and be conclusive. In the event that the plans and specifications as modified from time to time in accordance with the provisions of the Plan, shall be inconsistent with this general description, the plans and specifications as modified shall govern. A copy of the plans and specifications (which contain details of the systems, materials and the names of the manufacturer and model numbers of equipment employed in the construction of the Recreational Facilities Building and Internal Roadway System) are on file at the Selling Agent's office and will be available for inspection by prospective purchasers during normal business hours.

A. LOCATION AND USE OF PROPERTY

The property of the development site is located in Brighton Beach, Brooklyn, New York.

The development site is bounded by Brighton Beach Avenue (a final mapped street) to the north, Seacoast Terrace (a private final mapped street) to the east, Coney Island Avenue (a final mapped street) to the west and a 50'-0" wide mapped park strip to the south.

The development site is a single zoning lot presently known as Block 8720, part of Tax Lot 14 and has been tentatively subdivided into 23 individual tax lots for each section of potential future development. The zoning lot and its subdivision conform to all applicable New York City Zoning regulations.

The site for Oceana Homeowners Association Recreational Facilities is located in the central and south central portion of the development site. The Oceana Homeowners Association Recreational Facilities (herein referred to as the "Health Club") is located on a site which is bounded to its extreme north by the terminus of Oceana Terrace (an internal private street), to the south by a mapped 50'-0" wide park strip and to the east and west by potential development sites.

The contiguous vehicular circulation area on the development site which essentially consists of the private internal roadway system (except for those portions of the private internal roadway which are specifically located on or within a condominium or future condominium site) is also part of the Homeowners Association property. This area, hereinafter referred to as the "Internal Roadway Area", is irregularly shaped and consists of the internal roadway paved area (from inside face of curb to inside face of curb) and all areas within such boundary. Parking spaces and landscaped areas (used as roadway dividers) may be provided within this area. The Internal Roadway Area contains no buildings except for the security kiosk at the main entrance to the development site.

1. Address:

The Health Club consists of an east and west wing, each having separate addresses:

Recreation Facility Building "RF-1" – 80 Oceana Drive West.
Recreation Facility Building "RF-2" – 85 Oceana Drive East.

2. *Block:* 8720

Both wings of the Health Club are located on a single tentative tax lot:

Recreation Facility Building "RF-1" – Tentative Tax Lot No.14.
Recreation Facility Building "RF-2" – Tentative Tax lot No. 14.

Internal Roadway Area – Tentative Tax Lot No.70.

3. *Zoning District:* R7-1

4. *Permissible Use:* Residential Housing and Accessory Uses

B. SITE

1. ***Size:***

In accordance with the Survey prepared by Wohl & Omara, Land Surveyors, Staten Island, New York, the zoning lot 14 for the development site has a frontage of 786.76 feet along Coney Island Avenue, a total frontage of 546.94 feet along Brighton Beach Avenue, frontage of 854.77 feet along Seacoast Terrace and 720.00 feet along the mapped 50'-0" wide park strip. The development site area equals 652,2187 square feet.

The Health Club site (Tentative Tax Lot 14) measures 236.00 feet (at its widest east to west) by 677.69 (at its longest – north to south) and has an area of approximately 87,804 square feet (2.02 acres).

The Internal Roadway Area is irregularly shaped. For the most part it is 30'-0" wide (consistent with the width of the paved area of the private internal roadway system), widening at certain points for the security kiosk, parking areas and/or landscaped roadway dividers. The Internal Roadway Area is approximately 76,206.00 square feet (1/74 acres).

2. ***Number of Buildings and Uses:***

a. A two level accessory recreation building is proposed to be built. The building will consist of a one story east wing and one story west wing. A below grade level will connect both wings.

b. At grade level, the east and west wings cumulatively provide a reception area, game room/lounge, multipurpose room with fireplace, aerobics room, exercise room, kitchen, men's and ladies' bathroom and storage area.

At the below grade level there will be an indoor lap pool, men's and women's locker rooms with steam and sauna rooms, treatment/massage rooms, mechanical equipment room(s), utility room(s), maintenance room(s) and storage room(s).

c. A one level security kiosk building is proposed to be built at the main entrance to the development site. The building will be used for security purposes.

3. ***Streets***:

There are no streets located on the Health Club site (Tentative Tax lot 14).

A private internal street system will be provided throughout the development site for vehicular circulation. This internal street system will connect to the existing peripheral public streets at Brighton Beach Avenue, Coney Island Avenue and Seacoast Terrace (a private street). The internal private streets will be called Oceana Terrace, Oceana Drive East and Oceana Drive West. The internal private street system will not be open for public vehicular use and will be restricted to use by the residents and their guests.

The internal private street system is adjacent to the Health Club site at certain points along its periphery.

The internal private street system is designed in accordance with NYC Fire Department Regulations.

a. Paving:

Minimum pavement width of the internal private streets which provide access to the Health Club site (but are not located on the Health Club site) is to be 30'-0" measured from curb face to curb face. Pavement specifications will be in accordance with Department of Highways of NYC for the paving of private streets and curbs. Pavement shall consist of 3" asphaltic wearing course on an 8" graded stone base. Paving to be installed by the Sponsor.

b. Curbing:

Private street curbs are to be poured in-place concrete, 6" wide and 18" minimum depth. Belgian Block or a material to be selected at the Sponsor's sole discretion. Curb specifications will be in accordance with Department of Highways of NYC for the paving of private streets and curbs. The curbs adjacent to the private internal street system at certain points along the periphery are located on the Health Club site – Tentative Tax Lot 14. Curbs are to be installed by the Sponsor.

c. Catch Basins and Drainage:

The street catch basins and related drainage facilities for the paved streets are designed in accordance with NYC Department of Buildings and NYC Department of Environmental Protection regulations. The catch basins and related drainage facilities are not located on the Health Club site – Tentative Tax Lot 14. The catch basins and related drainage facilities are to be installed by the Sponsor.

d. Street Lighting:

Street lighting will be installed in accordance with the Administrative Code of the City of New York (as the Code may change from time to time), providing at least 1/1000 of a watt illumination per square foot of street area with New York City regulation type 100 watt high pressure sodium vapor lamps or equivalent.

Separate sidewalk lighting, where necessary, will be provided for with post-mounted or bollard type lighting. Post-mounted fixtures will be 10 to 15 feet in height and bollard type fixtures between 2 feet and 3 feet, 6 inches in height. Lighting shall be provided at a minimum intensity of 0.2 average maintained horizontal foot-candles.

Street lighting and sidewalk lighting to be installed by the Sponsor.

e. Code Conformance:

As stated above for each item.

4. ***Drives, Sidewalks and Ramps:***

An internal sidewalk system consisting of a minimum 5'-0" wide paved area will be provided throughout the project for pedestrian circulation. This internal sidewalk system will connect to the existing peripheral public sidewalks at Brighton Beach Avenue, Seacoast Terrace (private street) and Coney Island Avenue. The internal sidewalk system is generally located adjacent to the internal street system and drives and provides pedestrian access to the entrance of the building.

Portions of the internal sidewalk system are located adjacent to the private internal street system at certain points along the periphery and are located on the Health Club site – Tentative Tax Lot 14.

a. Paving:

Sidewalks to be concrete. All to be installed by the Sponsor.

b. Curbing:

Concrete curbs are to be installed by the Sponsor.

c. Catch Basins and Drainage:

On site drainage facilities are to be installed by the Sponsor.

C. SUB-SOIL CONDITIONS

1. *Load Bearing Capacity:*

Tri-State Drilling, Garden City, New York took soil borings in various areas throughout the property. The boring logs indicate that soil conditions are medium to compact fine sand which will require the installation of engineered piles or dynamically compacted soil for spread footings to support the Health Club.

2. *Moisture or Seepage:*

Because of the proximity to the shoreline, it is anticipated that in the event of major storm conditions water may rise above the lowest parts of the cellar. Foundations are designed to meet the requirements as specified in Article 10 of the N.Y.C. Building Code, "Special Flood Hazard Areas", Zone B.

3. *Flood Potential:*

See C.2. above.

D. LANDSCAPING AND ENCLOSURES

1. *Grass Cover:*

There will be lawn areas around the Health Club and throughout the development site. These areas will be seeded with lawn seed appropriate to develop lawn turf suitable for the geographic locale of the site.

2. *Plantings:*

There will be plantings around the Health Club and throughout the development site.

3. *Trees:*

There will be trees to be planted along the street curb and throughout the development site.

4. *Fencing:*

The Sponsor will install fencing of certain areas on the site.

5. *Gates:*

The Sponsor will install Gates delineating certain areas within the site.

6. ***Garden Walls:***

There will be garden walls throughout the development site.

7. ***Additional Landscaping Features:***

Benches, tables, gazebo, etc. will be reflected in the Sponsor's landscape plan prepared by the Sponsor's landscape architect.

E. **UTILITIES**

1. Gas to be supplied by Brooklyn Union Gas Company. There will be master gas metering for the Health Club.

2. Electric to be supplied by Consolidated Edison of New York. There will be master electric metering for the Health Club.

3. The New York City Water Department Water will be provided for domestic, fire protection, and on-site fire hydrants usage. Connections will be made to the existing New York City water mains located in Coney Island Avenue and Brighton Beach Avenue. This private water mains will be installed within the development site limits, which will distribute water throughout the site. The Sponsor will make connections to the New York City water mains and install all internal water distribution facilities. There will be water metering for the Health Club.

   All site water main distribution pipes, fittings and valves are to be "field lock joint" type Class 56 ductile iron pipe as per the N.Y.C.D.E.P. approved Water Main Plan, No. PWK-01/99 prepared by Wohl & Omara, LLP Civil Engineers and Land Surveyors.

4. New York City Sanitary Sewers exist in Coney Island Avenue and Brighton Beach Avenue and connections thereto will be made. New York City Storm Sewers exist in Coney Island Avenue and Brighton Beach Avenue and connections thereto will be made. The Sponsor will make connections to the New York City sanitary and storm sewers. Additional on-site storm drainage facilities will be provided in the form of drywells. These facilities are to be installed by the Sponsor.

   All internal storm and sanitary site drains shall be Class 52 ductile iron pipes as per the Internal Storm and Sanitary Drainage Plan prepared by Wohl & Omara, LLP, Civil Engineers and Land Surveyors.

F. SEWERS:

1. ***Sanitary Sewage System:***

The Health Club sanitary sewage system will be provided for all fixtures. Piping will be cast iron. Sewage disposal will be into an on-site sanitary drain connected to the municipal sewer system.

Sanitary sewage from the cellar level will be via an ejector pump to the gravity system located below the first floor.

Sanitary sewer piping within the building to be no-hub cast iron and/or bell and spigot cast iron.

2. ***Permits Required:*** Permit are required and will be obtained by the Sponsor.

3. ***Storm Drainage System:***

The majority of the storm water run-off from the roof and paved areas located at the entrance level will be conducted via drain pipes, storm inlets and drainage structures with cast iron piping to an on-site storm water sewer system which is connected to, and discharges into, the existing New York City sewer located in Brighton Beach Avenue.

A portion of the storm water run-off from some roof and paved areas will be piped via drains to on-site drywells.

Storm water runoff from landscaped areas will be collected via yard drains and discharged to either the internal storm sewer system or on-site drywells where some of the storm water will be allowed to infiltrate into the ground in quantity as permitted by the New York City Department of Environmental Protection.

Storm sewer piping within the building will be no-hub cast iron and/or bell and spigot case iron.

a. Catch Basins:

Area drains and catch basins will be provided for the collection of storm water runoff and site drainage.

b. Yard and Roof Drains:

Yard drains will be provided for landscaped areas. Gutters and roof drains will be provided at roof areas to collect storm water runoff.

c. Piping:

The drainage piping materials will be cast iron, reinforced concrete or other approved type by Code.

d. Sump Pumps:

Clear water drainage from the cellar level will be ejected via sump pumps.

G. REFUSE DISPOSAL

1. All trash from the Health Club will be periodically collected and stored in a designated refuse storage area on the development site.

2. There will be no incinerators in the Health Club.

3. There will be no compactor in the Health Club.

4. The garbage bags from the designated refuse storage area will be transferred to the street on scheduled days where the New York Department of Sanitation will pick them up.

H. GARAGE AND PARKING AREAS

N/A

I. BUILDING SIZE

1. Uses within Recreation Building:
(See Section B.2.(I) and B.2.(ii) for general description of spaces within building.)

a. Indoor Lap Pool (Capacity = 82 Persons)

The indoor lap pool, located in the lower level of the building, will be a fresh water pool open year round at established hours of operation. The indoor pool will be constructed of gunite with a painted and or tile finish. Mechanical equipment will be installed to provide for indoor pool heating and dehumidifying space comfort conditions of approximately 80F, which will be thermostatically controlled. Outside air will be introduced in the ventilation system at the rate of approximately 15 CFM per person with exhaust air for positive pressure. Gas fired pool heaters will be provided for an auxiliary source of heating of the indoor pool water. Outdoor pools are not heated and used during summer months only.

b. Showers, Lockers and Toilet Facilities

Men's and Ladies' locker rooms, measuring approximately 25'-5" x 37'-0" ea. (887 SF ea.) will be provided with sauna/steam rooms, showers, changing area, lockers, sinks, lavatories.

Shower facilities will be provided with pressure balanced mixing valves with anti-scald features. Hot water will be provided from gas fired hot water heaters and storage tanks. Capacities will be sufficient to provide for the maximum average numbers of bathers anticipated. Lavatories will have hot and cold water with self-closing valves and/or with automatic infrared sensor operators. Toilets will have flushometer, operated either manually or automatically with infrared sensors and will be ADA compliant as required.

Floor drains and hose bibs will be provided for drainage and cleaning. Waste will be conducted through cast iron pipes to sanitary sewers to City sewers.

Water piping will be copper with lead free solder and insulated per Code.

Mechanical exhaust ventilation approximately 3000 CFM will be provided as required by Code. Make-up ventilation air will be introduced which will be heated and thermostatically controlled. The HVAC system will be dedicated for these areas and will provide air conditioning during the summer months.

c. Community Facilities @ grade level, e.g. reception area, game room/lounge, multipurpose room, aerobics room, etc):

An exercise equipment room will be provided containing cardiovascular and weight training machines and free weights. Exercise equipment room to measure approximately 32' x 43' (1,196 SF) (excluding office reception area). Area to be carpeted throughout with low pile, level loop, anti-static, antibacterial nylon carpet. Walls to be partially mirrored; elsewhere, walls to be covered or painted.

d. Aerobics room for group exercise classes measuring approximately 24' (550 SF). Raised wooden "floating" flooring (i.e. Exerflex brand or approved equivalent). Walls to be partially mirrored; elsewhere, walls to be covered or painted.

e. Reception area/Manager's office "control area" measuring approximately 9' x 10' (90SF) w/ custom counter top opening to the entrance/circulation area, built in cabinetry, carpeted floor, small locking office space. Wall covering and/or painted/finished walls.

f. "Great Room"/multifunction room measuring approximately 44' (987 SF). Floors to be carpeted throughout with decorative wall treatment, curtains, furniture, large screen TV/VCR, and gas fireplace.

g. Game room/lounge measuring approximately 26' x 24' (555 SF). Floors to be carpeted. Bookshelves and TV/VCR to be provided. Wall covering and/or painted/finished walls.

h. Pantry measuring approximately 9' x 9' (81 SF). Tile flooring. Wall covering and/or painted/finished walls.

i. Men's and Ladies' lavatories measuring approximately 5' x 9' ea. (45 SF ea.). Conforming to ADA requirements.

j. Treatment/massage rooms. Two rooms measuring approximately 17' x 7' ea. (120 SF ea.). Tile floor. Wall covering and/or painted/finished walls.

k. Two mechanical equipment rooms measuring approximately 13' x 15' each (195 SF ea.) for indoor pool mechanical equipment. Floor to be waterproofed. Interior build to meet O.S.H.A. standards.

l. Two storage room measuring approximately 15' x 9' each (135 SF ea.). Painted cement floor. Wall covering and/or painted/finished walls.

m. These spaces will be provided with heating and air conditioning thermostatically controlled for year round operation. Ducted system will provide the air distribution with diffusers and registers.

n. Toilet facilities will be exhausted mechanically per Code. The facilities will be provided with negative air pressures with respect to their surroundings.

2. Toilet Height:

Both wings of the Health Club building are one story, approximately 20 feet high. The building height is measured to the midpoint of the sloped roof above adjoining grade at the building entrance. The elevations of the finished grade around the perimeter of the building vary.

3. Crawl Spaces:

None.

4. Number of Cellars:

The building has one cellar located below the east and west wings.

5. Number of Floors:

Above the cellar level, there is a one-story east wing and a one-story west wing.

6. Equipment Rooms:

All or any additional equipment rooms will be located in the cellar level.

7. Parapet:

None provided. Roof is pitched.

J. STATUS OF CONSTRUCTION

1. Year Built:

The Health Club is anticipated to start construction on or about September 1, 2000 and is anticipated to be substantially completed by March 31, 2001, unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which Sponsor has no control.

2. Class of Construction:

The building will be classified as Class I-C (fireproof) and will conform to all applicable regulations of the Building Code of the City of New York (Building Code).

3. Certificate of Occupancy:

After completion of construction, the Sponsor will undertake to apply for a temporary and/or permanent Certificate of Occupancy for the building from the Department of Buildings of the City of New York ("Department of Buildings").

K. STRUCTURAL SYSTEM

The Health Club building consists of a one story east wing and one story west wing connected at the below grade level. The structural design of the foundation and superstructure will be in accordance with the New York City Building Code, including all regulations for wind loads, seismic loads and applicable flood hazard areas.

The roof above the grade level of the east and west wing will be a metal C-joist truss system supported on structural metal C-stud bearing walls.

The roof over the below grade level, located between the east and west wing at grade (over the lap pool area), will be a precast concrete plank supported on steel beams and a reinforced concrete foundation, bearing on dynamically compacted soil (2 TSF).

The first floor of the east and west wing will be pre-stressed hollow core concrete plank supported on reinforced concrete foundation walls along the perimeter of the building and on 2 hour protected high strength structural steel girders supported on steel columns and concrete foundation walls.

The below grade floor is to be a reinforced concrete slab on grade. The slab is framed and designed for uplift to reflect the anticipated high water mark, as well as gravity loads. The reinforced concrete foundation walls and slab are to be supported on reinforced concrete foundation walls bearing on dynamically compacted soil (2 TSF).

L. EXTERIOR OF BUILDING

1. Exterior Walls:

The exterior wall assembly shall consist of aluminum siding install over an air infiltration barrier, 5/8 inch thick "Dens-Glass Gold" or an approved type water-resistant sheathing, structural steel metal C-studs (size and gauge as required), foil faced fiberglass batt or mineral wool insulation between metal studs (of thickness required) and a gypsum wallboard interior finish. All exterior wall assemblies shall have insulation values in compliance with the New York State Energy Code and fire resistance ratings in compliance with the New York City Building Code.

2. Windows

a. Windows and Exterior Balcony and Terrace Doors:

All windows to be L.B. Plastics, or approved equivalent brand. Windows shall be vinyl double hung type glass 650 or C55 (depending upon specific location on the building). Sliding glass doors (at balconies and terraces) shall be vinyl sliding type. All windows and sliding glass doors will have factory glazed thermo-barrier insulated glass type with a factory warranty for twenty (20) years against edge seal and/or coating failure and shall meet the requirements of New York State Energy Code. All windows shall be provided with weather stripping and caulked as required.

3. Parapets and Copings:

None Provided.

4. ***Chimney and Caps:***

An approved type "B" metalbestos gas vent chimney terminating at the roof suitable for gas fired building mechanical equipment will be provided in accordance with applicable codes.

5. ***Terraces:***

A terrace located outdoors between the east and west wing will be provided. The terrace, located on the roof over the below grade lap pool area, is accessed at grade from outside the building and will overlook the outdoor pool facility to the south.

a. Deck Finish: Concrete pavers.

b. Balustrade: None.

c. Railings: Metal and/or aluminum.

d. Copings: None.

e. Soffits: None

f. Doors to Terraces: H.M.

6. ***Exterior Entrances:***

a. The building entrance and vestibule doors and frames will be aluminum, anodic or approved equivalent finish and glass.

b. Additional exterior entrance doors will be painted hollow metal. Exterior entrances will be master-keyed with cylindrical locks.

c. Exterior stairs, where provided, are to be concrete on grade with metal or aluminum railing.

d. Exterior ramps, where provided, are to be concrete on grade with metal or aluminum railing.

e. Metal or aluminum railings are to be provided where required for all stairs, ramps and overlooks.

f. A mailbox will be located on the grade level of each wing of the Health Club building in a designated area. Mailboxes will be U.S. Governmental approved. Mailboxes to be front loading type and will have an anodized finish.

g. Recessed incandescent and/or wall mounted lighting fixtures shall be provided at the east and west wing entrances.

7. ***Service Entrance:*** None

8. ***Roof and Roof Structures:***

a. Type of Roof:

(i) The roof of the east and west wings of the Health Club building is to be constructed of a metal C-joist truss system.

(ii) The truss system will be covered with a nailable Dow Chemical Styrofoam RM Brand or equivalent rigid polystyrene insulation board.

(iii) The roof will be finished with a metal standing seam roof cladding with Kynar or equivalent finish.

(iv) A minimum 10-year guarantee of roof is anticipated.

(v) The flashing at the roof will be aluminum cap and base flashing.

b. Drains:

(i) Storm water runoff from the sloped roofs will be collected in perimeter roof gutters on all sides of building and directed to leaders.

c. Skylights:

(i) There may be roof skylights in the sloped roofs of the east and/or west wing of the Health Club building.

d. Bulkheads: None.

e. Metal work at roof level: None.

f. Rooftop facilities: None

9. ***Fire escapes:***

There are no exterior fire escapes. Interior fire stairs are provided in each wing.

10. ***Yards and Courts:***

The building and outdoor pools are surrounded by an open area, the design of which is reflected in the Sponsor's landscape plan prepared by the Sponsor's landscape architect.

a. Paving:

All sidewalks to be concrete and installed by Sponsor.

b. Drainage:

Yard drains will be provided as required throughout the proposed yard and court areas. All drainage facilities related to the yard and court areas are to be installed by the Sponsor.

c. Railings:

All railings where provided for stairs, ramps and on top of walls will be vinyl or rigid PVC with steel inserts and installed by the Sponsor.

d. Stairs:

All exterior stairs where provided are to be concrete on grade.

e. Fencing:

Fencing will be installed by the Sponsor in the yard and court areas to delineate certain areas on the site.

f. Walls:

Retaining walls, garden or planter walls and/or curb walls may be provided throughout the yard and court areas for drainage purposes, landscaping requirements, changes in grade elevations and to accommodate pedestrian accessibility where required. All walls to be precast or poured in place concrete.

M. INTERIOR OF BUILDING

1. ***Interior Stairs:***

a. One interior exit stairway connecting the cellar and grade level will be provided in each wing of the Health Club building.

b. The interior stairway is enclosed within a two hour rated non-combustible construction.

c. Stairs are to be poured in place concrete; precast concrete and/or steel with closed riser and concrete filled pan treads.

d. Stairs to be provided with continuous 1 ¼" metal pipe railing or equal as required by Code.

2. ***Interior Doors and Frames:***

a. Room entrance doors and frames will be one and one-half (1-1/2) hour rated F.P.S.C. painted hollow metal type. Doors will be 1-3/4 inches thick and will be 3 feet 0 inches wide and 7 feet 0 inches high.

b. All interior non-rated doors within each room will be 1-3/8 inches thick and 6 feet 8 inches high, painted hollow core masonite wood doors with painted metal bucks.

c. Stair, hall, and corridor doors and frames will be one and one-half hour rated F.P.S.C. painted hollow metal type.

3. ***Elevators:***

a. Each wing of the Health Club will be served by one elevator.

b. Each such elevator will be manufactured by Otis Elevator Company or an approved equivalent and will have a minimum capacity of 2500 lbs.

c. Each such elevator will serve the cellar and the first floor.

d. Each such elevator will be a holeless, hydraulic-type elevator.

e. Each such elevator will have sliding automatic doors.

f. The elevator equipment/machine rooms will be located in the cellar.

4. ***Elevator Cabs:***

a. The elevator cabs will be as manufactured Otis Elevator Company or approved equivalent.

b. The floor material will be carpet, tile, or marble.

c. The walls will be wood veneer, mica, metal, plastic laminate and/or mirror.

d. The ceiling will be chem-metal drop ceiling.

e. The lighting of the cabs will be recessed or wall mounted lighting.

N. PLUMBING AND DRAINAGE

1. Water Supply:

There will be water service connection made to the Health Club from the internal private water main system. The internal private water main system will be connected to the City water system. Water will be for domestic water consumption and for sprinklers. Water usage will be metered. Backwater installations will be provided. Water pressure will be a minimum of 40 psi maintained by a booster pump system where required. (See E.3 for water site distribution piping materials.)

Water distribution pipes within the building will be non-ferrous copper type "L" or "K" with lead free solder.

2. Fire Protection Systems:

a. Standpipes:

None

b. Hose Rack, Hoses and Nozzles:

None

c. Sprinklers:

The entire facility will be provided with an automatic, wet type sprinkler system connected to a fire alarm system, with Fire Department connections as required.

d. Siamese Connection:

A sprinkler Siamese connections will be provided at the exterior of the building.

e. Smoke Purge:

A system of smoke purging by mechanical exhaust will be provided for Fire Department use with smoke dampers and a Fire Department Smoke Panel, as per Code, connected to the fire alarm system.

HVAC Units will be provided with smoke shutdown in the event of activation of duct mounted smoke detectors connected to the fire alarm system.

3. *Water Storage Tanks:*

Separate domestic hot water storage tanks approximately 750 gallons with hot water heaters rated at approximately 1,200,000 BTU will be provided.

O. HEATING

1. *Heating:*

Hydronic air with additional perimeter fin tube radiation and cabinet heaters will be provided. Modular gas boilers will be provided. Capacities to maintain 80°F in pool area and 72°F in other areas with 15°F outside air and 15 MPH winds.

2. *Number of Boilers or Heating Units and Description*

Six modular gas-fired boilers rated at approximately 1,800,000 BTU will be provided.

3. *Type of Control*

Local thermostats and outdoor sensors will be provided.

4. *Radiators, Piping, Insulation, Pumps, Valves, Etc.*

Copper fin tube radiation, copper piping, centrifugal pumps with control valves.

5. *Fuel*

Gas.

P. AIR CONDITIONING

1. *Type of System:*

Air conditioning with air-cooled split systems with DX coils in hydro-air system and air-cooled condensing units outdoors.

2. *Central System:*

Same as (P1).

3. *Cooling Towers, Condensers:*

None

4. *Individual Units:*

None.

Q. ELECTRICAL SYSTEM

1. Building Service:

Service will be provided from Con Edison at 120/208 Volt, 3 Phase, 4 Wire underground. Service will be adequate to take care of power and lights with spare capacity of approximately 20%. The building and all related facilities will be master metered. The service for light and power will be 1000 amperes, 3Ø-4W-60-208V.

2. Compartment Switch Gear:

Service equipment will be of the switch and fuse type. Fuses will be coordinated and capable of interrupting the short circuit currents as specified by Con Edison.

3. Intercommunication and/or door signals:

(See Section R.)

4. Wiring:

All wires will be copper and color-coded. Branch circuit wiring will be BX or conduit as permitted by Code.

R. TELEVISION RECEPTION FACILITIES

1. A complete television distribution system, in accordance with applicable codes, for a cable TV reception system will be provided. Outlets for television reception will be provided at the Sponsors discretion.

2. Voice intercom and door signal systems will be provided at entrance and reception areas. Closed circuit video cameras will be provided at selected entrances and exits, which will have the capacity to be monitored at the main entrance security gate.

S. RECREATIONAL FACILITIES (Not Part of Building)

Outdoor Swimming Pool: (Capacity = 156 persons)

Children's Pool: (Capacity = 13 persons)

Two outdoor pools will be provided to the south of the Health Club. The pools will be a fresh water pool. The outdoor pools will be constructed of gunite with a painted and/or tile finish. The outdoor swimming pool will measure approximately 75'-0" by 65'-0" having a depth of 4'-0" all around. The children's pool will be 20' diameter and will have a maximum depth of 18". The outdoor pools will be available for summer usage from Memorial Day to Labor Day unless otherwise scheduled.

a. A fence and/or gate will be provided to enclose the pool area.

b. The pool will be provided with drains and scuppers and have re-circulation rates and filtration system with chemical treatment including chlorination. The system will consist of a packaged treatment plant using diatomaceous earth filter media, pumps, strainers, and controls as required by the Board of Health. Makeup water will replenish backwater flushing and evaporation water. Drainage will be through on site sanitary piping connected to City sewers. The filtration system will be located in a designated area within the vicinity of the pool.

c. The Sponsor shall obtain all approvals necessary from the local authorities.

d. A minimum 5'-0" wide non-slip surface area shall be provided around the entire pool perimeter.

e. Diving board(s) will not be provided.

* * * * *

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DIRECTOR OF APPRAISAL
* NOT ADMITTED TO THE BAR

January 13, 2000

Mr. Joshua Muss
Brighton Development, LLC
118-35 Queens Boulevard
Forest Hills, New York 11375

Re: Oceana Condominium No. Three
60 Oceana Drive West
Brooklyn, New York
Block 8720 Part of Lot 14

Dear Mr. Muss:

I. INTRODUCTION

You have requested our opinion as to the eligibility of the above-referenced property (the "Property") for partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law of the State of New York (Section 421-a) and the local laws, rules and regulations promulgated pursuant thereto. You have also requested an estimate of the total assessed valuation of the Property after completion of the construction of the proposed building and an estimate of the benefits which would apply thereto pursuant to Section 421-a.

II. OPINION OF ELIGIBILITY

A. Advice and Assumptions

You have advised and for the purpose of this opinion we assume that: (i) you are constructing a Class A multiple dwelling, of approximately 88,108 gross square feet, containing 68 apartments as well as 24 below grade parking spaces, each one comprised of approximately 225 square feet; (ii) the construction will take place on an approximately 18,396 square foot portion of 652,217 square feet of land which comprises that parcel presently designated on the tax maps of the City of New York as Block 8720, Lot 14 in the Borough of Brooklyn (iii) following the issuance of new building permits by the New York City Department of Buildings for entire new buildings based on the architectural, plumbing and structural plans approved by the Department of Buildings, excavation and the construction of the initial footings and foundations for the footprints of the new buildings on said parcel, the

entirety of which is vacant, as certified by an architect or professional engineer licensed in the State of New York, will commence in good faith on or about June 1, 2001; (iv) 36 months prior to the estimated date of commencement of construction, the property was improved with a former commercial public bath which was improved with various structures incident thereto but was no longer in operation; (v) in tax year 1997/1998, three years prior to the estimated date of commencement of construction, the assessment of the entire tax lot was land $3,096,000, building $144,000, total $3,240,000; (vi) construction will be completed and a temporary Certificate of Occupancy issued for all residential areas in the building or a permanent Certificate of Occupancy will be issued for the entire building no later than April 30, 2002; (vii) the Property is being developed, and will be owned, as a condominium, consisting of 68 residential units and 24 non-residential Parking Space units; (viii) the Property is situated in a R7-1 zoning district in which residential construction is permitted on an as-of-right basis, i.e., without variance or special permit of any kind; (ix) the Property is not mapped as a public park, and has not been utilized as a private park for ten or more consecutive years prior to October 1, 1971; and (x) the construction will comply in all respects with the requirements, and obligations set forth in Section 421-a, including amendments by the local legislative body, and the rules and regulations promulgated pursuant thereto.

B. Opinion

Based upon the foregoing, it is our opinion that the Property will qualify for partial real estate tax exemption benefits pursuant to Section 421-a.

III. ESTIMATE OF BENEFITS

A. General

The real estate tax benefits available to a newly constructed Class A multiple dwelling, which meets all of the requirements and obligations of Section 421-a are as follows: the Property shall be exempt from taxation for local purposes for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed fifteen years in the aggregate, as follows:

a. except as stated below there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, and for eleven years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

In addition to such taxes, there shall be paid in each tax year in which such full or partial exemption is in effect, real property taxes and assessments as follows:

(i) real property taxes on the assessed valuation of such land and any improvements thereon in effect during the tax year preceding the commencement of such construction without regard to any exemption or abatement from real property taxation in effect prior to such construction which real property taxes shall be calculated on the tax rate in effect at the time such taxes are due (the "minimum tax"); and

(ii) all assessments for local improvements.

Moreover, such exemption shall also apply to commercial, community facility and accessory use space provided that the aggregate floor area of such non-residential use does not exceed 12 percent of the aggregate floor area of the building. If the aggregate floor area of commercial, community facility and accessory use space exceeds 12 percent, the tax exemption shall be reduced by an amount equal to the per cent of the aggregate floor area by which the aggregate floor area of commercial, community facility and accessory use space exceeds twelve percent of the aggregate floor area of the building provided, however, that accessory use space shall not include accessory parking located not more than twenty-three feet above the curb level and provided, further, that whenever a building containing two or more separately assessed parcels of real property has commercial, community facility and accessory use space in excess of such twelve percent, the tax arising out of the reduction in exemption for such excess space shall not be apportioned pro rata among all of the separately assessed parcels in the building but shall be applied first to those separately assessed parcels which are unrelated to the residential use of the building; and only after such unrelated parcels are fully taxable shall the remainder of such tax be apportioned pro rata among the remaining separately assessed parcels.

B. Advice and Assumptions

You have advised and for the purpose of this opinion we have assumed that: (i) the configuration of the existing tax lot, Block 8720, Lot 14, will

be unchanged at all times relevant herein and the assessed valuations will be as set forth below; (ii) the transition assessment of Block 8720, Lot 14 for tax year 1999/2000, the tax year immediately preceding the estimated commencement of construction, was $3,383,550 and the total actual assessment for said year was $3,600,000; (iii) based upon information obtained from the New York City Department of Finance the total transition assessed valuation in tax year 1999/2000 will be apportioned to the Property on a pro rata basis for purposes of arriving at the minimum tax; (iv) based on the foregoing, the minimum tax will be predicated upon a transition assessment of approximately $95,415 (18,396 square feet divided by total lot area of 652,217 square feet equals 2.82 percent times $3,383,550); (v) based on published guidelines of the Property Division of the New York City Department of Finance for the 2000/2001 assessment roll, the most recent guidelines available, we have estimated that the total assessed valuation of the property for 2002/2003 will be approximately $4,050,000; (vi) we also estimate that the tax rate for Class 2 (residential) properties will be $10.851 per $100 of assessed valuation for tax years 2002/2003 and 2003/2004 and that the tax rate for Class 4 (commercial) properties will be $9.989 per $100 for 2002/2003 and 2003/2004; (vii) the estimated cost of construction will be approximately $17,000,000; (viii) the Property will contain no commercial, community facility and accessory use space other than the 24 below grade parking spaces; (ix) the aggregate of the percentages of common area interest of the 68 residential units is 97.75 percent and the aggregate of the percentages of common area interest of the 24 parking space units is 2.25 percent.

For the purpose of estimating tax benefits and future real estate taxes for the Property, you have asked us to assume that: (x) the assessed valuation of the Property will be as estimated above; (xi) no portion of the actual assessed valuation will be increased during the period covered by our estimate beyond that projected for 2002/2003; (xii) the tax rates will be as projected above for 2002/2003 and 2003/2004; (xiii) no part of the value of the improvements to be made by or on behalf of the Homeowners Association will be "reflected" in the assessed valuation of the Property; and (xiv) the tax exemption pursuant to Section 421-a will commence as of July 1, 2002.

C. Estimate of Real Estate Taxes

Based upon the foregoing, the Property will enjoy a full exemption from taxation for the fiscal year commencing July 1, 2002 as to all increases in assessment over that of the taxable assessed valuation for the Property in tax year 1999/2000, the year prior to commencement of construction. As the commercial, community facility and accessory use space will not exceed 12 percent of the aggregate floor area of the Property, the exemption will apply to both the residential units and the parking space units of the condominium.

It is anticipated that the assessed valuation of the property will be apportioned by the Property Division of the New York City Department of Finance in accordance with the percentage of common interest which each unit bears to the whole. Based upon the apportioned prior assessment of $95,415, the minimum tax payable for tax year 2002/2003 by the residential units will

be approximately $10,121 and the 2002/2003 tax of the parking space units will aggregate approximately $214. It is anticipated that this minimum tax will be allocated to each of the individual units based upon its respective percentage of common interest.

It should be noted that no assurances can be given that the assessed valuations or the tax rates estimated herein will be the same as finally determined by the New York City Department of Finance. In the event that the assessed valuations or tax rates are greater than estimated or assumed, the real estate taxes payable will be higher.

IV. LIMITATIONS

This is an opinion, not a guaranty, that the Property will qualify for real estate tax benefits pursuant to Section 421-a. This opinion is based solely on the facts and documents referred to above. No warranties are made that the laws and regulations upon which this opinion is based will not be changed. In no event will we be liable to the Purchasers, or the Board of Managers, or any unit Lender, or to any other party if the Property either fails to qualify for such real estate tax benefits or qualifies for said benefits, but not in the amounts estimated, for any reason.

This opinion may be relied upon by your construction lender, The Bank of New York and/or its assigns.

Very truly yours,

BRANDT, STEINBERG & LEWIS LLP

RAS:lr

A. The projected total assessed valuation of all residential and parking space units after completion of construction of the Building (assuming construction will be completed and a temporary Certificate of Occupancy issued for all residential areas in the buildings or a permanent Certificate of Occupancy will be issued for the entire buildings no later than April 30, 2002), as estimated by Brandt, Steinberg & Lewis LLP is $4,050,000 for the tax year 2002/2003 and $4,050,000 for tax year 2003/2004.

B. Assuming the granting of exemption benefits set forth below, the real estate taxes projected for each residential unit are based on its applicable Common Interest multiplied by the aggregate projected real estate taxes payable by all residential unit owners of approximately $10,121 for tax year 2002/2003; assuming the granting of exemption benefits set forth below, the real estate taxes projected for each parking space unit are based on its applicable Common Interest multiplied by the aggregate projected real estate taxes payable by all parking space units of approximately $214.

C. For the purpose of this calculation, accessory use space shall not include accessory parking located not more than twenty-three feet above the curb level. Further, whenever a building containing two or more separately assessed parcels of real property has commercial, community facility and accessory use space in excess of such twelve percent, the tax arising out of the reduction in exemption for such excess space shall not be apportioned pro rata among all of the separately assessed parcels in the building but shall be applied first to those separately assessed parcels which are unrelated to the residential use of the building; and only after such unrelated parcels are fully taxable shall the remainder of such tax be apportioned pro rata among the remaining separately assessed parcels.

D. Under State law, increases in a property's "actual" assessed value due to changes in its market value are to be phased in over 5 years in equal annual increments of 20% by means of a "transition" assessment. Any further increase in the "actual" assessed value during such 5 year period resulting from a still higher market value is to be similarly phased in over an additional 5 year period from the tax year of such increase. In any given year, taxes are payable on the lower of either the "actual" or "transition" assessment.

(iv) the tax rate for Parking Space Units for tax year 2002/2003 will be 9.989 per $100 of assessed valuation, and the tax rate for the Parking Space Units for tax year 2003/2004 will be 9.989 per $100 of assessed valuation;

DECLARATION
ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP
OF THE PREMISES
KNOWN AS AND BY THE STREET NUMBER
60 OCEANA DRIVE WEST
BROOKLYN, NEW YORK

Pursuant to Article 9-B
of the Real Property Law of the State of New York

Name **OCEANA CONDOMINIUM NO. THREE**

Declarant Brighton Development, LLC
118-35 Queens Boulevard
Forest Hills, New York 11375

Date of Declaration , 200_

The land affected by the within instrument lies in Block 8720 Lot____on the Tax Map of the Borough of Brooklyn, City of New York.

HERRICK, FEINSTEIN
Attorneys for Declarant
2 Park Avenue
New York, New York 10016
Attention: Leonard Grunstein, Esq.

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DECLARATION OF OCEANA CONDOMINIUM NO. THREE

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Brighton Development, LLC, a Delaware limited liability company, having an office at 118-35 Queens Boulevard, Forest Hills, New York (herein referred to as the "Declarant"), does hereby declare as follows:

1. Submission of the Property.

The Declarant hereby submits the Land (hereinafter defined) and Building (hereinafter defined) and all other property, real, personal or mixed, intended for use in connection therewith (collectively the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), and pursuant thereto does hereby establish a condominium to be known as "OCEANA CONDOMINIUM NO. THREE" (sometimes herein referred to as the "Condominium").

2. The Land.

The Property consists in part of all that certain tract, plot, piece and parcel of land situate, lying and being in the City and State of New York, County of Kings more particularly described in Schedule A annexed hereto and made a part hereof, together with all easements, rights, privileges and hereditaments appurtenant thereto, (collectively sometimes herein referred to as the "Land"). The Land is owned by the Declarant in fee simple.

3. The Buildings

The Property consists in part of one building (the "Building") commonly known as 60 Oceana Drive West as denoted on the Floor Plans (as hereinafter defined). The Building contains 12 above grade stories and a cellar in which are situated Parking Space Units and certain Common Elements. The Building together with all other improvements now or hereafter erected thereon or on the Land is sometimes herein referred to as the "Buildings." The Buildings' exterior is comprised of an Exterior Insulated Finish System.

4. The Units.

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each unit of the Condominium necessary for the proper identification thereof: unit designation, tax lot number, approximate area, Common Elements (hereinafter defined) to which the unit has immediate access and percentage interest of each unit in

the Common Elements (sometimes herein referred to as the "Common Interest"). The location of each unit is shown on the floor plans of the Buildings certified by Schuman, Lichtenstein, Claman, Efron Architects and intended to be filed in the office of the Register of the City of New York in Kings County contemporaneously with the recording of the Declaration (herein referred to as the "Floor Plans").

As shown on the Floor Plans, the Condominium consists in part of (i) sixty-eight (68) condominium units designated on the Floor Plans as Residential Units (hereinafter sometimes collectively referred to as "Residential Units" and individually referred to as a "Residential Unit") comprising portions of the first through twelfth floors of the Buildings at 60 Oceana Drive West and such additional space in the Building which is part thereof as set forth below in this Section 4 and (ii) twenty-four (24) condominium units designated on the Floor Plans as Parking Space Units (hereinafter sometimes collectively referred to as "Parking Space Units" and individually referred to as a "Parking Space Unit") situated in portions of the cellar and such additional space in the Building which is part thereof as set forth below in this Section 4.

The Residential Units and Parking Space Units are sometimes collectively referred to as "Units" and individually referred to as "Unit". The owners of the Residential Units are hereinafter sometimes collectively referred to as "Residential Unit Owners" and individually referred to as "Residential Unit Owner." The owners of the Parking Space Units are hereinafter sometimes collectively referred to as "Parking Space Unit Owners" and individually referred to as "Parking Space Unit Owner." The Residential Unit Owners and Parking Space Unit Owners are sometimes collectively referred to as the "Unit Owners" and individually referred to as "Unit Owner."

Each Residential Unit will consist of the area measured horizontally from the innermost face of the metal stud which makes up the outermost exterior wall to the centerline of the partitions separating one Unit from another Unit or one Unit from the corridor, stairs, elevator and other mechanical equipment spaces. Columns, mechanical pipes and shafts are not deducted for the purpose of floor area measurement. Each Parking Space Unit will consist of the area measured horizontally from the lines designating one Parking Space Unit from another, as depicted on the Floor Plans. Each Unit will consist of a volume measured vertically from the top of the concrete floor to the underside of the concrete or suspended ceiling, except that any Common Elements located within any Unit shall not be considered as part of that Unit.

Each of the Units is subject to such encroachments as are described in Section 10 of this Declaration.

5. Common Elements.

The Common Elements of the Condominium ("Common Elements") shall consist of all parts of the Property other than the Units. The limited common elements of

the Condominium (the "Limited Common Elements") consist of those Common Elements, such as balconies and terraces, which serve or benefit exclusively a particular Unit and which are identified as a Limited Common Element on the Floor Plans, or which are created pursuant to the terms of this Declaration (including, without limitation, the provisions of Section 9 below). A Common Element which is not a Limited Common Element is a "General Common Element."

The General Common Elements consist of the parts of the Property designated on the Floor Plans as General Common Elements and/or as Common Elements (exclusive of Common Elements, if any, designated on the Floor Plans as Limited Common Elements or which are re-designated as Limited Common Elements pursuant to the terms of this Declaration including Section 9 hereof) and include (even if within the dimensions of a Unit) the following:

i) The Land;

ii) Any foundations enclosing the Common Elements in the cellar, columns, girders, beams, footings, supports, wood joists, concrete floor slabs, concrete ceilings, exterior walls and interior load-bearing walls;

iii) All walls and partitions separating Units from the General Common Elements;

iv) To the extent not located within or specifically made a part of a Unit, stairs, electric room, mechanical room, shafts, stairways, trash chutes and trash chute room, pump room if any, electric switch gear room if any, compactor and service rooms, work rooms if any, storage rooms, if any, the lobby, hallways and corridors within the General Common Elements and entrances to and exits from the General Common Elements;

v) The central and appurtenant installations and equipment for services such as power, light, telephone, gas, heat, hot and cold water, sewer and fire safety systems, including all pipes, ducts, wires, cables and conduits used in connection therewith and all maintenance and compactor rooms, the elevators including the elevator shafts, pits and machine rooms, meter and common equipment spaces in connection therewith (except for appliances and equipment located in and serving only a Unit which shall constitute a part of such Unit);

vi) Maintenance and common equipment spaces and common tanks, pumps, motors, fans and controls or other such equipment;

vii) All Units which may hereafter be acquired and held by the Condominium Board of Managers on behalf of all Unit Owners, but only while so held;

viii) To the extent not specifically made part of a Unit or a Limited Common Element by the terms of this Declaration, all other parts of the Property, including all apparatus and installations existing on the Land for common use or which are necessary or convenient to the existence, maintenance or safety of the Property; and

ix) The roof.

6. Determination of Common Interest in the Common Elements.

The Common Interest of each Unit in the Common Elements is set forth in Schedule B and has been determined by the Declarant based upon fioor space, subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the Unit. The aggregate Common Interests of all Units totals 100%.

7. Use of the Buildings and Units.

The Building will be used as a Class A multiple dwelling and for parking.

The Residential Units may be used solely for dwelling purposes and such "home occupation" use under the Zoning Resolution of the City of New York as may be permitted by law, except as set forth below.

Each Parking Space Unit may be used solely for parking one passenger motor vehicle. Parking Space Units may only be sold to or used by residents of the "Development Area" (hereinafter defined). The foregoing provision shall be inapplicable to Parking Space Units owned by Declarant or the Holder of "Unsold Parking Space Units" (as such term is defined in the Condominium offering plan for the Property).

The Declarant or its designees shall have the right to maintain a general or sales office in any Unit(s) owned by any of them and to use any Unit(s) owned by any of them as model(s) and for other promotional purposes in connection with the sale or lease of Units in the Condominium or within the Development Area (hereinafter defined) of which the Condominium forms and part.

8. Person to Receive Service.

The Secretary of State of the State of New York is designated as agent of the Condominium Board of Managers of the Condominium (the "Condominium Board of Managers") upon whom process against it may be served at the Office of the New York State Department of State in the manner provided by applicable law. The Condominium Board of Managers shall file with the Secretary of State the name and post office address

of the Condominium for purposes of receiving copies of any process served against the Condominium Board of Managers.

9. Right to Combine, Subdivide or Realign Units.

Notwithstanding any other provision of the Declaration or Condominium By-Laws (hereinafter defined), Declarant and/or its designees shall have the right, without the consent of any of the other Unit Owners, or the Condominium Board of Managers or the mortgagee of any Unit, from time to time, to (a) make alterations (including demolition), replacements, additions or improvements whether structural or nonstructural, ordinary or extraordinary, in and to the exterior or interior of its Units or any part thereof and the utilities servicing its Units whether located in any Unit or the Common Elements; (b) change its Units or any part thereof by changing the layout, number of rooms, or size or number of such Unit or by subdividing the same into any desired number of condominium units (or by combining any units resulting from any such subdivision); (c) create and designate a Limited Common Element for the exclusive use of the newly created condominium units; (d) convert space or constituents of its Units into a newly designated Limited Common Element and/or convert and designate a Limited Common Element as a part of the newly created condominium units; (e) combine Units with the consent only of the owners of such Units to be combined; (f) reapportion among any newly created condominium unit resulting from any subdivision (or combination) as provided above the Common Interest appurtenant to the Units; (g) dedicate any or all utility, sewer, and drainage easements in any portion of the Property to any governmental body, public benefit corporation or utility company if Declarant or any designee of Declarant shall deem it necessary or desirable for the proper operation and maintenance of its Units and (h) amend the certificate of occupancy of the Building or obtain a new certificate of occupancy therefor in connection with the exercise of any of its rights under this Section 9. However, by reason of the foregoing, the Common Interest of the other Units shall not be affected unless the affected Unit Owner consents thereto, except that Limited Common Elements may be created for the exclusive use of any or all of the aforesaid subdivided (or combined) condominium units as provided above, in which event the Common Expenses exclusively attributable to such Limited Common Elements shall be borne by the owners of such subdivided (or combined) Units in accordance with the By-Laws. Declarant and/or its designees, as the case may be, shall have the right to reflect any of the matters described above in a duly recorded amendment to the Declaration (and the obligation to do so in case clause (c) above applies) or the Condominium By-Laws or the Floor Plans, and may further amend the Declaration and Condominium By-Laws to provide for the conduct of the affairs of a Unit as subdivided in any manner which does not increase the obligations or decrease the rights of any of the other Unit Owners under the Declaration or the Condominium By-Laws, which amendment and the recording thereof shall not require the consent of the Condominium Board of Managers and/or other Unit Owners. In making any additions, alterations, or improvements pursuant to this Section 9, Declarant or its designees, as the case may be, shall (i) make all reasonable efforts to minimize any interference with the other Unit Owners' use and enjoyment and business conducted in their Units for permitted purposes; (ii) comply with all laws, ordinances and governmental authorities having jurisdiction and

(iii) hold the Condominium Board of Managers and the other Unit Owners harmless from any liability arising therefrom.

The consent of the Condominium Board of Managers and/or other Unit Owners shall not be required for the exercise by the Declarant or its designees, as the case may be, of the rights and powers set forth in this Section 9 or in Section 11 below. Neither the provisions of this Section 9 (or of Section 11 below) nor any of the other rights and powers of the Declarant or its designees, as the case may be, under this Declaration or the Condominium By-Laws, including without limitation the authority of the Declarant or its designees, as the case may be, to record an amendment of the Declaration or Condominium By-Laws or the Floor Plans pursuant to this Section 9, may be modified or deleted by amendment of the Declaration or Condominium By-Laws or otherwise. The signatures of the other Unit Owners and/or Condominium Board of Managers shall not be required in connection with any amendment to the Declaration or Condominium By-Laws or Floor Plans permitted above or to any application or other document necessary or convenient to the exercise by Declarant or its designees, as the case may be, of any of their rights or powers under this Section 9 or under Section 11 below, including but not limited to any application or document required by the Department of Buildings of the City of New York, the Real Property Assessment Bureau of the City of New York or any other governmental agency in connection with an amendment to the certificate of occupancy of the Building or the establishment of separate tax lots for any newly created condominium units and reapportionment of assessed valuation by reason thereof. Nevertheless, the Unit Owners and the Condominium Board of Managers shall execute within ten (10) days following written request, any such amendments, applications or other documents and they hereby grant the Declarant and/or its designees, an irrevocable power of attorney coupled with an interest and granted for a valuable consideration to execute, deliver and/or record any such amendments, applications or other documents on behalf of the Condominium Board of Managers and Unit Owners, and any such execution, delivery and/or recording shall not require the consent of the Condominium Board of Managers or the Unit Owners.

10. Encroachments.

If any portion of the Common Elements presently encroaches upon any Unit or if any Unit presently encroaches upon any other Unit or upon any portion of the Common Elements or if as a result of the manner in which a Building is constructed or as a result of settling or shifting of or as a result of the repair, restoration, and/or alteration of a Building, the Common Elements, or a Unit owned by Declarant or its designees, such encroachment shall occur, then a valid easement for the encroachment and for the maintenance of the same, so long as the Building stands, shall exist. In the event that a Building or any Unit therein or any Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and then rebuilt, then in such event, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements due to such rebuilding shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as such Building shall stand.

11. Certain Easements and Right of Entry.

Each Unit Owner shall have an easement in common with the other Unit Owners for the use, maintenance, repair and replacement of all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units or elsewhere in the Property and serving his Unit. Each Unit shall be subject to an easement in favor of the other Unit Owners for the use, maintenance, repair and replacement of all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Condominium Board of Managers shall have a right of access to each Unit to inspect the same, to prevent damage thereto, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property subject to any restrictions on such right as may from time to time be provided in the Condominium By-Laws.

Each Unit shall have an easement of support, subjacency and necessity, and the same shall be subject to easements in favor of all other Units and the Common Elements.

The Declarant and any of its affiliates or designees and their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across all areas of the Property for ingress to and egress from all land areas of the Property and the use thereof (in common with Unit Owners) for construction of the Building, or any part thereof, the inspection, maintenance and performance of alterations, replacements, and repairs in or about Units owned by the Declarant or its designees or the Common Elements and in fulfilling the Declarant's obligations under the condominium offering plan promulgated by the Declarant for certain units at the Property (the "Plan") and for any other lawful purpose provided (i) Declarant or such other party repairs any resulting damage to the Unit or Common Elements, as the case may be, and restores the damaged portion to substantially the condition it was in prior to such entry and (ii) Declarant provides reasonable prior notice to the owner of the Unit to which access is required or the Condominium Board in the case of the Common Elements.

The owners of any Garage Facility within the Development Area and their respective employees and invitees shall have an easement (i) of ingress, egress and access through any of the Common Elements comprised of pavement and/or sidewalks for the use by motor vehicles or persons of ramps, entrances and exist to or from any such Garage Facility (ii) for the existence, use, maintenance, operation, repair and replacement of any pipes, ducts, conduits, or other portion of the Common Elements or Facilities serving such Garage Facility, subject to the requirement that the owner of such Garage Facility bear the reasonable cost of any utilities servicing same and the reasonable cost of maintenance, operation, repair or replacement of same, to the extent that such pipes, ducts, conduits or other Facilities are utilized by or serve such Garage Facility, and (iii) for the existence, use, maintenance, operation, repair and replacement of all entrance/exit ramps to such Garage Facility.

The Oceana Homeowners Association and its employees shall have an easement through the Common Elements for all purposes related to the operation of the Oceana Homeowners Association and the ownership, operation or maintenance, alteration, repair and replacement of any land or property or facility owned, operated or maintained by the Oceana Homeowners Association. Such easement includes, without limitation, an easement to maintain all landscaped areas, roadways, sidewalks and paved surfaces comprising part of the Common Elements.

Members of the Oceana Homeowners Association and their invitees shall have an easement for motor vehicle and pedestrian ingress, egress and access over the portion of the Common Elements comprised of pavement and sidewalks comprising part of the Common Elements.

Declarant and its contractors and the agents, employees and invitees of either shall have an easement of ingress through and over the Common Elements to the extent reasonably required in connection with the construction, development, sale, leasing, inspection, maintenance, repair, replacement or alteration of any portion of the Development Area or any of "Declarant's Improvements" (as such term is defined in the Development Declaration) or any amenities serving the Development Area. In addition, Declarant shall have the right to connect to (and shall be deemed to have an easement over the Common Elements for the existence of any pipes, wires, conduits and similar facilities) and consume any utilities (including, without limitation, water, sewer, gas and electricity) serving the Condominium, provided the Declarant reimburses the Condominium the reasonable cost of any such utilities so consumed.

Declarant and/or its designees shall have an easement, without the necessity of obtaining the consent of the Condominium Board of Managers and/or Unit Owners over any part of the Property, including each Unit and the Common Elements, in order to inspect, maintain, repair, replace or alter its Unit or the Common Elements as provided in this Declaration and the Condominium By-Laws, and in the Plan.

The Declarant and its designees shall have an easement, without the necessity of obtaining the consent of the Condominium Board of Managers or the Unit Owners, over the Property and the Common Elements to (i) install, erect, construct, operate, use, maintain, repair and replace antennas on the roofs of the Buildings in such locations as Declarant shall determine and (ii) and to collect any and all income derived from the Building roof antennas (such easement and all appurtenant rights as described above, collectively, the "Roof Rights"). Declarant shall have the right to grant to any party (whether or not a Unit Owner) the Roof Rights, whether on an exclusive or non-exclusive basis, as Declarant may elect and such grantee(s) (and their successors and assigns) may, in turn, assign their Roof Rights on an exclusive or non-exclusive basis, as they may determine.

The Declarant and its designees, as the case may be, (without the necessity of obtaining the consent of the Condominium Board of Managers or the Unit Owners), the Condominium Board of Managers (without the necessity of obtaining the consent of the Unit Owners) and any Garage Facility Owner (without the necessity of obtaining the consent of the Unit Owners) shall each have the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, cable television, telephone, telecommunication, water, sewer or other utility lines, flues, ducts and appurtenances in, under and through the Property including, without limitation, within any of the Units, and to relocate any existing utility, sewer and drainage easements in any portion of the Property including, without limitation, within any of the Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of a Unit after construction thereof without the consent of the owner of such Unit.

As used in this Section 11 and elsewhere in this Declaration "Signs" means any sign, advertisement, notice or other lettering.

12. Power of Attorney to Condominium Board of Managers and to Declarant.

Each Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board of Managers an irrevocable power of attorney coupled with an interest and granted for a valuable consideration to (a) acquire title to or an interest in any Residential Unit or Parking Space Unit which a Unit Owner decides to surrender, sell or lease, in the name of the Condominium Board of Managers or its designees, corporate or otherwise, on behalf of all Unit Owners, (b) convey, sell, lease, mortgage, or otherwise deal with (but not to cast the votes appurtenant to) any Units acquired by the Condominium Board of Managers, (c) execute, acknowledge and deliver (i) any application, declaration or other document which the Condominium Board of Managers or a Unit Owner deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any governmental authority (including without limitation, the New York City Department of Buildings, the City Planning Commission and the Condominium Board), applicable to the maintenance, demolition, construction, alteration, repair, improvement or restoration of a Unit or the Common Elements or combination or subdivision of a Unit permitted hereunder or (ii) any application, consent, covenant, restriction, easement, declaration, or other document affecting a Unit, the Common Elements as may be required or permitted under this Declaration. In addition, each Unit Owner shall grant to Declarant an irrevocable power of attorney coupled within interest and granted for valuable construction, to execute, acknowledge and deliver any application, declaration document or other instrument affecting the Condominium that Declarant deems necessary or appropriate to comply with any Law, zoning resolution, or requirement of the Department of Buildings, or any other governmental authority applicable to the construction, maintenance, demolition, alteration, restoration, or repair of the Property or any part thereof.

13. Acquisition of Units by Condominium Board of Managers.

In the event that a Unit Owner shall surrender his Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units acquired by the Condominium Board of Managers or its designees on behalf of the other Unit Owners or the proceeds of the sale or lease thereof if any, and (iii) the interest of such Unit Owner in any other asset of the Condominium (hereinafter collectively referred to as the "Appurtenant Interest") pursuant to the provisions of the Real Property Law of the State of New York, or in the event the Condominium Board of Managers shall purchase a Unit together with its Appurtenant Interest pursuant to Article VI of the Condominium By-Laws or otherwise, or in the event that the Condominium Board of Managers shall acquire, at a foreclosure or other sale, a Unit together with its Appurtenant Interest, then and in such event, title to any such Unit together with the Appurtenant Interest shall be held by the Condominium Board of Managers or its designees, corporate or otherwise, on behalf of all Unit Owners in proportion to their respective Common Interests.

14. Condominium By-Laws and Persons Subject to Declaration and Condominium By-Laws.

Attached to this Declaration and made a part hereof are the Condominium By-Laws of the Condominium which set forth detailed provisions governing the Condominium. The Condominium By-Laws (including the Rules and Regulations thereunder) as they may be amended from time to time are referred to in this Declaration as "Condominium By-Laws." All capitalized terms in this Declaration which are not defined herein shall have the meanings given to those terms in the Condominium By-Laws.

All present and future Unit Owners, tenants, visitors and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and the Condominium By-Laws, as the same may be amended from time to time. Acceptance of a deed or other conveyance or the entering into of a lease or other occupancy of any Unit shall constitute an agreement that the provisions of this Declaration and Condominium By-Laws, as the same may be amended from time to time, are accepted and ratified by such Unit Owner or such other party having an interest in the Unit or by such tenant or other occupant. All of the provisions of this Declaration and Condominium By-Laws shall be deemed and taken to be covenants running with the land and shall bind any persons having at any time any interest or estate in any Unit as though such provisions were recited and stipulated at length in each and every deed, conveyance, lease or occupancy thereof. However, the provisions of this Declaration and the Condominium By-Laws, as the same may be amended from time to time, are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public.

15. Covenant of Further Assurances.

Any party which is subject to the terms of the Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board of Managers, or otherwise, shall execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or the Condominium By-Laws or of any transaction contemplated by this Declaration or the Condominium By-Laws or to confirm or perfect any right to be created or transferred pursuant to this Declaration or the Condominium By-Laws or pursuant to any such transaction.

If any Unit Owner or any other party which is subject to the terms of this Declaration fails or refuses within ten (10) days after request therefor to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or other party is required to execute, acknowledge and deliver or to take pursuant to this Declaration or the Condominium By-Laws, then the Condominium Board of Managers is hereby authorized as attorney- in-fact for such Unit Owner and other party, coupled with an interest and granted for a valuable consideration, to execute, acknowledge and deliver such instrument and to take such action, in the name of such Unit Owner or other party.

If any Unit Owner, the Condominium Board of Managers or any other party which is subject to the terms of this Declaration fails or refuses within ten (10) days after request therefore to execute, acknowledge or deliver any instrument or to take any action which such Unit Owner, the Condominium Board of Managers, or other party is required to execute, acknowledge and deliver or to take pursuant to this Declaration or By-Laws at the request of the Declarant or its designees, as the case may be, then the Declarant or its designees, as the case may be, is hereby authorized as attorney-in-fact for such Unit Owner, the Condominium Board of Managers and other party, coupled with an interest and granted for a valuable consideration, to execute, acknowledge and deliver such instrument and to take such action in the name of such Unit Owners, the Condominium Board of Managers and/or other party.

16. Amendment of Declaration.

Except as otherwise provided in the Condominium By-Laws and this Declaration with respect to the Declarant or its designees, as the case may be, this Declaration may be amended by vote of not less than 80% in number and in Common Interest of all Unit Owners cast in person or by proxy at a meeting duly held in accordance with the provisions of the Condominium By-Laws, provided, however, (i) any such amendment shall not be effective against a holder of a mortgage of record affecting a Unit, unless such holder shall consent thereto in writing, which consent shall not be unreasonably withheld or delayed; and (ii) if the Declarant or its designees, as the case may be, shall not have voted in favor of such amendment, then same shall not be effective

unless reasonably necessary or convenient to the conduct of the affairs of the Condominium and/or the operation of the Property and such amendment shall not decrease any of the rights of the Declarant or its designees, as the case may be. Notwithstanding anything to the contrary contained herein, no provision of this Declaration relating to the use of the Units or appurtenant Common Interests may be amended without the consent of every Unit Owner affected by such amendment except as expressly provided in Section 9 of this Declaration. Any such amendment shall be executed by the Condominium Board of Managers as attorneys-in-fact for the Unit Owners, coupled with an interest and granted for a valuable consideration, and the Condominium Board of Managers is hereby authorized by the Unit Owners so as to act as their attorney-in-fact.

Each amendment to this Declaration or the By-Laws must be signed and acknowledged in accordance with the legal requirements for recording a Unit Deed, and shall not be effective, binding or enforceable until recorded in the New York City Register's Office for Kings County. In addition, a copy of this Declaration and the Condominium By-Laws and any amendments thereto shall be filed with the New York State Department of State.

The provision of this Section 16 and Section 9 may not be amended without the unanimous consent of all the Unit Owners. The terms "amend," "amended" or "amendment" as used in this Declaration shall also be deemed to mean deleting a provision of this Declaration or adopting a new provision.

17. Termination of Condominium.

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the Condominium By-Laws or (b) such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 95% in number and in Common Interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent of the mortgagees of the Units, if any. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to any action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds, all liens on his Unit, in the order of priority of such liens.

18. Invalidity.

The invalidity of any provisions of this Declaration or any portion thereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and in such event all of the other provisions of this

Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

19. 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.

20. 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 or the intent of any provision hereof.

21. Certain References.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural and vice versa whenever the context so requires.

The terms "herein", "hereof" or "hereunder," or similar terms used in this Declaration, refer to this entire Declaration and are not to the particular provision in which the terms are used unless the context otherwise requires.

The term "Garage Facility" means one or more underground garage(s) that are located within the "Development Area" and constitute a separate "Lot" (as such terms are defined on the Condominium Offering Plan for the Property).

The term "Declarant" shall include any successor to or affiliate of Declarant. A successor to Declarant is any individual, corporation or other entity which, through amalgamation, consolidation, or other legal succession, becomes invested with the rights and assumes the obligations of Brighton Development, LLC, or (ii) any person who purchases from Brighton Development, LLC, or otherwise succeeds to (w) any Lot in the Development Area (other than a Lot consisting solely of an individual dwelling unit or Parking Space Unit), or the lesser of (x) ten or more Residential Units or (y) twenty percent (20%) or more of all Residential Units in the Condominium or (z) all remaining Residential Units then owned by Sponsor and is not purchasing such Units for his, her or its own occupancy or for occupancy by such person's family members, and in any case shall also include any nominee holding any Unit for the account of the person referred to in clause (i) or (ii) above. An "affiliate of Sponsor" is any individual, corporation or other entity owning any Lot in the Development Area (other than a Lot consisting solely of an individual dwelling unit or Parking Space Unit) at least ten percent (10%) of the beneficial interest of

which is owned by Sponsor's principal, such principal's spouse, child(ren) or a trust for the benefit of any of the foregoing or any combination of the foregoing.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of this _____ day of _____, 19___.

Brighton Development, LLC
By: Alliance Brighton, LLC, Managing Member

By: _____
Joshua L. Muss, Managing Member

:

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of _____, in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf on which the individual acted, executed the instrument.

Sworn to before me this

___ day of _____, 1999

_____
Notary Public

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York bounded and described as follows:

BEGINNING at the point on the easterly side of Coney Island Avenue, distant 561.38 feet southerly, as measured along said easterly side of Coney Island Avenue, from the point formed by the intersection of said easterly side of Coney Island Avenue (100.0 feet wide) with the southerly side of Brighton Beach Avenue (100.0 feet wide).

RUNNING THENCE easterly and perpendicular to said Coney Island Avenue 197.00 feet to a point of curvature.

THENCE easterly and southerly on a curve deflecting to the right having a radius of 10.00 feet a central angle of 90 degrees, 00 minutes, 00 seconds and a distance of 15.71 feet to a point of tangency.

THENCE southerly and parallel to said Coney Island Avenue 93.38 feet to a point of curvature.

THENCE southerly and westerly on a curve deflecting to the right having a radius of 10.00 feet a central angle of 90 degrees, 00 minutes, 00 seconds and a distance of 15.71 feet to a point of tangency.

THENCE westerly and perpendicular to said Coney Island Avenue 197.00 feet to a point on said easterly side of Coney Island Avenue.

THENCE northerly along said easterly side of Coney Island Avenue 113.38 feet to the point or place of beginning.

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SCHEDULE B

Unit Designation	Tax Lot Number	Number of Baths (Applicable to Residential Units)	Approximate Size of Unit in Square Feet	Common Interest	Portion of the Common Elements to Which Each Unit Has Immediate Access
Residential Unit Nos.					

Unit Designation	Tax Lot Number	Number of Baths (Applicable to Residential Units)	Approximate Size of Unit in Square Feet	Common Interest	Portion of the Common Elements to Which Each Unit Has Immediate Access

Unit Designation	Tax Lot Number	Number of Baths (Applicable to Residential Units)	Approximate Size of Unit in Square Feet	Common Interest	Portion of the Common Elements to Which Each Unit Has Immediate Access

Unit Designation	Tax Lot Number	Number of Baths (Applicable to Residential Units)	Approximate Size of Unit in Square Feet	Common Interest	Portion of the Common Elements to Which Each Unit Has Immediate Access

Unit Designation	Tax Lot Number	Number of Baths (Applicable to Residential Units)	Approximate Size of Unit in Square Feet	Common Interest	Portion of the Common Elements to Which Each Unit Has Immediate Access
Parking Units No.					

Unit Designation	Tax Lot Number	Number of Baths (Applicable to Residential Units)	Approximate Size of Unit in Square Feet	Common Interest	Portion of the Common Elements to Which Each Unit Has Immediate Access

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DOCUMENT NUMBER 9

BY-LAWS

of

OCEANA CONDOMINIUM NO. THREE

Article I

General

Section 1. Purpose and Definition of Terms. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of OCEANA CONDOMINIUM NO. THREE, as well as certain obligations of the Unit Owners therein. All terms used in these By-Laws which are capitalized and are not defined herein shall have the meaning ascribed to such terms in the Declaration of which these By-Laws are a part (such Declaration as amended from time to time being herein referred to as the "Declaration").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 3. Application. All present and future Unit Owners, mortgagees, lessees and occupants of Units and their employees or guests, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws and the Declaration.

The acceptance of a deed or conveyance of, or the succeeding to title to, or the entering into of a lease or the act of occupancy of a Unit shall automatically and without the requirement of executing any other instrument to such effect constitute a binding agreement that these By-Laws 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. Principal Office. The principal office of the Condominium and of the Condominium Board of Managers (as hereinafter defined) shall be located at 60 Oceana Drive West, Brooklyn, New York 11235, or at such other place within the Borough of Brooklyn reasonably convenient thereto, as may be designated from time to time by the Condominium Board of Managers.

Article II

Condominium Board of Managers

Section 1. Number and Term of Office. As more particularly set forth in these By-Laws and the Declaration, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board of Managers"). From and after the first meeting of the Unit Owners, the Condominium Board of Managers shall be composed of seven (7) members. Until the first meeting of the Unit Owners, the members of the Condominium Board of Managers shall consist of three (3) persons appointed by the Declarant. Each member of the Condominium Board of Managers shall serve for a term of one (1) year or until his respective successors shall have been duly appointed or elected, except as provided in Section 1 of Article III. Each member may be re-elected any number of times.

Section 2. Powers and Duties. The Condominium Board of Managers shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium, as agent for the Unit Owners, and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Condominium Board of Managers by the Unit Owners. Such powers and duties of the Condominium Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep, maintenance, repair, improvement and alteration of the Common Elements, as the Condominium Board of Managers shall deem necessary or proper, including, without limitation, the purchasing and leasing of supplies, equipment and materials and the employment compensation and dismissal of personnel.

(b) Determination of the Common Charges and Special Assessments (as hereinafter defined).

(c) Collection of the Common Charges from the Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

(e) Adoption of an amendment and additions to the Rules and Regulations subject to the limitations hereinafter set forth in these By-Laws.

(f) Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Accepting the conveyance of Units surrendered by Unit Owners to the Condominium Board of Managers, or purchasing Units at a foreclosure sale pursuant to Section 7 of Article V, in the name of the Condominium Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners (or on behalf of the Unit Owners for whom such Unit was conveyed).

(h) Selling, leasing, mortgaging, or otherwise dealing with Units acquired by the Condominium Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners (or on behalf of the Unit Owners for whom such Unit was conveyed), but not casting the votes appurtenant to such Units.

(i) Organizing corporations to act as designees of the Condominium Board of Managers in acquiring title to Units on behalf of all Unit Owners (or on behalf of the Unit Owners for whom such Unit was conveyed).

(j) Obtaining insurance for the Property, including the Units, pursuant to the provisions of Article V, Section 2 hereof, and adjusting and settling any insurance claims thereunder (including executing and delivering releases in connection therewith).

(k) Making of repairs, restorations, additions and improvements to or alterations of the Common Elements or any part thereof, damaged or destroyed by fire or other casualty, or necessitated as a result of condemnation or eminent domain proceedings.

(l) Enforcing obligations of Unit Owners, including, without limitation, levying reasonable fines against Unit Owners for violation of the Rules and Regulations.

(m) Granting of licenses of Common Elements.

(n) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, maintenance and alteration of, or the making of repairs, replacements, restorations or additions to the Common Elements, provided that (i) the consent of two-thirds (2/3) in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $75,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interest in the Common Elements without the consent of the owner of such Unit and (iii) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board of Managers pursuant to the subparagraph

(n) is not repaid by the Condominium Board of Managers, any Unit Owner who pays to the creditor thereunder such proportion thereof as his Common Interest bears to the Common Interests of all the Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or shall have the right to file against such Unit Owner's Unit.

(o) Executing, acknowledging and delivering of any declaration or other instrument affecting the Property (i) which the Condominium Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any governmental authorities applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property, permitted hereunder or under the Declaration or (ii) upon request of a Unit Owner or (iii) which the Condominium Board of Managers deems necessary or appropriate in connection with the operation use, maintenance, repair, replacement, alteration or addition to any property owned by the Oceana Homeowners Association.

(p) Preparing, executing and recording on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest (i) amendments of the Declaration and/or these By-Laws, whenever requested by the Declarant or any of its designees, as provided in the Declaration or these By-Laws, or (ii) a restatement of the Declaration and/or By-Laws whenever in the judgment of the Condominium Board of Managers it is advisable to consolidate and restate all amendments theretofore made to the Declaration and/or By-Laws.

(q) Granting utilities or other easements as may, from time to time, be required for the benefit of the Oceana Homeowners Association, without limitation, (including one or more Lot Owners), the Condominium and the Unit Owners and controlling power shut-offs and other interruptions of the normal functioning of the Condominium, to facilitate, repair or renovations of particular Units and/or of the Common Elements and/or any part of the Development Area. In making determinations in this area, the Condominium Board of Managers will make all reasonable efforts to disrupt the business operations of the Unit Owners as little as possible under the circumstances then prevailing.

(r) Investing any excess funds in savings accounts, treasury bills, certificates of deposit or other such money market instruments and funds which invest in any such instruments.

(s) Acting as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Condominium Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata

share of expenses, disbursements, and legal fees paid or incurred in connection with any such complaint or application.

Section 3. Managing Agent and Manager. The Condominium Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation rate established by the Condominium Board of Managers, provided that if such rate is greater than five (5%) percent of the gross receipts of the Condominium during any fiscal year of the Condominium from time to time, then such greater rate shall be comparable to standard rates for similar properties in the vicinity of the Condominium, to perform such duties and services as the Condominium Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (j) and (k) of Section 2 of this Article II. However, in no event may the Condominium Board of Managers delegate to the manager or managing agent, the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (l), (m), (n), (o), (p), (q), (r) and (s) of Section 2 of this Article II. The Condominium Board of Managers may retain such attorneys, accountants and other professionals as it deems advisable in exercising any of the powers enumerated in Section 2 of this Article II.

Section 4. Removal. Any member of the Condominium Board of Managers may be removed with or without cause by a Majority in Common Interest of the Unit Owners, except that if such member was elected by or is a designee of the Declarant or any of its designees, such member may not be removed other than for cause except by the written consent of the Declarant or its designees, as the case may be. Any member of the Condominium Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the Condominium Board of Managers caused by any reason other than as provided in Section 17 of this Article II or in Section 1 of Article III, (i) in the case of a member of the Condominium Board of Managers elected or designated by Declarant or its designees, shall be filled by the written consent of the Unit Owners owning a majority of the Common Interest appurtenant to all of the Units owned by Declarant and its designees and (ii) in the case of any other members of the Condominium Board of Managers, shall be filled by vote of a majority of the remaining members of the Condominium Board of Managers at a special meeting of the Condominium Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Condominium Board of Managers, until a successor shall be elected at the next annual meeting of the Unit Owners or at a special meeting held for that purpose.

Section 6. First Meeting of Condominium Board of Managers. The first meeting of the Condominium Board of Managers shall be held immediately following the first meeting of the Unit Owners and no notice shall be necessary to the newly elected members of the Condominium Board of Managers legally to constitute such meeting,

provided that a majority of the members of the Condominium Board of Managers shall be present at such first meeting.

Section 7. Regular Meetings. Regular meetings of the Condominium Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Condominium Board of Managers but at least two (2) such meetings shall be held during each fiscal year of the Condominium. Notice of regular meetings of the Condominium Board of Managers shall be given to each member of the Condominium Board of Managers by personal delivery, mail, facsimile, overnight courier service or telegram at least five (5) business days prior to the day named for such meeting.

Section 8. Special Meetings. Special meetings of the Condominium Board of Managers may be called by the President by giving five (5) business days' prior notice to each member of the Condominium Board of Managers by personal delivery, mail, facsimile, overnight courier service or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Condominium Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) member of the Condominium Board of Managers.

Section 9. Waiver of Notice. Any member of the Condominium Board of Managers may at any time waive notice of any meeting of the Condominium Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Condominium Board of Managers at any meeting of the Condominium Board shall constitute a waiver of notice by him of the time and place thereof. If all members of the Condominium Board of Managers are present at any meeting of the Condominium Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Condominium Board of Managers. At all meetings of the Condominium Board of Managers a majority of the members thereof shall constitute a quorum for the transaction of business.

Section 11. Decision of the Condominium Board of Managers. The votes of a majority of the members of the Condominium Board of Managers present at the meeting at which a quorum is present shall constitute the decision of the Condominium Board of Managers. Any one or more members of the Condominium Board of Managers or any committee thereof may participate in a meeting of the Condominium Board of Managers or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Condominium Board of Managers are present at any meeting of the Condominium Board of Managers, no notice shall be required and any business may be transacted at such meeting. Any action required or permitted to be taken by the Condominium Board of Managers or any committee thereof, as the case may be, may be

taken without a meeting if all members of the Condominium Board of Managers or the committee, as the case may be, consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Condominium Board of Managers or the committee, as the case may be.

Section 12. Adjournment of Meeting. If at any meeting of the Condominium Board of Managers, the members present shall be less than a quorum, a majority of those present may adjourn the meeting from time to time. At the next meeting at which a quorum is present following such adjourned meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Condominium Board of Managers may obtain fidelity bonds concerning any or all officers and employees of the Condominium and its managing agent, if any, handling or responsible for funds, and the premium on such bonds shall constitute a Common Expense (as hereinafter defined).

Section 14. Compensation. No member of the Condominium Board of Managers shall receive any compensation from the Condominium for acting as such member.

Section 15. Liability of Condominium Board of Managers and Officers. No member of the Condominium Board of Managers or any officer of the Condominium shall have any personal liability with respect to (1) any contract, act or omission of the Condominium Board of Managers (except with respect to the Unit Owners as provided below) or any managing agent, manager, or officer in connection with the affairs or operations of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth, or (2) any mistake of judgment, negligence or otherwise except with respect to the Unit Owners for such member's own individual willful misconduct or bad faith. Every contract made by the Condominium Board of Managers or by any managing agent, manager or officer thereof shall state that it is made by such Condominium Board of Managers, managing agent, manager, or officer as agent for all Unit Owners, that such members of the Condominium Board of Managers or managing agent, manager or officer shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also provide that the liability of any Unit Owner with respect to any contract with respect to the Condominium shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and, unless expressly stated to the contrary in any such contract (as determined by the Condominium Board of Managers in its sole and absolute discretion), shall be limited to such Unit Owner's interest in his Unit so that such Unit Owner shall have no personal liability for such contract. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract may also provide that it covers the assets, if any, of the Condominium on whose behalf the contract is made. The Unit Owners, including those who are members of the Condominium Board of Managers, to the extent provided

below, shall indemnify and hold harmless each of the members of the Condominium Board of Managers and the officers of the Condominium against all claims, liabilities, costs and expenses (including, without limitation, liability for reasonable attorneys' fees and any contractual liability to others arising out of contracts made by the Condominium Board of Managers or officers on behalf of the Condominium) arising out or relating to the performance of his duties as a member of the Condominium Board of Managers or officer except for those arising out of such member's or officers' bad faith or willful misconduct. Each Unit Owner's liability to indemnify a member of the Condominium Board of Managers or officer, as provided above, shall be limited to an amount which is in the same proportion to the total liability of such members or officers to be indemnified by all the Unit Owners as each such Unit Owner's Common Interest bears to the aggregate Common Interests of all Unit Owners. It is intended that the members of the Condominium Board of Managers and officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium except as Unit Owners. It is understood that the Condominium Board of Managers, which may consist of principals and/or of employees of the Declarant, may contract or effect any other transaction with any member of the Condominium Board of Managers, any Unit Owner, officer or Declarant or any of their affiliates, without incurring any liability for self-dealing, provided that the either (i) any compensation paid to Declarant or its affiliates is, if material, disclosed in the Plan (as hereinafter defined) or is commercially reasonable.

Section 16. Executive Committee. The Condominium Board of Managers may, by resolution duly adopted, appoint an executive committee with at least one of the members of such executive committee being the member of the Condominium Board of Managers elected by the Declarant, if any. Such executive committee shall have and may exercise all the powers of the Condominium Board of Managers in the management of the business affairs of the Condominium during the intervals between the meetings of the Condominium Board of Managers insofar as may be permitted by law.

Section 17. Control by Declarant. The Declarant and its designees: (i) shall not be entitled to elect a majority of the members of the Condominium Board from and after the earlier of the following dates: a) the fifth anniversary of the Closing Date under the Plan, and b) the date on which the Declarant and its designees own less than 50% of the outstanding Common Interests in the Condominium, and (ii) may not exercise a veto over expenditures conforming to the budget set forth in Schedule B of the Condominium Offering Plan with respect to the Property promulgated by Declarant ("Plan"), and which are for the period covered by said budget, or over expenditures which are for capital repairs required for the operation and maintenance of the Condominium, or over expenditures which are required to comply with applicable laws or regulations. Upon the earlier of the event(s) stated in clause (i) above, so many serving members of the Condominium Board elected by the Declarant or its designees as shall reduce the number of such members to less than a majority of the Condominium Board shall resign and such vacancies shall be filled in accordance with the provisions of Section 5(ii) above.

Until the sooner of (i) the date on which the Owners of Unsold Units have a Common Interest in the aggregate of less than twenty-five (25.0%) percent of the Common Interests of all Units, or (ii) the fifth anniversary of the Closing Date, neither the Condominium Board of Managers, nor any officer, nor any Unit Owner, except upon the written consent of the Owners of Unsold Units representing a majority of the Common Interests allocated to all Unsold Units, shall (a) increase the number or change the type of employees described in Schedule B to the Plan; (b) provide for services other than those described in said Schedule B unless the total annual cost of all services to be provided is not greater than the then estimated total cost of the services described in said Schedule B; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) borrow money; (e) cause the members of the Condominium Board to (i) change the insurance coverage on the Property from the coverage described in said Schedule B unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Corporation or unless such change is required by the holder of any mortgage on the Property (or any Unsold Units) or by the insurance carrier insuring the Property to satisfy coinsurance requirements or (ii) take any action inconsistent with (a), (b), (c), (d) or (e) or (f) remove any members of the Condominium Board of Managers elected by the owners of Unsold Units except for cause.

The term "Unsold Unit" refers to each Residential Unit and each Parking Space Unit until such Unit has been purchased by a bona fide purchaser for residential occupancy or use for parking or passenger motor vehicle (as the case may be) on or after the Closing Date under the Plan or (in the case of a Residential Unit) until the owner of such Unit or a person related by blood or marriage to such owner becomes the residential occupant of such Residential Unit. The term "Unsold Unit Owner" refers to an owner of an Unsold Unit.

Section 18. Common or Interested Members of the Condominium. Each member of the Condominium Board of Managers shall perform his duties, and shall exercise his powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by applicable law, no contract or other transactions between the Condominium Board and either (A) any of its members or (B) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of the Condominium Board of Managers are officers, directors, employees, partners, members, fiduciaries, beneficiaries or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (i) any such interested member of the Condominium Board of Managers was present at the meeting or meetings of the Condominium Board of Managers during which such contract or transaction was discussed, authorized, approved or ratified, or (ii) the vote of any such interested member was counted for such purposes; provided, however, that either:

(a) the material facts as to such Condominium Board of Managers member's interest in such contract or transaction are disclosed in good faith or known to

the Condominium Board of Managers or are noted in the minutes thereof, and the Condominium Board approves, authorizes or ratifies such contract or transaction in good faith by a vote sufficient for such purpose without counting the vote of such interested member of the Condominium Board of Managers or, if the votes of the disinterested members of the Condominium Board are insufficient to constitute a quorum, by unanimous vote of the disinterested members; or

(b) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve or ratify such contract or transaction; or

(c) the contract or transaction is considered commercially reasonable by the Condominium Board of Managers at the time it is authorized, approved, ratified, executed or otherwise consummated.

Any interested member of the Condominium Board of Managers may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves or ratifies any such contract or transaction, and, except as set forth in subparagraph (a), shall also be entitled to vote thereat to authorize, approve or ratify such contract or transaction.

Article III

Unit Owners

Section 1. Annual Meetings. Within forty-five (45) days after the date the Declarant conveys title to the first Residential Unit pursuant to the Plan, the first meeting of Unit Owners shall be held. At such meeting the incumbent Condominium Board of Managers shall resign and a new Condominium Board shall be elected by the Unit Owners as provided in the By-Laws. Thereafter, annual meetings shall be held on the second (2nd) Tuesday of November of each succeeding year unless such day shall be a holiday in which event the meeting shall be held on the next succeeding business day. At such meetings the Unit Owners shall elect members of the Condominium Board of Managers to fill vacancies or to succeed retiring members of the Condominium Board of Managers as provided in Article II of these By-Laws and shall also transact such other business of the Condominium as may properly come before the meeting.

Section 2. Place of Meeting. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Condominium Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Condominium Board of

Managers or upon a petition signed and presented to the Secretary by not less than **ten (10.0%)** percent in Common Interest of all the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. If the President fails so to call such special meeting, then any Unit Owner may so call such meeting by notice meeting the requirements of Section 4 hereof (except that such notice need not be given by the Secretary).

Section 4. Notice of Meeting. It shall be the duty of the Secretary to give a notice to each Unit Owner of record of each annual or special meeting stating the purpose thereof and the time and place where it is to be held. Such notice shall be personally delivered or mailed to the Unit Owner at the address of such Unit Owner at the Property or such other address as such Unit Owner shall have designated by notice in writing delivered to the Secretary at least ten (10) days prior to the giving of such notice of meeting by the Secretary. The giving of a notice in the manner provided in these By-Laws shall be considered notice properly served.

Section 5. Quorum of Unit Owners. The presence in person or by proxy of Unit Owners owning in the aggregate more than thirty-five (35%) percent of the Common Interests of all Unit Owners (as modified by the provisions of Section 11 of this Article III) shall constitute a quorum at all meetings of the Unit Owners.

Section 6. Adjournment of Meetings. If any meetings of Unit Owners cannot be held because a quorum is not present, a Majority in Common Interest of the Unit Owners present either in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting.

Section 7. Order of Business. The order of business at all annual meetings of the Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Condominium Board of Managers.

(f) Report of committees.

(g) Report of Managing Agent.

(h) Election of inspectors of election.

(i) Election of members of the Condominium Board of Managers.

(j) Unfinished business.

(k) New business.

The order of business of all special meetings of the Unit Owners shall conform to the foregoing to the extent practicable.

Section 8. Voting.

(a) The Unit Owner of each Unit or a person designated by such Unit Owner to act as proxy on his behalf and who need not be a Unit Owner shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating. Each Unit Owner shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each .01 of one (1%) percent of the Common Interest applicable to his or its Unit except as provided below. A fiduciary shall cast the votes appurtenant to any Unit owned in a fiduciary capacity.

(b) When voting for members of the Condominium Board of Managers, the voting shall be by ballot and each ballot shall state, among other things, the name of the Unit Owner voting and the Common Interest appurtenant to his Unit and in addition the name of the proxy if such ballot is cast by a proxy.

(c) A Unit Owner shall be entitled to cast as many votes as shall equal the number of votes for each of the members of the Condominium Board of Managers to be elected but may not cumulate his votes. All elections of members of the Condominium Board of Managers pursuant to this Subsection (c) shall be determined by a plurality vote, and shall be balloted all at the same time.

(d) Notwithstanding the terms contained in paragraph (a) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien (and pay all expenses incurred by the Condominium Board, its committees, the Managing Agent or any agent of the foregoing in connection with the matter resulting in perfection of the lien, including without limitation attorneys' fees and expenses) has not been paid at the time of such meeting. The Common Interests appurtenant to any such Unit shall be excluded when computing the aggregate Common Interest of all Unit Owners for voting purposes.

Section 9. Decisions of Unit Owners. The vote of a Majority in Common Interest of Unit Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except as otherwise provided in the Declaration or these By-Laws.

Section 10. Majority in Common Interest of Unit Owners. As used in these By-Laws the term "Majority in Common Interest of Unit Owners" shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of Unit Owners determined in accordance with the provisions of Sections 8 and 11 of this Article III.

Section 11. Exclusion from Computation of Common Interests. For purposes of Section 5, 8, 9 and 10 of this Article III, the Common Interest of a Unit owned by the Condominium Board of Managers or its designee and the votes appurtenant thereto shall be excluded from any computation of the Common Interests of all Unit Owners, Unit Owners present at a meeting, or the total authorized votes of all Unit Owners.

Section 12. Contractual Liability of Unit Owners. It is intended and every contract made or executed by or on behalf of the Condominium Board of Managers, by any committee thereof, by any officer of the Condominium, or by the Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board of Managers and the officers of the Condominium pursuant to the terms of Sections 15 of Article II hereof, respectively) that the liability of any Unit Owner with respect to any contract, act or admission with respect to the Condominium shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interests, unless otherwise provided by Applicable Law. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges.

Section 13. Limited Liability of REITS. Notwithstanding anything to the contrary contained in the Declaration or these By-Laws, in the event that a Unit Owner is a REIT, the obligations of any such REIT under the Declaration and these By-Laws shall be enforceable only against the assets of the REIT, and no trustee, officer, director, beneficiary or shareholder of any such REIT shall be personally liable for any matter in connection with or arising out of the Declaration or these By-Laws.

Article IV

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 Condominium Board of Managers. The Condominium Board of Managers

may appoint an Assistant Treasurer, an Assistant Secretary and such other officer as in its judgment may be necessary. Any single person may hold any combination of offices except that the office of President and Vice President shall be held by different persons.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Condominium Board of Managers at its annual meetings except upon removal as provided below.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Condominium Board of Managers, an officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Condominium Board of Managers, or at any special meeting of the Condominium Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and the Condominium Board of Managers. He shall have all of the general powers and duties which are incident to the office of President, including but not limited to the power to appoint committees from amongst the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. The President shall be a member of the Condominium Board of Managers.

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 Condominium Board of Managers shall appoint some other member of the Condominium Board of Managers to act in place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Condominium 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 Condominium Board of Managers; he shall have charge of such books and papers as the Condominium Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Condominium Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Condominium Board of Managers, and he shall, in general, perform all the duties incident to the office of Treasurer.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer of the Condominium or by such other person or persons as may be designated from time to time by the Condominium Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as an officer of the Condominium.

Article V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) Except as otherwise provided in the Declaration and these By-Laws the terms "Common Expense" and "Common Expenses" shall mean any and all (i) costs and expenses paid or incurred by the Condominium in connection with repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements (including without limitation accounting, legal, architectural, engineering or other professional or service fees); and (ii) other items which are provided in the Declaration or these By-Laws to be Common Expenses.

(b) The Condominium Board of Managers shall from time to time, but at least annually, prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners pro rata in accordance with the respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), Common Charges to meet Common Expenses. The Condominium Board of Managers shall promptly advise all Unit Owners, in writing, of the amount of the Common Charges payable by each of them as determined by the Condominium Board of Managers, as aforesaid, and shall furnish to all Unit Owners copies of each budget on which such Common Charges are based. Notwithstanding the foregoing, any and all costs and expenses paid or incurred by the Condominium in connection with the repair, maintenance, replacement, restoration and operating of, and any alteration, addition or improvement to, any Limited Common Elements, shall be allocated and assessed as a Common Expense solely to the Unit Owner or Unit Owners owning the Units, if any, to which such Limited Common Element exclusively services or benefits (individually, a "Benefitted Unit" and, collectively, "Benefitted Units") and, if there is more than one Benefitted Unit, such costs and expenses shall be allocated and assessed to the owners of such Benefitted Units pro rata based upon the ratio that the Common Interests allocated to their respective Benefitted Units bears to the total Common Interests allocated to all such Benefitted Units.

Notwithstanding anything to the contrary contained herein, each Parking Space Unit Owner shall not be required to pay as any part of the Common Charges with

respect to such Parking Space Unit Owner's Unit, any portion of the charges (the "HOA Charges") assessed by the Oceana Homeowners Association, Inc. (the "HOA") that the HOA or its managing agent has determined and advised the Condominium Board in writing is attributable to Category IV expenses, (i.e., the administration, management, operation, use, maintenance, repair, or replacement of the recreation facilities operated by the HOA including the club house, swimming pools and all other facilities contained in the club house, the Brighton Beach Avenue open space and the Tot Lot). The Condominium's share of HOA charges attributable to recreation expense shall be borne by all Residential Unit Owners only, in the proportion that the Common Interest of each Residential Unit bears to the Common Interests of all Residential Units. Each Unit Owner and the Condominium Board shall be bound by the HOA's determination as to the portion of HOA charges allocable to recreation expenses and no Unit Owner shall refuse to pay his Common Charges or any portion there of should he disagree with such allocation.

The failure or delay of the Condominium Board of Managers to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses is made.

In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board of Managers shall have the right, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board determines; provided, however, that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installation thereof, is due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board of Managers shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges.

The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any General Common Element remaining after the deduction of non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board of Managers as agent for and on behalf of all Unit Owners and shall constitute income of all Unit Owners, and shall be applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from Unit Owners, for any year of operation exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board of Managers against the Common Expenses for the next succeeding year of operation, and no Unit Owner shall be

entitled to a distribution of any portion of such excess unless the Condominium Board of Managers shall determine to distribute all or part of such excess to all Unit Owners pro rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceiling or walls delineating or enclosing such space or the individual use of any portion of any Common Elements appurtenant to such space.

Section 2. Insurance. The Condominium Board of Managers shall be required to obtain and maintain, to the extent obtainable at reasonable rates, and to the extent determined by the Condominium Board of Managers to be appropriate, the insurance set forth below, and the premiums for such insurance shall be a Common Expense except as otherwise provided in the Rules and Regulations: (1) fire insurance with all risks extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings (including all Units but excluding machinery, appliances, fixtures, furniture, furnishings or other personal property within a Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to at least 80% of the full replacement value of the Buildings (exclusive of foundations and footings), without deduction for depreciation, and each of such policies of insurance shall contain a New York standard mortgagee 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 interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board of Managers and the Insurance Trustee hereinafter set forth; (2) rent insurance in an amount equal to Common Charges for at least six months; (3) worker's compensation insurance and New York State disability benefits insurance (if applicable); (4) boiler and machinery insurance on equipment constituting a Common Element; (5) comprehensive general liability coverage; (6) water damage insurance to the extent if any determined by the Condominium Board of Managers; (7) plate glass insurance to the extent if any determined by the Condominium Board of Managers; (8) elevator liability and collision insurance to the extent if any determined by the Condominium Board of Managers; (9) fidelity bond for managing agent to the extent if any determined by the Condominium Board of Managers; (10) errors and omissions insurance for members of the Condominium Board of Managers and officers to the extent if any determined by the Condominium Board of Managers; and (11) such other insurance as the Condominium Board of Managers may determine. To the extent not specified above, all such insurance shall be in such amount as the Condominium Board of Managers shall from time to time determine to be reasonable. All of such policies shall provide that adjustment of loss shall be made by the Condominium Board of Managers and all policies of physical damage insurance shall provide that the proceeds thereof, if $125,000 or less, shall be paid to the Condominium Board of Managers, and if in excess of $125,000 shall be paid to the Insurance Trustee. The Condominium Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

All policies of physical damage insurance shall contain, if obtainable at reasonable rates, waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured or of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Condominium Board of Managers shall obtain an appraisal from a casualty insurance company or otherwise of the full replacement value of the Buildings (exclusive of foundations and footings), without deduction for depreciation, for the purpose of determining the amount of casualty insurance to be obtained pursuant to this Section.

Each Unit Owner may carry supplemental or additional insurance for his own benefit, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Condominium Board of Managers shall not be affected or diminished by reason of any such supplemental or additional insurance.

The liability insurance coverage required to be obtained by the Condominium Board of Managers as set forth above shall cover, to the extent possible, liability claims arising out of the Property, in such limits as the Condominium Board of Managers may from time to time determine, covering each member of the Condominium Board of Managers, the officers, the managing agent, if any, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Condominium Board of Managers shall review such limits at least once each year.

Any insurance maintained by the Condominium Board of Managers may provide for such deductible amounts as the Condominium Board determines from time to time.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not, within sixty (60) days from the date of such damage or destruction, duly resolve to proceed with repair or restoration), the Condominium Board of Managers shall arrange for the prompt repair and restoration of the Building including the Units but excluding any machinery, appliances, furniture, furnishings (including wall, ceiling and floor decorations and coverings), fixtures or equipment in the Units, and the Condominium Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of the applicable insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. In the event the insurance proceeds exceed the cost of repair or restoration,

such excess shall be divided by the Condominium Board of Managers or the Insurance Trustee, as the case may be, among the Unit Owners in proportion to their respective Common Interests after first paying to the Permitted Mortgagees of a Unit and any other holders of liens against the Unit (including the Condominium Board of Managers) out of the share of the Owner of such Unit, the amount of any unpaid liens on his Unit, in the order of their priority.

If space comprising 75% or more of the Buildings is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not within sixty (60) days from the date of such damage or destruction, duly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided by the Condominium Board of Managers or the Insurance Trustee, as the case may be, among all of the Unit Owners in proportion to their respective Common Interests, after first paying to the Permitted Mortgagees of a Unit and any other holders of liens against the Unit (including the Condominium Board of Managers) out of the share of the owner of such Unit, the amount of any unpaid liens on his Unit, in the order of priority of such liens.

If the damage resulting from a casualty (i) renders one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroys the means of access to one or more Units, the installments of Common Charges otherwise payable by the Unit Owner of any Unit so affected thereby shall proportionately abate until such Unit is rendered usable for such purposes and/or until the means of access thereto is restored, as the case may be. Notwithstanding the foregoing, however, if such casualty is caused by the act, the omission to act, or the negligence of the Unit Owner of a Unit so affected thereby, by a family member of such Unit Owner or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board of Managers with respect to such Unit.

Section 4. Payment of Common Charges. The term "Common Charges" shall mean any charge assessed by the Condominium Board of Managers against any Unit Owner. A Unit Owner shall be obligated to pay the Common Charges assessed by the Condominium Board of Managers against such Unit Owner at such time or times as the Condominium Board of Managers shall determine. Unless otherwise determined by the Condominium Board of Managers, the Common Charges assessed by the Condominium Board of Managers to meet Common Expenses for a fiscal year of the Condominium shall be due and payable in equal monthly installments in advance on the first day of each month during such fiscal year.

Section 5. Collection of Common Charges. The Condominium Board of Managers shall assess Common Charges against the Unit Owners from time to time, but at least monthly, and shall take prompt action to collect any Common Charges due from

any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 6. Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of any Common Charges within fifteen (15) days of its due date (although nothing herein shall be deemed to extend the period within which such Common Charges are to be paid), such Unit Owner shall be obligated to pay (a) a late charge at the rate of $.02 per dollar per month or any part thereof for all such overdue Common Charges, from the due date of such Common Charges until paid, and (b) all costs and expenses, including, without limitation, reasonable attorneys' fees paid or incurred by the Condominium Board of Managers and/or another Unit Owner, in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof, or in any other manner permitted by law. All such late charges and costs and expenses shall be added to, and shall constitute, Common Charges payable by such Unit Owner. In addition, the Condominium Board of Managers shall have the right to levy against Unit Owners such just and appropriate fines as it deems advisable for noncompliance with any of the provisions of the Declaration, these By-Laws or the Rules and Regulations. All such fines shall be added to and shall constitute Common Charges payable by such Unit Owner.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought to foreclose a lien on a Unit for unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficiency.

No Unit Owner shall be liable for the payment of any part of the Common Charges against his Unit accruing subsequent to a sale or other conveyance by him of such Unit, together with its Appurtenant Interest, provided that no violation of any provision of the Declaration or these By-Laws then exists with respect to such Unit. Any Unit Owner may, by conveying his Unit and its Appurtenant Interest to the Condominium Board of Managers, or its designee, corporate or otherwise, exempt himself from the liability for Common Charges accruing after such conveyance, subject to the terms and conditions of these By-Laws, provided that at the time of such conveyance (a) such Unit is free and clear of liens and encumbrances other than a Permitted Mortgage and the statutory lien for Common Charges and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except as hereinafter provided. A purchaser

of a Unit at a foreclosure sale pursuant to a Permitted Mortgage against such Unit shall not be liable, and such Unit shall not be subject to a lien, for the payment of Common Charges, accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale.

Section 8. Statement of Common Charges. The Condominium 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 9. Maintenance and Repairs.

(a) Each Unit Owner shall maintain his Unit in good working order and condition, ordinary wear and tear excepted. All maintenance, repairs and replacements in or to any Unit (other than maintenance of and repairs to any Common Elements contained in the Unit) and any Limited Common Elements appurtenant thereto, any installations to the exterior of a Building made by or serving exclusively any Unit Owner (such as without limitation or a sky light), and any electrical, plumbing, heating and air conditioning fixtures in the Unit (other than those constituting Common Elements), whether structural or nonstructural, ordinary or extraordinary (including, without limitation, painting and decoration of the Unit), shall be performed by the Unit Owner of such Unit, at the Unit Owner's sole cost and expense, except as provided in Section 12 hereof and except as set forth below. All repairs and replacements shall be of a quality or class equal to the original work or construction. Each Unit Owner shall give the Condominium Board of Managers prompt notice of any defect in the plumbing, heating and electrical systems in his Unit after actual notice thereof by such Unit Owner. Each Unit Owner shall perform such construction, alterations or improvements to its Unit and the Common Elements as from time to time shall be necessary to render its occupancy of such Unit lawful. The exterior surface of all windows deemed a part of a Unit shall be washed and cleaned by the owner thereof. Notwithstanding the foregoing, all extraordinary or structural maintenance, repairs and replacements in and to balconies and sky lights shall be made by the Condominium Board and the cost thereof shall be a Common Expense.

(b) Except as provided in Section 9(a) above, or as elsewhere provided in these By-Laws or in the Declaration, all maintenance of, replacement of and repairs to the Common Elements shall be performed by the Condominium Board of Managers and the cost and expense thereof shall be charged as a Common Expense as provided in these By-Laws. In making such repairs or replacements, the Condominium Board of Managers or its designee shall make all reasonable efforts (i) to minimize any interference with the Unit Owners' use and enjoyment of and business conducted in their Units and (ii) to conceal in the walls, floors or ceilings, or if not feasible, box in without materially reducing usable areas of the affected Unit or its ceiling height, any pipes or conduits installed by the Condominium Board of Managers.

(c) If any maintenance of, replacement of or repairs to the Property or any part thereof (including, without limitation, those necessitated as a result of leaks in a sky light or any defective condition thereof), are necessitated by the negligence of (a) any Unit Owner, his tenants or visitors or occupants of the Unit, then the entire cost thereof shall be borne by such Unit Owner and shall be assessed by the Condominium Board of Managers against such Unit Owner as a Common Charge or (b) the Condominium Board of Managers, then the entire cost thereof shall be a Common Expense.

Section 10. Performance of Unit Owners' Obligations and Injunctive Relief. In the event that any Unit Owner defaults in any of his obligations under the Declaration, these By-Laws or the Rules and Regulations other than the obligation to pay Common Charges, then in such event the Condominium Board of Managers may send to such Unit Owner a notice specifying the default. If within thirty (30) days after the service of such notice upon the Unit Owner, such Unit Owner fails to cure such default or, in the case of a default not reasonably susceptible to cure within such period, fails to commence to cure such default within such thirty (30) day period and thereafter prosecute such cure to completion with due diligence, then the Condominium Board of Managers or its designee may enter the Unit and cure such default and the Condominium Board of Managers shall be entitled to seek injunctive relief against such defaulting Unit Owner. All sums expended and all costs and expenses incurred in connection with the curing of such default together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law) shall be added to and shall constitute a Common Charge against such Unit Owner. Any sums paid by a Unit Owner shall be applied by the Condominium Board first on account of Common Charges other than HOA Charges and next on account of HOA Charges. In no event shall any late fees and/or interest charges assessed by the Condominium and the HOA in the aggregate with respect to the same sum exceed the maximum lawful rate for sure charges.

Section 11. Additions, Alterations or Improvements by the Condominium Board of Managers. Whenever in the judgment of the Condominium Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of $75,000.00 in the aggregate in any fiscal year, then such additions, alterations or improvements shall not be made unless first approved by in excess of 75% in Common Interest of all the Unit Owners and their mortgagees. Any additions, alterations or improvements to the Common Elements costing in the aggregate $75,000.00 or less in any fiscal year may be made by the Condominium Board of Managers without the approval of the Unit Owners provided same are reasonably necessary to the operations of the Property as a first class building and to the uses to which it is then subject. The cost and expense of any addition, alteration or improvement to the Common Elements shall, except as otherwise provided in the Declaration and these By-Laws including without limitation the Rules and Regulations thereunder, constitute part of the Common Expenses. In making such additions, alterations and improvements, the Condominium Board of Managers or its designee shall make all reasonable efforts (i) to minimize any interference with the Unit Owners' use and enjoyment of and any business conducted in their Units and (ii) to conceal in the walls, floors or ceilings or if not feasible, box in without materially reducing

usable areas of the affected Unit or its ceiling height, any pipes or conduits installed by the Condominium Board of Managers (other than in the portions of the cellar of the Building which are part of the Common Elements).

Section 12. Additions, Alterations or Improvements by Unit Owners. Except as permitted in the Declaration:

(a) No Unit Owner (except Declarant) may perform any Work in or to his Unit or its appurtenant Limited Common Elements without the prior written approval of both Declarant, for so long as Declarant owns any Unsold Units, and the Condominium Board. In order to coordinate the performance of Work and to maintain the integrity of the Building, the Building Systems, the Facilities and the Common Elements the following procedures will govern Work to be performed by Unit Owners: Provided Declarant grants such approval (or Declarant no longer owns any Unsold Units), the Condominium Board will not unreasonably withhold its approval provided the procedure set forth below has been complied with. Further, provided the plans and specifications submitted by the Unit Owner have been reviewed by Declarant's construction professionals, the Condominium Board will not require the Unit Owner to submit the plans and specifications to the Condominium Board's construction professionals for review. Such approval may be conditioned, in the discretion of Declarant and the Condominium Board, upon the Unit Owner's compliance with the following:

(i) The Unit Owner shall submit to Declarant (for so long as Declarant owns any Unsold Units) or to the Condominium Board (after Declarant ceases to own any Unsold Units) proposed plans and specifications (the "**Proposed Plans**") for the Work that the Unit Owner wishes to perform. Such Proposed Plans must be prepared by an architect or engineer licensed to practice in the State of New York engaged by the Unit Owner (the "**Unit Owner's Architect**") at the Unit Owner's sole cost and expense.

(ii) The Unit Owner shall submit an estimate prepared by a contractor licensed to do business in the City of New York of the cost of the Work together with evidence of the Unit Owner's financial ability complete the Work. Any contractor engaged by a Unit Owner to perform work must be compatible and engage laborers who are compatible with any labor engaged by Declarant and/or the Condominium Board in or about the Building and the Development Area.

(iii) Simultaneously with the submission of the Proposed Plans, the Unit Owner shall submit to Declarant or to the Condominium Board (whichever is applicable) for transmission to the architect or engineer reviewing same, his check, to order of such licensed architect or engineer as Declarant or the Condominium Board (as the case may be) has engaged (the "**Building's Architect**") to review the Proposed Plans, in payment of the fee of the Building's Architect in connection with the review of the Proposed Plans.

(iv) The Unit Owner shall, promptly, and in no event later than 45 days from the date that the Unit Owner is notified of any changes that may be required in his Preliminary Plans, at is sole cost and expense, cause such Unit Owner's Architect to make all changes that may be required by Declarant, the Condominium Board and the Building's Architect. The Unit Owner shall promptly pay such additional fee(s) as may be incurred in connection with the review by the Building's Architect of any such changes.

In this regard, each Unit Owner acknowledges that Declarant, the Condominium Board and the Building's Architect may each deny or condition their approval of or require the Unit Owner to make changes in and to the Unit Owner's Plans and Specifications for a broad range of reasons, including, without limitation, compliance with applicable law, concerns regarding the impact of the Work on the capacity of Building Systems and Facilities, concerns about the impact and/or potential encroachment of the Work (both during construction and as ultimately completed) on other Unit Owners, other Units, the Common Elements, and/or the Garage Facility, the impact of the Work on Declarant's ability to market Unsold Units, the need or desirability of coordination the Work proposed by the Unit Owner with Work to be performed by other Unit Owners and potential costs, if any (such as increased utility or insurance costs) resulting from the Work.

The Unit Owner shall execute an agreement in form and content reasonably satisfactory to Declarant or the Condominium Board, as the case may be, incorporating the provisions of this section and any other conditions as may be imposed by either of them in connection with the Work.

(v) The Unit Owner shall submit the revised Proposed Plans to the Declarant, the Condominium Board and the Building's Architect for approval and shall comply with any further comments regarding the Proposed Plans within fifteen (15) days.

(vi) The Unit Owner shall obtain all applicable governmental approvals and permits at his sole cost and expense and provide a copy thereof to Declarant and the Condominium Board within three (3) business days following receipt, but in all events prior to the commencement of the Work.

(vii) The Unit Owner shall, at his sole cost and expense, prior to the commencement of the Work obtain and provide evidence of such insurance coverage, including coverage for the types of risks and at such minimum policy limits as may be required by Declarant and the Condominium Board in connection with the Work. The insurance policies obtained by the Unit Owner must name Declarant and the Condominium Board as additional insured parties, must provide that they may not be canceled without thirty (30) days' prior written notice to Declarant and the Condominium Board and must be maintained in effect until the Work is complete and all governmental "sign-offs" and approvals have been obtained. Declarant and the Condominium Board reserve the right to require the Unit Owner's contractor (the "**Contractor**") to maintain in effect during the

course of the Work such types and amounts of insurance coverage as they may reasonably determine.

(viii) The Unit Owner shall only engage the services of a contractor(s) and professionals who are duly licensed to perform the services for which they have been engaged. The Unit Owner shall submit to the Managing Agent the name of the contractor(s) and professionals together with evidence that such contractor(s) and professionals satisfy the requirements of this section.

(ix) The Unit Owner shall, within thirty (30) days of receipt of approval commence the Work and proceed with all due diligence to complete same.

(x) The Unit Owner shall notify Declarant and the Condominium Board immediately in the event any hazardous situation or emergency situation arises during the performance of the Work and shall immediately take all steps as may be appropriate to correct such hazardous situation.

(xi) Declarant, the Condominium Board and the Managing Agent and any professionals engaged by any of them shall have the right to inspect the Unit and the Work from time to time, without notice to the Unit Owner. However, no such inspection shall be deemed to be either (I) a waiver of compliance or (ii) a determination as to compliance or conformance of such Work with applicable laws.

(xii) In the event that any hazardous situation or emergency situation, Declarant, the Condominium Board and the Managing Agent may each, without notice to the Unit Owner, take all steps as may necessary, appropriate or desirable to cure, correct or alleviate such hazardous condition or emergency situation. The cost of any such cure, correction or alleviation shall be borne by the Unit Owner, paid by the Unit Owner within ten (10) days of being billed and, if billed by the Condominium Board, shall constitute a lien on his Unit (similar to the lien of Common Charges) until paid.

(xiii) If the Unit Owner fails to pursue the Work to completion with due diligence, Declarant, the Condominium Board and the Managing Agent shall each have the right (but not the obligation) to complete the Work in accordance with the Unit Owner's Plans, at the expense of the Unit Owner. The cost of such completion shall be borne by the Unit Owner and shall be paid by the Unit Owner within ten (10) days of being billed, and, if billed by the Condominium Board, shall constitute a lien on the Unit (similar to the lien of Common Charges) until paid.

(xiv) The Unit Owner shall, within thirty (30) days of the imposition thereof, cause all mechanics liens and other liens to be bonded or discharged.

(xv) The Unit Owner shall deliver a set of "as-built" plans to the Condominium Board at the Unit Owner's expense.

(xvi) Promptly, but in no event later than thirty (30) days following the completion of the Work, the Unit Owner shall obtain and provide to the Condominium Board all governmental "sign-offs" and documents evidencing the completion of the Work in accordance with all Applicable Law.

(xvii) Declarant, the Condominium Board and the Managing Agent each reserve all rights at law and in equity (including the right to injunctive relief) to enforce the provisions of this section and any agreement made by any of them with a Unit Owner in connection with Work to be performed by such Unit Owner.

(xviii) Unit Owners are advised that for so long as Declarant owns at least one Unsold Unit, Declarant reserves the right to require the Unit Owner to utilize a contractor and other professionals approved by Declarant in connection with the performance of the Work.

The Condominium Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit on a prompt and diligent basis. Any 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 permitted hereunder shall be executed by the Condominium Board of Managers, without, however, incurring any liability on the part of the Condominium Board of Managers to any contractor, subcontractor or materialman 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.

(b) No Residential Unit Owner shall, without obtaining the prior written consent of the Condominium Board of Managers construct any additions to the exterior of his Residential Unit and any Limited Common Elements (including the exterior walls of the Building encompassing the Residential Unit), make structural changes to any of the Common Elements, or excavate or otherwise alter Common Elements, whether such Common Elements be located in, under or adjacent to the Building.

(c) Notwithstanding anything to the contrary contained in paragraphs (a) and (b) of Section 12 of Article V, Declarant shall have the right to (i) perform additions, alterations and improvements to its Units, whether interior, exterior, structure or non-structural, ordinary or extraordinary and (ii) subdivide, combine and change the boundary walls of Units, all without the approval of the Condominium Board of Managers or any Unit Owner.

(d) All additions, alterations and improvements in and to a Unit performed by a Unit Owner shall be made in compliance with applicable law.

Section 13. Right of Access. A Unit Owner shall give access to his Unit to the manager and/or the managing agent and/or any other person(s) authorized by the Condominium Board of Managers, the manager or the managing agent, for the purpose of (i) making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, (ii) performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere on the Property, (iii) correcting any condition which violates the provisions of any mortgage covering another Unit, (iv) removing violations of governmental laws or regulations against any part of the Property, (v) curing any defaults under the Declaration and the By-Laws, and (vi) for any purpose set forth in the HOA Declaration, provided that in each case except as provided below, the requests for entry are made at least one (1) day in advance. Such right of access shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business in or use of the Unit. In case of an emergency, such right of access shall be immediate, without advance notice whether the Unit Owner is present at the time or not. The foregoing shall not be deemed as prohibiting a Unit Owner from having a representative present when such access is given to the Condominium Board of Managers.

Section 14. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations concerning the use of the Units and Common Elements (such rules and regulations as amended from time to time are sometimes herein referred to as the "Rules and Regulations"). Except as provided in the Declaration, the Condominium Board of Managers may from time to time amend such Rules and Regulations in such manner as shall be reasonably necessary for the proper operation of the Building, except that (i) a Majority in Common Interest of the Unit Owners may overrule the Condominium Board of Managers with respect to any such amendment and (ii) no such amendment may have a material adverse effect upon the Declarant or its designees, or the Units owned by any of them, unless approved by the Declarant and its designees, as the case may be. Copies of such Rules and Regulations as amended shall be furnished by the Condominium Board of Managers to each Unit Owner not less than thirty (30) days prior to the effective date thereof. The terms "amend," "amended" or "amendment," as used in this Section, shall also mean deleting or adopting a rule or regulation.

The Condominium Board shall have the right to require each Parking Space Unit Owner to provide, within five (5) days following written request, a registration for any vehicle parked in such Parking Space Unit Owner's Parking Space Unit, evidencing such Parking Space Unit Owner's compliance with Paragraph 7 of the Condominium Declaration and the terms and conditions of the Development Declaration and, upon such Parking Space Unit Owner's failure to provide such evidence, the Condominium Board shall be entitled to exercise those rights and remedies as are set forth in Section 10 of Article V of the Condominium By-Laws. The foregoing provision shall be inapplicable to Parking Space

Units owned by Declarant, the Holder of Unsold Parking Space Units or the Garage Facility Owner.

Section 15. Real Estate Taxes. Except as provided below, until the Units are separately assessed for real estate tax purposes, the Condominium Board of Managers as agent of the Unit Owners shall promptly pay all real estate taxes levied with respect to the Property as a Common Expense and the Common Charges collected from Unit Owners to meet this Common Expense shall be earmarked for this purpose.

Section 16. Water Charges and Sewer Rents. If there are water charges and sewer rents assessed against the Property, then, unless and until such charges are separately billed to each Unit Owner by the appropriate authority, such charges shall promptly be paid by the Condominium Board of Managers as a Common Expense. If any of the Units are separately metered for water then the owner thereof shall directly pay to the proper authority the water charges and sewer rents computed on the basis of the consumption metered for his Unit.

Section 17. Gas. Gas may be supplied by the public utility company serving the area to each Unit for cooking and/or laundry purposes through separate meters and the owner of such Unit shall be required to pay the bills for gas consumed or used in his Unit. To the extent that gas is supplied to more than one Unit measured by a meter for such Units, the cost of such gas shall be a Common Expense payable by the owners of such Units.

Section 18. Electricity. Electricity for the Units shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and the owner of such Unit shall be required to pay the bills for electricity consumed or used in his Unit. In the event that one such meter measures the consumption of electricity in more than one Unit, then all such Units shall pay their pro rata share (as reasonably determined by the Condominium Board of Managers) of the consumption of electricity measured by such meter. Except as provided in Section 9 of the Declaration, a Unit Owner shall not exceed the capacity of existing feeders, risers or wiring installations and shall not use any electrical equipment which in the reasonable opinion of the Condominium Board of Managers will overload such feeders, risers or installations.

Section 19. Heating. The Condominium Board of Managers shall supply forced hot water to the terminal through-the-wall combination packaged units in each Residential Unit during such times as the Condominium Board of Managers shall establish from time to time, provided that heat shall be supplied at least at such times as is required by law in multiple dwellings and the cost of furnishing same shall constitute a Common Expense.

Section 20. Vault Charges. All license fees and all periodic taxes and charges for vaults or other protrusions beyond each Building line assessed against the Property shall be fairly and equitably apportioned by the Condominium Board of Managers between

or among the Units having the right to use such vault or other protruding space as provided in the Declaration.

Section 21. Utilities Serving the Common Elements. The costs and expense of heat, water and sewer, electricity and gas serving or benefitting the Common Elements shall be a Common Expense.

Section 22. Charges and Special Assessments Imposed by the Oceana Homeowners Association. All charges and special assessments imposed by the Oceana Homeowners Association shall be a Common Charge payable by (a) all Residential Unit Owners, if such charges related to the administration, use, maintenance, operation, repair, replacement or altercation of the recreation facilities [i.e., the club house (including the health club, swimming pools and other facilities], the Brighton Beach Avenue open space and the Tot Lot) and (b) all Unit Owners in all other cases.

Section 23. Interruption in Utilities. The Condominium Board of Managers shall have the right to interrupt all utilities for the purposes of dealing with accidents, strikes and repairs, alterations, improvements, and the like. The Condominium Board of Managers shall have no liability to any Unit Owner for any such interruption. However, the Condominium Board of Managers shall make all reasonable efforts to minimize the extent of such interference.

Article VI

Selling, Leasing and Mortgaging of Units

Section 1. Notice to Condominium Board of Managers. A Unit Owner who mortgages his Unit shall notify the Condominium Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board of Managers. The mortgage lien of any mortgagee of a Unit shall be subordinate to the terms and provisions of the Declaration, By-Laws and Rules and Regulations, including, without limitation, the provisions of Section 9 of the Declaration, and any such mortgage that fails to provide for such subordination shall nonetheless be deemed to provide for such subordination. Although no further instrument shall be required to effectuate such subordination, each mortgagee of a Unit, by accepting such mortgage, agrees to execute and deliver any instruments and documents reasonably requested to be executed and delivered by the Condominium Board of Managers in connection with the confirmation of such subordination. A Unit Owner who satisfies a mortgage covering his Unit shall also notify the Condominium Board of Managers thereof and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board of Managers. The Condominium Board of Managers shall maintain the information received pursuant to this Section 1 in a book entitled "Mortgages of Units."

Section 2. Notice of Default and Unpaid Common Charges. Whenever so requested in writing by the mortgagee of a Unit, the Condominium Board of Managers shall promptly report to such mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws, which default may to the Condominium Board's knowledge then exist. The Condominium Board of Managers, when giving notice to a Unit Owner of any such default, shall also send a copy of such notice to each holder of a mortgage covering such Unit whose name and address shall have theretofore been furnished to the Condominium Board of Managers.

Section 3. Performance by Mortgagees. The Condominium Board of Managers shall accept payment of any sum or performance of any obligation by any mortgagee of a Unit Owner required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations with the same force and effect as though paid or performed by such Unit Owner.

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, but not more than once a month.

Section 5. Selling and Leasing. Except as provided in Section 10 of this Article VI no Unit Owner may sell or lease his Residential Unit or Parking Space Unit, without complying with the following provisions:

(a) Any Residential Unit Owner or Parking Space Unit Owner who receives a bona fide offer to (a) purchase his Residential Unit or Parking Space Unit covered by the provisions of this Section 5 ("Offeree Unit") together with its Appurtenant Interest or (b) lease his Offeree Unit (such offer to purchase or lease an Offeree Unit, as the case may be, is called an "Offer", the party making any such Offer is called an "Offeror" and the owner of the Offeree Unit to whom the Offer is made is called an "Offeree"), which he intends to accept shall give notice by certified or registered mail to the Condominium Board of Managers of the receipt of such Offer. Said notice shall also state the name and address of the Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or the intended occupancy date in the event of a lease) and such other information as the Condominium Board of Managers may reasonably require. The giving of such notice to the Condominium Board of Managers shall constitute an

offer by such Unit Owner to sell (or lease, as the case may be) his Offeree Unit to the Condominium Board of Managers, or its designee, on behalf of all other Unit Owners upon the same terms and conditions as contained in such Offer and shall also constitute a representation and warranty by the Offeree who has received such Offer, to the Condominium Board of Managers on behalf of all Unit Owners, that such Offeree believes the Offer to be bona fide in all respects. The Offeree shall submit in writing such further information with respect thereto as the Condominium Board of Managers may reasonably request. Not later than five (5) business days after receipt of such notice together with such further information as may have been requested, the Condominium Board of Managers may elect, by sending written notice to such Offeree before the expiration of said five (5) business day period, by certified or registered mail, to purchase such Offeree Unit together with its Appurtenant Interest or to lease such Offeree Unit, as the case may be (or to cause the same to be purchased or leased by its designee) on behalf of all Unit Owners, for upon the same terms and conditions as contained in the Offer and as stated in the notice from the Offeree. If the Offeree Unit consists solely of a Parking Space Unit covered by paragraph (b) below, the Condominium Board of Managers shall send a copy of such notice to Defendant within such five (5) business day period.

(b) In addition, for the first ten (10) years following the recording of the Condominium Declaration, if a Unit Owner receives a bona fide Offer to purchase or lease a Parking Space Unit covered by the provisions of this Section 5 of Article VI, which offer does not include a simultaneous offer to purchase or lease the Unit Owner's Residential Unit, which Offer he intends to accept, such Unit Owner shall give notice by certified or registered mail to Declarant. Said notice shall contain all of the information regarding such offer as is required in the preceding paragraph (a) with respect to a notice to the Condominium Board of Managers. Such notice to Declarant shall constitute an offer by such Unit Owner to sell or lease, as the case may be his Offeree Unit to Declarant or its designee, corporate or

otherwise, upon the same terms and conditions as contained in such Offer and shall also constitute a representation and warranty to Declarant by the Offeree who has received such Offer that he believes the Offer to be bona fide in all respects. In addition, the Unit Owner shall submit in writing such further information with respect thereto as Declarant may reasonably request. Not later than five (5) business days after receipt of such notice together with such further information as may have been requested, Declarant may elect by sending written notice by certified or registered mail to such Offeree, with a copy to the Condominium Board of Managers, to purchase or lease such Offeree Unit (as the case may be) for Declarant's own account (or to cause same to be purchased or leased by its designee), upon the same terms and conditions as contained in the Offer and as stated in the notice from the Offeree. If both the Condominium Board of Managers and Declarant elect to purchase or lease in accordance with the foregoing provisions, Declarant's election shall prevail except if Declarant shall have withdrawn such election within five (5) business days following its receipt of notice from the Condominium Board of Managers of an election by the Condominium Board of Managers to purchase or lease, in which case such purchase or lease shall be consummated by the Condominium Board of Managers.

(c) In the event that the Condominium Board of Managers or Declarant shall timely elect to purchase such Offeree Unit together with its Appurtenant Interest or to lease such Offeree Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed at the office of the attorneys for the Condominium Board of Managers or Declarant (as the case may be), in accordance with the terms of the Offer, within forty-five (45) days after the giving of notice by the Condominium Board of Managers or Declarant (as applicable) of its election to accept the aforesaid Offer, and the Condominium Board of Managers (or Declarant as applicable) shall then be required to perform or cause to be performed all of the terms of the Offer (except as otherwise expressly set forth in this Article VI) including, but not limited to, payment of a down payment or advance rentals and

security deposits, or closing of title or acceptance of occupancy, as the case may be and such closing of title or the commencement of the term of the lease shall be on the date set forth in the notice to the Condominium Board of Managers or Declarant referred to in this Section 5 of Article VI as the intended closing date or commencement date, as the case may be. If pursuant to such Offer, the Offeror was to assume, or take title to the Offeree Unit subject to, the Offeree's existing mortgage or mortgages, the Condominium Board of Managers or Declarant may purchase the Offeree Unit and assume, or take title to the Offeree Unit subject to, said existing mortgage or mortgages, as the case may be. At the closing, the Offeree, if such Offeree Unit together with its Appurtenant Interest is to be sold, shall convey the same to the Condominium Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners or to Declarant, by deed in the form required by Section 339-0 of the Real Property Law of the State of New York with all tax and/or documentary stamps affixed at the expense of such Offeree, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree and the Condominium Board of Managers or Declarant, as of the closing date. In the event such Offeree Unit is to be leased, the Offeree shall execute and deliver to the Condominium Board of Managers, or its designee or Declarant or its designee, a lease between the Offeree, as landlord, and the Condominium Board of Managers, or its designee or Declarant, as tenant, covering such Offeree Unit, for the rental and term contained in such Offer.

(d) In the event that either the Condominium Board of Managers or Declarant, or its designee shall fail to accept such Offer within five (5) business days after receipt of notice together with such further information as may have been requested as aforesaid, the Offeree shall have an additional ninety (90) days (immediately following such 5 business day period) to accept the Offer by executing and delivering a contract or lease, as the case may be. In the event that the Offeree shall not, within such ninety (90) day period, accept in writing

the Offer or if the Offeree shall accept the Offer within such ninety (90) day period but such sale or lease, as the case may be, shall not be consummated on or before the intended closing date or commencement date of the term of the lease, as the case may be, which is set forth in the notice to the Condominium Board of Managers and Declarant referred to in this Section 5 of Article VI, then, should such Offeree thereafter elect to sell or lease such Offeree Unit, as the case may be, the Offeree shall be required to comply again with all the terms and provisions of this Section.

(e) Any deed to an Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Development Declaration, the HOA Declaration, the HOA By-Laws and the HOA Rules and Regulations, the Condominium Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

(f) Any lease executed in connection with the acceptance by an Offeree of any Offer to lease an Offeree Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Condominium Board of Managers and Declarant (if applicable), that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board of Managers and Declarant and that the Condominium Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by tenant in the performance of its obligations under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

(g) Any lease executed by either the Condominium Board of Managers or Declarant as tenant shall provide that the Condominium Board of Managers (or Declarant, as the case may be) may enter into a sublease of the premises without the consent of the landlord, and in the

case of Declarant without the consent of the Condominium Board of Managers.

(h) Any purported sale or lease of an Offeree Unit in violation of this Section 5 of Article VI shall be voidable at the election of the Condominium Board of Managers or Declarant and if the Condominium Board of Managers shall so elect, the Offeree shall be deemed to have authorized and empowered the Condominium Board of Managers and Declarant to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Offeree as the purported landlord. Said Offeree shall reimburse the Condominium Board of Managers or Declarant (as applicable) for all expenses (including, without limitation, attorneys' fees and disbursements) incurred in connection with such proceedings. Nothing contained herein shall be deemed to limit the rights and remedies at law or in equity of either the Condominium Board of Managers or Declarant in the event of a purposed sale or lease of an Offeree Unit in violation of Section 5 of Article VI.

Section 6. Consent of Unit Owners to Purchase or Lease of Offeree Units by Condominium Board of Managers. The Condominium Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Offeree Unit without the prior approval of a Majority in Common Interest of Unit Owners. However, the Condominium Board of Managers shall have the right to release or waive such option without the prior approval of a Majority in Common Interest of Unit Owners.

Section 7. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. No Parking Space Unit may be leased by a Unit Owner (other than Declarant, if Declarant is then a Unit Owner) to other than a Residential Unit Owner or another resident of the Development Area or Declarant. Nothing in this Section shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant Common

Interest or the sale or lease by Declarant of a Parking Space Unit to a person or entity other than a Residential Unit Owner or a resident of the Development Area.

Section 8. Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Condominium Board of Managers, or its designee, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit.

Section 9. Financing of Purchase of Offeree Units by Condominium Board of Managers. The purchase of any Offeree Unit by the Condominium Board of Managers or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board of Managers. If the funds in such account are insufficient to effectuate any such purchase, the Condominium Board of Managers may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the Condominium Board of Managers may, in its discretion, finance the acquisition of such Offeree Unit, provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Offeree Unit to be purchased together with its Appurtenant Interest.

Section 10. Exceptions. The provisions of Section 5 of Article VI shall not apply to any lease, sale or conveyance of any Offeree Unit together with its Appurtenant Interest by (a) the Unit Owner thereof to his spouse, adult children, parents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof; (b) Declarant or any of its designees; (c) the Condominium Board of Managers; or (d) a mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Offeree shall be bound by, and his Offeree Unit subject to, the provision of this Article VI. The term "affiliate", when used with respect to any Unit Owner, means an individual who (or entity which) owns more than 50% of the legal or beneficial interest in such Unit Owner, or any entity in which such Unit Owner owns more than a 50% interest, legal or beneficial.

Section 11. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, or may devise his Unit by will or have his Unit pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article VI.

Section 12. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Unit unless and until he shall have paid in full to the Condominium Board of Managers all unpaid Common Charges theretofore assessed by said Condominium Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his Unit, other than any mortgages.

Section 13. Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction. However, the Unit Owner shall comply with the provisions of Section 1 of this Article VI.

Section 14. Permitted Mortgage. The term "Permitted Mortgagee" shall mean a holder of a Permitted Mortgage. The term "Permitted Mortgage" shall mean any mortgage of record against a Unit.

Article VII

Eminent Domain

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 Condominium Board of Managers if such award amounts to $125,000.00 or less, and to the Insurance Trustee if such award amounts to more than $125,000.00 If 75% or more in Common interest of all Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Condominium Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Condominium 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. If the net proceeds of any such award are insufficient to cover the cost of any repairs or restorations, the deficit will be a Common Expense. In the event that 75% or more in Common Interest of all Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, or in the event that there are excess proceeds remaining after such repair or restoration, then in such event the Condominium Board of Managers, or the Insurance Trustee, as the case may be, 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 3 of Article V of these By-Laws. In the event of a partial taking by condemnation or by eminent domain which results in a disproportionate taking of the space of each Unit so that one Unit is left with proportionately less space compared to the other Unit than was the case prior to such taking, then the Common Interests of the Unit Owners shall be equitably adjusted by the Condominium Board of Managers.

Section 2. Awards for Trade Fixtures and Relocation Allowances. Where all or a part of the Condominium is taken in condemnation or by eminent domain, each Unit Owner shall have the exclusive right to claim all of the award made for trade fixtures installed by such Unit Owner, and any relocation, moving expense or other allowance of a similar nature designed to facilitate relocation of a displaced business concern.

Article VIII

Records

Section 1. Records and Audits. The Condominium Board of Managers or the managing agent shall keep detailed records of the actions of the Condominium Board of Managers and the managing agent, minutes of the meetings of the Condominium Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against each Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Condominium Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same, within four (4) months after the end of each fiscal year. The cost of such report shall be paid by the Condominium Board of Managers as a Common Expense.

Article IX

Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Condominium Board of Managers c/o the managing agent, or if there be no managing agent, to the office of the Condominium Board of Managers or to such other address as the Condominium Board of Managers may hereafter designate from time to time, by notice in writing to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Property or to such other address as may have been designated by him from time to time, in writing, to the Condominium Board of Managers. All notices shall be deemed to have been given or served when sent as provided above as of the date of mailing, except notices of change of address which shall be deemed to have been given when received.

Section 2. Severability. If any provision of these By-Laws is invalid or unenforceable against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

Section 3. 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 these By-Laws, or the intent of any provision hereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these By-Laws including without limitation the Rules and Regulations 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 thereof which may occur.

Section 6. Title to Units. Title to Units may be taken in the name of an individual, the names of two or more persons as tenants in common, joint tenants or tenants by the entireties, in the name of a corporation, partnership, association, trustee or other legal entity, or any combination of any of the foregoing.

Section 7. Successors and Assigns. The rights and/or obligations of the Unit Owners as set forth in these By-Laws and the Declaration shall inure to the benefit of and be binding upon the Condominium Board of Managers and the Unit Owners and their successors and assigns.

Section 8. Insurance Trustee. The Insurance Trustee shall be The Bank of New York, so long as such bank is the holder of a certain mortgage made by Declarant to such bank, and thereafter a bank or trust company in the State of New York, designated by the Condominium Board of Managers and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or is replaced by the Condominium Board of Managers, the Condominium Board of Managers shall appoint a new Insurance Trustee which shall be a bank or trust company having an office located in the State of New York having a capital surplus and undivided profits of $500,000,000 or more. The Condominium Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the New York Real Property Law.

Section 9. Consents. Wherever in this Declaration or these By-Laws the consent of the Condominium Board of Managers is provided, such consent shall be sufficient and effective if given by the Condominium Board of Managers and the consent of the Unit Owners shall, unless otherwise provided in the Declaration or these By-Laws, not be required.

Article X

Amendments to By-Laws

Section 1. Amendments to By-Laws. Except as provided in the Declaration and below, these By-Laws may be amended by the vote of not less than 66 ⅔% in number and in Common Interest of all Unit Owners, at a meeting of the Unit Owners duly held for such purpose, provided, however, that (i) if Declarant, or its designees shall not have voted in favor of such amendment, then such amendment shall not be effective unless reasonably necessary or convenient to the conduct of the affairs of the Condominium and/or operation of the Property and such amendment shall not decrease the rights of the Declarant or its designees or increase the obligations of the Declarant or its designees and (ii) such amendment shall not be effective against a holder of a mortgage of record affecting a Unit, unless such holder shall consent thereto in writing, which consent shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary contained herein, without the consent of every Unit Owner affected by such amendment, (a) no provision of these By-Laws (including, without limitation, the Rules and Regulations) relating to the use of Units or appurtenant Common Interests may be amended, (b) no By-Law may be amended which would in any way affect the rights of the Declarant or its designees under Section 9 or Section 11 of the Declaration and (c) the provisions of this Article X may not be amended. The terms "amend," amended" or "amendment" as used in these By-Laws shall also be deemed to mean deleting a provision of the By-Laws or adopting a new By-Law.

Article XI

Conflicts

These By-Laws (including without limitation the Rules and Regulations) are intended to comply with the requirements of Article 9B of the Real Property Law of the State of New York and all other applicable laws. In case any of these By-Laws or any provision of the Rules and Regulations shall conflict with the provisions of said statute, the Declaration or any other applicable law, then the provisions of said statute, the Declaration or such other applicable law, as the case may be, shall control.

Article XII

Arbitration

An arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having

jurisdiction. In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by the Supreme Court of the State of New York, in the County of New York. Each party to any such arbitration shall bear his own legal fees and expenses and other fees and expenses in prosecuting and/or defending, as the case may be, the arbitration. However the cost of the arbitrator shall be shared equally by the parties to the arbitration. All costs and expenses of the Condominium Board of Managers in any such arbitration hereunder, including the fees and expenses of counsel and experts, shall be a Common Expense.

SCHEDULE A TO THE BY-LAWS

RULES AND REGULATIONS OF OCEANA CONDOMINIUM NO. THREE

1. The sidewalks, entrances, lobby, passages, public halls, elevators, vestibules, corridors, stairways or any other part of the General Common Elements (except for those areas designated as storage areas) shall not be obstructed or used for any purpose other than ingress to and egress from the Units and the garage. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building.

2. No velocipedes, bicycles, scooters, baby carriages, or similar vehicles shall be allowed to stand in the public halls, passageways or other public areas of the Building.

3. No public hall, lobby, vestibule, elevator, corridor, stairway or any other part of the General Common Elements shall be decorated or furnished by any Unit Owner in any manner.

4. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the passages, halls, vestibules, elevators, corridors, or on any of the staircases or fire stair landings of the Buildings, nor shall any fire exit thereof be obstructed in any manner.

5. All service and delivery persons shall be required to use such entrance of the Building as is designated by the Condominium Board. In addition, all servants, messengers and tradespeople visiting the Buildings shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress and shall not use any of the other elevators for any purpose.

6. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated as is by the Condominium Board or the Managing Agent for that purpose and only through such entrances of the Buildings designated by the Condominium Board.

7. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or shall be dried or aired on any open terrace.

8. The storage rooms, if any, which are not part of, or attached to, any particular Unit of the Building shall be used by all Unit Owners, in common, only for the storage of trunks, bags, suitcases and packing cases, all of which shall be empty, and for the storage of such other articles as the Condominium Board, in its sole discretion, may determine from

time to time. Supervision, management and control of the storing and removal of a Unit Owner's property from the storage rooms shall be vested in the Condominium Board. The use of the storage rooms, if any, shall be at the sole risk of the Unit Owner or other Person using them, and the Condominium Board, its agents or the Managing Agent shall not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Condominium Board, its agents, the Managing Agent or otherwise.

9. All refuse from the Units shall be deposited by Unit Owners in those areas of the Building provided for that purpose at such times and in such manner as the Condominium Board or the Managing Agent may direct. Unit Owner shall comply with all regulations, requirements and directions regarding recycling of refuse. Nothing shall be hung or shaken from any doors, windows or open terraces, or placed upon the window sills of the Building, and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt, debris or other substance therefrom.

10. There will be no playing or lounging in the entrances, passages, public halls, vestibules, elevators, corridors, stairways or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

11. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements used for storage, recreational or service purposes in the Building.

12. Nothing shall be done or kept in any Unit or in the Common Elements that shall increase the rate of insurance on the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that shall result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Applicable Law.

13. No Unit Owner or any of his Family Members, agents, servants, employees, licensees or guests shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as is necessary and appropriate for the permitted uses of such Unit or its appurtenant Limited Common Elements.

14. There will be no barbecuing or cooking in the Units, in their appurtenant Limited Common Elements, or in the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board to the extent permitted by applicable law.

15. No Unit Owner shall make, cause or permit any unusual, disturbing or objectionable noises, activities or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that interferes with the rights, comforts or conveniences of the other Unit Owners. No Unit Owner shall play or suffer to be played any musical instrument, practice or suffer to be practiced vocal music, or operate or permit to be operated a computer, sound system, tapedeck, compact disk player, radio, television set, loudspeaker or other electronic equipment in such Unit Owner's Unit between midnight and the following 8:00 a.m., if such activity disturbs or annoys other occupants of the Building. In no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 11:00 p.m. and the following 8:00 a.m. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (excluding Holidays) and only, between the hours of 8:00 a.m. and 5:00 p.m., without prior written consent of the Condominium Board, unless such construction or repair work is necessitated by an emergency.

16. No bird, reptile or other animal shall be permitted, raised, bred, kept, or harbored in the Building unless permitted in writing by Declarant (for so long as Declarant owns at least one Unsold Unit) and thereafter by the Condominium Board or the Managing Agent. Neither the Declarant nor the Condominium Board or Managing Agent shall grant such consent except for a maximum of two pets comprised only of dogs or/or cat who are not expected to exceed 50 pounds when fully grown, and provided that the Unit Owner to whom such consent is granted carefully supervises such pets and complies with all Rules and Regulations applicable thereto. Any such consent, if given, shall be revocable at any time by Declarant the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile or other animal be permitted in any of the public portions of the Building, unless carried or on a leash. No pigeons or other birds or other animals shall be fed from the window sills, patios, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

17. No Unit Owner shall install any plantings on any balcony or terrace without the prior written approval of the Condominium Board.

18. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the prior consent of the Condominium Board or the Managing Agent in each instance.

19. In the event that any Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients or other invitees shall be permitted to wait in any lobby, public hallway or vestibule.

20. Unless expressly authorized by the Condominium Board in each instance, not less than eighty (80%) percent of the floor area of each Residential Unit (excepting only

kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

21. No window guards or other window decorations shall be used in or about any Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass services of any windows at the Property be colored or painted.

22. No ventilator or air-conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval shall not be unreasonably withheld or delayed.

23. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement or illumination (including, without limitation, "**For Sale**", "**For Lease**" or "**For Rent**" signs) shall be inscribed or exposed on or at any window, door, or other part of the Building, except as such are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any door or window of a Unit without similar approval.

24. All radio, television, computer or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction. The Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in his Unit or its appurtenant Limited Common Elements.

25. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Unit Owner of such Unit.

26. Each Unit Owner shall keep his Unit and its appurtenant Limited Common Elements in a good state or preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

27. The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry,

inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

28. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care under the circumstances is given to such Unit Owner's property).

29. If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 28 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

31. Any consent or approval given under these Rules and Regulations may be amended, modified, added to or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

32. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

33. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

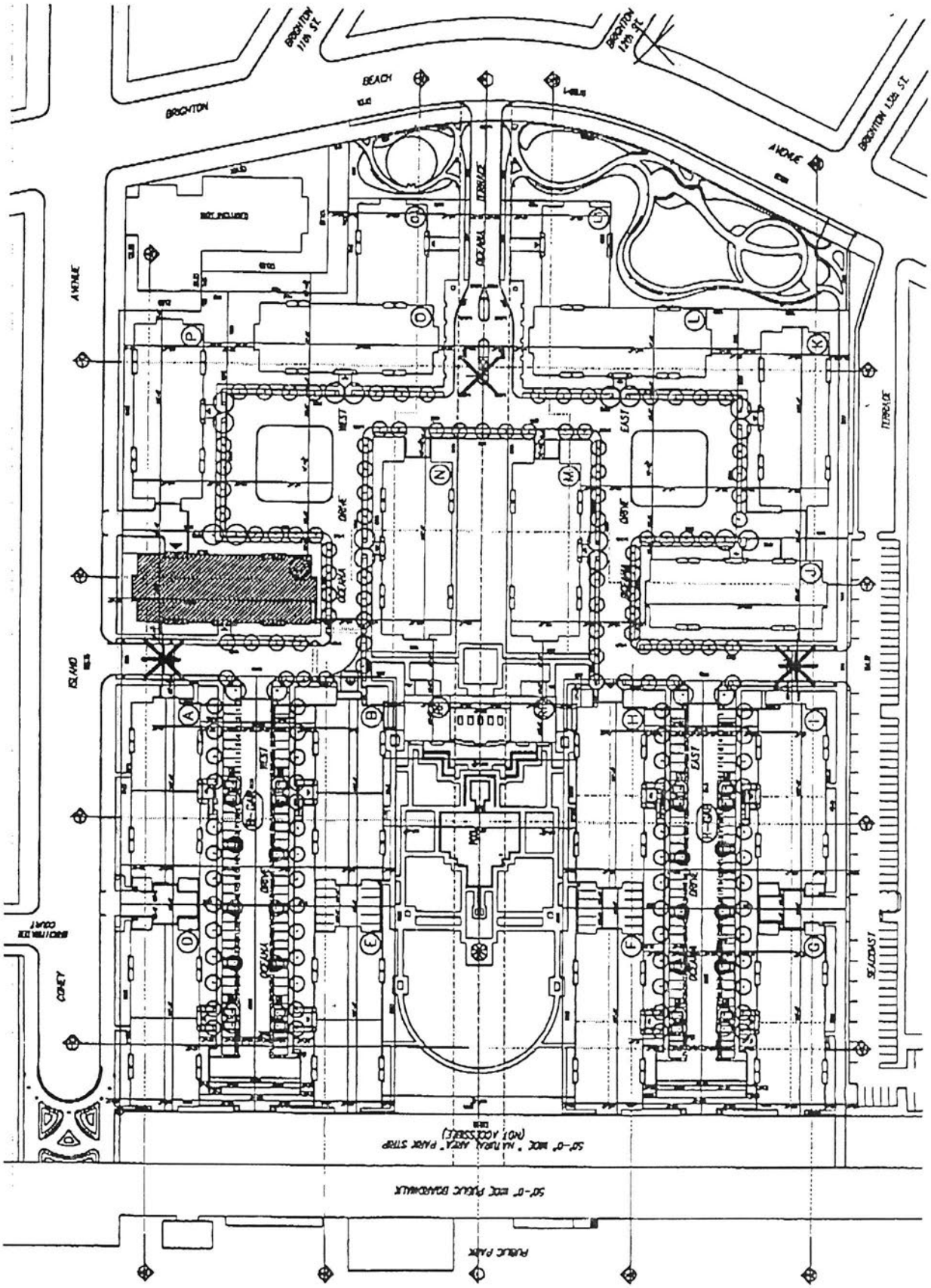
34. Unless a Limited Common Element for the exclusive use of a Unit Owner, no roof-top areas of the Building shall be used at any time or for any reason by Unit Owners, their Family Members, guests, servants, employees, agents, guests or licensees, other than with the prior written consent of the Condominium Board in the case of repairs, maintenance and other similar circumstances.

35. No recission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant will operate as a recission, alteration or waiver in respect of any other Unit Owner or other occupant.

OCEANA BUILDING "C" SITE PLAN

S.L.C.E. ARCHITECTS

FEB.-02-2000



DECLARATION OF COVENANTS, CONDITIONS EASEMENTS AND RESTRICTIONS

RELATING TO PREMISES KNOWN AS

OCEANA

BROOKLYN, NEW YORK

DECLARATION made this __ day of _____, _____ , by BRIGHTON DEVELOPMENT LLC, a Delaware limited liability company having an office at 118-35 Queens Boulevard, Forest Hills, New York 11375 (hereinafter called "Declarant").

Statement of Facts

Declarant is the owner of that certain plot, piece and parcel of land located in the City and State of New York, County of Kings described on Exhibit A annexed hereto. Declarant has constructed and intends to construct certain additional improvements thereon. Such land, together with all of the improvements constructed and to be constructed thereon, are hereinafter collectively called the "**Development Area.**"

The Development Area is intended to be used as and for (i) residential purposes, parking facilities, (ii) permanent open space, (iii) common facilities (including recreation facilities) for the benefit, enjoyment and use of the respective owners, tenants, residents and other occupants of the Development Area. Declarant intends, from time to time to convey all of its right, title and interest in and to certain open spaces and other common facilities to Oceana Homeowners Association, Inc. (hereinafter called the "**Association**"), a corporation formed under the not-for-profit corporation law of the State of New York. A copy of the Certificate of Incorporation of the Association is annexed hereto as Exhibit B. In addition, Declarant intends to record this Declaration against the entire Development Area (other than the "Tot Lot"). Further, each owner of a Lot situated within the Development Area shall be a member of the Association.

In order to preserve the value of the Development Area and each portion of the same, as well as to provide for the efficient operation, maintenance and administration of the open spaces and other common facilities forming parts thereof, Declarant now desires to:

1. subject the Development Area, to the covenants, restrictions, easements, conditions, charges and liens hereinafter set forth; and

2. vest the Association with the duties and powers of (i) maintaining, operating and administering the Development Area, (ii) maintaining, operating and

administering certain "Off-Site Improvements," (iii) otherwise performing certain obligation as defined and described in, and in compliance with the provisions of that certain zoning Declaration dated as of July 30, 1998 made by Alexander Muss & Sons and recorded in the office of the register of the City of New York, County of Kings in Reel 4371, page 652 on January 12, 1999, as same may be amended from time to time (the "**Development Declaration**") and (iv) administering and enforcing the covenants, restrictions, easements, conditions and liens, and collecting and disbursing the charges set forth and/or provided for herein or in the HOA By-Laws.

NOW, THEREFORE, in order to provide for the congenial use and occupancy of the Development Area, the protection of the value of the Development Area and all portions of the same and the efficient operation, maintenance and administration of the portions of the Development Area to be used in common by the respective owners, tenants, residents and other occupants of the same, Declarant hereby declares, for itself, as well as for its successors and assigns as the owner(s) of all or any portion of the Development Area, that the Development Area is, and at all times hereafter shall be, held, transferred, sold, conveyed, used, enjoyed and occupied subject to the covenants, restrictions, easements, conditions, charges and liens hereinafter set forth:

ARTICLE 1

GENERAL

Section 1.1 Definitions. All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.2 Applicability of this Declaration. This Declaration, including, without limitation, the respective Exhibits annexed hereto, is applicable to the Development Area (including, without limitation, to each of the Lots and the HOA Property situated therein) and to the use enjoyment and occupancy of each and every portion thereof.

Section 1.3 Declaration Binding on All Lot Owners. Each "Lot Owner" (as such term is defined in the Development Declaration) whose Lot comprises part of the Development Area shall be bound by this Declaration, the Development Declaration, and all other Association Documents as each of the same may be amended from time to time; and any person accepting a deed to any Lot comprising part of the Development Area or a lease covering any Apartment or otherwise succeeding to the interests of such a Lot Owner or tenant shall have conclusively be deemed to have agreed, by such acceptance or succession, that the provisions of the Association Documents, as each of the same may

be amended from time to time, are assumed, accepted, ratified and will be complied with by such Person.

However, the foregoing is not intended to include Persons who hold an interest in a Lot merely as security for the performance of an obligation. The conveyance of a Person's only Lot to another shall constitute such Person's automatic withdrawal from, and resignation of, membership in the Association.

Section 1.4 Title to Any Lot. Title to any Lot may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

ARTICLE 2

USE OF THE DEVELOPMENT AREA

Section 2.1 General. No noxious, immoral or unlawful use shall be made of the Development Area or any portion thereof. No nuisance shall be allowed on the Development Area. No use of the Development Area or practice thereon, shall be allowed that is an unreasonable source of annoyance to the residents or occupants of the same or that unreasonably interferes with the peaceful possession or proper use of the Development Area. No waste shall be committed on, or with respect to, the Development Area. Except with the prior written consent of the Association, nothing shall be done or kept by any Person on the Development Area, that would:

(A) increase the rate of insurance for any part of the Development Area; or

(B) result in the cancellation of any policy of insurance on the Development Area or any portion thereof, or on the contents of any of the same.

All valid Laws relating to the Development Area or any portion thereof shall be complied with at the sole cost and expense of the Association, the appropriate condominium board of managers, cooperative board of directors or Lot Owner, whoever is responsible therefor.

Section 2.2 Use of the Development Area and the HOA Property. Subject to the terms of Section 2.6 below, the Development Area (including, without limitation, the HOA Property and HOA Improvements) may be used and enjoyed only for the furnishing of the services and facilities, and for the other uses and purposes, for which the same was designed and intended. No Person shall use or enjoy the Development Area including the HOA Property and HOA Improvements for such purpose, or in such manner, as shall unreasonably encroach upon the rights of other Persons to use and enjoy the same.

Section 2.3 Use of Apartments. Subject to the terms of Section 2.5 below, each Apartment shall be used only as a residence and not more than one family may occupy an Apartment at any one time. Notwithstanding the foregoing, a condominium board of managers, cooperative board of directors or the fee owner of a rental apartment building may consent to the use of an Apartment within such condominium, cooperative or rental building (as the case may be) as a professional or business office or for lawful home occupation purposes, provided such use is in compliance with Law and does not violate the then existing Certificate of Occupancy covering such Apartment. Any such consent shall be in writing and shall be personal to the Lot Owner who owns such Apartment or individual tenant (as the case may be). Any successor in title to such Lot Owner or tenant shall be required to obtain the prior written consent of the appropriate condominium board of manager, cooperative board of directors or the owner before using such Apartment for any purpose other than for residential purposes. The foregoing restriction shall be inapplicable to any retirement units or assisted living units which shall be used and occupied in accordance with the Certificate of Occupancy covering such unit (as same may be amended from time to time in accordance with Law).

Section 2.4 Use of Parking Spaces. All Unsold Parking Spaces may be used for any lawful purpose. All parking spaces that are sold or leased to "Class A Members" (as such term is defined in the HOA By-Laws) or persons who are tenants of residential rental buildings situated within the Development Area may be used only for parking passenger motor vehicles and may not be used for parking commercial vehicles.

Section 2.5 Rules and Regulations. Each Person who owns or leases any Lot or any portion thereof comprising part of the Development Area or who is a Privilege Holder shall observe and comply with the Rules and Regulations of the Association. The initial Rules and Regulations are set forth on Exhibit D annexed to this Declaration. The Association shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that:

(A) copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to each Person who owns or leases any Lot or any portion thereof comprising part of the Development Area or who is a Permit Holder not less than thirty (30) days prior to the effective date thereof; and

(B) no such amendment, modification, addition, or deletion shall be made that would abrogate or otherwise adversely affect the rights, benefits, or exemptions of Declarant.

Section 2.6 Special Rights of Declarant. Notwithstanding anything to the contrary contained in this Article 2, for so long as (i) there are any Unsold Apartments and/or (ii) there are Lots as to which any permitted construction or development has not been completed, and/or (iii) any construction obligation under the Development Declaration has

not been completed, Declarant shall have the right, without obtaining the consent of either the Association or any other Lot Owner or Member(s), and without charge or limitation, to:

(A) have its employees, contractors, subcontractors and sales agents present on all portions of the Development Area, (including each Lot and Apartment and the HOA Property and HOA Improvements);

(B) erect and maintain signs and other promotional materials (including, without limitation, "for sale" and "for rent" signs), of any size or content determined by Declarant, on, about or adjacent to any portions of the HOA Property chosen by Declarant (including, without limitation, on the exterior walls of any HOA Improvement and/or adjacent to the gate house and main entrance to the Development Area) in connection with the promotion, sale, leasing, management, or operation of the Unsold Lots, Unsold Apartments, any Garage Facility or otherwise;

(C) grant permission for the use of a portion of any Lot or Apartment as a professional or business office, or for any other purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy, if any covering such Lot or portion thereof or Apartment;

(D) subject only to compliance with Law, do and cause to be done all other things that are necessary, desirable and appropriate for the purposes of the use of any portion of the Development Area (including any HOA Property and/or one or more Apartments):

(i) as model Apartments;

(ii) as offices for the promotion, sale, rental, management and/or operation of any Apartments;

(iii) as offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change (including, without limitation, the correction of any construction defects) being performed, or to be performed, by, or on behalf of, Declarant with respect to the HOA Property, HOA Improvements and/or Apartments, parking facilities and other improvements; and/or

(iv) for the exercise, performance and discharge of Declarant's other rights and obligations under any of the following: (i) any condominium, cooperative or other offering plan affecting any portion

of the Development Area, (ii) the Development Declaration, (iii) the Association Documents, or (iv) any separate agreement with any Lot Owner; and/or

(v) for any other purpose.

In no event, however, shall Declarant be entitled to use any portion of the HOA Property or any Apartment in such a manner as will unreasonably interfere with the use of the same for its permitted purposes.

Section 2.7 Special Rights of Owners of Residential Rental Buildings, Retirement Facilities, Senior Housing and/or Assisted Living Facilities. Each owner of a residential rental building or a building used primarily as a retirement facility or a senior housing or assisted living facility shall have the right to maintain signs and other promotional materials of any size and content determined by the owner(s) of such building(s), in, on, about or adjacent to such buildings in connection with the promotion, sale, leasing, management or operation of any apartments or units situated within said building(s) provided (i) such owner obtains Declarant's prior written consent for so long as Declarant owns at least 10 Unsold Apartments, which consent shall not be unreasonably withheld, and (ii) such signage is professionally prepared and comports substantially with the style, quality, color scheme and nature of the signage maintained by Declarant and/or the Association on the Property.

ARTICLE 3
EASEMENTS

Section 3.1 Easements for the Use and Enjoyment of the HOA Property. Subject to the terms, conditions and limitations set forth in Article 2 hereof, each Lot Owner (including Declarant, for so long as there shall be any Unsold Lots), all tenants and other Permitted Occupants of the Development Area, the Selling Agent, the Managing Agent, the Association and all officers, directors, partners, employees, agents, guests, invitees and licensees of each of the foregoing shall have, in common with all of the others, an easement for ingress to, and egress from, the respective Lots and HOA Improvements over the streets, roads, walks, sidewalks, paths and other similar facilities from time to time irrespective of whether same comprise part of a Lot, the common elements of a condominium, the Development Area or HOA Property, as well as for the use and enjoyment of all of the HOA Property and HOA Improvements for their intended purposes, and each of the foregoing areas shall be subject to such easements.

Section 3.2 Easements of Subjacency, Support and Necessity. Each Lot and the HOA Property shall have easements of subjacency, support and necessity with respect to, and the same shall be subject to such easements in favor of, all of the other Lots and the HOA Property.

Section 3.3 Easements for Emergency Egress. Each Lot (but not any Apartment located thereon) and the HOA Property shall have an easement for purposes of emergency egress with respect to, and the same shall be subject to such an easement in favor of, all of the other Lots (but not the Apartments located thereon) and the HOA Property.

Section 3.4 Easements for Encroachments. If:

(A) any Improvement now encroaches upon any Lot other than the Lot designated for such Improvement, or upon any portion of the HOA Property other than such portion designated for such improvement; or

(B) any such encroachment shall hereafter occur as a result of:

(i) the settling or shifting of any Improvement;

(ii) any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change (including, without limitation, the correction of any construction defects) made to or of any Improvement constructed on the Development Area by, or on behalf of, Declarant; or

(iii) any alteration, repair, or restoration made to or of any Improvement constructed on the Development Area in accordance with the terms of this Declaration (whether by reason of a fire or other casualty, after any taking by condemnation or eminent domain proceedings, or otherwise) by or on behalf of the Association or any Member, then, and in any such event, a valid easement shall exist for such encroachment and the maintenance of the same for so long as the affected Improvement or such structure shall stand.

Section 3.5 Special Easements Reserved to Declarant. In addition to the other easements reserved to Declarant pursuant to the terms of this Article 3 in their respective capacity as Members, Declarant, and their respective officers, directors, partners, employees, contractors, subcontractors, agents, guests, invitees and licensees shall have an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Subject Property for the purposes of exercising any and all of the rights reserved to them under Section 2.6 of this Declaration and the Development Area shall be subject to such easement.

Section 3.6 Other Easements Prescribed or Allowed by Law. In addition to the specific easements set forth in this Article 3 hereof, the Development Area and every

portion thereof shall benefit from, and be subject to, all of the easements prescribed or allowed by Law.

Section 3.7 Rights to Grant Additional Easements. Declarant hereby reserves to itself, and grants to the Association, the rights to grant such additional electric, gas, cable television, telephone, water, storm drainage, sewer and other utility easements in, and to relocate any existing utility easements to, any portion of the Development Area as Declarant, or the Association, as the case may be, shall deem necessary, desirable, or appropriate for,

(A) the proper operation and maintenance of the Development Area or any portion thereof; or

(B) the general health or welfare of the respective Lot Owners, Permitted Occupants, tenants and Privilege Holders, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of any portion of the Development Area for its permitted purposes.

Section 3.8 Rights of Access in Favor of the Association. (a) Each Lot Owner shall afford to the Association, to the Managing Agent and/or to any other Person authorized by any of the foregoing a right of access to his or her parcel (including, without limitation, to any Apartment or structure constructed thereon) for the purposes of:

(A) making inspections of, or removing violations noted or issued by any governmental authority against, any portion of the Development Area;

(B) curing defaults hereunder, or violations of the Rules and Regulations, committed by such Lot Owner;

(C) correcting any conditions originating in or on his or her Lot and threatening another or any portion of the Development Area;

(D) installing, operating, maintaining, repairing, altering, rebuilding, restoring and/or replacing any HOA Improvements located in, over, under, through, adjacent to, or upon his or her Lot or elsewhere at the Development Area; and/or

(E) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Lot.

(b) The Association shall have an easement for the maintenance (including snow removal and landscaping), operation, repair, replacement of all streets, roadways and sidewalks serving the Development Area.

Section 3.9 Rights of Access in Favor of Declarant. Each Member and the Association shall afford to Declarant, to its designee and to their respective officers, directors, partners, employees, contractors, subcontractors and agents a right of access to his or her Lot (including, without limitation, to any Apartment or other Improvement) and all HOA Property, for the purposes of:

(A) the performance and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change (including, without limitation, the correction of any construction defects) being performed, or to be performed, by, or on behalf of, Declarant with respect to the HOA Property, HOA Improvements and/or the Lots (including, without limitation, any Apartment); and/or

(B) the exercise, performance and discharge of Declarant's rights and obligations under the Development Declaration, any condominium, cooperative or other offering plan affecting any portion of the Development Area and/or the Association Documents.

Section 3.10 Rights of Access in Favor of Utility Companies. All portions of the Development Area shall be subject to an easement for access in favor of each utility company (and its officers, directors, partners, employees, contractors, subcontractors and agents) servicing the Development Area or any portion thereof for the purposes of installing, operating, maintaining, repairing, modifying, altering, restoring and replacing any installations owned, used, or operated by such company in, over, under, through, adjacent to, or upon any portion of the Development Area.

Section 3.11 Rights of Access of Privilege Holders and Guests. (i) Each Parking Privilege Holder, authorized guest of a Lot Owner, Permitted Occupant and Recreation Facility Privilege Holder shall have an easement for ingress, egress and access over the HOA Property and all roadways maintained by the Association; and (ii) each Recreation Facility Privilege Holder shall have an easement for the use of those HOA Improvements containing the specific recreation facilities that the Recreation Facility Privilege Holder is entitled to utilize.

Section 3.12 Exercise of any Rights of Access. The rights of access granted in Sections 3.8, 3.9, 3.10 and 3.11 above shall be exercised in such a manner as shall not unreasonably interfere with the use of any portion of the Development Area for its permitted purposes. Such entry shall be permitted on not less than (3) day's prior notice to the Lot Owner in question or to the Association, as the case may be, except that no such notice shall be necessary in the event of any repairs or replacements that shall be immediately necessary or required for the preservation or safety of the Development Area or any part thereof, for the safety of the occupants of the same or any Persons, or to avoid the suspension of any necessary service at the Development Area or any part thereof. Further, the Association shall not be required to furnish any such notice to a Parking Privilege Holder in the case of any repair or replacement to any street, roadway or sidewalk, however, the Association shall take all reasonable measures to minimize any inconvenience resulting therefrom to vehicles and pedestrians. In connection with any such entry, the Association, Declarant, or such utility company, as the case may be, shall repair, or cause to be repaired, any resulting damage to any structure or to the HOA Property, as the case may be, and shall, to the fullest extent practicable, restore, or cause to be restored, the same to substantially the condition that it was in prior to the exercise of the right of entry.

Section 3.13 Miscellaneous Easements. (A) Each Garage Facility Owner shall have a perpetual irrevocable easement over the Development Area and such Lots as may be adjacent to such Garage Facility and/or to which such Garage Facility is subjacent, for the construction, existence, use, maintenance, repair and replacement of such Garage Facility and any facilities contained therein, as well as the existence, use, maintenance, repair and replacement of all entrance/exit ramps and rights of way.

(B) Each such Garage Facility shall be deemed to be situated within a Garage Easement Zone. Each Garage Facility Owner shall have the right (but not the obligation) to penetrate the external walls of any building (including any foundation walls) and the walls of any other Improvement situated within the Garage Easement Zone to cause portions of such Garage Facility to be linked and/or interconnected with any other Garage Facility, provided that such penetration complies with applicable law and does not adversely affect the structural integrity of any such building or Improvement. Such right may be exercised by the owner of such Garage Facility without obtaining the consent of the Owner of such building or Improvement (including any condominium board of managers or cooperative board of directors). If written approval is required by any governmental authority, the owner of such building or Improvement shall provide same within ten (10) days following a written request by the Garage Facility Owner. Any Improvement to which a Garage Facility is subjacent shall have an easement for support from and over the Lot and structure comprising such Garage Facility.

(C) Each Garage Facility Owner and its licencees, invitees and each Parking Privilege Holder shall have a perpetual, irrevocable easement over the Development Area including the HOA Property for motor vehicle and pedestrian ingress,

egress and access to such Garage Facility, provided such easement does not interfere with the use of any Improvement or any such Lot for its intended purpose.

(D) Each Garage Facility Owner shall have an easement over the HOA Property and portions of any lots adjacent to or above such Garage Facility for the construction use, maintenance, repair and replacement of entrance/exit ramps into the Garage Facility.

(E) Each Garage Facility Owner shall have a perpetual, irrevocable easement for the construction, existence, use, maintenance, repair and replacement of all utility lines, conduits, wires, ducts, drains, shafts, equipment and facilities that serve the Garage Facility. To the extent that the Association incurs any expense in connection with the provision of any utilities, services and Facilities and any other expenses directly attributable to such Garage Facility that are not covered by the HOA Charges payable by the owner of such Garage Facility in connection with same, the Garage Facility Owner to whom such services are provided shall promptly reimburse the Association the actual and reasonable cost thereof.

(F) Each Garage Facility shall be subject to an easement in favor of the Declarant, any condominium board of managers, or cooperative board of directors and Lot Owners (with respect to any condominium, cooperative or Lot situated above, or adjacent to such Garage Facility) and their respective managing agents, employees, agents, invitees and licensees, for (i) ingress and egress through such Garage Facility,(ii) access to any Condominium Elements and Facilities situated within or adjacent to such Garage Facility, and (iii) for the continued existence, maintenance, repair and replacement of areas within such Garage Facility such as a superintendent's office, work rooms, storage rooms and similar rooms and areas (collectively "Ancillary Areas"). The foregoing easement shall include the right to maintain, install, replace and repair any Common Elements, Facilities and Ancillary Areas located within or adjacent to such Garage Facility.

ARTICLE 4

MAINTENANCE, REPAIRS AND ALTERATIONS

Section 4.1 Maintenance and Repair of the Development Area. The Association shall maintain and keep all of the HOA Property (including, without limitation, landscaping located on the HOA Property and such portion of the Development Area over which the Association has a maintenance easement) in sightly state of appearance and in a first-class order and repair and free of snow and ice with respect to all driveways, walks and paths located on the same and in conformity with the dignity and character of the Development Area. Without intention to limit the generality of the foregoing in any respect, the Association shall promptly make or perform, or cause to be made or performed, all maintenance work and repairs (including, without limitation, replacements) that shall be necessary or desirable in order to accomplish the foregoing.

Section 4.2 Maintenance and Repair of the Lots. Each Lot Owner shall maintain and keep all portions of any Apartment or Lot owned or leased by him that are exposed to public view (including, without limitation, balconies and terraces, located on the same (to the extent not maintained by the Association or a condominium board of managers or cooperative board of directors, or fee owner, as the case may be), the doors, windows and exterior surfaces of his or her Apartment and any shades, venetian and other blinds, drapes, curtains and other window decorations in or appurtenant to the same) in a good and sightly state of appearance and in a first-class condition, order and repair (and free of snow and ice, with respect to all driveways, walks and paths located on the same, to the extent that the Association shall not clear the same), all in conformity with the dignity and character of the Development Area. Without intention to limit the generality of the foregoing in any respect, each Lot Owner (including a condominium board of managers, cooperative board of directors or fee owner if responsible therefor) shall promptly make or perform, or cause to be made or performed, all maintenance work and repairs (including, with limitation, replacements) that shall be necessary or desirable in order to accomplish the foregoing.

Section 4.3 Maintenance or Repairs Required Due to Misuse. Notwithstanding anything to the contrary contained in Section 4.1 or 4.2 above, if any painting, decorating, maintenance repairs, or replacements of or to any portion of the Development Area, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of:

(A) any Lot Owner (including a tenant of an Apartment or any other Permitted Occupant or any guest of the foregoing) the entire cost and expense thereof shall be borne by such Lot Owner or tenant; or

(B) the Association, the entire cost and expense thereof shall be borne by the Association, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance.

Section 4.4 Assumption of Declarant's Obligation under Development Declaration.

(A) The Association shall assume the obligations of the Declarant (other than the obligation initially to construct "Declarant's Improvements") for all costs associated with owning, maintaining, improving, repairing and replacing "Declarant's Improvements" including the "Off-Site Improvements" as and when required by the Development Declaration. The Association shall, promptly, but no later than thirty (30) days following a request by Declarant, from time to time, provide a performance bond, letter of credit, marketable securities or alternative cash equivalents (the "Association Maintenance Security") as substitution for the Maintenance Security furnished by the Declarant to the City Comptroller under the Development Declaration and, upon the Association furnishing such security, the equivalent sum previously furnished by Declarant to the City Comptroller shall be retained by the Declarant for its own account. Declarant reserves the right to

request that the Association furnish the Association Maintenance Security to the City Comptroller from time to time, as each of Declarant's Improvements is completed in accordance with the Development Declaration. The Association shall be deemed to have all powers which may be necessary and proper to enable the Association to carry out the duties, obligations and requirements with respect to the ownership, repair and replacement of "Declarant's Improvements". In addition, the Association shall assume the Declarant's obligation to provide to the New York City Department of Parks the annual maintenance fund for the Tot Lot, as described in the Development Declaration and reimburse Declarant the unamortized amount of Declarant's initial contribution (representing five years' maintenance security). The terms "Declarant's Improvements," "Off-Site Improvements" and "Tot Lot" shall have the meanings ascribed to them in the Development Declaration.

(B) Any inconsistency between this Declaration and the Development Declaration shall be resolved in favor of the Development Declaration.

(C) The Association shall have the power and authority to the fullest extent permitted by Law, to impose on each Lot Owner assessments (including HOA Charges and Special Assessments) and, to the extent that such HOA Charges and/or Special Assessments remain unpaid for fifteen (15) days following their due date, a per diem amount equal to the maximum lawful amount that may be imposed on individuals at the time in question, for each day that the assessment remains unpaid. In no event shall any per diem amount imposed by the Association for late payment of any HOA Charges and/or Special Assessments together with any late charges or similar impositions by a condominium board of managers or cooperative board of directors with respect to such portion of the Lot Owner's common charges or maintenance charges (as the case may be) as is allocable to HOA Charges and Special Assessments, exceed (in the aggregate) the maximum lawful amount that may be imposed on individuals for late payment, and, if the amount so imposed exceeds such maximum lawful amount, then the amount imposed by the Association shall automatically be reduced to such lesser amount as shall equal (but not exceed) the maximum lawful amount. Any such per diem late charges shall be collected by and paid first on account of such late charges properly assessed by and owed to the condominium or cooperative and next on account of such late charges properly assessed by and owed to the Association.

(D) The Association, each Lot Owner and each board of managers of a condominium or board of directors of a cooperative apartment corporation shall be bound by the provisions of this Paragraph 4.4. Notwithstanding the foregoing, no Permitted Mortgagee under a mortgage made by the Declarant, or any successor of such Permitted Mortgagee, shall be responsible for any assessments payable by Declarant or its successors and assigns (including assessments accrued at foreclosure)

Section 4.5 Casualty or Condemnation with Respect to the HOA Property. In the event that any HOA Improvement or any part thereof is damaged or destroyed by fire or other casualty, or the HOA Property or any part thereof is taken in condemnation or by eminent domain, the Association shall arrange for the prompt repair or restoration of the

HOA Improvements or HOA Property affected thereby. If, pursuant to the immediately preceding sentence, repair or restoration work is to be performed to HOA Improvements both that service Apartments (such as, for example, electric, water, sewer or telephone lines or roads) and HOA Improvements that do not service Apartments (such as, for example, any club house or other recreation facility), the repair or restoration work shall be performed first to the HOA Improvements that service Apartments and then to the HOA Improvements that do not service Apartments. The cost and expense (in excess of any condemnation award or insurance proceeds) of performing such work shall be borne by the Members as an HOA Expense as set forth in Article 5 of the By-Laws.

Section 4.6 Casualty or Condemnation with Respect to any Improvements not Owned by the HOA. In the event that any Improvement or any part thereof not owned by the HOA is damaged or destroyed by fire or other casualty, or any Improvement or any part thereof is taken in condemnation or by eminent domain, the Lot Owner (or condominium board of managers or cooperative board of directors) whichever is responsible for the maintenance of such Improvement shall arrange for the prompt repair or restoration of any Improvement(s) affected thereby. In the event that such Lot Owner (or condominium board or cooperative board, as the case may be) shall fail to do so, the Association shall have the right to give the Lot Owner (or the condominium board or cooperative board, as the case may be) written notice of such failure. If, within ninety (90) days after the giving of such written notice, the Lot Owner (or condominium board or cooperative board) shall continue to fail to commence and diligently thereafter pursue same to conclusion, the Association shall have the right itself to cause the work to be commenced or pursued, either in its own name or in the name of the such Lot Owner (or condominium board or cooperative board) and as the agent thereof. In such event, the Association shall solicit sealed bids for the repair or restoration work from not less than three (3) qualified contractors selected by the Association, may negotiate such bids and shall retain the lowest bidder to perform the work. Regardless of whether the repair or restoration work shall be performed by the Lot Owner who owns the affected Improvement (or the condominium board or cooperative board, as the case may be) or the Association as hereinbefore set forth, the work shall be performed in such a manner as to repair or reconstruct the Improvement in question, to the greatest degree practicable, to the architecture, design, size and configuration existing immediately prior to the fire, other casualty loss, or taking, as the case may be the cost and expense of performing such work shall be paid by the affected Lot Owner, condominium board of managers (on behalf of the unit owners) or cooperative board of directors (on behalf of the proprietary lessees).

Section 4.7 Definition of "Prompt Repair or Restoration". As used in Sections 4.4 and 4.6 above, the term "prompt repair or restoration shall mean that, subject to delays, if any, caused by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure, or general shortage of, energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of the Association, the Lot Owner, the condominium board of managers or the

cooperative board of directors, performing the repair or restoration work (as the case may be), the repair or restoration work in question shall be:

(A) commenced not later than sixty (60) days after the date upon which the condominium board of managers, cooperative board of directors, Insurance Trustee, if any, or the Association, as the case may be, receives the insurance proceeds or condemnation award with respect to the fire, other casualty loss, or taking in question (and, if such proceeds or award is received by an Insurance Trustee, such Insurance Trustee has given the affected Lot Owner, condominium board of managers, cooperative board of directors or the Association written notice thereof); and

(B) once commenced, diligently prosecuted to completion.

Section 4.8 Alterations, Additions, Improvements or Repairs in and to Dwellings and Structures. No owner of a Lot (other than Declarant or any Permitted Mortgagee of a mortgage made by Declarant to which the terms of this Section 4.8 shall not apply) shall make any:

(A) structural alteration, addition, improvement, or repair in or to his or her Lot; or

(B) any alteration, addition, improvement, or repair with respect to any portion of any Lot or any Improvement situated thereon that is exposed to public view (including, without limitation, the exterior of such Improvement), without the prior written approval of the Association in each instance, which approval shall not be unreasonably withheld; provided however that such alteration, addition, improvement or repair must conform to the general architectural, engineering, and aesthetic character of the Development Area. Prior to, and as a condition of, the granting of any such approval, the Association may, in its sole discretion, require the Lot Owner requesting such approval to:

(i) agree as to the identity of the contractor(s) or other construction professional(s) who will perform the work;

(ii) procure such insurance as the Association may reasonably prescribe and agree to maintain such insurance during the course of such work in a writing that is reasonably acceptable to the Association as to both form and substance;

(iii) post a bond or bonds with the Association, as the Association may require, to assure the completion of the work and the full

payment for the same, which bond or bonds shall be reasonably acceptable to the Association as to both form and substance; and

(iv) agree to such terms as the Association may reasonably require concerning the maintenance and repair of such alteration, addition, improvement, or repair after the same is completed.

The foregoing provision shall be inapplicable to a Lot Owner with respect to a Lot consisting of a of a condominium unit or a cooperative apartment provided such Lot Owner obtains the consent of and complies with the requirements imposed by the board of managers of such condominium or the board of directors of such cooperative apartment corporation. Each board of managers or board of directors shall be required to comply with the foregoing requirements with respect to exterior work affecting their respective building. Notwithstanding anything to the contrary contained herein, in the instance of exterior work to a building operated as a condominium or cooperative, the Association shall not unreasonably condition, delay or withhold such consent provided that the condominium board of managers or cooperative board of directors complies with the provisions of paragraph (a), (b), and (d) of this Section 4.8 (ii). Neither the Association, the Managing Agent, their respective officers and directors or members, nor the other Lot Owners shall incur any liability, cost, or expense in connection with any alterations, improvements, additions, or repairs made, or caused to be made, by any Lot Owner, notwithstanding that the Association may have given its consent to the making of the same. Any Lot Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his Apartment or Improvement shall agree (in a writing executed and delivered to the Association, if the Association shall so request, which writing shall be reasonably acceptable to the Association as to both form and substance), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Association, the Managing Agent, their respective officers, directors and members and the other Lot Owners harmless from and against any such liability, cost, or expense.

ARTICLE 5

INSURANCE, INSURANCE PROCEEDS AND CONDEMNATION AWARDS

Section 5.1 Insurance Policies to be Maintained by the Association. The Association shall obtain and maintain in full force and effect:

(A) fire insurance policies, with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the HOA Improvements and covering the interests of the Association and any mortgagee of all or any portion of the HOA Property (as their interests may appear), each of which policies shall contain, if available:

(i) waivers of subrogation, of any defense based upon co-insurance or other insurance, of invalidity arising out of any acts of the insured and of pro-rata reduction of liability;

(ii) provisions that any adjustment of loss will be made by the Association, and that all proceeds thereof shall be paid to either the Association or the Insurance Trustee, as provided in Section 5.3 hereof;

(iii) a New York standard mortgagee clause in favor of any mortgagee of the HOA Property, which shall provide that the proceeds thereof shall be paid to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Association and the Insurance Trustee set forth above and in Section 5.3 below; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten (10) days' prior written notice to all of the insureds and additional insureds;

(B) comprehensive general liability insurance policies (including, at the discretion of the Association, umbrella liability insurance policies), covering all claims for personal injury or property damage arising out of any occurrence in or on the HOA Property and listing as co-insureds:

(i) the Association and each officer, director and employee thereof;

(ii) the Managing Agent or manager (if any); and

(iii) each Lot Owner (except, however, that such insurance shall not cover any liability of a Lot Owner arising from occurrences within his or her own Improvement or Apartment), each of which liability policies shall also cover cross-liability claims of one insured against another;

(d) each holder of a Permitted Mortgage;

(C) workers' compensation and New York State disability benefits insurance policies; and

(D) such other insurance policies as the Association shall, from time to time, determine.

All of the insurance policies maintained by the Association shall contain such coverage amounts and limits, and may provide for such deductible amounts, as the Association shall, from time to time, determine, provided, however, that:

(x) with respect to fire insurance policies required to be maintained by the Association, the coverage shall be in an amount equal to not less than an amount sufficient to satisfy the co-insurance requirements of the insurer providing such insurance; and

(y) with respect to comprehensive general liability insurance policies required to be maintained by the Association (including, without limitation, such umbrella liability insurance policies as the Association shall elect to carry), such policies shall contain single limits of not less than $1,000,000.00 per occurrence until the first regular meeting of the first Board of Directors of the Association elected by the Lot Owners.

The Association shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least bi-annually.

Section 5.2 Policies to be Maintained by each Condominium Board of Managers, Cooperative Board of Directors, Owner of a Rental Building and Owner of any other Improvement Including a Garage Facility. Each condominium board of managers, cooperative board of directors, owner of a rental building and owner (other than the Association) of any other Improvement situated on a Lot covered by this Declaration (including without limitation a Garage Facility), shall obtain, and shall maintain in full force and effect, a fire insurance policy, with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Improvement(s) constructed on any portion of the Development Area, owned by it and covering the interests of the Owner(s) of the Lot(s) comprising such condominium or cooperative, or the owner(s) of such other Lots situated on the Development Area on which such Improvements are situated, and the Association (as their interests may appear), which policy shall:

(A) contain, if available:

(i) waivers of subrogation, of any defense based upon co-insurance or other insurance, of invalidity arising out of any acts of the insured and of pro-rata reduction of liability;

(ii) provisions that any adjustment of loss will be made by the condominium board of managers, cooperative board of directors, or Lot Owner (as the case may be) (but only with the prior written approval of the Association, which shall not be unreasonably withheld or delayed); and

(iii) a provision that such policy may not be either cancelled or substantially modified except upon at least ten (10) days' prior written notice to all of the insureds, including the Association;

(B) otherwise be in a form, and be placed with a carrier, that shall be approved in writing by the Association, (except that no such approval shall be required in the case of insurance maintained by Declarant) which written approvals shall:

(i) not be unreasonably withheld or delayed by the Association; and

(ii) be granted automatically by the Association if the proposed form of insurance and insurance carrier appear on a current list of the forms of insurance and insurance carriers that the Association finds acceptable (which list shall be maintained by the Association and made available to each condominium board of managers, cooperative board of directors, Lot Owner and prospective Lot Owner upon request), provided, however, that the Association shall not find a form of insurance or an insurance carrier to be unacceptable merely because the carrier is not contained on such list; and

(C) provide coverage in an amount equal to not less than the aggregate of the full replacement costs of the structure and all other improvements operated by such condominium board of managers, cooperative board of directors or located on such Lot Owner's Lot exclusive of excavation and foundations, without deduction for depreciation, the amount of which coverage initially shall be deemed approved, as to a condominium or cooperative established by Declarant or rental building or Garage Facility owned by Declarant, or reviewed with, and approved in writing by the Association prior to the date upon which the Lot Owner obtains title to his or her parcel and, thereafter, at least bi-annually, which approvals shall not be unreasonably withheld or delayed by the Association.

Duplicate originals or certificates of all such policies and all renewals thereof, together with proof of payment of premiums, shall be sent to the Association at least ten (10) days prior to the expiration of the then current policies. Lot Owners shall not be prohibited from carrying other insurance for their own benefit, provided that:

(x) all such policies shall contain waivers of subrogation; and

(y) the liability of the carriers issuing the insurance maintained by the Association, maintained by the other Lot Owners and required to be

maintained by the Member in question shall not be affected or diminished by reason of any such additional insurance.

Section 5.3 Disposition of Insurance Proceeds and Condemnation Awards with Respect to the HOA Property. In the event that any HOA Improvement or HOA Property or any part thereof is damaged or destroyed by fire or other casualty or any HOA Property or HOA Improvement or any part thereof is taken in condemnation or by eminent domain, the net insurance proceeds payable or the net condemnation award receivable by reason of such fire, other casualty or taking, as the case may be, shall be paid to either:

(i) the Association, if the same shall be $125,000.00 or less in the aggregate; or

(ii) the Insurance Trustee, if the same shall exceed $125,000.00 in the aggregate

The Association or the Insurance Trustee, as the case may be, shall disburse such funds to the contractors engaged in the repair or restoration work undertaken as a result of such fire, other casualty, or taking in appropriate progress payments. If such funds shall be less than sufficient for the Association to discharge the cost and expense of performing the repair or restoration work, the Association shall levy a Special Assessment against the Members for the amount of such deficiency as provided in Article 5 of the By-Laws, and all proceeds of such Special Assessment shall become part of the funds held on account of such work. If, conversely, such funds shall prove to be more than sufficient to discharge the cost and expense of performing the repair or restoration work, such excess (to the extent not required to be paid to the holder of a mortgage encumbering the HOA Property) shall be paid as a distribution to the Members, which distributions shall be made to each Member in proportion to such Member's obligation to payment of HOA Charges. Notwithstanding the foregoing, however, in the event that a Special Assessment is levied for any projected deficiency in the amount of the funds available to the Association and, after the payment of all costs and expenses incurred in connection with the repair or restoration work, any portion of the funds held on account of such work remains unspent, such excess funds shall, to the extent of the Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid as a distribution to the Members who actually paid such Special Assessment, free of the claim of any mortgagee of the HOA Property.

ARTICLE 6

HOA CHARGES AND ASSESSMENTS

Section 6.1 Payment of HOA Charge and Special Assessments. Each Lot Owner (including, subject to the provisions of Sections 6.3 and 6.5 below, Declarant with respect to Unsold Lots, for so long as the same are owned thereby) shall be obligated to pay the

HOA Charges and Special Assessments assessed by the Association pursuant to the terms of this Declaration or the By-Laws against his Lot at such time or times (but not less than annually) as the Association shall determine. In the instance of any condominium or cooperative apartment corporation situated within the Development Area, the HOA Charges and Special Assessments initially shall be the obligation of the Lot Owner (including any Lot consisting of a condominium unit or cooperative apartment) but shall in the first instance be charged to and collected from the condominium board of managers or the cooperative board of directors, as the case may be. Such condominium board of managers or cooperative board of directors shall collect such HOA Charges and Special Assessments against all persons owning condominium units or cooperative apartments under its jurisdiction. Such HOA Charges and Special Assessments shall be assessed against the Unit Owner or proprietary lessees by such condominium board of managers or cooperative board of directors as common charges or maintenance charges (as the case may be). Upon the failure of any condominium unit owner or cooperative apartment owner to pay his share of the common charges or maintenance charges (as the case may be) in addition to the lien of the condominium board of managers or cooperative board of directors (and in the case of any other Lot Owner), the Association shall have the liens described below. Further, such Condominium Board of Managers or Cooperative Board of Directors shall be responsible to the Association for the amount assessed by the Association with respect to the Units and/or Apartments and parking spaces comprising such condominium or cooperative, irrespective of whether any Unit Owner or Shareholder fails to pay his maintenance charges or Common Charges (as the case may be). Unless otherwise determined by the Association, HOA Charges shall be assessed annually, but for the convenience of the members, may be payable in installments on the first day of every month in advance. Special Assessments shall be payable as determined by the Association's Board of Directors. To the extent permitted by Law, the Association shall have a lien on (i) each Unit that is a condominium unit (ii) the Propriety Lease and shares allocated to the cooperative Apartment and (iii) all other Lots, for unpaid HOA Charges and Special Assessments assessed against such Lot. Such lien shall be subordinate to (x) any liens for unpaid taxes assessed against such Lot as provided in Real Property Law Section 339-z and otherwise, to the extent required by Law, (y) any lien of a Permitted Mortgage and (z) as to a condominium unit, the lien of a condominium board of managers for unpaid common charges, pursuant to Real Property Law Section 339-z. The Association shall take prompt action to collect any HOA Charges or Special Assessments due to the Association that remain unpaid for more than thirty (30) days after the due date for the payment thereof.

Section 6.2 Liability for the Payment of HOA Charges and Special Assessments After the Sale or Other Transfer of a Lot. No Lot Owner shall be liable for the payment of any HOA Charges or Special Assessments assessed against his or her Lot subsequent to a sale, transfer, or other conveyance by him or her of such Lot made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Lot shall be liable for the payment of all HOA Charges and Special Assessments accrued and unpaid against such Lot prior to his or her acquisition thereof, except that a mortgagee acquiring title to a mortgaged Lot, or a purchaser at a mortgage foreclosure sale held with respect to a mortgage, shall not be liable, and such mortgaged Lot shall not be subject to a lien, for the payment of any HOA Charges or Special Assessments assessed subsequent to the recording of such mortgage and prior to the acquisition of title to such Lot by the mortgagee or by such purchaser. However, in the event of a foreclosure of a mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Lot Owner shall remain fully liable for the payment of all unpaid HOA Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid HOA Charges and Special Assessments that are not collected from such defaulting Lot Owner shall be deemed an expense of the Association, chargeable to all those who were Lot Owners at the time that the same was levied.

Section 6.3 Abatement of HOA Charges and Special Assessments. In the event that any damage resulting from a fire or other casualty shall render an Improvement situated on a Lot (including an individual Apartment) wholly unusable for its intended purposes or shall destroy the means of access to the same, the installments of HOA Charges and the Special Assessments otherwise payable by the Lot Owner who owns such Improvement shall abate until such Improvement shall again be rendered useable for such purposes and/or the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such fire or other casualty shall have been caused by the act, by the omission to act, or by the negligence of such Lot Owner, or of a tenant or other occupant of such Improvement, the HOA Charges and Special Assessments payable by such Lot Owner shall abate only to the extent of any proceeds of loss of income insurance actually collected by the Association with respect to such Lot. Except as expressly provided to the contrary herein, and except for Lot Owners owning Parking Space Units, or Improvements or Lots that do not contain Apartments, Lot Owner shall be exempted from liability for the payment of HOA Charges or Special Assessments, or entitled to a diminution or abatement in the amount thereof, for any reason or cause whatsoever, including, without limitation, as a result of:

(A) any waiver made by such Lot Owner of his or her right to use or enjoy any or all of the HOA Property;

(B) the abandonment of such Lot Owner's Lot; or

(C) any inconvenience or discomfort sustained by such Lot Owner arising from:

(i) the failure or interruption of any utility or other services;

(ii) the making of repairs or improvements to the HOA Property or to any parcel pursuant to the terms of Article 4 hereof; or

(iii) any action taken by the Association in order to comply with Law.

Notwithstanding anything to the contrary contained herein, Lot Owners owning Lots on which there is no Completed Improvement shall not be responsible for the payment of HOA Charges. Lot Owners (including owners of Parking Space Units or individual parking spaces situated within a cooperative) owning Lots on which are situated Improvements consisting solely of parking facilities (e.g. a garage facility) shall pay for each parking space situated thereon, 4% of the amount assessed with respect to an individual Lot comprised of an Apartment (other than HOA Charges attributable to the operation maintenance, repair and replacement of Recreation Facilities) (which amount shall be determined by the Association's Board of Directors). The obligation for Association Charges of any Lot Owner whose Lot consists of a retirement facility, senior care facility, or assisted living facility shall be computed in accordance with Article 5 of the Association's By-laws. The holders of Recreation Facilities Privilege Agreements shall pay either to Declarant (who shall remit such amount to the Association) or directly to the Association, whichever is provided in the Recreation Facilities Privilege Agreement held by such person, not less than an amount that the Association's Managing Agent determines is fairly attributable to the pro-rata cost of furnishing such recreation facilities to such Recreation Facilities Privilege Agreement Holder. Such amount is to be reviewed by and determined by the Managing Agent annually.

Section 6.4 Statement of Common Charge and Special Assessments. The Association shall provide a written statement of all unpaid HOA Charges and/or Special Assessments due from any Lot Owner within seven (7) days of its receipt of a written request therefor from such Lot Owner. In connection therewith, the Association may request, and shall be entitled to receive from the applicable condominium board of managers or cooperative board of directors, if any, within three (3) days of request, and shall be entitled to rely upon, a written statement as to arrearages, if any of the Lot Owner, with respect to any common charges, maintenance charges and special assessments due and owing to the condominium or cooperative (as the case may be) as provided under the applicable condominium declaration and condominium by-laws or the applicable cooperative's proprietary lease and by-laws.

Section 6.5 Common Charges Payable by Declarant. Notwithstanding anything to the contrary contained in this Declaration or in the By-Laws, the HOA Charges that Declarant shall be required to pay to the Association during any period pursuant to this Article 6 shall not exceed the lesser of:

(i) an amount equal to the difference between:

(a) the aggregate amount of the expenses actually incurred by the Association during the period in question; less

(b) the aggregate amount of the HOA Charges payable during the period in question by the Lot Owners and Privilege Holders other than Declarant; and

(ii) the amount of the HOA Charges that Declarant would be obligated to pay to the Association during such period had this Section 6.5 not been included in this Declaration. Notwithstanding the foregoing, no Permitted Mortgagee under a mortgage made by the Declarant, or any successor of such Permitted Mortgagee, shall be responsible for any assessments payable by Declarant or its successors and assigns (including assessments accrued at foreclosure).

ARTICLE 7

SALES, LEASES AND MORTGAGES OF LOTS

Section 7.1 General. (a) A Lot Owner may sell, convey, transfer, lease, mortgage, pledge, or hypothecate his or her Lot only if he or she shall have:

(A) (In the case of a Lot Owner owning an Apartment) paid in full to the condominium board of managers or cooperative board of directors all unpaid common charges, maintenance charges and special assessments theretofore assessed against such Apartment by the condominium board of managers or cooperative board of directors (as the case may be), which common charges, maintenance charges or special assessments shall include all HOA Charges and Special Assessment thereto for assessed and payable by such Lot Owner;

(B) satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such dwelling unit or Lot; and

(C) complied with the applicable provisions of the balance of this Article 7.

Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Association. In the event of such an unauthorized sale or lease of a Lot, the selling or leasing Lot Owner shall be deemed to have authorized and empowered the Association, if the Association shall so elect, to institute legal

proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Lot Owner as the owner or landlord, as the case may be. The said Lot Owner shall reimburse the Association for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs. This Section 7.1 shall not apply to any sale, conveyance, transfer, lease, mortgage, pledge or hypothecation of any Lot acquired by a mortgagee of such Lot (by foreclosure or otherwise) or its successors or assigns.

The provision of this Section 7.1 shall be inapplicable to Declarant.

Section 7.2 Deeds of any Lot. Any deed of any Lot comprising part of the Development Area shall expressly provide that the acceptance thereof by the grantee shall constitute his or her:

(A) acceptance and acknowledgment of membership in the Association;

(B) acknowledgment that his or her ownership, use and occupancy of the Lot shall be subject, in all respects, to the Association Documents, as each of the same may be amended from time to time; and

(C) agreement that the provisions of the Association Documents, as each of the same may be amended from time to time, are assumed, accepted, ratified and will be complied with by him or her.

In the absence of such express language in any deed of a Lot, the same shall be conclusively deemed to have been included therein. Promptly after the conveyance of title to a Lot, a copy of the deed effectuating the same shall be delivered to the Association.

Section 7.3 Leases of Lots. Each lease of an Apartment or Lot comprising part of the Subject Property shall expressly provide that:

(A) the tenant thereunder acknowledges and agrees that:

(i) his or her use and occupancy of the Apartment or Lot, as well as the leasehold estate created by the lease, shall be subject, in all respects, to the Association Documents, as each of the same may be amended from time to time; and

(ii) the provisions of the Association Documents (other than the provisions thereof relating to voting at any meetings of the Members, which the tenant or permitted occupant shall have no right to do, or to the payment of the HOA Charges and Special Assessments assessed

against the Lot, which the tenant or permitted occupant shall have no obligation to pay), as each of the same may be amended from time to time, are assumed, accepted, ratified and will be complied with by him or her; and

(B) the Association shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant or permitted occupant in its own name or in the name of the landlord thereunder, as the Association shall elect, in the event of:

(i) a default by the tenant or permitted occupant in the performance of his or her obligations under such lease; or

(ii) a foreclosure of the lien referred to in Section 6.1 above.

In the absence of such express language in any lease of a Lot, the same shall be conclusively deemed to have been included therein. No lease shall be effective for any purpose whatsoever until a signed, original copy of the same shall be delivered to the Association. Notwithstanding anything to the contrary continued herein, the owner of a Lot that is utilized as a residential rental building, retirement facility, senior housing facility, parking facility (or any portion thereof) shall not be bound by the provisions in Section 7.3.

Section 7.4 Mortgages of Lots. Each mortgage of a Lot, other than a Permitted Mortgage made by the Declarant for the construction of improvements on any of the Development Area, shall expressly provide that the rights of the mortgagee under the mortgage (including, without limitation, in or to any insurance proceeds or condemnation award in the event of a fire, another casualty, or a taking with respect to the mortgaged Lot), as well as the lien of the Mortgage, shall be subject and subordinate, in all respects, to the Association Documents and all of the terms thereof, as each of the same may be amended from time to time as provided in the same. In the absence of such express language in any such mortgage of a Lot, the same shall be conclusively deemed to have been included therein. Any Member who mortgages Lot, or the holder of such mortgage, shall supply the Association with the name and address of his or her mortgagee and, if requested by the Association, shall file a conformed copy of the note and mortgage with the Association. Any Lot Owner who satisfies a mortgage covering his or her Lot shall so notify the Association and, if requested by the Association, shall file a conformed copy of the satisfaction of mortgage with the Association. The provisions of this Section 7.4 shall not be applicable to any mortgage made by Declarant.

Section 7.5 Notices of Default to Permitted Mortgagees. Whenever requested in writing by a Permitted Mortgagee, the Association shall promptly, within ten (10) days of demand, report to such Permitted Mortgagee any default by his or her mortgagor(s) in:

(A) the payment of HOA Charges or Special Assessments; or

(B) the observance or performance of any of the other obligations of such mortgagor(s) under the Association Documents, as to which the Association has knowledge then exists.

The Association shall, when giving notice to a Lot Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested.

Section 7.6 Performance of Obligations by Permitted Mortgagees. Any sum of money to be paid, or any act to be performed, by a Lot Owner pursuant to the terms of the Association Documents may be paid or performed by his or her Permitted Mortgagee, and the Association shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Lot Owner

Section 7.7 Consents by Mortgagees. Except as otherwise expressly provided for herein or in the By-Laws, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Association, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his or her mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of this Declaration or the By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of Section 7.8 below, shall be deemed binding upon the holders of all mortgages encumbering Lots.

Section 7.8 Appointment of Mortgage Representatives. The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than three (3) Mortgage Representatives by giving written notice thereof to the Association, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Lots with respect to any matter requiring the consent or approval of the Mortgage Representatives under this Declaration. Any designation of a Mortgage Representative pursuant to the terms of this Section 7.8 shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Association. Unless otherwise required by Law, no holders of mortgages encumbering Lots other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Lots shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of this Declaration.

ARTICLE 8

CERTAIN REMEDIES

Section 8.1 Liens and Proceedings for the Collection of Unpaid HOA Charges or Special Assessments. If the owner of any Lot shall be in arrears in the payment of HOA

Charges or Special Assessments for more than thirty (30) days, the Association shall have the right to:

(A) cause liens for all sums due and owing to the Association to be filed in the Clerk's Office, as well as to cause such liens to be foreclosed (with or without filing the same in the Clerk's Office) in the manner provided by Law for the foreclosure of such, or similar, liens; and/or

(B) institute all other proceedings deemed necessary or desirable by the Association to recover all such unpaid HOA Charges and/or Special Assessments, together with all additional sums of money collectable by the Association by reason of such nonpayment pursuant to the terms of Section 8.5 below.

In the event that the Association shall bring an action to foreclose its lien on a Lot because of unpaid HOA Charges or Special Assessments:

(i) the defaulting Lot Owner will be required to pay a reasonable rental for the use of the Lot, and the Association shall be entitled to the appointment of a receiver to collect the same; and

(ii) the Association shall have the power to purchase such Lot at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Lot (but not to vote the votes appurtenant to the same).

In the event that the net proceeds received on a foreclosure of the Association's lien, which shall be subject to the provisions of Section 6.1 hereof, (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Member's obligations to the Association, such Lot Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid according to Law. However, notwithstanding the foregoing, a suit to recover a money judgment for unpaid HOA Charges or Special Assessments shall be maintainable without foreclosing or waiving the lien securing such charges. Any remedies hereunder shall be subject and subordinate to the terms of a Permitted Mortgage.

Section 8.2 Self Help. If any Lot Owner shall violate or breach any of the provisions of the Association Documents on his or her part to be observed or performed and shall fail to cure such violation or breach within twenty (20) days after receipt of written notice of the same from the Association or the Managing Agent (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such twenty (20) day period and, thereafter, to prosecute such cure with due diligence to completion), the Association shall have the right to enter upon

such Lot Owner's Lot and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Association shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Development Area, for the safety of the occupants of the Development Area or any part thereof, for the safety of other individuals, or to avoid the suspension of any necessary service at the Development Area, the Association may take such action immediately, without prior notice and without allowing the defaulting Lot Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 8.3 Abatement and Enjoinment. If any Lot Owner, any tenant of such Lot Owner, or any family member, guest, agent, employee, contractor, or invitee of such Lot Owner or of his or her tenant shall violate or breach any of the provisions of the Association Documents on his or her part to be observed or performed, the Association shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity. Additionally, the violation or breach of any of the terms of the Association Documents with respect to any of the rights, easements, privileges, or licenses granted to Declarant shall give to Declarant the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 8.4 Fines for Violations of the Rules and Regulations. If any Lot Owner, any tenant of such Lot Owner, or any family member, guest, agent, employee, contractor, or invitee of such Lot Owner or of his or her tenant shall violate or breach any of the Rules and Regulations on his or her part to be observed or performed, the Association shall have the right to levy a fine against such Lot Owner in an amount deemed appropriate by the Association. No such fine may exceed the amount of $100.00 per infraction, provided, however, that, with respect to any violation or breach of the Rules and Regulations that continues for more than one day, each day during with such violation or breach continues shall be considered a new infraction for which a separate fine may be levied. Any fine levied against a Lot Owner pursuant to this Section 8.4 shall constitute a Special Assessment payable by such Lot Owner.

Section 8.5 Suspension or Denial of Rights and Privileges. If any Lot Owner, any tenant of a Lot Owner, or any family member, guest, agent, employee, contractor, or invitee of such Lot Owner or his or her tenant shall repeatedly abuse all or any portion of the HOA Property or all or any portion of an HOA Improvements, the Association shall have the right to suspend or deny the use of all or any portion of the HOA Property or HOA Improvements. Similarly, the Association shall have the right to suspend any and all rights, services and privileges otherwise afforded to Lot Owners (including, without limitation, the right to use and enjoy all or any portion of the HOA Property or all or any portion of the HOA Improvements and the right to receive Association services) with respect to any Lot Owner who shall be in arrears in the payment of HOA Charges or Special Assessments for more than thirty (30), days as well as with respect to any such Lot Owner's tenant and to any family member, guest, agent, employee, contractor, or invitee of such Lot Owner

and of his or her tenant. In no event, however, may the Association, by virtue of this Section 8.5, suspend or deny the use of the roads, sidewalks, or utility lines and facilities constituting parts of the HOA Property to any Person or otherwise suspend or deny any right, privilege, or service whose suspension or denial is prohibited by Law, nor shall the right to vote at any meeting of the Lot Owners (annual or special) be suspended or denied to any Lot Owner by reason of his or her non-payment of HOA Charges or Special Assessments. The provisions of Section 8.5 shall not be applicable to Declarant.

Section 8.6 Costs and Expenses; Interest. All sums of money expended, and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements and court costs) incurred, by:

(A) the Association or the Managing Agent, in connection with:

(i) the collection of any unpaid HOA Charges and/or Special Assessments from a Lot Owner pursuant to the terms of Section 8.1 hereof and/or in foreclosing the lien referred to therein;

(ii) the abatement, enjoinment, removal, or cure of any violation, breach, or default pursuant to the terms of Section 8.2 or 8.3 hereof;

(iii) the suspension or denial of any right, service, or privilege pursuant to the terms of Section 8.5 hereof; or

(iv) the exercise of any other remedy available to the Association under the Association Documents or otherwise; or

(B) Declarant, in connection with any abatement, enjoinment, or remedy of any violation or breach of the Association Documents pursuant to the terms of Section 8.3 hereof, shall be immediately payable by:

(x) in the event set forth in subparagraph (i) hereof, the Lot Owner in question to the Association; or

(y) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Association or the Lot Owner) to Declarant.

All such sums of money, costs and expenses, together with all overdue HOA Charges and/or Special Assessments, shall (subject to the provision of Section 4.4 hereof) bear interest (to be computed from the date expended or due, as the case may be, to the date of actual payment) at the maximum rate chargeable to the payee thereof pursuant to Law. All sums payable by a Lot Owner to the Association pursuant to the terms of this Section 8.6 shall constitute Special Assessments payable by such Lot Owner.

Section 8.7 Remedies Cumulative. The remedies specifically granted in this Article 8 or elsewhere in the Association Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Association, Declarant, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 8.8 Application of Funds. If the owner of any Apartment or Parking Space Unit within a condominium or cooperative apartment and/or any parking space appurtenant thereto shall fail to pay any portion of his common charges, maintenance charges or any special assessment imposed by the condominium board of managers or cocperative board of directors, any sums paid by such person shall be applied first in reduction of such person's common charges, maintenance charges and special assessments imposed by the condominium board of managers or cooperative board of directors as the case may be, and next in reduction of the HOA Charges and HOA Assessments.

ARTICLE 9

ARBITRATION

Section 9.1 Procedure. Any matter concerning any payments to be made to the Association by any Garage Facility Owner and any other dispute between the Association and any Garage Facility Owner shall be determined by arbitration pursuant to the terms of the Association Documents shall be submitted for resolution by a single impartial arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of a court of competent jurisdiction then located therein. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall have not less than ten (10) years experience in commercial real estate matters in the City of New York and shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York. With respect to any monetary issue, if a Garage Facility Owner shall dispute the Association's determination as to the amount of any HOA Charge or Special Assessment or other payment that the Association claims is owing to it pursuant to this Declaration or the HOA By-Laws, the Garage Facility Owner shall give the Association notice of such dispute within fifteen (15) business days of the Garage Facility Owner's receipt of notice from the Association as to the amount claimed by it. Within fifteen (15) days following the appointment of such arbitrator, each party shall submit a report setting forth its determination of the correct amount due to the Association, together with such information and other evidence as such party deems relevant. The arbitrator shall, within thirty (30) days following such hearing and submission of evidence render his decision by selecting the determination submitted by either the Garage Facility Owner or the Association, which, in the judgment of the arbitrator, most nearly reflects the

appropriate amount due the Association. It is expressly understood that such arbitrator shall nave no authority to select any amount other than an amount submitted by either the Garage Facility Owner or the Association, and the decision of the arbitrator shall be final and binding upon the parties hereto. Within thirty (30) days following such decision, any overpayment or underpayment shall be adjusted between the Garage Facility Owner and the Association.

Section 9.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Association Documents may, by written agreement, vary any of the terms of Section 9.1 hereof with respect to the arbitration of such dispute, or may agree to resolve their dispute in any manner other than by Arbitration, including, without limitation, in the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 9.3 Binding Effect. The decision in any arbitration or other procedure for the resolution of disputes conducted pursuant to the terms of Sections 9.1 and 9.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 9.4 Costs and Expenses. The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

ARTICLE 10

COVENANT OF FURTHER ASSURANCES

Section 10.1 General. Any Lot Owner or other Person (including the Association) who is subject to the terms of this Declaration shall, at the expense of any other Person requesting the same, execute acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for in the Association Documents, and shall take such other action, as such other Person may reasonably request to effectuate the provisions of the Association Documents or any transaction contemplated therein or to confirm or perfect any right to be created or transferred thereunder or in connection with any such transaction.

Section 10.2 Power of Attorney In Favor of the Association. If any Lot Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within twenty (20) days after request therefor, to take any action that such Lot Owner or Person is required to take

pursuant to this Declaration, the Association is hereby authorized, as the attorney-in-fact for such Lot Owner or other Person (which power shall be deemed to be coupled with an interest and irrevocable), to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Lot Owner or other Person, and such document or action shall be binding on such Lot Owner or other Person. The terms of this Section shall not apply to any Permitted Mortgagee or the successors and assigns thereof, whether before or after foreclosure of such Permitted Mortgage.

Section 10.3 Power of Attorney in Favor of Declarant. If any Lot Owner, the Association, or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within twenty (20) days after request therefor, to take any action that the Association, such Lot Owner, or such other Person is required to take pursuant to this Declaration at the request of Declarant, Declarant is hereby authorized, as the attorney-in-fact for the Association, such Lot Owner, or such other Person (which power shall be deemed to be coupled with an interest and irrevocable), to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Association, such Lot Owner, or such other Person, and such document or action shall be binding on the Association, such Lot Owner, or such other Person, as the case may be. The terms of this Section shall not apply to any Permitted Mortgagee or the successors and assigns thereof, whether before or after foreclosure of such Permitted Mortgage.

ARTICLE 11

COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS TO RUN WITH THE LAND

Section 11.1 General. Subject to the terms of Section 11.2 below, all of the provisions of this Declaration, the Certificate, the By-Laws and the Rules and Regulations (including, without limitation, the provisions of this Article 11) shall, unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants, conditions, easements and restrictions running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in, or for the benefit of, the general public. All present and future owners, tenants and Permitted Occupants of Lots shall be subject to, and shall comply with, the provisions of this Declaration, the Certificate, the By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title, the entering into a lease, or the entering into occupancy of any Lot, shall constitute an agreement that the provisions of this Declaration, the Certificate, the By-Laws and the Rules and Regulations, as each of the same 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 Lot as though such provisions were recited and stipulated at length in each and every deed, other instrument of conveyance, or lease.

Section 11.2 Termination of this Declaration. This Declaration may be terminated only by votes of the owners of ninety percent (90%) of the Lots (including, without limitation, Declarant, for so long as Declarant owns any Lot), taken in accordance with the provisions of the By-Laws. No such vote shall be effective without the prior written consent of:

(A) any Person holding a mortgage on all or any of the Lots; and

(B) any governmental body, agency, or authority having jurisdiction whose consent shall then be required by Law; and

(C) Declarant, in so long as Declarant owns any Lot or any portion of the Development Area.

In the event that this Declaration is terminated, but only in such event, the HOA Property (including, without limitation, all real and personal property then owned by the Association) shall be either:

(i) dedicated to the City, or to another appropriate public agency designated by the City, provided that the City, or such agency or shall accept such dedication; or

(ii) granted, conveyed and assigned to a non-profit corporation, association, trust, or other organization, if such dedication shall be refused,

in any instance, to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the HOA Property shall be effective to divest or diminish any right or title of any Lot Owner vested in him or her pursuant to the terms of the Association Documents (as each of the same may be amended from time to time in accordance with their respective terms), or under any other recorded document(s) applicable to the HOA Property, except as may otherwise be provided in the Association Documents or such other document(s), nor shall any other party under any such other document(s) be deprived of any rights thereunder on account of such disposition.

ARTICLE 12

AMENDMENTS TO THIS DECLARATION

Section 12.1 General. Subject to the terms of Section 12.5 below, any provision contained in the body of this Declaration or in the Table of Definitions annexed hereto as Exhibit C may be amended, modified, added to, or deleted by the vote of at least sixty-six and two-thirds percent (66 2/3%) of the Lot Owners (including, without limitation, Declarant for so long as Declarant owns a Lot), taken in accordance with the provisions of the By-Laws. Any provision contained in the Rules and Regulations may be amended, modified, added to, or deleted in accordance with the terms of Section 12.4 hereof and of the By-Laws. Any provision contained in the By-Laws may be amended, modified, added to, or deleted in accordance with the terms of the By-Laws.

Section 12.2 Declarant's Right to Amend this Declaration. Declarant shall have the right, at its sole cost and expense and without the vote or consent of any other Lot Owners, the Association, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Declarant's sole option, to require the Association or any other Lot Owners to execute, acknowledge and record) in the Clerk's office and elsewhere, if required by Law, one or more amendments to this Declaration, together with such other documents, plans and maps as the Declarant deems appropriate to effectuate the same, required by:

(A) an Institutional Lender designated by the Association to make a Loan secured by a mortgage on all or any portion of the HOA Property;

(B) a Permitted Mortgagee designated by the Declarant or by any purchaser from Declarant to make a loan secured by a mortgage on any Lot;

(C) any governmental agency having regulatory jurisdiction over the Association or the Development Area;

(D) any title insurance company selected by Declarant or by any purchaser from Declarant to insure title to any Lot, or

(E) any lender providing Declarant with any financing (irrespective of whether the lender is an institutional lender or not and irrespective of whether such financing is characterized as being for "hard costs," "soft costs," "non-lien law" items, or as a so-called "construction loan," or "building loan" or otherwise) in connection with the construction or the development of the Development Area.

provided, however, that any amendment made pursuant to the terms of this Section 12.2 shall not:

(i) require a physical modification of any Lot not then owned by Declarant; or

(ii) adversely affect the priority or validity of the lien of any Institutional Mortgage,

unless the owner of the affected Lot (in the event described in subparagraph (a) above) or the holder of such mortgage (in the event described in subparagraph (b) above) shall consent thereto by joining in the execution of such amendment.

Section 12.3 Execution of Amendments. Any amendment to this Declaration may be executed:

(A) if effectuated by a vote of the Lot Owners pursuant to the terms of Section 12.1 above, by the President or Vice President of the Association; or

(B) if effectuated by Declarant pursuant to the terms of Section 12.2 above, by a member of Declarant.

If the amendment shall have been effectuated by a vote of the Lot Owners pursuant to the terms of Section 12.1 above, there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite percentage of Lot Owners approved the amendment at a duly constituted meeting or (when permitted in the By-Laws) in writing without a meeting, in which Certification shall be described the percentage of Lot Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

Section 12.4 Recording of Amendments. No amendment to this Declaration (including any amendment to the Table of Definitions annexed hereto as Exhibit C and to the By-Laws annexed hereto as Exhibit E, but excluding any amendment to the Rules and Regulations annexed hereto as Exhibit D) shall be effective unless and until the same shall be recorded in the Office of the City Register in Kings County.

Section 12.5 Restrictions on Amendments. Notwithstanding anything contained in this Declaration to the contrary, but subject to any limitation imposed by Law, no amendment to this Declaration shall be adopted:

(A) without the consent of Declarant (which shall be evidenced by the execution of such amendment by Declarant), if such amendment would:

(i) interfere with the development, construction, sale, lease, or other disposition of any portion of the Development Area or an Unsold Lot or Declarant's ability to exercise its rights and perform its

obligations under the Development Agreement may other agreement or other document affecting all or any portion of the Development Area;

(ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit reserved to Declarant in this Declaration; or

(iii) impose any discriminatory charge or fee against Declarant;

(B) without the consent of eighty percent (80%) of the Lot Owners thereto (which shall be evidenced by the execution of such amendment by all of the Lot Owners), with respect to any amendment of Article 12 of this Declaration;

(C) without the consent of the Mortgage Representatives, if any are appointed hereunder (which shall be evidenced by the execution of such amendment by the Mortgage Representatives), regardless of the nature or substance of the amendment, which consent, however, shall not be unreasonably withheld or delayed.

Section 12.6 Amendments to the By-Laws. In the event that the By-Laws shall be duly amended pursuant to the terms thereof, an amendment to this Declaration, suitably amending Exhibit E hereto, shall be duly executed by the President or Vice President and the Secretary or an Assistant Secretary of the Association (with a suitable Secretary's Certification as described in Section 12.3 above attached thereto) and recorded in the Clerk's Office.

ARTICLE 13

NOTICES

Section 13.1 General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested or by national overnight courier that provides a receipt, postage prepaid addressed:

(A) if to the Association, to the Association at its principal office as set forth in the By-Laws (with a photocopy sent in like manner to the Managing Agent (if any) at its principal office address);

(B) if to a Lot Owner other than Declarant, to such Lot Owner at his or her address at the Development Area;

(C) if to Declarant, at 118-35 Queens Boulevard, Forest Hills, New York 11375 (with a photocopy sent in like manner to Herrick, Feinstein LLC, 2 Park Avenue, New York, New York 10016, Attention: Leonard Grunstein, Esq.); or

(D) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Association.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate not more than two (2) additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 13.1 shall be deemed given when deposited in a branch or general post office or depository maintained by the United States Postal Service located in the State of New York or delivered to a national overnight courier service, enclosed in a sealed, postage prepaid wrapper, addressed as aforesaid, provided, however, that notices of changes of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 13.2 Waiver of Service of Notice. Whenever any notice is required to be given by Law or pursuant to the terms of this Declaration, 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 14

MISCELLANEOUS

Section 14.1 Inspection of Documents. The Association shall maintain in its offices, and make available for inspection by Lot Owners and their authorized representatives during reasonable business hours, current copies of this Declaration, the Certificate, the By-Laws and the Rules and Regulations as each of the same may be amended from time to time.

Section 14.2 Consents of Declarant. Wherever the consent, approval, satisfaction, or permission of Declarant is required under this Declaration, such consent, approval, satisfaction, or permission shall not be required when Declarant longer owns any of the Lots.

Section 14.3 Incorporation by Reference. The terms, covenants, conditions, descriptions and other information contained in:

(A) the description of the Development Area annexed hereto as Exhibit A;

(B) the Certificate of Incorporation annexed hereto as Exhibit B;

(C) the table of definitions annexed hereto as Exhibit C;

(D) the Rules and Regulations annexed hereto as Exhibit D; and

(E) the By-Laws annexed hereto as Exhibit E, are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Section 14.4 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.5 Severability. If any provision of this Declaration is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the provisions of this Declaration, and the applicability of such invalid or unenforceable provision to other Persons or circumstances, shall not be affected thereby. Each provision of this Declaration shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law.

Section 14.6 Gender. A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

Section 14.8 Successors and Assigns. The rights and/or obligations of, and limitations imposed on, Declarant or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, the respective successors and assignees of Declarant and its designee (as the case may be), as well as any designated transferees of their respective Lots. Subject to the foregoing, Declarant and its designee (as the case may be) shall each have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise. Notwithstanding the foregoing, any Permitted Mortgagee of a Lot, or a purchaser at a foreclosure sale of a Permitted Mortgage, who succeeds to the interest of a Lot Owner shall be responsible only for the obligations of such Lot Owner arising from or after the effective any obligations date of succession to title to such Lot and shall not be

liable for theretofore accruing (including, without limitation, for any unpaid HOA Charges or Special Assessments).

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 199__.

Brighton Development LLC
By: Allied Brighton, LLC
Managing Member

By: _____
Joshua L. Muss
Managing Member

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

On the ___ day of _____, 1999, before me personally came JOSHUA L. MUSS to me known, and who executed the foregoing instrument and, who being by me duly sworn, did depose and say that he is the managing member of ALLIED BRIGHTON, LLC, a limited liability company, which is the managing member of BRIGHTON DEVELOPMENT LLC and that he executed the foregoing instrument in the name of said limited liability company and that he had authority to sign the same, and he acknowledged that he executed the same as the act and deed of said limited liability company.

_____

Sworn to before me this

___ day of _____, 19__

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE DEVELOPMENT AREA

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Coney Island Avenue, distant 120.00 feet southerly from the corner formed by the intersection of the southerly side of Brighton Beach Avenue with the easterly side of Coney Island Avenue;

RUNNING THENCE easterly and at right angles to Coney Island Avenue, 75.00 feet;

THENCE northerly and parallel with Coney Island Avenue, 39.23 feet;

THENCE easterly and at right angels to Coney Island Avenue, 125.00 feet to the westerly side of Brighton 11th Street;

THENCE northerly on a line forming an interior angle of 170 degrees with the last mentioned course, 124.05 feet to the southerly side of Brighton Beach Avenue;

THENCE easterly along the southerly side of Brighton Beach Avenue and forming an interior angle of 102 degrees 12 minutes 46 seconds with the last mentioned course, 87.43 feet to a point of curve in Brighton Beach Avenue;

THENCE easterly and still along said southerly side of Brighton Beach Avenue and along a curve to the right having a radius of 400 feet, a distance of 261.30 feet to a point;

THENCE easterly and still along the southerly side of Brighton Beach Avenue, 198.21 feet to the corner formed by said southerly side of Brighton Beach Avenue and the westerly side of Seacoast Terrace;

THENCE southerly along the westerly side of Seacoast Terrace, 854.77 feet to the northerly side of the public park;

THENCE westerly along the northerly side of the public park, 720 feet to the easterly side of Coney Island Avenue;

THENCE northerly along the easterly side of Coney Island Avenue, 786.76 feet to the point or place of **BEGINNING.**

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EXHIBIT C

TABLE OF DEFINITIONS

(1) **"Apartment"** means any condominium Unit or cooperative apartment or rental apartment used for dwelling purposes. The term "Apartment" specifically excludes any apartment in an assisted living facility.

(2) **"Association"** or **"Corporation"** means Oceana Homeowners Association, Inc., a corporation established and existing under the Not-for-Profit Corporation Law of the State of New York and to whom the HOA Property is intended to be transferred and conveyed by Declarant subject to the terms of the Declaration.

(3) **"Association Documents"** means the Declaration, the Certificate, the By-Laws and the Rules and Regulations.

(4) **"By-Laws"** means the By-Laws of the Association, which have been adopted by Declarant in Section 1.3 of the Declaration and are annexed as Exhibit E to the Declaration, as such By-Laws may be amended from time to time pursuant to the terms thereof.

(5) **"Certificate"** means the Certificate of Incorporation of the Association, which is reproduced as Exhibit B to the Declaration.

(6) **"City"** means the City of New York.

(7) **"Clerk's Office"** means the Office of the County Clerk of Kings County, New York or the Office of the New York City Register located in Kings County, whichever is appropriate.

(8) **"Completed Improvement"** or **"Completed Structure"** means any Improvement or structure (whether intended for residential purposes, parking or otherwise) that is covered by a temporary or permanent certificate of occupancy.

(9) **"Declaration"** means the Declaration of Covenants, Conditions, Easements and Restrictions to which this Table of Definitions is annexed as an exhibit.

(10) **"Declarant"** means, collectively, Brighton Development LLC and each limited liability company wholly owned by Brighton Development, LLC. The term "Declarant" shall be deemed to include any successor to Declarant. A successor to Declarant is any (i) individual, corporation or other entity which through amalgamation, consolidation, or other

legal succession, becomes invested with the rights and assumes the obligations of Brighton Development LLC, or (ii) any person who purchases from Brighton Development LLC, or otherwise succeeds to (w) any Lot in the Development Area (other than a Lot consisting solely of an individual Apartment or parking space), or (x) ten or more Unsold Apartments within the Development Area or (y) twenty percent (20%) or more of all Unsold Apartments within the Development Area or (z) all remaining Unsold Apartments then owned by Declarant and is not purchasing such Units for his, her or its own occupancy or for occupancy by such person's family members, and in any case shall also include any nominee holding any Unit for the account of the person referred to in clause (i) or (ii) above.

(11) **"Dwelling Unit"** means as Apartment or similar dwelling intended for the residential occupancy of one individual or one family.

(12) **"Facilities"** means all personal property and fixtures now or hereafter existing above, in, on, or under one or more of the Lots and existing for the common use of two or more Lots, of one or more Lots and the HOA Property, of two or-more Lot Owners and/or of one or more Lot Owners and the Association. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, mechanisms, devices, machinery, motors, pumps, controls, tanks, tank assemblies, installations, shut off valves, other valves, panels, relays, electric distribution facilities, wiring, wireways, switches, circuit breakers, transformers, fittings, lighting fixtures, other fixtures, bulbs, signs, meters, meter assemblies, piping, lines, conduits, cables, shafts, pits, traps, drains, catch basins and filters.

(13) **"Garage Easement"** means perpetual easements for the construction, use, maintenance, repair, replacement and continued existence of the portion of the Garage Facility and any Facilities contained therein that are situated in the Garage Easement Zone.

(14) **"Garage Easement Zone"** means any area in which is situated a Garage Facility.

(15) **"Garage Facility"** means the garage and any Facilities serving the garage.

(16) **"Garage Facility Owner"** means the owner of a Garage Facility.

(17) **"HOA Charges"** means the charges allocated and assessed by the Association to the Lot Owners or any of them, as provided in the Declaration and the By-Laws (including, without limitation, in Section 6.1 of the Declaration and in Section 5.1 of the By-Laws).

(18) **"HOA Expenses"** means those costs incurred by the Associates as provided in the Declaration and Article 5 of the By-Laws.

(19) **"HOA Improvements"** means:

A. all of the buildings and other improvements now or hereafter located on the HOA Property; and

B. the Facilities.

(20) **"HOA Property"** means the land owned by the HOA and all easements.

(21) **"Improvement"** means any structure or improvement situated on a Lot.

(22) **"Institutional Lender"** means:

A. a savings bank, savings and loan association, commercial bank, trust company, credit union, insurance company, credit union, real estate investment trust, governmental authority or mortgage trust; or

B. a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(23) **"Institutional Mortgage"** means any Permitted First Mortgage covering one or more Lots, the initial holder of which is either Declarant, Declarant's designee, or an Institutional Lender.

(24) **"Insurance Trustee"** means a bank or a trust company, in either event having both an office in the State of New York and a capital surplus and undivided profits of $100,000,000 or more, from time to time appointed to serve as such by the Association. In the event of a fire or other casualty loss with respect to a Home encumbered by an Institutional Mortgage then held by an Institutional Lender, the Association shall, if such Institutional Lender shall so request in writing, appoint such Institutional Lender as the Insurance Trustee in connection with such loss.

(25) **"Law"** means the laws, ordinances, rules and regulations of any or all of the federal, New York State, and New York City governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Development Area and/or the Association, and/or the direction of any public officer pursuant to law.

(26) **"Lot"** means any of the plots, pieces, or parcels of land located in the City of New York, County of Kings, together with the buildings and other improvements constructed thereon situated in and comprising the Development Area. Tentative Lot 85 while originally part of the Development Area will be conveyed to the City Department of Parks as provided in the Development Declaration.

(27) **"Lot Owner"** means only (i) fee owner of the Development Area or any portion thereof; (ii) the holder of the lessee's estate in a ground lease of all or substantially all of the Development Area; (iii) the cooperative corporation which holds beneficial ownership of any portion of the Development Area or any building built on the Development Area; (iv) the board of managers of any condominium or homeowner's association which owns the Development Area or any portion thereof; and (v) the lessee of any individual residential unit or the owner of the beneficial interest of any residential unit held in cooperative or condominium ownership or as part of a homeowner's association. Each condominium board of managers, cooperative board of directors, the Association Board and each Unit Owner are "Lot Owners."

(28) **"Managing Agent"** means a Person employed by the Association who shall undertake to perform the duties and services that the Association shall direct, and who shall have whatever powers the Association shall delegate, both subject to the limitations contained in the By-Laws.

(29) **"Member"** means a Class A Member, Class B Member, Class C Member or Class D member at the time in question.

(30) **"Mortgage Representatives"** means the representatives of the holders of all mortgages encumbering Lots, designated by the holders of Institutional Mortgages in accordance with the terms of the Declaration.

(31) **"Parking Privilege Holder"** means any person who has a right to park in a parking facility pursuant to a Parking Privilege Agreement.

(32) **"Parking Space Unit"** means any Lot that is a condominium unit comprised solely of one parking space.

(33) **"Permitted First Mortgage"** means a Permitted Mortgage that is a first mortgage lien against a Lot.

(34) **"Permitted First Mortgagee"** means any holder of a Permitted First Mortgage.

(35) **"Permitted Mortgage"** means (i) a mortgage covering one or more Lots that complies with the terms of Article 7 of the Declaration, (ii) the purchase money mortgage

held by Declarant's predecessor in interest and was placed thereon in conformity with such terms and (iii) any mortgage made by the Declarant.

(36) **"Permitted Mortgagee"** means the holder of a Permitted Mortgage.

(37) **"Permitted Occupant"** means the lawful occupants of any Apartment that is owned as a condominium unit or cooperative as set forth in the condominium documents or proprietary lease covering such apartment, any owner or lawful lessee or Privilege Holder of a parking space, any lawful occupant of a residential rental Apartment, retirement unit or assisted living unit, any Privilege Holder and the guest of any of the foregoing.

(38) **"Person"** means any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

(39) **"Plan"** means any offering plan for the sale of condominium units or cooperative apartments situated within the Development Area and/or membership interests in the Association, which has been filed by Declarant with the Real Estate Finance Bureau of the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York, as such offering plan(s) may have been, and may hereafter be, amended from time to time.

(40) **"Privilege Holder"** means a Parking Privilege Agreement Holder and/or a Recreation Facilities Privilege Agreement Holder, as the context shall indicate.

(41) **"Recreation Facilities"** means the Health Club, the Brighton Beach Avenue Open Space, the Tot Lot and any other active or passive recreational facilities within the Development Area.

(42) **"Recreation Facilities Privilege Agreement Holder"** means any person who pursuant to a Recreation Facilities Privilege Agreement has the right to use the recreation facilities comprising part of the HOA Improvements.

(43) **"Rules and Regulations"** means the rules and regulations of the Association, which are annexed to the Declaration as Exhibit D, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the Declaration and the By-Laws.

(44) **"Special Assessments"** means the charges allocated and assessed by the Association to the Lot Owners or any of the same, as provided in the Declaration and/or the By-Laws (including, without limitation, in Section 6.1 of the Declaration and in Section 5.1 of the By-Laws).

(45) **"Selling Agent"** means any Person employed by Declarant or its designee in connection with the sale, renting, management, operation and/or promotion of the Unsold Lots or Apartments.

(46) **"Subject Property"** means the HOA Property and each Lot Declaration has been recorded, all easements, rights and appurtenances pertaining thereto and all other property, real, personal or mixed, leased or intended to be leased in connection therewith.

(47) **"Tot Lot"** means that portion of the Development Area (tentatively denominated as Block 8720 Lot 85) to be conveyed to the City Department of Parks.

(48) **"Unsold Lot"** means any Lot owned by Declarant or any Successor to or Affiliate of Declarant or its designee at the time in question.

(49) **"Unsold Parking Space"** means any space in a parking or garage facility owned by the Declarant or any successor to affiliate of Declarant or its designee at the time in question.

EXHIBIT D

RULES AND REGULATIONS

1. The sidewalks, roads, drives, paths and walks located on the HOA Property shall not be obstructed. No vehicle belonging to a Lot Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Lot Owner, shall be parked in such a manner as to impede or prevent ready access by another vehicle to any entrance to, or exit from, the Development Area, any HOA Improvement, or any Lot.

2. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a balcony or furnace or shall be dried or aired on any open portion of any Lot.

3. Nothing shall be hung or shaken from any doors, windows, or open terraces or balconies, or placed upon the window sills, of any Apartment, and no Lot Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris, or other substance therefrom.

4. There shall be no playing or lounging on the HOA Property, except in recreational areas or other areas designated as such in the Declaration or by the Association. The Association or the Managing Agent may, from time to time, curtail or relocate any portion of the HOA Property devoted to recreation purposes.

5. No Lot Owner or his or her agents, servants, employees, licensees, or visitors shall, at any time, bring onto or keep on his or her Lot (including, without limitation, in his or her Home) any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Lot.

6. No Lot Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon, or to emanate from, his or her Lot, or permit anything to be done thereon that will interfere with the rights, comforts, or conveniences of the other Lot Owners. No construction, repair work, or other installation involving noise shall be conducted on any Lot except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work being performed by Declarant, the managing agent, their respective contractors, sub contractors or the agents or employees of any of the foregoing or is necessitated by an emergency or the performance of the same at such other times is approved in advance and in writing by the Association.

7. No bird, reptile, or animal shall be permitted in any HOA Improvement, nor on the HOA Property, unless carried or on leash. No dogs shall be walked or otherwise

permitted to relieve themselves on any portion of the HOA Property, other than in any areas if any, designated for such purpose by the Association.

8. No Lot Owner shall install:

(a) any plantings (including, without limitation, any trees, shrubbery, plants, flowers and gardens of any kind or nature whatsoever); or

(b) any sign, notice, advertisement, or illumination (including, without limitation, "For Sale", "For Lease", or "For Rent" signs), outdoor statuary, clothes dryer, or other similar or dissimilar installation, on any portion of his or her Lot (including, without limitation, on the exterior surface or in the windows of his or her Apartment) that shall be exposed to public view without, in each instance, obtaining the prior written consent of the Association (except, however, to the extent that such consent shall not be required pursuant to the terms of the Declaration). It shall be the responsibility of any Lot Owner who makes any such installation to keep and maintain the same in a good and sightly condition.

9. No group tour or exhibition of any Home or its contents shall be conducted, nor shall any auction sale be held on any Lot, without the prior written consent of the Association or the Managing Agent in each instance. In the event that any Home shall be used for home occupation or professional purposes in conformity with the terms of this Declaration, no patients, clients, or other invitees shall be permitted to wait in or on the HOA Property.

10. No window guards shall be used in or about any Lot or Apartment, except such as shall have been approved in writing by the Association or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surface of any windows at the Development Area be colored or painted.

11. If any key or keys are entrusted by a Lot Owner or by his or her agent, servant, employee, licensee, or visitor to an employee of the Association or of the Managing Agent, the acceptance of the key shall be at the sole risk of such Lot Owner, and neither the Association nor the Managing Agent shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

12. No Lot Owner or other occupant of the Development Area shall send any employee of the Association or of the Managing Agent away from the Development Area on any private business.

13. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by the Association or the Managing Agent. Further, any such consent or approval may, in the discretion of the Association or the Managing Agent, be conditional in nature.

14. Complaints regarding the services of the Association shall be made in writing to the Association or to the Managing Agent.

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS

RELATING TO PREMISES KNOWN AS

OCEANA - A RESIDENTIAL COMMUNITY
BROOKLYN, NEW YORK

Declarant:	**Brighton Development, LLC** **118-35 Queens Boulevard** **Forest Hill, New York 11375**
Date of Declaration:	_____
Prepared by:	**Herrick, Feinstein LLP** **2 Park Avenue** **New York, New York 10016**

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EXHIBIT E

BY-LAWS
of
OCEANA HOMEOWNERS ASSOCIATION, INC.

_____, 199___

Prepared by

Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016

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BY-LAWS

OF

OCEANA HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1

GENERAL

Section 1.1 Definitions. Unless the context in which the same are used shall otherwise require, the following terms shall have the respective meanings set forth in Exhibit C to the Declaration of Covenants, Restrictions and Easements:

Section 1.2 Membership in the Association. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot shall be, and every person or entity who becomes a record owner of a fee or undivided fee interest in any Lot shall upon acceptance of a deed or other instrument of conveyance of, or the succeeding of title to, the Lot, become, a member of the Association. However, the foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Membership in the Association shall be appurtenant to, and may not be separated from, the ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. The conveyance or other transfer of title to another of the only Lot owned by a person or entity shall constitute the withdrawal from, and resignation of, membership in the Association by such person or entity.

Section 1.3 Classes of Membership. The Association shall consist of the following classes of members to the extent applicable:

Class A Members: All owners of individual condominium units and proprietary lessees of individual cooperative apartments.

Class B Members: All Lot Owners owning Lots forming a part of the Development Area on which dwelling units are intended to be constructed but have not been completed.

Class C Members: All Lot Owners owning land forming a part of the Development Area on which are situated completed dwelling units that are not owned as individual condominium units or cooperative apartments. Dwelling units owned by Class C Members may include, but are not limited to rental dwelling units, retirement units and assisted living units.

Class D Members: Each owner of a Lot (including a subjacent Lot) on which is situated a facility containing in excess of twenty-five parking spaces or "unsold" parking units.

Class B, Class C and Class D memberships shall each only be in effect if and for so long as there are Persons who qualify for such memberships.

Section 1.4 Principal Office of the Association. The principal office of the Association shall be located either at the HOA Property or at such other place in the City of New York reasonably convenient thereto as may be designated from time to time by the Board of Directors.

Section 1.5 Form of Seal. The seal of the Association shall be in the form of a circle and shall bear the name of the Association, the year of its incorporation and the words "Corporate Seal, New York".

ARTICLE 2

THE BOARD OF DIRECTORS

Section 2.1 General. The Association is duly incorporated as a Type A corporation under Section 201(a) of the New York Not-For-Profit Corporation Law. As more particularly set forth in these By-Laws, the affairs of the Association shall be governed by the Board of Directors.

Section 2.2 Status of the Board of Directors. The Board of Directors shall have the status conferred upon it under, or pursuant to, the terms of the New York State Not-for-Profit Corporation Law and any other applicable law.

Section 2.3 Powers and Duties of the Board Of Directors. The Board of Directors shall have all of the powers and duties necessary for, or incidental to, the conduct and administration of the affairs of the Association, provided, however, that the Board of Directors shall not have such powers or duties that by law, or pursuant to the terms of these By-Laws, may not be delegated to the Board of Directors by the members. Without intention to limit the generality of the foregoing in any respect, but subject to the terms of Section 2.4 hereof, the Board of Directors shall have the following specific powers and duties:

(i) to determine the manner in which the Association shall operate, maintain, repair, restore, add to, improve, alter and replace the HOA Property and HOA Improvements,

including, without limitation, as the Board of Directors shall deem necessary or proper in connection therewith:

(a) the purchase and leasing of supplies, equipment and material; and

(b) the employment, compensation and dismissal of personnel;

(ii) to cause the Association to acquire, in the name of the Association or its designee, corporate or otherwise, all rights, titles and interests in real and personal property deemed necessary or proper by the Board of Directors for use in connection with the ownership and operation of the HOA Property and HOA Improvements;

(iii) to cause to be maintained complete and accurate books and records with respect to the finances and the operation of the Association, including, without limitation:

(a) detailed accounts, in chronological order, of all receipts and expenditures affecting the HOA Property and HOA Improvements;

(b) detailed books of account of the Association;

(c) any other financial records that may be required to be kept by the Association pursuant to the terms of these By-Laws or pursuant to law; and

(d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Association for each fiscal year thereof, setting forth, without limitation:

(a) a detailed accounting of the anticipated expenses of the Association for the ensuing fiscal year; and

(b) a detailed projection of all sources and amounts of income available to discharge the same;

(v) to determine the amount, and establish the means and methods of payment, of the charges to be assessed against the Lots and any Permit Holders in order to pay the anticipated expenses of the Association, and to cause the Association to collect the same from (i) the appropriate condominium boards of managers and cooperative boards of directors on behalf of each Member who is a unit owner in a condominium or a proprietary

lessee of a cooperative Apartment within the Development Area; (ii) all Lot Owners who are not condominium unit owners or proprietary lessees of cooperative apartments, (iii) any Privilege Holder and (vi) condominium unit owners and proprietary lessees who have failed to pay such charges to their respective condominium or cooperative boards

(vi) subject to the limitations contained in Section 2.4 hereof, to cause the Association to borrow money, when necessary or desirable in the judgment of the Board of Directors, in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the HOA Property and HOA Improvements, and to cause the Association to grant mortgages and other liens against all or any portion of the HOA Property, when necessary or desirable in the judgment of the Board of Directors, in order to secure any such borrowings;

(vii) to cause the Association to open and maintain bank accounts, and to designate the signatories require therefor;

(viii) to cause the Association to use the charges collected pursuant to clause (v) above, as well as all other funds held by the Association or received in connection with the ownership and operation of the HOA Property and HOA Improvements for the conduct and administration of the affairs of the Association, including, without limitation:

(a) the payment of expenses of the Association (including, without limitation, the payment of any taxes and other assessments levied against the HOA Property and HOA Improvements and the making of all payments required, and prepayments permitted, under any mortgage encumbering the same);

(b) the establishment, funding and augmentation of such reserve and other similar funds as the Board of Directors shall elect to maintain, such as, without intention to limit the generality of the foregoing in any respect, funds for contingencies, for general operating reserves, for working capital and for replacements with respect to the HOA Property and HOA Improvements; and

(c) to make up any deficit in the income of the Association for any prior year(s);

(ix) to cause the Association to obtain insurance, to adjust and settle insurance claims and to execute and deliver releases upon such adjustment and settlement on behalf of all Members, of all holders of mortgages and other liens on Lots and of all holders of any other interest in the HOA Property and HOA Improvements;

(x) subject to the provisions of the Declaration, to pass upon requests received from Members for the Association's consent to the making of additions to, and alterations of, the improvements located on the Lots;

(xi) subject to the provisions of the Declaration, to supervise the making of additions to, and alterations of, Improvements located on the Lots;

(xii) to review and approve the coverage amount, policy forms and insurance carriers with respect to the fire and casualty insurance policies as set forth in Article 5 of the Declaration, to maintain such insurance, as well as to supervise and approve the adjustment and settlement of claims under any such insurance policies;

(xiii) subject to the provisions of the Declaration, to supervise the making of repairs to, and restorations and replacements of, the structures located on Lots after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(xiv) to cause the Association to adopt, amend, modify, add to and/or delete Rules and Regulations governing the use of the Lots and the use and operation of the HOA Property and HOA Improvements, as well as to levy and collect fines against Members for violations of the same;

(xv) to cause the Association to perform its obligations, and exercise its rights, under any document or instrument that shall be binding upon, or that shall inure to the benefit of, the Association [including, without limitation, the Development Declaration, easements affecting any portion of the Development Area and any other document or instrument encumbering, or otherwise in force and effect and relating to, the Development Area, any "Off-Site Improvements" (as such term is defined in the Development Declaration) the Lots and/or the HOA Property and HOA Improvements];

(xvi) to bring or defend against any proceedings that may be instituted on behalf of, or against, the Association;

(xvii) to retain or employ a managing agent to assist the Board of Directors and the officers of the Association in connection with the operation, maintenance and repair of the HOA Property and HOA Improvements and such other property within or without the Development Area that the Association is obligated to maintain, as well as otherwise in connection with the performance of the obligations and conduct of the affairs of the Association and to retain such attorneys, accountants, architects, engineers and other professionals as the Board of Directors deems necessary or desirable in connection therewith, in all instances for such compensation as the Board of Directors considers reasonable, suitable and appropriate;

(xviii) to organize corporations to act as the designees of the Association in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the HOA Property and HOA Improvements;

(xix) to cause the Association to execute, acknowledge and deliver any consent, covenant, restriction, easement, declaration or other instrument affecting the HOA Property that the Board of Directors deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the same;

(xx) to cause the Association to:

(a) protest, complain, or apply to the appropriate taxing authority to correct the tax assessment of the HOA Property (including any HOA Improvements situated thereon) and, subject to obtaining the prior written consent of the applicable condominium boards of managers, cooperative boards of directors or Members owning the same, the Lots for any year;

(b) commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person under the Real Property Tax Law;

(c) seek administrative and judicial review of the tax assessments for any year;

(d) negotiate and settle with the taxing authority the tax assessments and any resulting proceedings and litigation; and

(e) to retain legal counsel in connection with the foregoing;

(xxi) to carry out any other duties imposed upon the Board of Directors pursuant to these By-Laws or otherwise; and

(xxii) to maintain such property within the Development Area that the HOA is obligated to maintain.

Section 2.4 Conditions to, and Limitations on, the Exercise of Certain Powers. (A) Notwithstanding anything to the contrary provided in section 2.3 hereof or otherwise in these By-Laws, the Board of Directors shall not cause the Association to:

(i) borrow any sum in excess of $10,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years), except (i) borrowing to acquire Units for the superintendent and other Association employees or (ii) upon the affirmative vote of two-thirds of the Directors taken at a duly constituted meeting thereof;

(ii) either:

(a) grant a mortgage or other lien against all or any portion of the HOA Property or HOA Improvements to secure repayment of the Association's indebtedness (regardless of the amount of such indebtedness), or

(b) borrow or expend in any fiscal year of the Association in connection with the performance of any alteration, addition or improvement to the HOA Property or to an HOA Improvement or any portion of same, more than an aggregate of $125,000.00 for so long as the Development Area contains 425 Completed Dwelling Units or fewer, or $250,000.00 if the Development Area has at least 426 Completed Dwelling Units, except with the prior affirmative vote of at least a majority of the votes of the Members taken at duly constituted meetings of such Members.

Additionally, any Rule or Regulation adopted by the Board of Directors pursuant to the terms of subparagraph (xiv) of Section 2.3 hereof, and any amendment, modification, addition, or deletion with respect to any Rule or Regulation, may be overruled by a vote of a majority of the votes of the Members taken at a duly constituted meeting thereof.

(B) Until the earlier of (i) the date that 765 Completed Dwelling Units have been sold or (ii) the tenth anniversary of the Closing Date under condominium offering plan for Oceana Condominium No. One, (the "Oceana Condominium No. One Offering Plan") the Board of Directors shall not take any action that would (a) increase the number or change the type of employees described in "Schedule C," (b) provide for services other than those described in Schedule C unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in "Schedule C" as defined herein and in the Oceana Condominium No. One Offering Plan; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) change the insurance coverage on the HOA Property from the coverage described in Schedule C unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Oceana Homeowners Association or unless such change is required by the holder of any mortgage on the HOA Property (or any Unsold Units or Lots) or by the insurance carrier insuring the HOA Property or HOA Improvements to satisfy insurance requirements. For the purpose of this Section 2.4 (B), the term "Schedule C" means the projected budget for the initial 56 dwelling units to be included in the Association, as contained in the condominium offering plan for Oceana Condominium No. One or any revised or updated projected budget as

may be contained in a condominium or cooperative offering plan reflecting the number of dwelling units in the Association not in excess of the number then constructed or actually under construction.

Section 2.5 Manner of Exercise and Delegation of the Board's Powers and Duties. (A) Any act within the power of the Board of Directors to perform, and deemed necessary or desirable to be performed by the Board of Directors, shall be performed:

(i) by the Board of Directors; and/or

(ii) except to the extent prohibited by the terms of Paragraph (D) of this Section 2.5 or by law, by the agents, employees, or designees of the Board of Directors on its behalf and at its direction.

(B) The Board of Directors may appoint an executive committee by duly adopted resolution, which executive committee shall have, and may exercise, all of the powers of the Board of Directors, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.5 and such additional exceptions and limitations as the Board of Directors may, from time to time, deem appropriate, during the interval between the meetings of the Board of Directors. In addition, the Board of Directors may, from time to time, appoint, by duly adopted resolutions, such other committees as the Board of Directors deems appropriate to perform such duties and services as the Board of Directors shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.5. The executive committee and each other committee shall consist of three or more Directors, a majority of whom shall be Directors elected by Declarant until the expiration of the period set forth in Section 2.4 (B).

(C) The Board of Directors may cause the Association to employ a managing agent, to serve at a compensation to be established by the Board of Directors and to perform such duties and services in the name of the Association as the Board of Directors shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.5, the Board of Directors may cause the Association to delegate to such managing agent any of the rights and powers available to the Association pursuant to these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.5, neither the executive committee nor the managing agent have, or be entitled to exercise, and the Board of Directors shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (ix), (xiv), (xvi), (xvii), (xviii), (xix) and (xx) of Section 2.3. In addition, neither the executive committee nor the managing agent shall have, or be entitled to exercise, any powers or duties that may be

not be delegated to them by the Board of Directors or the Association, as the case may be, pursuant to law.

Section 2.6 Number, Election and Qualification of Director. (A) Until the first annual meeting of the Members held pursuant to the terms of Section 4.1 hereof, the Board of Directors shall consist of three (3) Directors, to be designated from time to time by Declarant. From and after the first annual meeting of the Members, the Board of Directors shall consist of nine (9) Directors, to be elected by the Members pursuant to the terms of Section 4.9 hereof.

(B) All Directors elected by the Class A Members and Class B Members shall be either:

(i) individuals who is/are Lot Owners or mortgagees of Lots;

(ii) partners, employees, members, officers, directors, stockholders, principals, employees, fiduciaries or beneficiaries of a Lot Owner or mortgagee, in connection with Lots owned or on which mortgages are held by a corporation, partnership, limited liability company or other entity or a fiduciary; and

(iii) adult family members of Members who are individuals.

No Member may be elected by the Class A Members and Class C Members (other than by Declarant) to serve as a Director if the Association has perfected a lien against such Member's Lot and the amount necessary to release such lien has not been paid at the time of such election.

(C) There shall be no restrictions on the identity of the Directors designated or elected by the Declarant or the Class B, C or D Members, which Directors may be anyone selected by them.

Section 2.7 Term of Office of Directors. The term of office of the three (3) Directors designated by the Declarant shall expire when the nine (9) Directors to be elected at such meeting are elected and qualified. The term of office of each of the Directors who are elected and qualified at the first, and each subsequent, annual meeting of the Members shall be fixed at one (1) year, until the next annual meeting of the Members. Notwithstanding anything to the contrary contained in this Section 2.7, however, each Director shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a Director may serve.

Section 2.8 Removal and Resignation of Directors. (A) Each Director shall be subject to removal from office as follows:

(i) with respect to any Director who was either elected by the Class A Members, Class B Members and Class C Members or appointed to fill a vacancy by the Directors who were themselves elected by the Class A Members, Class B Members and Class C Members (other than Declarant), such Director may be removed from office, with or without cause, by a majority of the votes, respectively, of the Class A Members, Class B Members and Class C Members (other than Declarant), as the case may be.

(ii) with respect to any Director who was designated or elected by Declarant or by the Class D Member, or appointed to fill a vacancy by the Directors who were themselves elected or designated by Declarant or such Class D Members, such Director may be removed from office, with or without cause, by a Declarant or by a majority of the votes of the Class D Members, as the case may be.

(iii) with respect to any Director, such Director may be removed from office for cause by a majority of the votes of the Members.

Any Director may be removed from office only at a duly constituted meeting of the Members who are entitled to vote upon his or her removal, and shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any Director may resign his or her directorship at any time by giving written notice thereof to the Board of Directors. Any Director who shall cease to be qualified for directorship pursuant to the terms of Section 2.6 hereof shall be deemed to have resigned his or her directorship effective as of the date upon which such qualification shall cease.

Section 2.9 Vacancies. (A) In the event of any vacancy on the Board of Directors that is caused by the removal, resignation, or death of:

(i) a Director who was elected by the Class A, Class B or Class C Members other than Declarant, the vacancy shall be filled by an individual who is both:

(a) qualified to be a Director elected by the Class A, Class B or Class C Members pursuant to the terms of Section 2.6 hereof; and

(b) elected by a vote of a majority of the Directors who were themselves elected by the Class A Members, Class B Members and Class C Members and who are then in office at a special meeting of the Board of Directors, which shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election

held at such a meeting shall be effective to fill such vacancy even if the number of Directors or Members (as the case may be) present at such meeting and/or entitled to vote on such issue shall not constitute a quorum.

(ii) a director who was designated or elected by Declarant or a Class D Member, the vacancy shall be filled by an individual designated by Declarant or elected by the Class D Member, as the case may be.

(B) Each Director who is elected to fill a vacancy pursuant to the terms of paragraph (A) of this Section 2.9 shall serve as a Director for the remainder of the term of the Director that he or she replaced and until his or her successor shall be elected and qualified at the next annual meeting of the Members held pursuant to the terms of Section 4.1 hereof.

Section 2.10 Organizational Meeting of the Board of Directors. The first meeting of the Board of Directors following each annual meeting of the Members shall be held within thirty (30) days of such annual meeting, at such time and place in the City of New York as shall be both fixed informally by a majority of the Directors and designated in a written notice given to all of the Directors by personal delivery, mail, facsimile, overnight carrier, or telegram not later than five (5) business days prior to such date. Written notice of any such meeting shall not be required if it is held immediately following the annual meeting of the Members in question.

Section 2.11 Regular Meetings of the Board of Directors. Regular meetings of the Board of Directors may be held at such time and place in the City of New York as shall be determined from time to time by a majority of the Directors, provided that at least one such meeting of the Board of Directors shall be held during each twelve (12) month period. Written notice of all regular meetings of the Board of Directors shall be given to each Director by personal delivery, mail, facsimile, overnight carrier or telegram at least five (5) business days prior to the day named for such meeting.

Section 2.12 Special Meetings of the Board of Directors. The President may call a special meeting of the Board of Directors whenever he or she deems the same to be necessary or desirable, and the President shall call such a meeting upon the written request of three (3) or more Directors. Written notice of all special meetings shall be given to each Director by personal delivery, mail, facsimile, overnight carrier or telegram at least five (5) business days prior to the day named for such meeting, which notice shall state the time, place (in the City of New York) and purpose of the meeting.

Section 2.13 Waiver of Notice of Meetings. Any Director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting shall constitute a waiver by him or her of notice of the time and place thereof. If all of the Directors are

present at any meeting of the Board of Directors, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.14 Quorum of the Board of Directors. For purposes of all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. In connection therewith one or more Directors may participate in any meeting by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute the presence of such Director(s) at such a meeting for all purposes. If, at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of the Directors in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting that was originally called (but for the lack of a quorum) may be transacted without further notice.

Section 2.15 Conduct of Meetings. (A) The President shall preside at all meetings of the Board of Directors. The Secretary shall faithfully record the minutes of all such meetings, which minutes shall include the full text of all resolutions duly adopted by the Board of Directors and a record of all transactions and proceedings occurring at the same.

(B) The then current edition of Robert's Rules of Order, or any other rules of procedure that are, from time to time, acceptable to a majority of the Directors, shall govern the conduct of the meetings of the Board of Directors, unless the same shall be in conflict with the terms of these By-Laws or of any law.

Section 2.16 Decisions by the Board of Directors. Except as otherwise expressly provided in these By-Laws, the vote of a majority of the Directors present and voting at a meeting thereof at which a quorum is present shall constitute the decision of the Board of Directors. Alternatively, any decision that is required or permitted to be made by the Board of Directors may be made without a meeting thereof if all of the Directors shall individually or collectively consent in writing to such decision. All such written consents shall be duly filed by the Secretary of the Association in the minutes of the Board of Directors.

Section 2.17 Compensation of Directors. No Director shall receive any compensation from the Association for acting as such.

Section 2.18 Common or Interested Directors. Each Director shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the best interests of the Association. To the extent permitted by law, no contract or other transaction between the Association and either:

(i) any one or more of the Members, the Directors and/or the officers of the Association; and/or

(ii) any corporation, partnership, fiduciary, firm, association, limited liability company or other entity in which any one or more of the Members, the Directors and/or the officers of the Association are officers, directors, employees, partners, fiduciaries, beneficiaries, members, or principals, or are otherwise interested, pecuniarily or otherwise, shall be either void or voidable by, or on behalf of, the Association, provided, however, that:

(a) the fact thereof is disclosed to, or known by, the Board of Directors or a majority of the Directors, or noted in the minutes thereof, and the Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Board of Directors, less the number of any such interested Directors and

(b) the contract or transaction is commercially reasonable at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any interested Director may be counted in determining the presence of a quorum at any meeting of the Board of Directors that authorizes, approves, or ratifies any such contract or transaction, but no such Director shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as, in its discretion, may be necessary or desirable. All agreements, contracts, deeds, leases, cheeks and other instruments of the Association shall be executed, upon the direction of the Board of Directors, by any two officers of the Association, by such lesser number of officers, or by such other person or persons, as may be designated from time to time by the Board of Directors, including without limitation the Managing Agent.

Section 3.2 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board of Directors. The President shall have all of the general powers and duties that are incident to the office of president of a corporation organized under the New York State Not-for-Profit Corporation Law, including, but not limited to, the power to appoint the members of all committees created by the Board of Directors from amongst the Members as he or she may decide,

in his or her discretion, are appropriate to assist in the conduct of the affairs of the Association.

Section 3.3 Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board of Directors shall appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Board of Directors or by the President.

Section 3.4 Secretary. The Secretary shall keep the minutes of all meetings of the Members and of-the Board of Directors. The Secretary shall have charge of such books and papers as the Board of Directors shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a corporation organized under the New York State Not-for-Profit Corporation Law.

Section 3.5 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Association and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Association, or in the name of any managing agent appointed by the Board of Directors pursuant to the terms of Section 2.5 hereof, in such depositories as may, from time to time, be designated by the Board of Directors. In general, the Treasurer shall perform all of the duties incident to the office of treasurer of a corporation organized under the New York State Not-for-Profit Corporation Law.

Section 3.6 Election, Term of Office and Qualifications of Officers. Each of the officers of the Association shall be elected annually by a majority vote of the Board of Directors taken at the organizational meeting of each new Board of Directors, and shall serve at the pleasure of the Board of Directors. The President shall be elected from amongst the Directors. The other officers of the Association, however, need not be Members or Directors and need not have any interest in the Corporation.

Section 3.7 Removal and Resignation of Officers. Any officer of the Corporation may be removed from office, with or without cause, by an affirmative vote of a majority of the Directors. In addition, any officer may resign at any time by giving written notice to the Board of Directors. Finally, if the President or the Vice President of the Association shall cease to be a Director during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her status as a Director shall cease.

Section 3.8 Vacancies. Any vacancy in an office shall be fined by a majority vote of the Board of Directors taken at any regular meeting of the Board of Directors or at a special meeting thereof called for such purpose.

Section 3.9 Compensation of Officers. No officer of the Association shall receive any compensation from the Association for acting as such.

ARTICLE 4

MEETINGS OF THE MEMBERS

Section 4.1 Annual Meetings of the Members. The first annual meeting of the Members shall be held not more than (6) months after the closing of title to the first Lot comprised of a condominium unit to a purchaser by Declarant or its designee. At this meeting, the three (3) incumbent Directors shall resign, and a successor Board of Directors, consisting of nine (9) Directors, shall be elected by the Members. Thereafter, annual meetings of the Members shall be held on or about each anniversary date of the first annual meeting, unless any such anniversary date shall occur on a weekend or a legal holiday, in which event the meeting shall be held on or about the succeeding business day. At each such subsequent meeting, the Members shall:

(i) elect successors to all of the Directors (provided, however, that nothing herein shall be deemed to preclude a Director from standing for reelection); and

(ii) transact such other business as may properly come before such meeting.

Section 4.2 Special Meetings of the Members. The President shall call a special meeting of the Members whenever so directed by a duly adopted resolution of the Board of Directors or upon receipt by the Secretary of a petition calling for such a meeting signed by Members who own twenty-five (25%) percent or more of the membership interests. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other suitable and convenient place in the County of Kings as may be designated by the Board of Directors.

Section 4.4 Notice of Meetings. (A) The Secretary of the Association shall give notice of each annual or special meeting of the Members then of record entitled to vote at such meeting, which notice shall:

(i) set forth the purpose, time and place of such meeting; and

(ii) be given to each Member by personal delivery, mail, facsimile, overnight carrier or telegram not later than five (5) business days prior to the day fixed for the meeting (however, the mailing of such notice to any Member, addressed to his or her Lot, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Member of such meeting).

Any Member may designate an address for the giving of notice other than such Member's Lot by giving written notice thereof to the Secretary of the Association not less than ten (10) days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Members shall include the consideration of a proposed amendment to these By-Laws or to any other document or instrument that shall be binding upon the Association, the Members and/or the HOA Property, the notice of such meeting shall be mailed to all Members at least thirty (30) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 Quorum of the Members. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Members owning fifty percent (50%) of the membership interests shall constitute a quorum at all meetings of the Members. If, at any meeting of the Members, there shall be less than a quorum present, a majority of those Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting that was originally called (but for the lack of a quorum) may be transacted without further notice.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the Members and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Members and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Members present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Members, unless the same shall be in conflict with any applicable law or the terms of these By-Laws. All votes of the Members shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at all meetings of the Members shall be as follows:

(i) Roll call;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Association;

(v) Reports of Directors;

(vi) Reports of committees;

(vii) Election of inspectors of election (when so required);

(viii) Election of Directors (when so required);

(ix) Unfinished business; and

(x) New business.

Section 4.8 Voting. (A) Subject to the terms of Section 4.9 hereof, the Members shall, at all meetings of the Members, be entitled to vote as follows:

Each Class A Member shall be entitled to cast one vote for each residential condominium unit or cooperative apartment owned by such Class A Member;

Each Class B Member shall be entitled to cast a number of votes equal to the number of dwelling units allowed to be constructed on the Lot owned by such Class B Member that are not complete (i.e., not covered by a temporary or permanent certificate of occupancy).

Each Class C Member shall be entitled to cast a number of votes equal to the number of dwelling units contained in the completed building (that are not owned as condominiums or cooperatives) owned by such Class C Member.

Each Class D Member shall be entitled to cast the number of votes equal to the number of parking spaces or unsold parking space units owned by such Class D member, solely for the purpose of electing one member of the Board of Directors.

In the instance of a Class C Member who owns a retirement facility or a senior housing or assisted living facility or a Lot on which will be situated such a facility, the computation of number of dwelling units for the purpose of Section 4.8 shall be computed in the same manner and shall be equal to the number of dwelling units as computed in Section 5.1 (C).

(B) A fiduciary shall be the voting Member with respect to a Lot owned in a fiduciary capacity. In addition, if two or more persons or entities own a Lot, they shall designate one person or entity amongst them to cast the vote appurtenant to their Lot in a writing given to the Secretary of the Association, and the vote of such designee shall be binding upon all of such persons and entities. Failing such a designation, all of such persons and entities shall mutually cast such vote under one ballot without division, and the concurrence of all such persons and entities shall be conclusively presumed if any one of them purports to cast such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the disputing Members shall be counted solely for the purpose of determining whether a quorum is present.

(C) A Member may designate any person or entity to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Secretary of the Association at or before the appointed time for the meeting(s) during which the same is to be effective. Facsimile or photocopies of any designation of a proxy shall not be valid. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Association; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Association or, if such revocation is made at a meeting of the Members during which the Secretary of the Association is not in attendance, by the individual acting as the secretary of such meeting. No designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof.

(D) Except when otherwise required by law or provided in these By-Laws, the affirmative vote of a majority in number of the votes of the Members who are present and voting at a duly constituted meeting of the Members shall constitute the decision of all of the Members.

Section 4.9 Election of Directors. (A) Five (5) members of the Board of Directors will be designated by Declarant until the earlier of (i) the tenth anniversary of the Closing Date under the condominium offering plan for Oceana Condominium No. One, or (ii) the date that 725 Completed Dwelling Units have been sold and one (1) member will be elected or designated by the Class D Members for so long as there are Class D Members. During such period, the remaining members of the HOA Board are to be selected by all Class A, Class B and Class C Members other than Declarant, each of whom may cast the

votes to which he is entitled for the number directors to be elected by such Class A, Class B and Class C Members. After such period, Declarant may cast votes with respect to all Memberships it holds but will not cast its votes to elect a majority of the HOA Board. The applicable number of persons receiving the largest number of votes will be selected as directors to fill any vacancies. At such time as there ceases to be a member of the HOA Board that is selected by Declarant or the Class B, C, D Members, such members of the HOA Board shall be selected by all other voting Members, as described above.

(B) When voting for Directors:

(a) each Member shall be entitled to cast a number of votes equal to the number of votes held by such member for each of the number of directors to be elected by such Member. Such Member may not cumulate such votes. Except for Directors designated by Declarant or elected or designated by the Class D Members, the candidates receiving the highest number of votes cast shall be elected as a Director, regardless of the total number of votes cast for such candidate.

(C) All elections of Directors shall be by written ballot, and each ballot cast shall state:

(i) the name of the voting Member and, if such ballot is cast by proxy, the name of the proxy;

(ii) the designation number(s) of the Lot(s) owned by the voting Member;

(iii) whether the voting Member is acting in its capacity as Declarant or is a Class A Member, a Class B Member, a Class C Member or a Class D Member; and

(iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of votes that may be cast by the voting Member in question).

Any ballot that is not cast in conformity with this paragraph (C) shall be discarded. All election ballots shall be retained in the records of the Association, appropriately segregated by election.

(D) Except for the Directors to be designated by Declarant or designated or elected by the Class D Members, all elections of Directors shall be determined by plurality vote.

Section 4.10 Action Without a Meeting. Any action required or permitted to be taken by the Members at a duly constituted meeting may be taken without such a meeting if

Members, sufficient in number to approve such an action at a duly constituted meeting of such Members pursuant to these By-Laws, consent in writing to the adoption of a resolution approving such action. All written consents given by such Members pursuant to this Section 4.10 shall be retained in the records of the Association, together with true copies of the resolutions to which they relate.

ARTICLE 5

FINANCES OF THE ASSOCIATION

Section 5.1 Determination of HOA Expenses and Fixing of HOA Charges.

(A) From time to time, but not less frequently than once a year, the Board of Directors shall:

(i) prepare and adopt a budget for the Association, subject, in all respects, to the strictures set forth in Sections 2.3 and 2.4 hereof;

(ii) determine the aggregate amount of money necessary to be charged to the Members (hereinafter called the "HOA Charges) in order to meet the anticipated expenses of the Association (hereinafter called the "HOA Expenses"); and

(iii) allocate the HOA Charges and HOA Expenses among the following categories:

(a) expenses incurred in connection with the ownership, management, operation, maintenance, repair and replacement of those portions of the HOA Property (other than active or passive recreational facilities or the tot lot) that either (x) were constructed in furtherance of the requirements of the Development Declaration or (y) serve both residential and non-residential members;

(b) administrative expenses relative to the general operation of the Association (but not administrative expenses relative to the operation of any active or passive recreational facilities or the Tot Lot);

(c) expenses related to "Off-Site Improvements" (other than the tot lot), and the Maintenance Security; and

(d) expenses related to the ownership, management, operation, maintenance, repair and replacement of the recreational facilities (inclusive

of the health club and other active and passive recreational facilities and the Tot Lot).

(iv) allocate and assess the HOA Charges amongst the Members pro-rata, according to the number of Lots owned by each Member, except as set forth in the Declaration or elsewhere in these By-Laws.

Items of expense relating to categories (a), (b), and (c) will be shared by all Lot Owners against whose Lots the Declaration of Covenants, Restrictions and Easements of the Association has been recorded, as more fully described below.

Items of expense relating to category (d) will be shared by all owners of residential condominium units, owners of all cooperative apartments, and the fee owners of all Completed Residential Structures other than a retirement facility or an assisted living or senior housing facility (i.e., a structure as to which all residential units are covered by a temporary certificate of occupancy or a permanent certificate of occupancy) not owned as a condominium or a cooperative, based on the number of dwelling units in such structure. The owner(s) of any retirement units, or dwelling units comprising a retirement facility or an assisted living or senior housing facility may elect on an annual, per unit basis whether or not to utilize recreational facilities, and if, and to the extent an election is made to utilize such facilities, such owners will be responsible for the payment of a pro-rata share of the expenses in category (d) based on the number of dwelling units for which the election is made, which election shall be made in writing by the owner of such retirement units and/or assisted living or senior housing facility, at least ninety (90) days prior to the commencement of the Association's fiscal year.

(B) The owner of any Parking Space Unit or any parking facility within the HOA will pay HOA Charges either to the Condominium Board of Managers or Cooperative Board of Directors (if applicable) or directly to the Association's Board of Directors in an amount for each parking space (or parking space within the parking facility) equal to four percent (4%) of the amount payable by each dwelling unit within the HOA (less any amounts to attributable to the operation, maintenance, repair and replacement of the Recreation Facilities).

(C) The respective condominium boards of managers, cooperative boards of directors or fee owners (as the case may be) shall be assessed and shall assess to all Unit Owners and proprietary lessees as applicable) the HOA Charges in the proportion that the number of residential dwelling units in such building(s) bears to the total number of the Completed Dwelling Units within the Development Area. Notwithstanding the foregoing, in the case of a retirement facility or assisted living facility comprised of units that are not Class A Apartments, such facility shall be assessed based on the number of dwelling units

deemed to be included in such facility. Such number shall be computed based on the number of rentable square feet in such facility divided by the average number of rentable square feet per dwelling unit in Oceana Condominium No. One, each measured in accordance with the formula utilized to calculate the dimensions of a Unit as set forth in the Condominium Declaration for such condominium same standard of measurement. Such assessments shall initially be payable by the Condominium Board, in the case of a condominium; by the cooperative corporation, in the case of a building owned as a cooperative; or by the fee owner, in the case of a rental building or a retirement facility or assisted living facility or parking facility, but if any condominium unit owner, proprietary lessee or other Lot Owner shall fail to pay his share of such HOA Charges within 15 days following the due date thereof to the condominium board of managers, cooperative board of directors or the Association, as the case may be, the HOA Board shall, independently of such condominium board of managers or cooperative board of directors, have all rights and remedies at law and in equity to collect same, including, without limitation, the right to file a lien on such Lot Owner's Lot, as provided in the Declaration upon such failure to pay.

Notwithstanding anything to the contrary contained in the Declaration or these By-Laws, in the event that a Unit Owner is a REIT, the obligations of any such REIT under the Declaration and these By-Laws shall be enforceable only against the assets of the REIT, and no trustee, officer, director, beneficiary or shareholder of any such REIT shall be personally liable for any matter in connection with or arising out of the Declaration or these By-Laws.

The Association's Board of Directors will advise each condominium board of managers and cooperative board of directors of the total amount of expenses in categories (a), (b) and (c), which amount shall be shared by all Unit Owners in accordance with their respective Common Interests or shares and the amount of the total expenses in Category (d) which shall be shared by all Residential Unit Owners in proportion that their respective Common Interests bears to the total Common Interests of all Residential Unit Owners.

Promptly after the same is determined, but in no event later than fifteen (15) days before the date upon which the first installment of any newly-determined Common Charges is due, the Board of Directors shall:

(a) advise each Member in writing as to the new amount of HOA Charges payable by such Member; and

(b) furnish each Member with a copy of the budget (in a reasonably itemized form) upon which the determination of such new amount of Common Charges was based.

In the event that the Board of Directors shall neglect or delay in the preparation or adoption of a budget, or in the projection of the Common Expenses and/or a determination of the new HOA Charges, for any fiscal year, the HOA Charges that were in effect at the end of the prior fiscal year shall continue to be the HOA Charges payable by the Members until a new projection of the Common Expenses and a determination of the new HOA Charges shall be made.

Section 5.2 Modifications of HOA Charges During a Fiscal Year. The Board of Directors may, at its sole discretion and from time to time during any fiscal year of the Association:

(i) modify its projection of the HOA Expenses for such fiscal year; and/or

(ii) increase or decrease the amount of the HOA Charges payable by the Members during the balance of such fiscal year (and, thereafter, until a new amount of HOA Charges is fixed by the Board pursuant to the terms of this Article 5).

However, no change in the amount of the HOA Charges shall be effective until each Member has been given at least fifteen (15) days prior written notice thereof.

Section 5.3 Levying of Special Assessments. In addition to its right to assess (and to re-assess) HOA Charges, the Board of Directors shall have the right, again subject, in all respects, to the strictures contained in Section 2.3 and 2.4 hereof, to levy Special Assessments against the Members or any one or more of them in order to either:

(i) meet those HOA Expenses that were not provided for, or not sufficiently provided for, when the Board fixed the then current HOA Charges; and/or

(ii) collect any other charges that the Members, or any one or more of them, shall be obligated to pay to the Association pursuant to the terms of these By-Laws or of any other document or instrument that shall be binding upon the Association, the Members and/or the Corporate Property.

All Special Assessments shall be levied against the Members in the same manner as the HOA Charges; and be payable either in one lump sum or in installments, as the Board of Directors shall determine.

However, the Board of Directors shall give each Member not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof.

Section 5.4 Distributions. Except upon a complete or partial liquidation of the Association, no Member shall be entitled, either conditionally or unconditionally, to receive any distribution not out of the earnings and profits, if any, of the Association.

Section 5.5 Financial Records. The Treasurer of the Association, or any managing agent appointed by the Board or Directors pursuant to the terms of Section 2.5 hereof acting under the supervision of the Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Association, which records and books of account shall include, without limitation:

(i) a listing of all receipts of and expenditures by the Association, whether directly or through such managing agent; and

(ii) a separate listing for each condominium, cooperative and other Lot, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Lot, the date when due, the amounts paid thereon, (and as to any individual condominium unit or cooperative apartment), the balance, if any, remaining unpaid.

Section 5.6 Annual Reports. Within four (4) months after the end of each fiscal year of the Association, the Association shall submit to each Member an annual report of the receipts and expenditures of the Association, each of which shall be prepared by an independent certified public accountant.

Section 5.7 Examination of Books. Each Member and his or her duly appointed representatives shall be permitted to examine the books of account of the Association (other than those records relating exclusively to other Members, such as, for example, records of any unpaid HOA Charges and/or Special Assessments thereof) at reasonable times on business days, but not more frequently than once a month.

Section 5.8 Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise by a duly adopted resolution of the Board of Directors.

ARTICLE 6

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 6.1 In Actions by or in the Right of the Association. Any person who is made a party to an action brought by, or in the right or, the Association, by reason of the fact that such person, or his or her testator or intestate, is or was a director or officer of the Association, shall be indemnified by the Association against any and all reasonable

expenses (including, without limitation, reasonable attorneys' fees, disbursements and court costs) actually and necessarily incurred in connection with the defense of such action, or in connection with an appeal therein, except:

(i) in relation to matters as to which such director or officer is adjudged to have breached his duty to the Association under Section 717 of the New York Not-for-Profit Corporation Law; and

(ii) with respect to those amounts and expenses referred to in Paragraph (b) of Section 722 of the New York Not-for-Profit Corporation Law.

Section 6.2 In Other Actions Proceedings. Any person made a party to an action or proceeding (other than one brought by, or in the right of, the Association), whether civil or criminal, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person, or by his or her testator or intestate, as a director or officer of the Association (or as an officer or director of any other corporation in which he, she, or such testator or intestate so served at the request of the Board of Directors), shall be indemnified by the Association against any and all judgments, fines, amounts paid in settlement and reasonable expenses (including, without limitation, reasonable attorneys' fees, disbursements and court costs) actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer:

(i) acted in good faith;

(ii) acted for a purpose that he or she reasonably believed was in the best interest of the Association; and

(iii) in criminal actions or proceedings, had no reasonable cause to believe that his or her conduct was unlawful.

The conclusion of any such action or proceeding by judgment, settlement, conviction, or plea of nolo contendere (or its equivalent) shall not in itself create a presumption that such director or officer:

(a) did not act in good faith;

(b) did not act for a purpose that he or she reasonably believed was in the best interests of the Association; and/or

(c) had reasonable cause to believe that his or her conduct was unlawful.

Section 6.3 Payment. A person who has been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Sections 722 or 723 of the New York Not-for-Profit Corporation Law shall be entitled to indemnification as authorized in said Sections. However, except as provided in Paragraph (a) of Section 724 of the New York Not-for-Profit Corporation Law, any indemnification under Section 722 or 723 thereof, unless ordered by a court under Section 725 thereof, shall be made by the Association only if authorized in the specific case in accordance with the provisions of Paragraph (a) of Section 724 thereof. Additionally, expenses incurred in defending a civil or criminal action or proceeding may be paid by the Association in advance of the final disposition of such action or proceeding, if authorized under Paragraph (b) of Section 724 of the New York Not-for-Profit Corporation Law.

Section 6.4 Other Provisions. Indemnification of directors or officers shall be subject to the other affecting the same, as set forth in Section 726 of the New York Not-for-Profit Corporation Law.

ARTICLE 7

NOTICES

Section 7.1 General. All notices required or desired to be given hereunder (except for a notice of a meeting under section 2.9, 2.10, 2.11 and/or 4.4 hereof) shall be sent by registered or certified mail, return receipt requested, or by national overnight courier that provides a receipt, postage prepaid addressed:

(i) if to the Association, to the Association at its principal office as set forth in Section 1.4 hereof (with a photocopy sent in like manner to any managing agent appointed by the Board of Directors pursuant to the terms of Section 2.5 hereof at its principal office address);

(ii) if to a Class A Member to such Member at his or her Lot; or

(iii) if to a Class B Member, Class C Member or Class D Member, to the address designated in writing by such Member; or

(iii) if to Declarant, at 118-35 Queens Boulevard, Forest Hills, New York 11375, Attn: Joshua L. Muss (with a photocopy sent in like manner to Herrick, Feinstein, LLP, 2 Park Avenue, New York, New York 10016, Attention: Leonard Grunstein, Esq.).

Any of the foregoing parties may change the address to which notices are to be sent, or may designate not more than two (2) additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 7.1 shall be deemed given when deposited in a branch or general post office or depository maintained by the United States Postal Service located in the State of New York or when delivered to a national overnight courier service enclosed in a sealed, postage prepaid wrapper, addressed as aforesaid, provided, however, that notices of changes of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 7.2 Waiver of Service of Notice. Whenever any notice is required to be given by law or pursuant to the terms of these By-Laws, a waiver thereof in writing, signed by the person or entity entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 8

AMENDMENTS TO BY-LAWS

Section 8.1 General. Subject to the terms of Section 8.2 below, any provision contained in these By-Laws may be amended, modified, added to, or deleted by the affirmative vote Members holding sixty-six and two-thirds percent (66 2/3%) of all votes, taken in accordance with the terms of these By-Laws.

Section 8.2 Restrictions on Amendments. Notwithstanding anything contained in these By-Laws to the contrary, but subject to any limitation imposed by law, no amendment to these By-Laws shall be adopted without the prior written consent of Declarant, if Declarant owns any unsold Lot(s), if such amendment would:

(i) interfere with the sale, lease, or other disposition of any Lot owned by Declarant;

(ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, privilege, or benefit reserved to Declarant in these By-Laws; or

(iii) impose any discriminatory charge or fee against Declarant.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Gender. A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 9.2 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ARTICLE 10

AMENDMENTS TO BY-LAWS

Section 10.1 General. Subject to the terms of Section 8.2 below, any provision contained in these By-Laws may be amended, modified, added to, or deleted by the affirmative vote Members holding sixty-six and two-thirds percent (66 2/3%) of all votes, taken in accordance with the terms of these By-Laws.

Section 10.2 Restrictions on Amendments. Notwithstanding anything contained in these By-Laws to the contrary, but subject to any limitation imposed by law, no amendment to these By-Laws shall be adopted without the prior written consent of Declarant, if Declarant owns any unsold Lot(s), if such amendment would:

(i) interfere with the sale, lease, or other disposition of any Lot owned by Declarant;

(ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, privilege, or benefit reserved to Declarant in these By-Laws; or

(iii) impose any discriminatory charge or fee against Declarant.

ARTICLE 11

MISCELLANEOUS

Section 11.1 Gender. A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 11.2 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

CERTIFICATE OF INCORPORATION

OF

OCEANA HOMEOWNERS ASSOCIATION, INC.

Under Section 402 of the Business Corporation Law

RECEIVED
NOV 6 9 32 AM '96



52 James Street
Albany, NY 12207
(800) 873-3482
(800) 234-8522 FAX

*FILER:
Jack Quigley
Corporate Assistant Manager

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS
ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: OCEANA HOMEOWNERS ASSOCIATION, INC.

DOCUMENT TYPE: DOMESTIC (NOT-FOR-PROFIT) CORPORATION TYPE: A COUNTY: QUEE

SERVICE COMPANY: NATIONWIDE INFORMATION SERVICES, INC. SERVICE CODE: 27

FILED:11/09/1998 DURATION:PERPETUAL CASH#: [redacted] FILM #: [redacted]

ADDRESS FOR PROCESS

MICHAEL F. SEIDENWAR, ESQ.
118-35 QUEENS BOULEVARD
FOREST HILLS, NY 11375

REGISTERED AGENT

EXIST DATE

11/09/1998

FILER

JACK QUIGLEY
NATIONWIDE INFORMATION SERVICES, IN
52 JAMES STREET
ALBANY, NY 12207

FEES		110.00
FILING	:	75.00
TAX	:	0.00
CERT	:	0.00
COPIES	:	10.00
HANDLING	:	25.00

PAYMENTS	110.00
CASH :	0.00
CHECK :	0.00
BILLED:	110.00
REFUND:	0.00

DOS-1025 (11/89)

N. I. S.-27

CERTIFICATE OF INCORPORATION

-OF-

OCEANA HOMEOWNERS ASSOCIATION, INC.

Under Section 402 of the New York State Not-for-Profit Corporation Law

The undersigned a natural person at least eighteen years of age and acting as the incorporator of the corporation hereby being found, under Section 402 of the New York State Not-for-Profit Corporation Law (hereinafter called the "NPCL"), hereby certifies as follows:

1. The name of the corporation is Oceana Homeowners Association, Inc. The corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 (Definitions) of the NPCL.

2. The corporation has not been formed for pecuniary gain or profit, and no part of the assets, income, net earnings, dividends or profits of the corporation is distributable to, or will inure to the benefit of, its members, directors, or officers, except to the extent permitted under Article 5 of the NPCL.

3. The purposes for which the corporation has been formed are to:

(a) obtain, own, organize, equip, maintain, operate, control administer, preserve and protect certain common areas within a certain tract of real property situate, lying and being in the City of New York, County of Kings and State of New York, bounded generally by Coney Island Avenue to the West, Brighton Beach Avenue to the North, Seacoast Terrace (a privately-owned, improved, mapped street) to the east and a natural area park strip to the South (hereinafter called the "**Property**"), for the benefit of the "Lot Owners" as such term is described in a certain Declaration made by Alexander Muss & Sons dated July 30, 1988, and other residents of the Property, which Lot Owners shall automatically be and become members of the corporation;

(b) provide for the mutual assistance, enjoyment, entertainment and improvement of its members socially;

(c) promote the health, safety and welfare of its members and all other residents of the Property;

(d) maintain, repair, operate, improve, alter, modify and dispose of certain common areas within the Property, as well as all other property (whether real, personal, or mixed) that shall be necessary, desirable, or convenient in accomplishing and/or promoting any or all of the purposes stated in this Paragraph 3;

(e) enter into, participate in, administer, observe, comply with and enforce all covenants, agreements, easements, restrictions, declarations, conditions and other instruments and writings affecting or binding the Property or any part thereof;

(f) fix, levy, collect and enforce by lawful means all charges or assessments levied or assessed against its members;

(g) pay all expenses incidental to, or in connection with, accomplishing or promoting any and all of the purposes stated in this Paragraph 3 (including, without limitation, office and all other expenses of every nature whatsoever); and

(h) accomplish and fulfill such other purposes as shall be necessary to, or desirable in connection with, the accomplishment or promoting of all of the purposes set forth in this Article 3.

4. The corporation has and may exercise any and all of the powers, rights and privileges now and hereafter afforded to a corporation organized under the NPCL, including, without limitation, all of the general powers set forth in Section 202 of the NPCL, the right to borrow money and execute and deliver loan agreements, notes and mortgages, and the power to solicit and receive grants, bequests and contributions for the corporate purposes.

5. The corporation is a Type "A" corporation, as defined in Section 201 of the NPCL.

6. The office of the corporation is located in the City and State of New York, County of Queens.

7. The New York State Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him or her is:

Michael F. Seidenwar, Esq.
118-35 Queens Boulevard
Forest Hills, New York 11375

8. The subscriber is over the age of 18 years.

9. The names and addresses of the initial directors of the corporation are:

John Busch

Joseph Muss
Jason Muss

All of the initial directors have an address c/o Muss & Muss, 118-35 Queens Boulevard, Forest Hills, New York 11375.

IN WITNESS WHEREOF, this Certificate has been signed by the subscriber this 5th day of November, 1998.

Stanley Tobias.
Stanley Tobias
Incorporator

STATE OF NEW YORK)ss.:
COUNTY OF NEW YORK)

On this 5th day of November, 1998, before me personally came Stanley Tobias, to me known and known to me to be individual described in and who executed the foregoing instrument and acknowledged to me that he executed the same.

Catherine B McDermott
Notary Public

CATHERINE B. McDERMOTT
Notary Public, State of New York
No. 01MC4974028
Qualified in Kings County
Commission Expires Nov. 5, ~~1999~~ 2000

DECLARATION

DECLARATION made as of the 30th day of July, 1998 by ALEXANDER MUSS & SONS, a Florida general partnership having an office at 4411 Collins Avenue, Suite 452, Miami, Florida 33140 ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property and improvements thereon located in the Borough of Brooklyn, Kings County, City and State of New York, which property is designated as part of Lot 14 on Block 8720 on the Tax Map of the City of New York and generally bounded by Coney Island Avenue to the west, Brighton Beach Avenue to the north, Seacoast Terrace (a privately-owned, improved, mapped street) to the east and a public park to the south, and is more particularly described on Exhibit A attached hereto and incorporated herein, which property is referred to herein as the "Subject Property";

WHEREAS, the Ticor Title Insurance Company of New York, Inc. ("Ticor") has certified as of July 28, 1998 that Declarant is a party-in-interest ("Party-In-Interest"), as that term is defined in the definition of "zoning lot" in Section 12-10 of the Zoning Resolution of the City of New York (the "Zoning Resolution"), to the Subject Property, a copy of which certification is attached hereto as Exhibit B and incorporated herein;

WHEREAS, the Subject Property is owned by Declarant (hereinafter referred to as "Owner") and Owner had proposed to develop the Subject Property, and the CPC and the City Council approved, a project known as "Brighton By the Sea" with a large scale residential development

containing: (i) no more than one thousand four hundred ninety-nine (1,499) dwelling units (including approximately one hundred forty (140) lower income housing units); (ii) four towers and two low-rise buildings; (iii) a central open space and other landscaped areas; (iv) an accessory parking garage containing one thousand seven hundred one (1,701) spaces for accessory residential use; and (v) containing a FAR of 2.5 (the "Brighton By the Sea Project");

WHEREAS, Declarant, in connection with the development of the Brighton By the Sea Project, had proposed to implement improvements to public property owned by the City of New York generally described as follows: (i) landscaping of the park strip south of the Subject Property; (ii) construction of new ramps from Coney Island Avenue to the boardwalk; (iii) construction of a pedestrian ramp from Seacoast Terrace to the boardwalk; (iv) planting of trees on both sides of Coney Island Avenue; and (v) construction of a sitting area at the end of Coney Island Avenue;

WHEREAS, Declarant executed a Declaration dated September 9, 1992, recorded at Reel 2923, Page 1874, to implement the Brighton By the Sea Project (the "Prior Declaration");

WHEREAS, City Planning Commission and City Council approved (i) an amendment of the Zoning Map pursuant to the Uniform Land Use Review Procedure ("ULURP") under land use application number 9104768 ZMK changing, inter alia, the zoning designation of the Subject Property from C3 and R6 (C1-2) to R7-1 (the "Rezoning"), and (ii) an amendment to the City Map under land use application number 910479 MMK eliminating mapped but undedicated streets within the Subject Property (hereinafter defined);

WHEREAS, Declarant has completely revised the "Brighton By the Sea Project" so that Declarant's Proposed Project will contain (i) not more than eight hundred fifty (850) market rate dwelling units that may include up to two hundred forty (240) retirement residential units; (ii) sixteen (16) to eighteen (18) apartment buildings ranging in size from three (3) to twelve (12) stories or a combination of apartment buildings and townhouses or all townhouses, all as set forth in three (3) Alternative Plans (hereinafter defined) attached hereto and made a part hereof; (iii) up to one thousand two hundred (1200) parking spaces; (iv) open space for both the general public and residents within the proposed project; (v) a residential F.A.R. of not more than 1.9, and (vi) provide public open space along Brighton Beach Avenue of not less than 43,700 square feet;

WHEREAS, Declarant has agreed, in connection with the development of the Proposed Project to make Public Off-Site Improvements (hereafter defined) to public property owned by the City of New York generally described as follows: (i) landscape the park strip south of the Subject Property; (ii) construct seating, sidewalk improvements and planting in an area located between the terminus of Coney Island Avenue and the public boardwalk, and (iii) provide sidewalk improvements to the easterly side of Coney Island Avenue south of Brighton Beach Avenue consisting of new trees, , street furniture and paving; and (iv) provide tree planting on the easterly and westerly side of Coney Island Avenue, all as described in Section 7 hereof;

WHEREAS, as a condition to the effectiveness of the previously approved Demapping, Declarant will execute, deliver and record an agreement with the City regarding development of City streets and the Public Pedestrian Easement;

WHEREAS, Declarant will provide a ten (10) foot wide landscaped pedestrian easement along the westerly side of Seacoast Terrace together with a new ramp to the Boardwalk and will grant a perpetual easement for the use and enjoyment of the general public thereon permitting the public to use and enjoy the Public Pedestrian Easement in perpetuity and unrestricted subject to the provisions of Section 8 herein;

WHEREAS, Declarant shall provide temporary public access easement for pedestrian use over Seacoast Terrace from Brighton Beach Avenue (the "Temporary Public Pedestrian Easement") to a ramp to be built over the Park Strip to be constructed in accordance with Section 8 hereof and which shall remain available for public use until the Public Pedestrian Easement is constructed pursuant to Section 8;

WHEREAS, in order to cancel the Prior Declaration and substitute this Declaration and be permitted to build the Proposed Project, Declarant is required, pursuant to Section 2 of the Prior Declaration, to have the Proposed Project reviewed and approved by CPC and City Council;

WHEREAS, Declarant desires to cancel the Prior Declaration, and by Application in accordance with Section 2 of the Prior Declaration to substitute in lieu thereof, this Declaration in order to implement the Proposed Project, all in accordance with, and subject to, the terms of Section 16 hereof;

WHEREAS, Declarant is required to provide a Visual Corridor pursuant to Section 62-42 of the Zoning Resolution and has submitted an application designated M910478AZMK to the Chairperson to certify that the site plan submitted complies with the provisions for visual corridors, pursuant to Section 62-42 of the Zoning Resolution;

WHEREAS, Declarant has applied for an Authorization to modify the requirements for a Visual Corridor pursuant to Section 62-722;

WHEREAS, as a condition to the Chairperson's Certification, Declarant shall execute and file of record a Declaration confirming that Declarant shall provide and maintain the Visual Corridor pursuant to Section 62-42 of the Zoning resolution;

WHEREAS, this Declaration shall satisfy the provisions of Section 62-42 of the Zoning resolution;

WHEREAS, Declarant desires to restrict the manner in which the Visual Corridor is provided for the duration for the existence of the Proposed Project and intends such restrictions to benefit all land owners and tenants, including the City, owing or leasing property within one-half mile of the Visual Corridor;

WHEREAS, Declarant is prepared to restrict the manner in which the Subject Property may be developed, redeveloped, maintained and operated, and to undertake to construct and maintain the Public Pedestrian Easement, the Public Off-Site Improvements and the Brighton Beach Avenue Open Space, as set forth herein, and intends these restrictions to benefit all land, including land owned by the City, lying within a one-half (1/2) mile radius of the Subject Property; and

WHEREAS, Declarant represents and warrants that there are no restrictions of record on the use of the Subject Property, nor any present or presently existing future estates or interests in the Subject Property, nor any liens, obligations, covenants, easements, limitations or encumbrances of any kind, the requirements of which have not been waived or subordinated, which would prevent or

preclude, presently or potentially, the imposition of the restrictions, covenants, obligations, and agreements of this Declaration.

NOW THEREFORE, Declarant does hereby declare and agree that the Visual Corridor and the Subject Property shall be held, improved, operated, maintained, sold, transferred, conveyed and occupied subject to the following restrictions, covenants, obligations and agreements, all of which are for the purpose of protecting the Subject Property, which shall inure to the benefit of the City of New York and those owners of property within a one-half (1/2) mile radius of the Subject Property, and which shall run with the Subject Property and bind Declarant and its heirs, successors and assigns so long as Declarant, its heirs, successors and assigns, have any right, title or interest in the Subject Property or any portion thereof to the extent of its interest therein.

1. **Definitions.** The following words, when used in this Declaration, have the following meanings:

(a) "Alternative Plans" shall refer to the three (3) alternative plans approved by the City Planning Commission and the City Council attached hereto as Exhibit C.

(b) "Application" refers to the formal application submitted to CPC and City Council for approval pursuant to Section 2 of the Prior Declaration.

(c) "Association" shall mean a master homeowners' association or cooperative/condominium association formed with respect to the Subject Property.

(d) "Brighton Beach Avenue Open Space" shall have the meaning set forth in Section 6 herein.

(e) "Buildings Department" means the New York City Department of Buildings, or any successor to the jurisdiction thereof.

(f) "Chair" means the Chair of the New York City Planning Commission or any successor to the jurisdiction thereof .

(g) "C.I.A. Improvements" shall have the meaning set forth in Section 7(a) herein.

(h) "City" means the City of New York.

(i) "City Council" means City Council of New York City, or any successor to the jurisdiction thereof.

(j) "Complete" or "Completion" shall mean that the particular Declarant's Improvement has been constructed substantially in accordance with its approved Alternative Plans and Drawings and has been substantially completed in accordance with this Declaration to such an extent that all portions of such Declarant's Improvement may be operated and made available for public use where so intended. Declarant's Improvement may be deemed Complete notwithstanding that (i) insubstantial details of construction, decoration or mechanical adjustments remain to be performed, and (ii) Declarant has not completed planting vegetation or other tasks that must occur seasonally.

(k) "CPC" means the City Planning Commission of the City of New York, or any successor to the jurisdiction thereof.

(l) "Declarant" means the named Declarant and the heirs, successors and assigns of Declarant, including any ground lessee, but only during such period as Declarant, its heirs, successors or assigns, including any ground lessees, have any interest in the Subject Property or any portion thereof, except that Declarant shall not be deemed to include a mortgagee of all or any portion of the Subject Property until it succeeds to any of the right, title and interest or obligation of Declarant by purchase, actual assignment (as distinguished from collateral assignment), foreclosure or deed-in-lieu-of-foreclosure or otherwise.

(m) "Declarant's Improvement(s)" shall mean the Public Off-Site Improvements, the Public Pedestrian Easement and/or the Brighton Beach Avenue Open Space, as the case may be.

(n) "Declaration" shall mean this Declaration, as same may be amended or modified from time to time.

(o) "DCP" means the New York City Department of City Planning or any successor to the jurisdiction thereof.

(p) "Demapping" shall mean the amendment of the City Map to demap (i) Brightwater Avenue from Coney Island Avenue to Seacoast Terrace, (ii) Brighton 11th Street from Brightwater Avenue to Brighton Beach Avenue, and (iii) Brighton 12th Street from Brightwater Avenue to Brighton Beach Avenue.

(q) "Department of Parks" means the New York City Department of Parks and Recreation, or any successor to the jurisdiction thereof;

(r) "Department of Transportation" means the New York City Department of Transportation, or any successor to the jurisdiction thereof.

(s) "Drawings" shall refer to landscape drawings and interior streetscape drawings approved by the City Planning Commission and the City Council and attached hereto as Exhibit D.

(t) "Interior Publicly Accessible Streetscape Program" shall mean the design standards for the Proposed Project's interior streets as set forth on Exhibit E attached hereto and made a part hereof.

(u) "Lot Owners" shall mean only (i) fee owners(s) of the Subject Property or any portion thereof; (ii) the holder of the lessee's estate in a ground lease of all or substantially all of the Subject Property; (iii) the cooperative corporation which holds beneficial ownership of any portion of the Subject Property or any building built on the Subject Property; (iv) the board of managers of any condominium or homeowner's association which owns the Subject Property or any portion thereof; and (v) the lessee of any individual residential unit or the owner of the beneficial interest of any residential unit held in cooperative or condominium ownership or as part of a homeowner's association.

(v) "Mortgagee" means any future mortgagee of all or any portion of the Subject Property which has given written notice of its name and address to CPC including, without limitation, the Purchase Money Mortgagee.

(w) "Park Strip Improvement" shall have the meaning set forth in Section 7(b) herein.

(x) "Party(ies)-in-Interest" shall have the meaning set forth in the definition of "zoning lot" in Section 12-10 of the Zoning Resolution of the City of New York.

(y) "PCO" shall mean the permanent certificate of occupancy issued for one or more of the buildings constructed as part of the Proposed Project.

(z) "Phasing of Declarant's Improvements" shall mean the sequence of construction of Declarant's Improvements as described in Sections 6, 7 and 8 of this Declaration.

(aa) "Public Off-Site Improvements" shall mean the improvements described in Section 7.

(bb) "Public Pedestrian Easement " shall mean the walkway from Brighton Beach Avenue along the west side of Seacoast Terrace on the Subject Property, extending to the southerly boundary of Brightwater Avenue and thereafter, via a ramp which connects to the public boardwalk.

(cc) "Purchase Money Mortgagee" shall mean Alexander Muss & Son or any successor or assign thereof.

(dd) "Residential Unit" shall mean any residential unit whether in the form of condominium, cooperative or fee simple ownership offered as a rental unit constructed by Declarant on the Subject Property.

(ee) "Sector" shall mean one of the building areas set forth on the Alternative Plans.

(ff) "Subject Property" shall mean that certain real property described in the first recital clause.

(gg) "Temporary Public Pedestrian Easement" shall mean a temporary non-exclusive easement in favor of the public during the construction of the Proposed Project over a portion of Seacoast Terrace extending from Brighton Beach Avenue to a bridge to be constructed over the Park Strip.

(hh) "TCO" shall mean a temporary certificate of occupancy for one or more of the buildings constructed as part of the Proposed Project.

(ii) "Unit Interested Party" shall mean (a) the lessee of any individual residential unit or the owner of the beneficial interest of any residential unit or the owner of the beneficial interest of any residential unit held in cooperative or condominium ownership or as part of a homeowner's association, (b) the holder of a mortgage encumbering any such residential unit, apartment or building held in condominium ownership or as part of a homeowner's association or owned by a cooperative; or (c) the holder of any other interest in any portion of the Subject Property including any such residential or apartment buildings held in condominium ownership or as a part of a homeowner's association, or owned by a cooperative who qualifies as a Party-In-Interest.

(jj) "Waterfront Provisions" shall have the meaning given in Section 2 herein.

(kk) "Visual Corridor" shall mean the visual corridor described in Section 9 herein.

(ll) "Zoning Resolution" shall mean the Zoning Resolution of the City of New York, effective December 15, 1961, as may be amended from time to time.

2. **Development and Use of the Subject Property.**

(a) Declarant shall develop the Subject Property substantially in accordance with the Alternative Plans and the Drawings listed below and the applicable provisions of the Zoning Resolution, including the waterfront Provisions of Section 62-00 *et. seq.*, with (i) not more than eight hundred fifty (850) market rate dwelling units, that may include up to two hundred forty (240) retirement residential units located in sixteen (16) to eighteen (18) buildings ranging in height from three (3) to twelve (12) stories or a combination of apartment buildings and townhouses or townhouses in accordance with the Alternative Plans; (ii) provision for approximately one thousand two hundred (1200) accessory parking spaces including up to 220 parking spaces for owners of shares in Tower Owners, Inc., a New York cooperative corporation with offices at 35 Seacoast Terrace, Brooklyn, New York (the "Neighboring Owners") (iii) open space for the general public and private recreational areas for the residents, including a fifty (50) foot wide visual corridor as defined in Section 62-42. *et. seq.* of the Zoning Resolution; (iv) a private internal street/sidewalk system having a minimum width of fifty (50) feet; and (v) Declarant's Improvements.

	NAME	PLAN	LAST REVISED DATE	DRAWN BY
1.	BB-Alt-01	Alternate No.1	7/20/98	Stanley Michael Krebushevski, Architect, P.C.
2.	BB-Alt-02	Alternate No. 2	7/20/98	Stanley Michael Krebushevski, Architect, P.C.
3.	BB-Alt-03	Alternate No. 3	7/20/98	Stanley Michael Krebushevski, Architect, P.C.
4.	LP-1	Overall	7/28/98	Hodnett Gilday & Partners
5.	LP-2	Coney Island Avenue	7/28/98	Hodnett Gilday & Partners
6.	LP-3	Seacoast Terrace	7/28/98	Hodnett Gilday & Partners

7.	LP-4	Brighton Beach Ave. Open Space	7/28/98	Hodnett Gilday & Partners
8.	LP-5	Secondary Entrance	7/28/98	Hodnett Gilday & Partners
9.	LP-6	Natural Area Park Strip	7/28/98	Hodnett Gilday & Partners
10.	TYP-SA-B	Typical Apt. Bldg.	7/28/98	Hodnett Gilday & Partners
11.	TYP-STH-B	Typical Townhouse	7/28/98	Hodnett Gilday & Partners
12.	VC-01	Visual Corridor Methodology Analysis	3/16/96	Stanley Michael Krebushevski, Architect, P.C.
13.	VC-02	Visual Corridor Site Plan	3/16/96	Stanley Michael Krebushevski, Architect, P.C.
14.	VC-03	Visual Corridor Cross Sections Through View Corridors	3/16/96	Stanley Michael Krebushevski, Architect, P.C.

(b) Declarant shall develop the Subject Property in accordance with one of the three (3) Alternative Plans. Notwithstanding the foregoing, Declarant shall have the right to develop Sectors 1 through 5 pursuant to any of the three (3) Alternative Plans; provided, however, that once Declarant has proceeded with the construction in Sectors 6, 7, 8 or 9 of any of the Alternative Plans, Declarant shall thereafter develop the Subject Property pursuant to that Alternative Plan. No changes or modification to that Alternative Plan shall thereafter be made without the approval of the CPC and the Council, if applicable.

(c) If Declarant does not proceed with the construction of the Proposed Project in accordance with the Alternative Plans, Declarant shall not proceed with any subsequent development on the Subject Premises unless such development receives prior approval by CPC and City Council. This Section 2(c) shall survive any cancellation or modification of this Declaration whether pursuant to Section 16 hereof, or otherwise.

(d) The Visual Corridor shall be provided by Declarant in substantial conformity with the Drawings. The Buildings Department shall not issue, and the Declarant shall not apply for or accept a TCO in excess of 550 residential units until the Declarant has provided the Visual Corridor substantially in accordance with the Drawings.

3. **Mitigation Measures.** Declarant shall, in accordance with the mitigation measures described in both the Final Supplemental Environmental Impact Statement dated July 10, 1992, (hereinafter the "F.S.E.I.S."), prepared in connection with the Brighton By the Sea Project and the Environmental Assessment of the Revised Brighton by the Sea Project (CEQR M89-299(A)(K), dated March 13, 1998 prepared by Allee King Rosen & Fleming: (i) implement noise mitigation techniques by such means as double glazed windows, insulating materials on exterior walls, and alternate means of ventilation, to the extent necessary to achieve interior noise levels in the Proposed Project buildings of no more than L_{dn} = 45 dba as described in F.S.E.I.S. of 1992; (ii) implement mitigation measures with respect to the former Carousel Pavilion (the "Historical Structure Mitigation") set forth in Section 4 herein; (iii) request the New York City Department of Transportation to implement the signal timing changes described in the F.S.E.I.S. (the "Traffic Mitigation") and (iv) install low-flow toilets in all bathrooms and water reducing shower heads in all showers in the Proposed Project.

4. **Historical Structure Mitigation.** Declarant covenants to use its reasonable efforts to preserve and protect the Carousel Pavilion (the "Pavilion") on the Subject Property in order to donate the Pavilion to any interested and eligible party or parties for the purpose of its relocation and adaptive reuse. Declarant will use its reasonable efforts to locate such party or parties who have control over a suitable site to permit the relocation of the Pavilion from the Subject Property. If a

suitable site is found, Declarant shall accommodate on the Subject Property the relocation efforts that may be undertaken by such eligible party or parties which efforts shall include, but not be limited to: securing, disassembling, transporting and reassembling the Pavilion at an appropriate site (the "Relocation Site"). If a Relocation Site cannot be secured prior to the commencement of the construction on the portion of the Subject Property containing the Pavilion, Declarant shall, use its best efforts to disassemble and store the Pavilion until such time as a Relocation Site is found. In order to insure that the integrity of the Pavilion is maintained, Declarant covenants to provide to the LPC the plans and methods for the disassembly and reassembly of the Pavilion for the LPC's review and approval. Declarant will notify the LPC of, and allow a representative of the LPC to be present during the disassembly and any reassembly of the Pavilion.

5. **Parking.** Declarant proposes to provide up to one thousand two hundred (1,200) parking spaces on the Subject Project located both at grade as well as below grade in one or more parking facilities. Up to two hundred twenty (220) of the parking spaces may be made available to the Seacoast Terrace residents.

6. **Brighton Beach Avenue Open Space**.

(a) Declarant shall construct and maintain the publicly accessible passive open space on Brighton Beach Avenue between Coney Island Avenue and Seacoast Terrace consisting of a minimum of 43,700 square feet available to the general public (the "Brighton Beach Avenue Open Space"). The Brighton Beach Avenue Open Space shall include seating, lighting, landscaping and a tot lot, and shall be completed prior to the issuance of a TCO for the two hundred fiftieth (250th) Residential Unit, and shall remain open from dawn to dusk or 8:00 P.M., whichever occurs

later, provided, however, that Declarant reserves the right during the continued construction of the Proposed Project to reserve an area fronting along the northeastern side of the Brighton Beach Avenue Open Space and adjacent to the Public Access Easement, comprising approximately 2,500 square feet as generally shown on Exhibit D attached hereto and made a part hereof, for a construction staging area which area shall be secured and separate from the remainder of the Brighton Beach Avenue Open Space until the Completion of construction of the Proposed Project (the "Construction Area"). Declarant shall not apply for and the Department of Buildings shall not issue a TCO, nor commence or permit occupancy of, any residential units in excess of 250 residential units until the Department of Parks has certified to the Department of Buildings that, except for the Construction Area, the Brighton Beach Avenue Open Space has been completed.

(b) Declarant shall convey title to the westerly portion of the Brighton Beach Avenue Open Space including the tot lot as shown on Exhibit D to the City of New York, Department of Parks upon its Completion (the "Tot Lot"). Declarant shall not be responsible for the maintenance of the Tot Lot subsequent to the conveyance of the Tot Lot to the Department of Parks provided that Declarant (or the Association, as the case may be) shall be obligated to contribute the sum of Fifteen Thousand ($15,000.00) Dollars per annum (the "Annual Maintenance Fee") to be used by the Department of Parks to maintain the Tot Lot. In order to secure the Annual Maintenance Fee, Declarant shall provide simultaneously with conveyance of the Tot Lot a letter of credit, maintenance bond, marketable securities' or such other security reasonably acceptable to the Department of Parks in the amount of Seventy-Five Thousand ($75,000.00) dollars representing five (5) years of the annual maintenance fee. Both the Annual Maintenance Fee and the Brighton Beach Avenue Maintenance Security (hereinafter defined) shall be subject to adjustment based on increases

in the "Consumer Price Index" (as hereinafter defined) from the 1998 calendar year (the "Brighton Beach Avenue Maintenance Security"). The Brighton Beach Avenue Maintenance Security shall be renewed annually, on or before the expiration of the three hundred sixtieth (360th) day following the initial posting of the Brighton Beach Avenue Maintenance Security (the "Renewal Date"). Consumer Price Index shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All Items (1982-1984=100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index is not published for the specified calendar month, then the first month preceding the applicable Renewal Date for which the Consumer Price Index is published shall be substituted therefor. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other index as Declarant and Department of Parks agree upon, as appropriately adjusted, shall be substituted for the Consumer Price Index. If the Consumer Price Index ceases to use 1982-1984=100 as the basis of calculation, the Consumer Price Index shall be adjusted accordingly.

(c) The Declarant shall Complete that portion of the Brighton Beach Avenue Open Space used for a construction entrance to the Proposed Project during construction prior to issuance of a TCO for the eight hundred fiftieth (850th) unit or the Completion of construction of the Proposed Project, whichever first occurs. Declarant shall Complete that portion of the Brighton Beach Avenue Open Space used as a construction area at such time as any area of the Subject Property is not under development within 9 months after the last building on the Subject Property is completed and received a Certificate of Occupancy or a temporary Certificate of Occupancy.

(d) Declarant shall design and construct the Brighton Beach Avenue Open Space using materials and in a manner generally consistent with the construction of other public parks in

New York City. The final design plans and specifications for the Brighton Beach Avenue Open Space shall be subject to review and approval by the Department of Parks. Declarant shall submit the final design plans and specifications for the Brighton Beach Avenue Open Space not later than sixty (60) days prior to the commencement of construction thereof. If the final design plans and specifications have not been approved or disapproved on or before the sixty-first (61st) day from the date of submission thereof, same shall be deemed approved. Any disapproval by the Department of Parks shall be accompanied by a detailed explanation for the basis of such disapproval which shall be in accordance with the terms and conditions contained herein. Declarant, thereafter, shall construct the Brighton Beach Avenue Open Space substantially in accordance with the final design plans and specifications as submitted and approved by the Department of Parks.

7. **Public Off-Site Improvements.**

(a) Declarant shall provide and maintain the following improvements on Coney Island Avenue (the "C.I.A. Improvements") as shown on Exhibit D; (i) plant trees along the east side and west side of Coney Island Avenue between Brighton Beach Avenue and the public boardwalk; and (ii) construct and landscape the area between the terminus of Coney Island Avenue and the public boardwalk. The C.I.A. Improvements shall be Completed prior to the issuance of a TCO for the one hundred fiftieth (150th) Residential Unit. Declarant shall not apply for, and the Department of Buildings shall not issue a TCO, nor commence or permit occupancy of any residential units in excess of 150 residential units until the Department of Parks has certified to the Department of Buildings that the C.I.A. Improvements had been Completed.

(b) Declarant shall landscape and keep clean the fifty (50) foot park strip immediately to the south of the Subject Property between Coney Island Avenue and Seacoast Terrace with plants indigenous to coastal environments similar to the Subject Property (the "Park Strip Improvements") as shown on Exhibit D. The Park Strip Improvements shall be completed prior to the issuance of a TCO for the three hundred fiftieth (350th) Residential Unit. Declarant shall not apply for, and the Department of Buildings shall not issue a TCO, nor commence or permit occupancy of any residential units in excess of 350 residential units until the Department of Parks has certified to the Department of Buildings that the Park Strip Improvements have been completed.

(c) The final design plans and specifications for each of the Public Off-Site Improvements shall be subject to the review and approval by the City agency having jurisdiction thereover. Declarant shall submit the final design plans and specifications for each of the Public Off-Site Improvements not later than sixty (60) days prior to the commencement of construction thereof. If the final design plans and specifications have not been approved or disapproved on or before the sixty-first (61st) day from the date of submission thereof, same shall be deemed approved. Any disapproval by the City agency having jurisdiction thereover shall be accompanied by a detailed explanation of the basis for such disapproval which shall be in accordance with the terms and conditions contained herein. Declarant, thereafter, shall construct each of the Public Off-site Improvements substantially in accordance with the final design plans and specifications as submitted and approved by said City agency.

8. **Public Pedestrian Easement.**

(a) (i) Subject to Declarant providing a Temporary Public Pedestrian Easement in accordance with Section 8(a)(ii) herein, Declarant shall complete the Public Pedestrian Easement in accordance with the Drawing attached as Exhibit D. Modifications to such Drawing shall be subject to review and approval by the Department of Parks (in accordance with the review and approval process outlined in Section 7 (c)) prior to the issuance of a TCO for the seven hundred fiftieth (750th) Residential Unit. Declarant shall not apply for and the Department of Buildings shall not issue a TCO, nor commence or permit occupancy of any residential units in excess of 750 residential units until the Department of Parks has certified that the Public Pedestrian Easement shall have been completed.

(ii) Anything to the contrary notwithstanding, Declarant shall construct the Temporary Public Pedestrian Easement during construction of the Proposed Project, including a ramp over the Park Strip, prior to the issuance of a TCO for the four hundred fiftieth (450th) Residential Unit.

(b) Declarant agrees that both the Temporary Public Pedestrian Easement and the Public Pedestrian Easement will be maintained in a state of good repair and cleanliness. Declarant shall reasonably promptly repair or replace, or cause to be repaired or replaced, as needed, any and all damaged elements of the Temporary Public Pedestrian Easement and the Public Pedestrian Easement including, but not limited to, trees, bushes, flowers and other plantings. Declarant shall cause the paved areas of the Temporary Public Pedestrian Easement and the Public Pedestrian Easement to be maintained free of snow, ice and litter. Declarant covenants not to install any gates at any of the access and egress points of the Temporary Public Pedestrian Easement and the Public Pedestrian Easement.

(c) Declarant covenants that upon Completion of the Public Pedestrian Easement, the City shall enjoy, wield, have the non-exclusive right to and the benefit of and be granted, conveyed and transferred a non-exclusive public access easement for such period of time as the Proposed Project shall remain in existence for pedestrian use to the Public Pedestrian Easement, unobstructed from the ground up to the sky, and that liens, including but not limited to judgment liens, mortgage liens, mechanics liens and vendees' liens, and all burdens, covenants, encumbrances, leases, licenses, easements, profits, security interests, and all other interests subsequent thereto, excepting governmental tax liens and assessments, public utilities and easements, shall be subject and subordinate to the rights, claims, entitlements, interests and priorities created by the easement granted herein.

(d) Declarant covenants that the Public Pedestrian Easement and the Temporary Public Pedestrian Easement shall remain open and accessible to the public from dawn to dusk or 8 P.M. whichever occurs later every day of the year. Declarant temporarily may close the Temporary Public Pedestrian Easement or the Public Pedestrian Easement to the public for (i) one day, or such other period as shall be required by law to prevent a public dedication of the Public Pedestrian Easement or the Temporary Public Pedestrian Easement other than Saturday, Sunday or public holiday, on the same date in January each year or as near to such date as is possible, to preserve Declarant's, ownership interest in the Public Pedestrian Easement or the Temporary Public Pedestrian Easement and to prevent a public dedication, and (ii) from time to time as may be reasonably necessary to construct, repair or maintain one or more residential structures on the Subject Property. Declarant shall post appropriate signage on the Public Pedestrian Easement or the Temporary Public Pedestrian Easement which prominently indicates that the Public Pedestrian

Easement or the Temporary Public Pedestrian Easement is open and accessible to the public and specify the hours which it is open as set forth.

(e) Declarant also shall have the right to close the Public Pedestrian Easement and the Temporary Public Pedestrian Easement or limited portions thereof as may be reasonably necessary in order (i) to accomplish the maintenance, repairs or replacements thereof, or (ii) to make emergency repairs thereto. Emergency repairs for which the Public Pedestrian Easement or the Temporary Public Pedestrian Easement may be closed shall be limited to actual emergency situations causing physical danger or threat to the public safety. Declarant shall close or permit to be closed only those portions of such areas which must or should reasonably be closed to effect the repairs or mitigation to be undertaken, and will exercise due diligence in the performance of such repairs or mitigation so that it is completed expeditiously and the temporarily closed areas (or any portions thereof) are re-opened to the public promptly.

(f) Upon notification from the Department of Parks and the issuance of a Certificate of Final Completion issued by the Department of Parks (following a punch list inspection by the Department of Parks, if required) or the Department of Transportation, as the case may be, covering each of Declarant's Improvements, DCP shall promptly notify the Department of Buildings (the "DOB"), that each of Declarant's Improvements are Complete in order for the DOB to issue TCO on a timely basis to permit occupancy and/or use of Residential Units in accordance with the terms of this Declaration. The schedule for the Completion of Declarant's Improvement as required under this Declaration are summarized in Exhibit G annexed hereto and made a part hereof.

9. **Visual Corridor.** The Visual Corridor shall be retained during the existence of the Proposed Project as required by the applicable provisions of the Zoning Resolution.

10. **Signage.** Appropriate signage, indicating hours open to the public, rules and regulations, handicapped accessibility, the identity of the Owner, the entity responsible for maintenance and the Department of Parks' officer to whom complaints relating to a denial of access may be made shall be provided at all public entrances to the Proposed Project as well as the Public Pedestrian Easement and the Brighton Beach Avenue Open Space. Signage shall be substantially in accordance with the signage approved on Exhibit D. Any changes to signage shall be approved in writing by the Department of Parks. Upon the completion of each of the (i) public entrances to the Proposed Project, (ii) the Temporary Public Pedestrian Easement or the Public Pedestrian Easement and (iii) the Brighton Beach Avenue Open Space in accordance with this Declaration, Owner shall provide the signage as provided herein as approved by the Commissioner of Parks, such signage to be consistent with that posted at New York City Public Parks. All such signage shall be maintained and replaced as needed by the Declarant.

11. **Interior Publicly Accessible Streetscape Program.** Declarant shall construct and maintain the publicly accessible interior street and sidewalk areas substantially as set forth on Exhibit D and in accordance with the standards set forth in Exhibit E attached hereto and made a part hereof. Declarant covenants that the publicly accessible interior streets, sidewalk areas and open space shall remain open and accessible to the public from dawn to dusk or 8 p.m., whichever occurs later.

12. **Security Deposit.** To secure Declarant's obligation to construct each of Declarant's Improvements, Declarant shall post with the City Comptroller prior to the commencement of

construction of the respective Declarant's Improvement, a performance bond, letter of credit, marketable securities or alterative cash equivalents for the benefit of the City Comptroller (the "Construction Security"), in a form reasonably satisfactory to the City Comptroller and in an amount equal to one hundred twenty-five (125%) percent of the estimated cost of such Declarant's Improvement as estimated by an architect or engineer licensed to do business in the State of New York. The Construction Security shall be reduced from time to time during the progress of construction of such Declarant's Improvement as certified by said engineer or architects provided that in the case of Declarants Improvements subject to Department of Parks approval, Declarant first shall have obtained a Certificate of Substantial Completion from the Department of Parks. The Department of Parks or the Department of Transportation as the case may be, shall promptly instruct the City Comptroller to reduce the Construction Security upon Declarant's request based on the percentage of completion of such Declarant's Improvement as certified by said architect or engineer. Upon Completion of each such of Declarant's Improvement, the balance of the Construction Security, if any, shall be promptly returned or released to Declarant by the City Comptroller.

13. **Maintenance and Repair of Declarant's Improvements.**

(a) Declarant shall maintain in a state of good repair and cleanliness all of Declarant's Improvements in accordance with this Declaration, and the Department of Parks maintenance standards and conditions attached hereto as Exhibit F and made a part hereof (as the same may be amended from time to time), provided, however, that following the conveyance by Declarant of the Tot Lot in accordance with Section 6(b) herein, the Tot Lot shall be maintained by the Department of Parks. Subject to the foregoing, Declarant shall reasonably promptly replace, as

needed, Declarant's Improvements, including but not limited to trees, plants, bushes, flowers and benches. Declarant shall be responsible to repair benches, sidewalks, pavements or ramps.

(b) To secure Declarant's obligation to maintain Declarant's Improvements as otherwise required in this Declaration, Declarant shall deposit with the City Comptroller upon completion of each respective Declarant's Improvement, a performance bond, letter of credit, marketable securities or alterative cash equivalents (the "Maintenance Security") in an amount equal to one hundred twenty-five (125%) percent of the total cost to maintain each said Declarant's Improvement as certified by an architect or property manager, licensed to do business in the State of New York, for one calendar year following Completion of such Declarant's Improvements. Upon the assumption and posting of an amount equal to the Maintenance Security by an Association for a Declarant's Improvement, the Maintenance Security previously provided by Declarant for such Declarant's Improvement shall be promptly returned or released by the City Comptroller to Declarant. The Maintenance Security shall be renewed annually.

14. **Force Majeure.**

(a) Notwithstanding anything to the contrary contained herein, Declarant may apply for, and the Buildings Department shall not be restricted from issuing by the terms of this Declaration, a TCO or PCO for any building or portion thereof prior to the completion as otherwise required in the Declaration of any portion of Declarant's Improvements or the Mitigation Measures. If the Department of Parks, in the exercise of his or her sole reasonable discretion, certifies that such completion is delayed due to "Circumstance(s) Beyond The Reasonable Control Of Declarant", which includes only the following conditions or events: (i) strikes, lockouts or labor disputes;

inability to obtain labor or materials or reasonable substitutes therefor (unless due to any act or omission of Declarant); acts of God; enemy or hostile governmental action; civil commotion; insurrection; revolution; sabotage; fire or other casualty; or a taking of the whole or a portion of the Subject Property by condemnation or eminent domain; (ii) any suspension or termination of work by Declarant on Declarant's Improvements, or the Mitigation Measures, as applicable, by reason of an order or directive issued by any agency or department of the City, the State of New York or the United States, other than an order or directive that charges or relates to a material violation by Declarant of any applicable statute, regulation, code or other requirement with respect to the Subject Property; (iii) any undue material delay in the issuance of approvals by any department or agency of the City, the State of New York or the United States that is in no way attributable to any act or omission of Declarant; (iv) underground or soil conditions that were not and could not reasonably have been foreseen by Declarant prior to their discovery or occurrence; (v) changes in approved Alternative Plans or Drawings or specifications required by the New York City Department of Transportation to ensure public safety within and around the Subject Property which could not reasonably have been foreseen by Declarant prior to their discovery or occurrence; (vi) any other condition or event that the Chair may find to be beyond the reasonable control of Declarant. No such condition or event shall, however, be considered a Circumstance Beyond The Reasonable Control of Declarant unless a written notice is given to the Chair by Declarant reasonably promptly after the date on which Declarant first knew of the onset or occurrence or such condition or event. Each such notice shall include, to the extent Declarant has or can obtain such information, a description of the condition or event, its causes, its probable duration and the impact it may have on the completion of the applicable Declarant's Improvements, or the Mitigation Measures. In the event the Department of Parks certifies that the Completion of Declarant's Improvements or any portion

thereof, or the Mitigation Measures is delayed due to Circumstances Beyond The Reasonable Control of Declarant, the Department of Parks may require, and the Declarant shall provide if so required, additional security in a form and amount reasonably determined by the Department of Parks to be necessary to ensure the completion thereof by a date reasonably set by the Department of Parks.

15. **Effective Date. Filing and Recordation.**

(a) This Declaration and the provisions hereof shall become effective (the "Effective Date") immediately upon the satisfaction of both of the following conditions: (i) approval by City Council of the Application and (ii) written notification to the Chairman by Declarant of the intent to cancel the Prior Declaration. If before the Effective Date, Declarant requests or causes the Application to be withdrawn or abandoned, or if City Council has taken final action having the effect of denying the Application, this Declaration shall never become effective, shall be null and void and of no force and effect, shall not bind or restrict Declarant, and shall not be an encumbrance against the Subject Property.

(b) Declarant shall deliver to CPC duplicate executed originals of this Declaration prior to approval by CPC of the Application. Declarant shall file and record this Declaration in the Register's Office of Kings County, indexing it against the Subject Property, promptly but not later than five (5) business days following the Effective Date. Within five (5) business days following such recordation, Declarant shall deliver to CPC a true copy of this Declaration as recorded, certified by the Register, as evidence of the recordation of this Declaration. If Declarant fails to furnish this evidence to CPC, the City may record this Declaration, at the sole

cost and expense of Declarant, which shall be liable immediately to pay such costs to the City, together with fees for purchase of a reasonable number of certified copies of the recorded Declaration.

(c) Notwithstanding any provision above, if the Application is declared invalid or are otherwise voided by a final judgment of any court of competent jurisdiction from which no appeal can be taken or from which no appeal has been taken within the applicable statutory period provided for such appeal and the effect of any of the foregoing actions is to prevent the Subject Property from being developed in substantial conformity with the provisions of this Declaration, then, upon entry of said judgment or expiration of the applicable statutory period provided for such appeal (whichever shall occur later), this Declaration shall be automatically canceled without further action by Declarant or any beneficiaries hereof and shall be of no further force or effect. In such event, Declarant shall have the right to file an instrument in recordable form declaring this Declaration null and void and of no further force and effect.

16. **Modification and Cancellation.**

(a) This Declaration, may be modified, amended or canceled only upon application of Declarant subject to the approval of CPC and City Council, and (except as otherwise provided in subsection (d) below), no other approval or consent shall be required from any public body, private person or legal entity of any kind (including Parties-in-Interest other than Declarant and CPC and City Council,) and except that the Chair may by express written consent administratively approve modifications to this Declaration requested by Declarant that the Chair determines to be minor. Such minor modifications shall not be deemed amendments requiring the

approval by the CPC or the City Council. All approvals or consents to any proposed modification, amendment or cancellation to this Declaration by CPC and City Council shall be in writing addressed to Declarant.

(b) With respect to any portion of the Subject Property which shall be owned in a condominium or cooperative corporation form of ownership, for purposes of this Section, the Association, Condominium Board or Boards or cooperative corporations having the power to act on behalf of the homeowner's association, condominium or cooperative owners, as the case may be, including the right to impose a lien and/or assess charges for any costs incurred under this Declaration, shall have the sole right to apply, for or consent to, any modifications or amendments or cancellation of this Declaration with respect to those portions of the Subject Property subject to the said homeowner's association, condominium or cooperative ownership and the individual consent of any fee, condominium or cooperative owner (or the holder of a mortgage encumbering such unit) shall not be required therefor.

(c) Any modification, amendment or cancellation of this Declaration, shall be executed and recorded in the same manner as this Declaration.

(d) Notwithstanding anything herein to the contrary, and subject to the provisions of this paragraph 16, the Purchase Money Mortgagee, following the commencement of an action in foreclosure, or the acceptance of a deed in lieu thereof shall have the right to petition CPC and City Council, and/or any other governmental agencies having jurisdiction thereover, for any amendment, modification or cancellation to this Declaration. The provisions of this subsection (d) may not be amended without the prior written consent of the Purchase Money Mortgagee.

17. **Limitation on Obligations of Interested Parties.** Notwithstanding anything to the contrary contained herein, the covenants to construct Declarant's Improvements, to perform the Mitigation Measures, and to provide the Visual Corridor in accordance with the provisions of this Declaration, shall only be binding on Declarant or any successor entity or assign that develops the Subject Property in accordance with the terms of this Declaration. Without limiting the restrictions contained in the preceding sentence, no Unit Interested Party shall be obligated to construct or perform the Declarant's Improvements and the Visual Corridor or the covenant to perform the Mitigation Measures. Notwithstanding the foregoing, if any of Declarant's Improvements and the Visual Corridor are constructed, in whole or in part in accordance with the terms of this Declaration, all Lot Owners, shall be required to pay their proportionate share of the costs of maintaining, repairing and replacing Declarant's Improvements if required herein, (including the cost of providing the Association Maintenance Security as set forth in Section 13 (b) hereof) in accordance with this Declaration, it being understood that nothing herein shall be construed as modifying the provisions of Section 13 of this Declaration. Each Lot Owner, by acceptance of a deed for its portion of the Subject Property, or a lease or occupancy agreement for any unit or units described in the immediately preceding sentence shall, whether or not the covenant is expressed in such deed, lease or occupancy agreement, be deemed to covenant and agree to pay all assessments which may be imposed by the Association on the property owned by such Lot Owner. Each and every assessment, together with such interest, costs and reasonable attorneys' fees for collection of same, shall be a charge on the land and a continuing lien on the property against which such assessment is made.

18. **Establishment of Condominium, Cooperative Corporation and/or Homeowners' Association.**

(a) A summary of the terms of this Declaration shall be included in any offering plan issued in connection with the sale of Residential Units belonging to an Association affecting all or a portion of the Subject Property. Such offering plan shall clearly identify the rights and obligations of any Association which may be formed and of any Unit Interested Party with respect to Declarant's Improvements.

(b) In order to guarantee that the Declarant's Improvements will be properly managed and maintained in accordance with the terms of this Declaration, and in order to set forth and establish the duties, rights and obligations of Declarant and any Unit Interested Party, it is hereby agreed that if under the New York State Not-for-Profit Corporation Law, or as an unincorporated association, a homeowners' association, a condominium board or boards, or pursuant to the New York State Business Corporation Law, a cooperative cooperation is formed with respect to the Subject Property (any of these entities in any combination thereof hereinafter referred to separately or collectively as the "Association"), the Association (subject in all events to Section 13 hereof) shall be responsible for all costs associated with owning, maintaining, improving, repairing and replacing Declarant's Improvements as required by this Declaration. The Association shall provide a performance bond, letter of credit, marketable securities or alternative cash equivalents (the "Association Maintenance Security) as substitution to the Maintenance Security upon its release by the City Comptroller to Declarant. The by-laws and charter or certificate of incorporation of the Association and/or the condominium declaration, shall be at all times consistent with the terms of this Declaration. The Association shall be organized with all of the powers which may be necessary and proper for the Association to carry out the duties, obligations and requirements of this Declaration with respect to the ownership, repair and replacement of Declarant's Improvements . The Association

shall assume all of the obligations of Declarant relating to Declarant's Improvements (other than the obligation initially to construct Declarant's Improvements) that are contained in this Declaration, upon transfer to the Association of the common areas within the Subject Property.

(c) Declarant shall cause the Association to have as members all Lot Owners. To the extent permitted by law, Declarant shall cause the Association to be established with the power and authority to impose fines or assessments against Lot Owners with respect to Declarant's Improvements for the purpose of collecting funds reasonably necessary for the ownership, maintenance, repair and replacement of Declarant's Improvements including without limitation the payment of taxes, franchise fees and maintenance of adequate reserves..

19. **Successors-In-Interest.** The provisions of this Declaration shall be considered covenants running with the land, and shall inure to the benefit of and be binding upon all heirs, successors, mortgagees-in-possession, assigns, and grantees of Declarant. References in this Declaration to agencies or instrumentalities of the City shall be deemed to include agencies or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the State of New York and the New York City Charter.

20. **Enforcement, Default, Notice and Cure.**

(a) If Declarant fails to perform any of its material obligations under this Declaration, the City, shall have the right (subject to the terms and conditions of this Section 20) to exercise any and all of its administrative, legal and equitable remedies, including, without limitation, remedies provided in the Zoning Resolution. Upon Declarant's failure to observe any of the material covenants, conditions, restrictions, and agreements of this Declaration, CPC may, subject to the

provisions of this Section 20, without the consent of any other party, revoke its approval of the Application. Such power of revocation shall be in addition to and not in limitation of any other powers of CPC, or any other agency of government, under this Declaration.

(b) Declarant acknowledges that the restrictions, covenants and obligations of this Declaration are intended to protect the value and desirability of the Subject Property, as well as to benefit the City and the owners of property within a one-half (1/2) mile radius of the Subject Property. Accordingly, Declarant consents to enforcement by the City, administratively, at law or at equity, of the covenants, obligations, conditions and restrictions contained herein. Declarant also acknowledges that the remedies set forth in this Declaration are not exclusive, and that the City and any agency thereof may pursue other remedies not specifically set forth herein including, but not limited to, a mandatory injunction compelling Declarant to comply with the terms of this Declaration and revocation by the City of any TCO or PCO for the Subject Property.

(c) Notwithstanding the foregoing, before any agency or department of the City institutes any proceeding or proceedings to enforce the terms or conditions of this Declaration, it shall give Declarant not less than twenty (20) days written notice of any alleged violation, during which period Declarant shall have the opportunity to effect a cure of such alleged violation. If Declarant commences to effect a cure during such period and proceeds diligently towards the effectuation of such cure, the aforesaid period shall be extended for so long as Declarant continues to proceed diligently with the effectuation of such cure.

In addition, the Association shall have the same right to notice and cure with respect to those portions of the Subject Property subject to condominium, cooperative or homeowner's

association ownership, it being expressly understood that notice to any Unit Interested Party shall not be required.

(d) If Declarant fails to observe any of the material terms or conditions of this Declaration, and Declarant fails to cure such violation after notice and the expiration of any the applicable grace period provided in subsection (c) of Section 20 of this Declaration, then prior to the institution by any agency or department of the City of any action, proceeding, or proceedings against Declarant in connection with such failure, such agency or department of the City shall serve a duplicate copy of said default notice on each Mortgagee or other Party-In-Interest to the Subject Property, and such Mortgagee or Party-In-Interest shall have a similar twenty (20) day cure period thereafter during which period any such Mortgagee or Party-In-Interest shall have the opportunity to effect a cure of such alleged violation. If such Mortgagee or Party-In-Interest commences to effect a cure during such grace period and proceeds diligently towards the effectuation of such cure, the aforesaid grace period shall be extended for so long as such Mortgagee or Party-In-Interest continues to proceed diligently with the effectuation of such cure.

(e) If after due notice as set forth herein and the expiration of any applicable cure period, Declarant, Mortgagee, and/or any other Party-In-Interest fail to cure such alleged violation, the City may exercise any and all of its rights, including those delineated in this Section, and may disapprove any amendment, modification, or cancellation of this Declaration on the sole grounds that Declarant is in default of a material obligation under this Declaration.

21. **Liability**. The City and any other party or person relying on the Declaration shall look solely to the fee estate interest of Declarant in the Subject Property, on an in rem basis only, for the

collection of any money judgment recovered against Declarant, and no other property of Declarant, its principals (disclosed or undisclosed) partners, members, affiliates, agents, officers or employees of Declarant, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of the City or any other person or entity with respect to this Declaration.

22. **Indemnity.** Except in the event of gross negligence or wilful default, Declarant shall indemnify the City, and their respective officers, employees and agents; from any and all claims, actions or judgments for loss, damage or injury, including death or property damage of whatsoever kind or nature, arising from Declarant's obligations under this Declaration, including, without limitation, the negligence or carelessness of Declarant, its agents, servants or employees in undertaking such obligations; provided, however, that should any such claim be made or action brought, Declarant shall have the right to defend such claim or action with attorneys reasonably acceptable to the City and provided further, that no such claim or action shall be settled without the written consent of Declarant.

23. **Provision of Documents as Part of Other Applications.**

(a) Declarant shall include a copy of this Declaration as part of any application as to which any provisions of this Declaration are applicable to any governmental agency or department having jurisdiction over the Subject Property including, without limitation, DCP, the Buildings Department and the New York City Board of Standards and Appeals.

(b) If Declarant files with the Attorney General of the State of New York, in connection with any application for a cooperative, condominium or homeowner's association

development of any portion of the Subject Property, Declarant shall include in such offering plan or prospectus a copy of this Declaration.

24. **Relationship to the Applications.** Declarant acknowledges that the restrictions, covenants and obligations contained in this Declaration are an integral part of the Application.

25. **Incorporation of Documents.** Any and all exhibits, appendices, or attachments referred to herein are hereby incorporated fully and made an integral part of this Declaration by reference.

26. **Governing Law.** This Declaration shall be governed by and construed in accordance with the law of the State of New York.

27. **Severability.** In the event that any provision of this Declaration shall be deemed, decreed, adjudged or determined to be invalid or unlawful by a court of competent jurisdiction, such provision shall be severable and the remainder of this Declaration shall continue to be of full force and effect.

28. **Notices.** All notices, demands, requests, consents, approvals and other communications which may be or are permitted, desirable or required to be given, served or deemed to have been given or sent hereunder shall be in writing and shall be sent (a) if intended for the name of Declarant, by mailing or delivery to the named Declarant at its address at the commencement of this Declaration, with courtesy copies to (i) Muss and Muss, 118-35 Queens Boulevard, Forest Hills, New York 11375, Attention: Michael Seidenwar, Esq. and Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016, Attention: Mark A. Levine, Esq. and (b) if intended for CPC, by

mailing or delivery to CPC at 22 Reade Street, New York, New York 10007-1216 or its then official address, Attention: Chair. Declarant and CPC, by notice given as provided in this Section, may change any address for the purposes of this Declaration. Each notice, demand, request, consent, approval or other communication shall be either: (i) sent by registered or certified mail, postage prepaid; (ii) sent by overnight courier service; or (iii) delivered by hand, and shall be deemed sufficiently given, served or sent for all purposes hereunder five (5) business days after it shall be mailed, or, if delivered by hand or courier service, when actually received. All notices or other communications shall also be sent to any Mortgagee or other Party-In-Interest who shall have given notice to CPC of its identity.

29. **Subordination of Future Interests.** Declarant shall cause every individual, business organization or other entity that between the date hereof and the date of recordation of this Declaration becomes a Party-in-Interest to the Subject Property, to subordinate its interest in the Subject Property to this Declaration and/or waive its right to execution of the Declaration. Any mortgage or other lien or lease or encumbrance affecting the Subject Property after the recording date of this Declaration shall be subject and subordinate hereto.

30. **Alienability of Subject Property.** Nothing contained herein shall be construed as requiring the consent of CPC, the City, any agency thereof or any other person or entity to any sale, transfer, conveyance, mortgage, lease or assignment of any interest in the Subject Property or any part thereof.

31. **Time Period for Approval.** Wherever in this Declaration the certification, consent or approval, if any, of the Declarant, CPC, the City Comptroller, the Commissioner of Parks or any

other governmental agency is required or permitted to be given, such certification, consent or approval will not be unreasonably withheld or delayed.

32. **Certification of Declaration.** Within fifteen (15) days of request by Declarant therefor, the City will execute and deliver to Declarant in recordable form a written statement certifying the Declaration to be in full force and effect.

33. **Section Headings.** Section headings contained in this Declaration are for convenience only and shall not be considered for any purpose in governing, limiting, modifying, construing or otherwise affecting the provisions of this Declaration and shall not otherwise be given any legal affect.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

ALEXANDER MUSS & SONS

By: _____

Name: Stephen Muss
Title: General Partner

On the 30th day of July, 1998, before me personally came Stephen Muss, to me known, who, being by me duly sworn, did depose and say that he is a General Partner of Alexander Muss & Sons, the entity described in and which executed the foregoing instrument, and duly acknowledged to me that he executed the said instrument as the General Partner of Alexander Muss & Sons, the cooperative corporation described in and which executed the foregoing instrument; that he signed his name thereto on authority of said corporation.

Mary B. Larrow
Notary Public

MARY B. LARROW
Notary Public
My Commission Expires June 18, 2004

EXHIBIT A

EXHIBIT A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Coney Island Avenue, distant 120.00 feet southerly from the corner formed by the intersection of the southerly side of Brighton Beach Avenue with the easterly side of Coney Island Avenue;

RUNNING THENCE easterly and at right angles to Coney Island Avenue, 75.00 feet;

THENCE northerly and parallel with Coney Island Avenue, 39.23 feet;

THENCE easterly and at right angles to Coney Island Avenue, 125.00 feet to the westerly side of Brighton 11th Street;

THENCE northerly on a line forming an interior angle of 170 degrees with the last mentioned course, 124.05 feet to the southerly side of Brighton Beach Avenue;

THENCE easterly along the southerly side of Brighton Beach Avenue and forming an interior angle of 102 degrees 12 minutes 46 seconds with the last mentioned course, 87.43 feet to a point of curve in Brighton Beach Avenue;

THENCE easterly and still along said southerly side of Brighton Beach Avenue and along a curve to the right having a radius of 400 feet, a distance of 261.30 feet to a point;

THENCE easterly and still along the southerly side of Brighton Beach Avenue, 198.21 feet to the corner formed by said southerly side of Brighton Beach Avenue and the westerly side of Seacoast Terrace;

THENCE southerly along the westerly side of Seacoast Terrace, 854.77 feet to the northerly side of the public park;

SCHEDULE 'A'

continued

THENCE westerly along the northerly side of the public park, 720 feet to the easterly side of Coney Island Avenue;

THENCE northerly along the easterly side of Coney Island Avenue, 786.76 feet to the point or place of BEGINNING.

TICOR TITLE GUARANTEE COMPANY& TICOR TITLE INSURANCE COMPANY

EXHIBIT B

EXHIBIT 1
CERTIFICATION OF ONE OWNER PURSUANT TO ZONING LOT SUBDIVISION C OF SECTION 12-10 OF THE ZONING RESOLUTION OF DECEMBER 15, 1961 OF THE CITY OF NEW YORK - AS AMENDED EFFECTIVE AUGUST 18, 1977

Costa N. Tesnakis, as agent for Ticor Title Insurance Company, a title insurance company licensed to do business in the State of New York and having its principal office at 147 Remsen Street, Brooklyn, New York 11201 hereby certifies that as to the land hereafter described being a tract of land, either unsubdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block in the ownership of **ALEXANDER MUSS & SONS**, that all the parties in interest, constituting a "party in interest" as defined in Section 12-10, subdivision © of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended, are the following:

NAME	ADDRESS	NATURE OF INTEREST
ALEXANDER MUSS & SONS	4441 Collins Avenue Suite 452 Miami, Florida 33140	OWNER

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid is known as Tax Lot 28 in Block 7066 on the Tax Map of the City of New York, Richmond County and more particularly described in SCHEDULE "A" hereto annexed.

That the said premises are as shown on the diagram hereto annexed as SCHEDULE "B".

That the Zoning Lot Description and Ownership Statement containing the annexed description is to be recorded simultaneously herewith.

CERTIFIED this 28th day of July, 1998 to **ALEXANDER MUSS & SONS**, the applicant for this application.

NOTE: A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may be subdivided into two or more zoning lots provided all the resulting zoning lots and all the buildings thereon shall comply with the applicable provisions of the zoning lot resolution.

THIS CERTIFICATION IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND ($1,000.00) DOLLARS.

Title No. 1497-00034
COSTA N. TESNAKIS, as agent for
TICOR TITLE INSURANCE COMPANY

By _____
COSTA N. TESNAKIS
#1058400

SCHEDULE 'A'

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Coney Island Avenue, distant 120.00 feet southerly from the corner formed by the intersection of the southerly side of Brighton Beach Avenue with the easterly side of Coney Island Avenue;

RUNNING THENCE easterly and at right angles to Coney Island Avenue, 75.00 feet;

THENCE northerly and parallel with Coney Island Avenue, 39.23 feet;

THENCE easterly and at right angles to Coney Island Avenue, 125.00 feet to the westerly side of Brighton 11th Street;

THENCE northerly on a line forming an interior angle of 170 degrees with the last mentioned course, 124.05 feet to the southerly side of Brighton Beach Avenue;

THENCE easterly along the southerly side of Brighton Beach Avenue and forming an interior angle of 102 degrees 12 minutes 46 seconds with the last mentioned course, 87.43 feet to a point of curve in Brighton Beach Avenue;

THENCE easterly and still along said southerly side of Brighton Beach Avenue and along a curve to the right having a radius of 400 feet, a distance of 261.30 feet to a point;

THENCE easterly and still along the southerly side of Brighton Beach Avenue, 198.21 feet to the corner formed by said southerly side of Brighton Beach Avenue and the westerly side of Seacoast Terrace;

THENCE southerly along the westerly side of Seacoast Terrace, 854.77 feet to the northerly side of the public park;

SCHEDULE 'A'

continued

THENCE westerly along the northerly side of the public park, 720 feet to the easterly side of Coney Island Avenue;

THENCE northerly along the easterly side of Coney Island Avenue, 786.76 feet to the point or place of BEGINNING.

TICOR TITLE GUARANTEE COMPANY& TICOR TITLE INSURANCE COMPANY

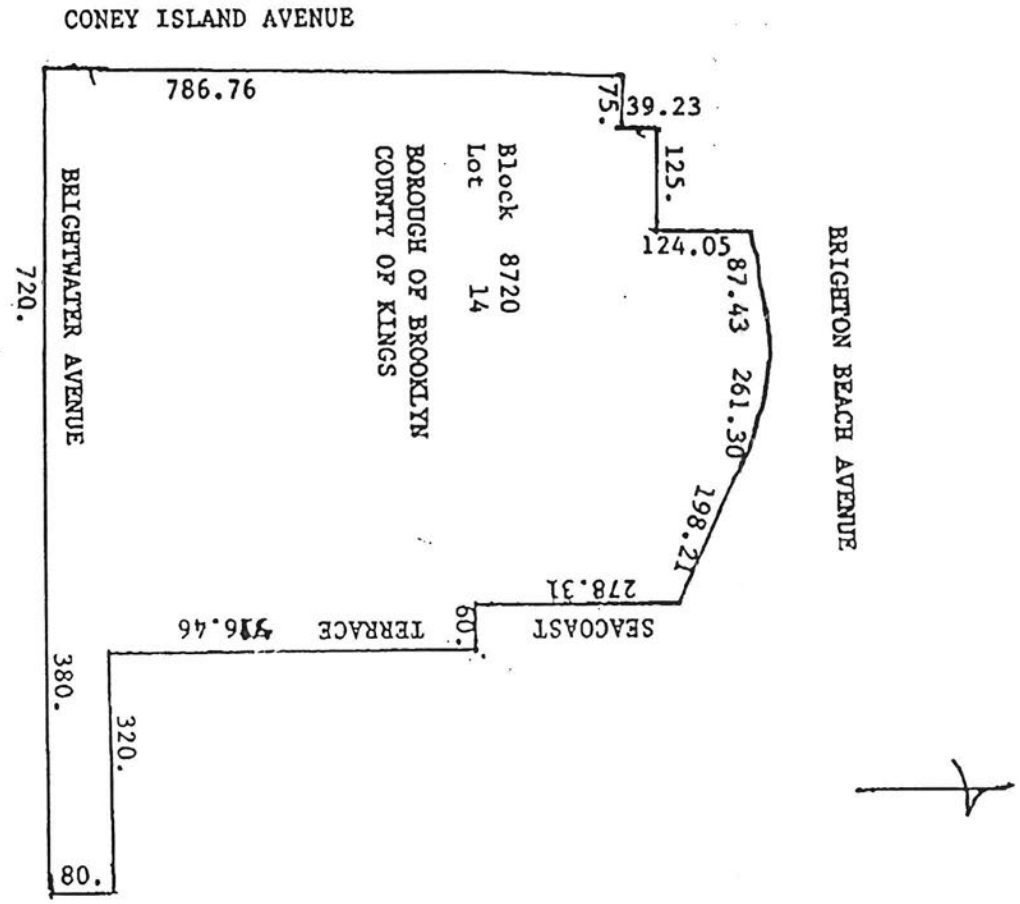
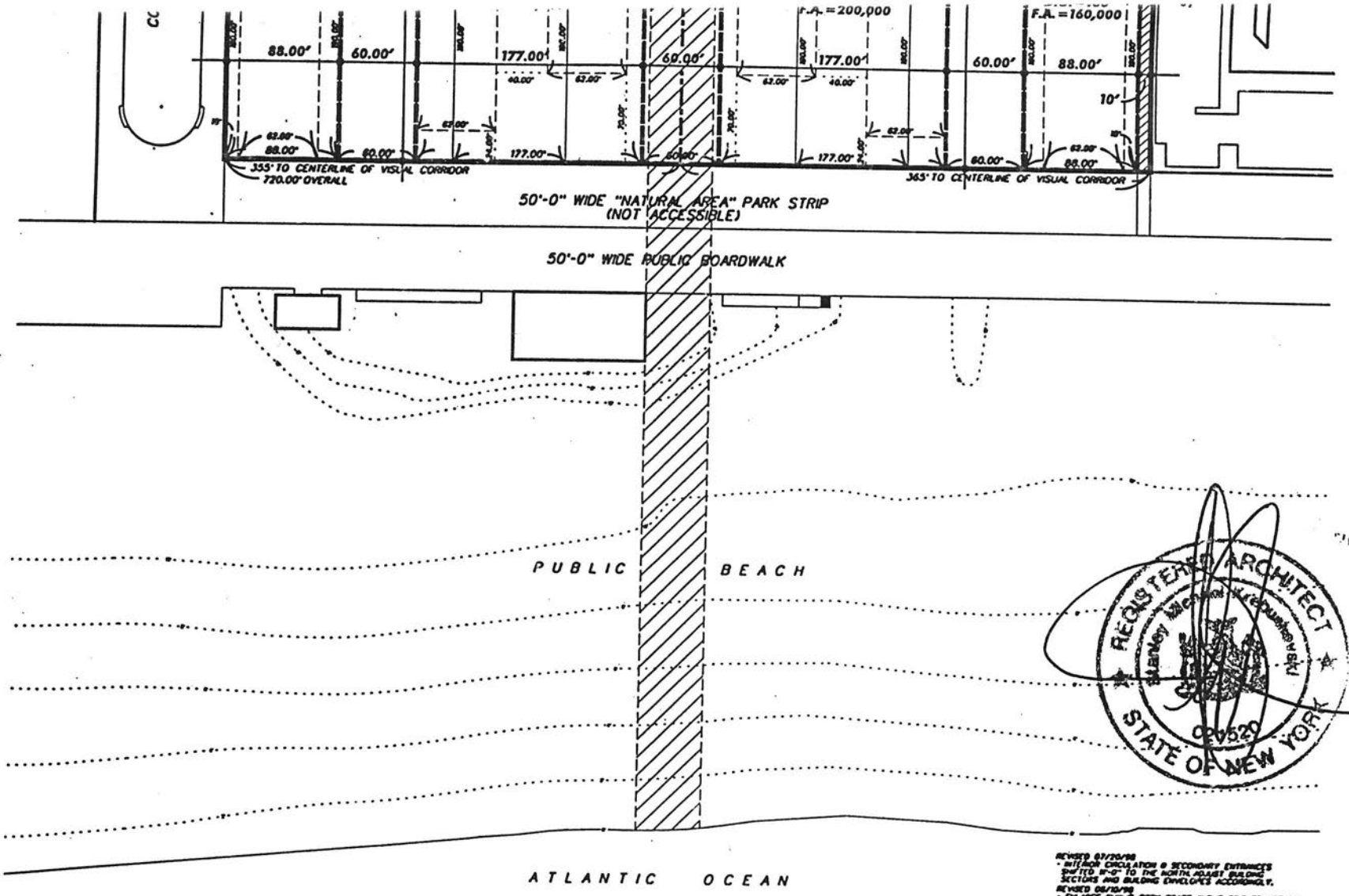

CONEY ISLAND AVENUE
786.76
75.
39.23
125.
124.05
87.43
261.30
198.21
278.31
60.
SEACOAST TERRACE
316.46
380.
320.
80.
720.
BRIGHTWATER AVENUE
BOROUGH OF BROOKLYN
COUNTY OF KINGS
Block 8720
Lot 14
BRIGHTON BEACH AVENUE

EXHIBIT C



REGISTERED ARCHITECT
Stanley Michael Krebushevski
025520
STATE OF NEW YORK

REVISED 07/20/98
- INTERIOR CIRCULATION & SECONDARY ENTRANCES SHIFTED 8'-0" TO THE NORTH ADJUST BUILDING SECTIONS AND BUILDING ENVELOPES ACCORDINGLY.

REVISED 06/10/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 3 & 5.

REVISED 06/04/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 3.

REVISED 05/26/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 3.

ALTERNATE PLAN NO. 1

LEGEND:

- (1) BUILDING SECTOR NUMBER
- PUBLIC OPEN SPACE (MIN. 28,000 S.F.)
- VISUAL CORRIDOR (MIN. 50'-0" WIDE)
- APARTMENT BUILDING ENVELOPE
- INTERNAL CIRCULATION (NO-BUILD)
- 10'-0" WIDE PUBLIC ACCESS EASEMENT
- 50'-0" WIDE "NATURAL AREA" PARK STRIP
- TOWNHOUSE BUILDING ENVELOPE

NOTES:

- BUILDING HEIGHT IN STORIES / FEET, NUMBER OF DWELLING UNITS AND FLOOR AREA IN SQUARE FEET INDICATED ABOVE ARE MAXIMUMS PER BUILDING SECTOR.
- NOTWITHSTANDING THE TOTALS OF THESE MAXIMUMS, THE MAXIMUM NUMBER OF DWELLING UNITS FOR THE ENTIRE PROJECT SHALL NOT EXCEED 836 DWELLING UNITS AND THE MAXIMUM FLOOR AREA SHALL NOT EXCEED 1,336,000 S.F.
- THERE SHALL BE NO MORE THAN (2) TWELVE STORY BUILDINGS.
- THE MINIMUM NUMBER OF DWELLING UNITS AND FLOOR AREA PER BUILDING SECTOR SHALL NOT BE LESS THAN 70% OF THE MAXIMUM SHOWN ABOVE.
- THERE WILL BE A TENANT RECREATIONAL FACILITY LOCATED IN THE SOUTH CENTRAL PORTION OF THE PROJECT WHICH WILL INCLUDE AN OUTDOOR SWIMMING POOL AND AN INDOOR FACILITY.

Stanley Michael Krebushevski Architect, P.C.
1562 Richmond Road
Suite 205
Staten Island, New York 10304
718 /667-1234

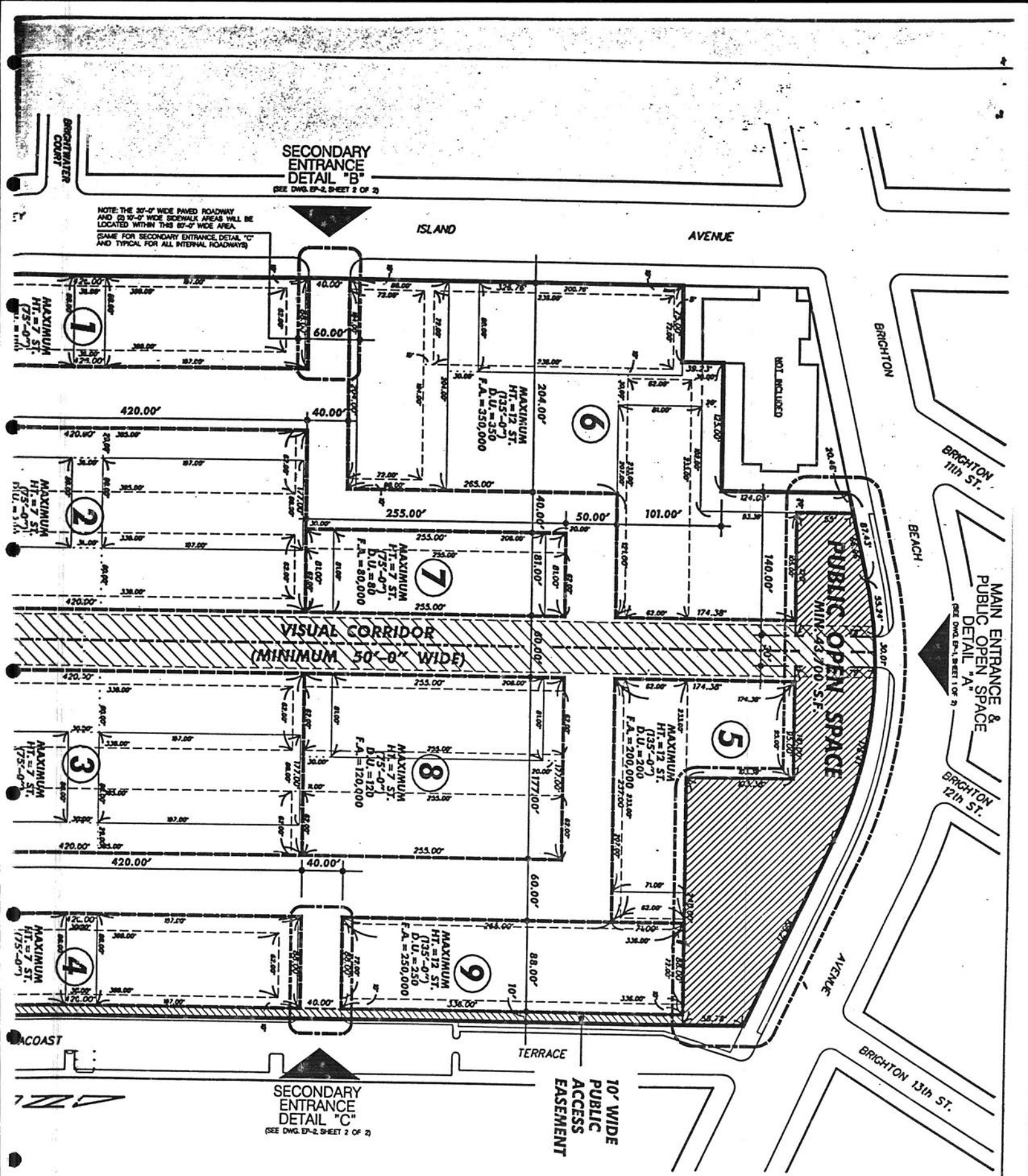
Title
BRIGHTON PROJECT
BLOCK 8720, p/o LOT 14
ALTERNATE PLAN NO. 1

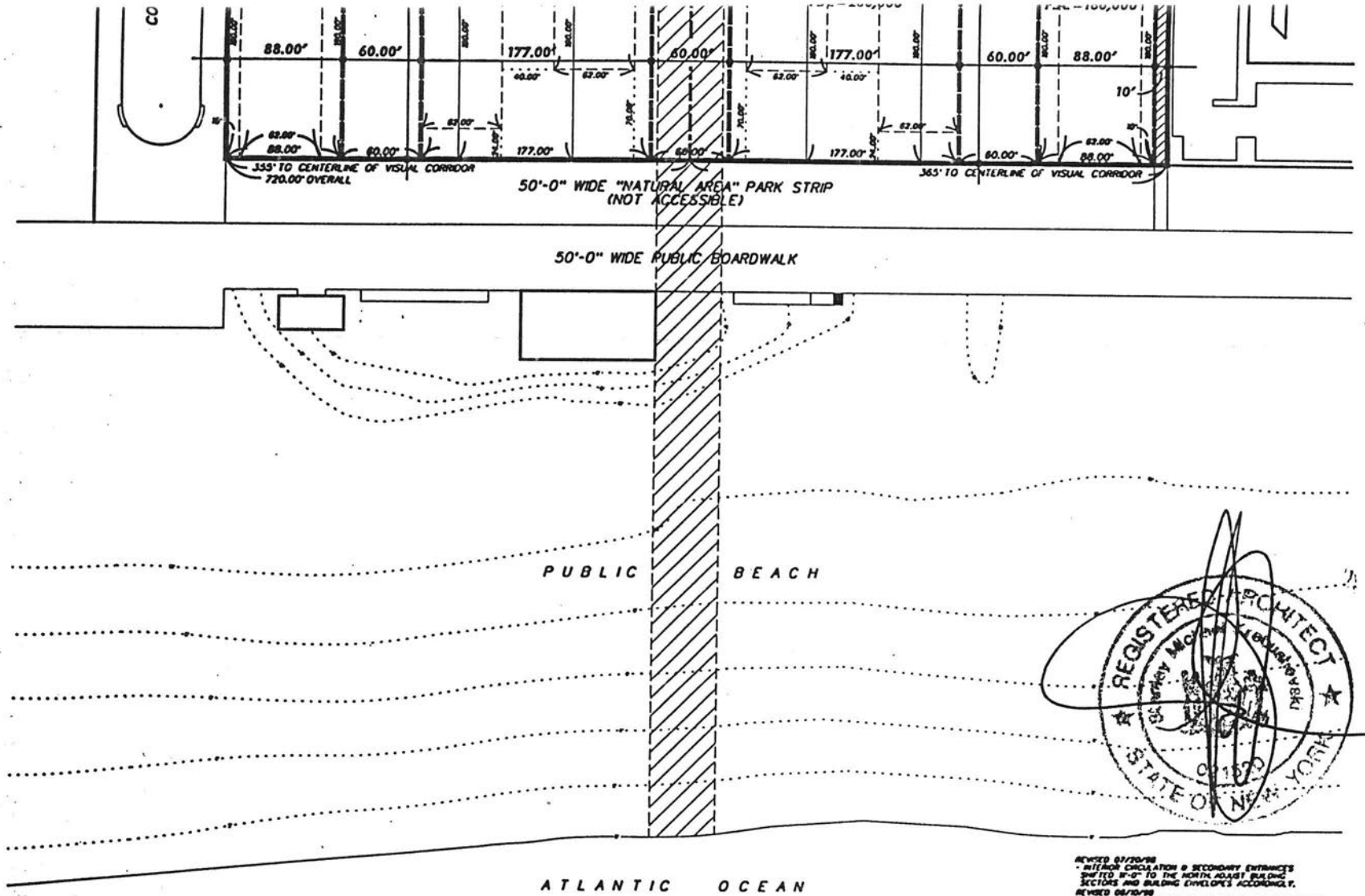
Scale	1" = 80'-0"	Dwg. No. BB-ALT-01
Date	03 /16 /98	
Drawn By	SMK	03
Job No.	PR-362	

-514-

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MAIN ENTRANCE &
PUBLIC OPEN SPACE
DETAIL "A"
(SEE DWG. EP-1, SHEET 1 OF 2)
BRIGHTON 11th ST.
BRIGHTON 12th ST.
BRIGHTON 13th ST.
BEACH
BRIGHTON
AVENUE
PUBLIC OPEN SPACE
MIN. 43,700 S.F.
NOT INCLUDED
AVENUE
ISLAND
5
6
7
8
9
MAXIMUM
HT. = 12 ST.
(135'-0")
D.U. = 200
F.A. = 200,000
MAXIMUM
HT. = 12 ST.
(135'-0")
D.U. = 350
F.A. = 350,000
MAXIMUM
HT. = 7 ST.
(75'-0")
D.U. = 80
F.A. = 80,000
MAXIMUM
HT. = 7 ST.
(75'-0")
D.U. = 80
F.A. = 80,000
MAXIMUM
HT. = 12 ST.
(135'-0")
D.U. = 250
F.A. = 250,000
VISUAL CORRIDOR
(MINIMUM 50'-0" WIDE)
10' WIDE
PUBLIC
ACCESS
EASEMENT
TERRACE
SECONDARY
ENTRANCE
DETAIL "B"
(SEE DWG. EP-2, SHEET 2 OF 2)
SECONDARY
ENTRANCE
DETAIL "C"
(SEE DWG. EP-2, SHEET 2 OF 2)
1
2
3
4
140.00'
204.00'
255.00'
420.00'


SECONDARY ENTRANCE DETAIL "B"
(SEE DWG. EP-2, SHEET 2 OF 2)
BRIGHTWATER COURT
NOTE: THE 30'-0" WIDE PAVED ROADWAY AND (2) 10'-0" WIDE SIDEWALK AREAS WILL BE LOCATED WITHIN THIS 60'-0" WIDE AREA.
(SAME FOR SECONDARY ENTRANCE, DETAIL "C" AND TYPICAL FOR ALL INTERNAL ROADWAYS)
ISLAND AVENUE
BRIGHTON BEACH
BRIGHTON 11th ST.
BRIGHTON 12th ST.
BRIGHTON 13th ST.
MAIN ENTRANCE & PUBLIC OPEN SPACE DETAIL "A"
(SEE DWG. EP-1, SHEET 1 OF 2)
NOT INCLUDED
PUBLIC OPEN SPACE
MIN. 43,700 S.F.
VISUAL CORRIDOR
(MINIMUM 50'-0" WIDE)
1 MAXIMUM HT. = 7 ST. (75'-0")
2 MAXIMUM HT. = 7 ST. (75'-0")
3 MAXIMUM HT. = 7 ST. (75'-0")
4 MAXIMUM HT. = 7 ST. (75'-0")
5 MAXIMUM HT. = 12 ST. (135'-0") D.U. = 200 F.A. = 200,000
6 MAXIMUM HT. = 12 ST. (135'-0") D.U. = 350 F.A. = 350,000
7 MAXIMUM HT. = 7 ST. (75'-0") D.U. = 80 F.A. = 80,000
8 MAXIMUM HT. = 7 ST. (75'-0") D.U. = 120 F.A. = 120,000
9 MAXIMUM HT. = 12 ST. (135'-0") D.U. = 250 F.A. = 250,000
TERRACE
10' WIDE PUBLIC ACCESS EASEMENT
SECONDARY ENTRANCE DETAIL "C"
(SEE DWG. EP-2, SHEET 2 OF 2)



REVISED 07/30/98
- INTERIOR CIRCULATION & SECONDARY ENTRANCE'S SHIFTED 10'-0" TO THE NORTH, ADJUST BUILDING SECTORS AND BUILDING ENVELOPE'S ACCORDINGLY.

REVISED 08/10/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 3 & 6.

REVISED 08/24/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 3.

REVISED 09/28/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 3.

ALTERNATE PLAN NO. 2

LEGEND:

- BUILDING SECTOR NUMBER
- PUBLIC OPEN SPACE (MIN. 28,000 S.F.)
- VISUAL CORRIDOR (MIN. 50'-0" WIDE)
- APARTMENT BUILDING ENVELOPE
- INTERNAL CIRCULATION (NO-BUILD)
- 10'-0" WIDE PUBLIC ACCESS EASEMENT
- 50'-0" WIDE "NATURAL AREA" PARK STRIP
- TOWNHOUSE BUILDING ENVELOPE

NOTES:

- BUILDING HEIGHT IN STORIES / FEET, NUMBER OF DWELLING UNITS AND FLOOR AREA IN SQUARE FEET INDICATED ABOVE ARE MAXIMUMS PER BUILDING SECTOR.
- NOTWITHSTANDING THE TOTALS OF THESE MAXIMUMS, THE MAXIMUM NUMBER OF DWELLING UNITS FOR THE ENTIRE PROJECT SHALL NOT EXCEED 830 DWELLING UNITS AND THE MAXIMUM FLOOR AREA SHALL NOT EXCEED 1,334,000 S.F..
- THERE SHALL BE NO MORE THAN (2) TWELVE STORY BUILDINGS.
- THE MINIMUM NUMBER OF DWELLING UNITS AND FLOOR AREA PER BUILDING SECTOR SHALL NOT BE LESS THAN 90% OF THE MAXIMUMS SHOWN ABOVE.
- THERE WILL BE A PRIVATE RECREATIONAL FACILITY LOCATED IN THE SOUTH CENTRAL PORTION OF THE PROJECT WHICH SHALL

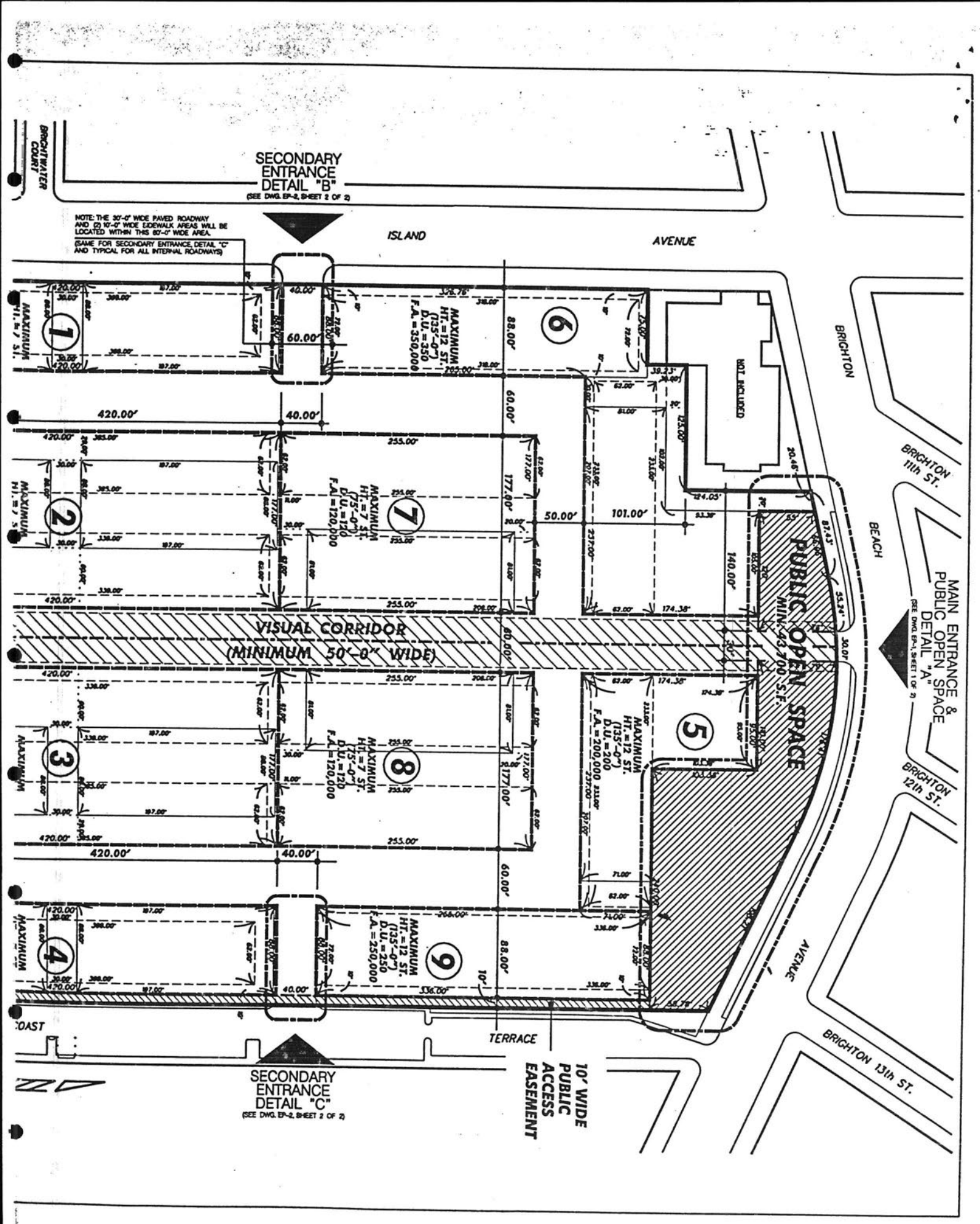
Stanley
Michael
Krebushevski
Architect, P.C.

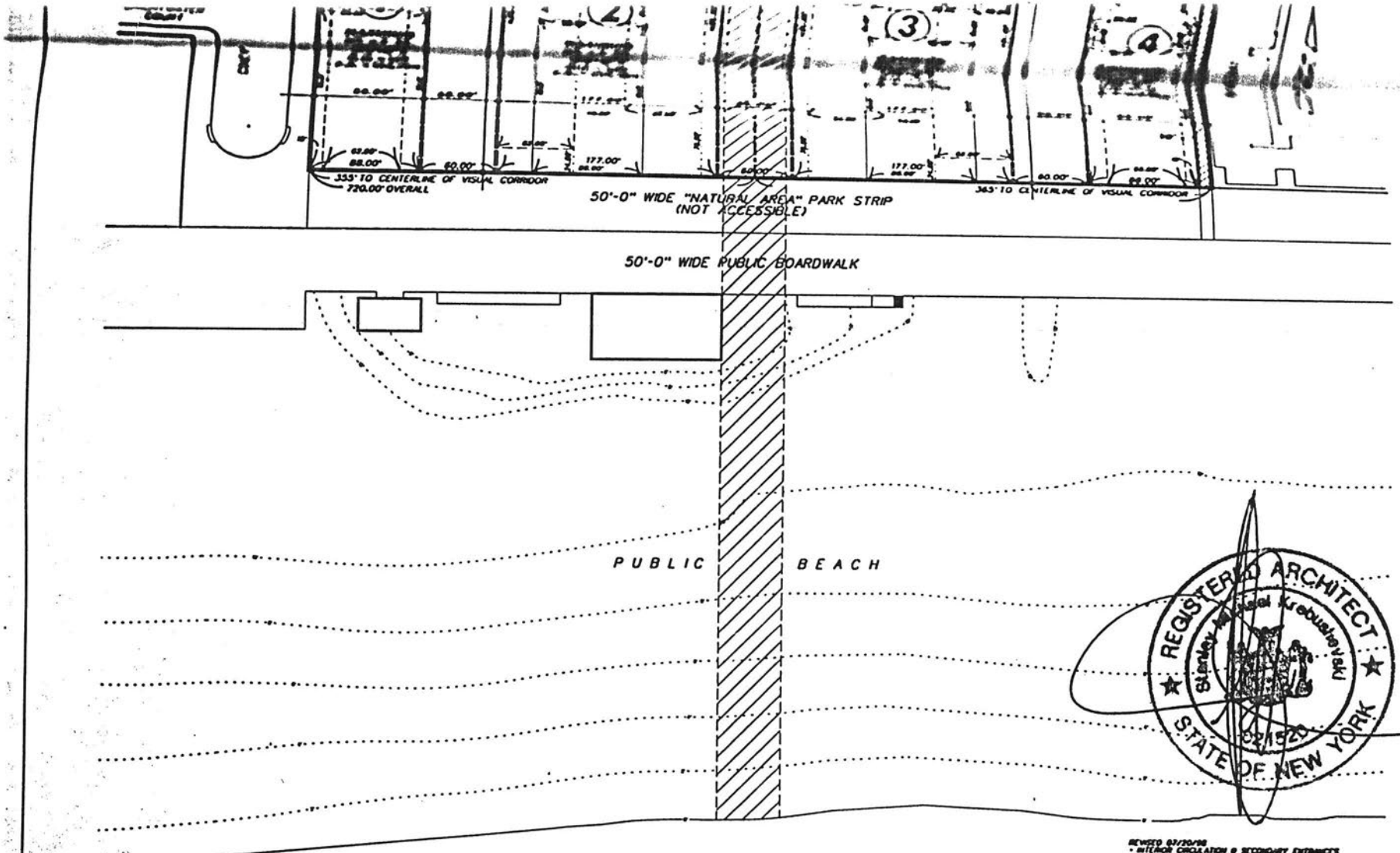
1562 Richmond Road
Suite 205
Staten Island, New York 10304
718 /667-1234

Title
BRIGHTON PROJECT
BLOCK 7820, p/o LOT 14
ALTERNATE PLAN NO. 2

Scale	1" = 80'-0"	Dwg. No.	BB-ALT-02
Date	07/16/98		
Drawn by	MMK		03
Job No.	97-008		

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SECONDARY ENTRANCE DETAIL "B"
(SEE DWG. EP-2, SHEET 2 OF 2)
BRIGHTWATER COURT
NOTE: THE 30'-0" WIDE PAVED ROADWAY AND (2) 10'-0" WIDE SIDEWALK AREAS WILL BE LOCATED WITHIN THIS 60'-0" WIDE AREA.
(SAME FOR SECONDARY ENTRANCE, DETAIL "C" AND TYPICAL FOR ALL INTERNAL ROADWAYS)
ISLAND AVENUE
BRIGHTON BEACH
BRIGHTON 11th ST.
BRIGHTON 12th ST.
BRIGHTON 13th ST.
MAIN ENTRANCE & PUBLIC OPEN SPACE DETAIL "A"
(SEE DWG. EP-1, SHEET 1 OF 2)
PUBLIC OPEN SPACE
MIN. 43,750 S.F.
VISUAL CORRIDOR
(MINIMUM 50'-0" WIDE)
NOT INCLUDED
MAXIMUM HT. = 7 ST.
MAXIMUM HT. = 7 ST. (75'-0") D.U. = 120 F.A. = 120,000
MAXIMUM HT. = 12 ST. (135'-0") D.U. = 350 F.A. = 350,000
MAXIMUM HT. = 12 ST. (135'-0") D.U. = 200 F.A. = 200,000
MAXIMUM HT. = 12 ST. (135'-0") D.U. = 250 F.A. = 250,000
TERRACE
10' WIDE PUBLIC ACCESS EASEMENT
SECONDARY ENTRANCE DETAIL "C"
(SEE DWG. EP-2, SHEET 2 OF 2)



REGISTERED ARCHITECT
Stanley Michael Krebushevski
STATE OF NEW YORK
02/15/20

REVISED 07/20/98
- INTERIOR CIRCULATION & SECONDARY ENTRANCES SHIFTED 8'-0" TO THE NORTH ADJUST BUILDING SECTORS AND BUILDING ENVELOPES ACCORDINGLY.

REVISED 06/10/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 5 & 6.

REVISED 05/04/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 5.

REVISED 03/25/98
- ENLARGE PUBLIC OPEN SPACE ALONG BRIGHTON BEACH AVENUE AND REDUCE BUILDING SECTOR NO. 5.

ALTERNATE PLAN NO. 3

LEGEND:

- (1) BUILDING SECTOR NUMBER
- PUBLIC OPEN SPACE (MIN. 28,000 S.F.)
- VISUAL CORRIDOR (MIN. 50'-0" WIDE)
- APARTMENT BUILDING ENVELOPE
- INTERNAL CIRCULATION (NO-BUILD)
- 10'-0" WIDE PUBLIC ACCESS EASEMENT
- 50'-0" WIDE "NATURAL AREA" PARK STRIP
- TOWNHOUSE BUILDING ENVELOPE

NOTES:

- BUILDING HEIGHT IN STORIES / FEET, NUMBER OF DWELLING UNITS AND FLOOR AREA IN SQUARE FEET INDICATED ABOVE ARE MAXIMUMS PER BUILDING SECTOR.
- NOTWITHSTANDING THE TOTALS OF THESE MAXIMUMS, THE MAXIMUM NUMBER OF DWELLING UNITS FOR THE ENTIRE PROJECT SHALL NOT EXCEED 836 DWELLING UNITS AND THE MAXIMUM FLOOR AREA SHALL NOT EXCEED 1,336,000 S.F.
- THERE SHALL BE NO MORE THAN (3) TWELVE STORY BUILDINGS.
- THE MINIMUM NUMBER OF DWELLING UNITS AND FLOOR AREA PER BUILDING SECTOR SHALL NOT BE LESS THAN 50% OF THE MAXIMUMS SHOWN ABOVE.
- THERE WILL BE A TENANT RECREATIONAL FACILITY LOCATED IN THE SOUTH CENTRAL PORTION OF THE PROJECT WHICH WILL INCLUDE AN OUTDOOR SWIMMING POOL AND AN INDOOR FACILITY.

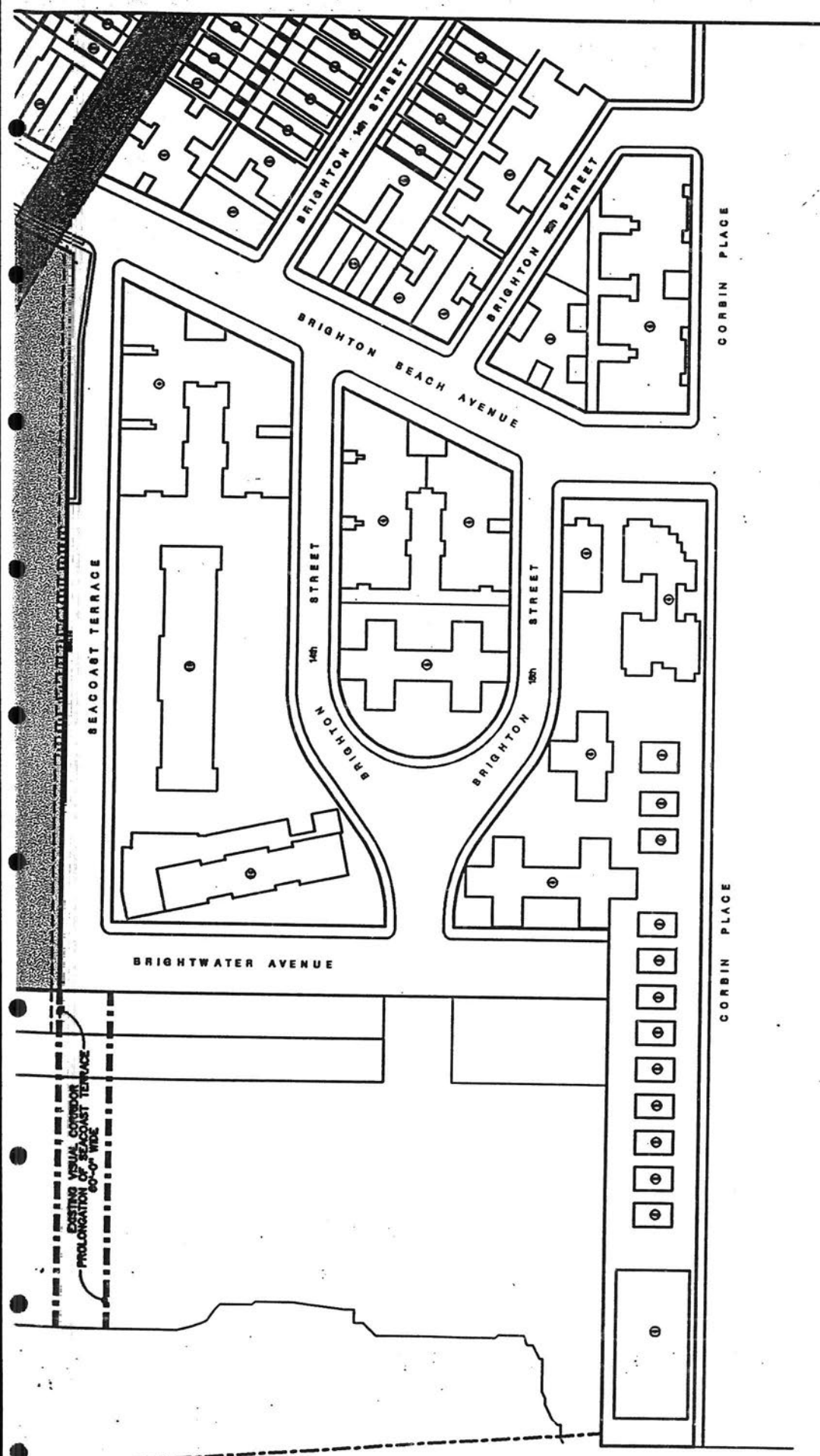
Stanley Michael Krebushevski Architect, P.C.
1562 Richmond Road
Suite 205
Staten Island, New York 10304
718 /667-1234

Title
BRIGHTON PROJECT
BLOCK 8720, p/o LOT 14
ALTERNATE PLAN NO. 3

Scale	1" = 80'-0"	Dwg. No.	BB-ALT-03
Date	03 /16 /98		
Drawn By	SMK		00
Job No.	PR-362		

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EXHIBIT D



REGISTERED ARCHITECT
Stanley Michael Krebushevski
021520
STATE OF NEW YORK

Actions requested:

ZR Section 62-711
– Waterfront public access and visual corridors

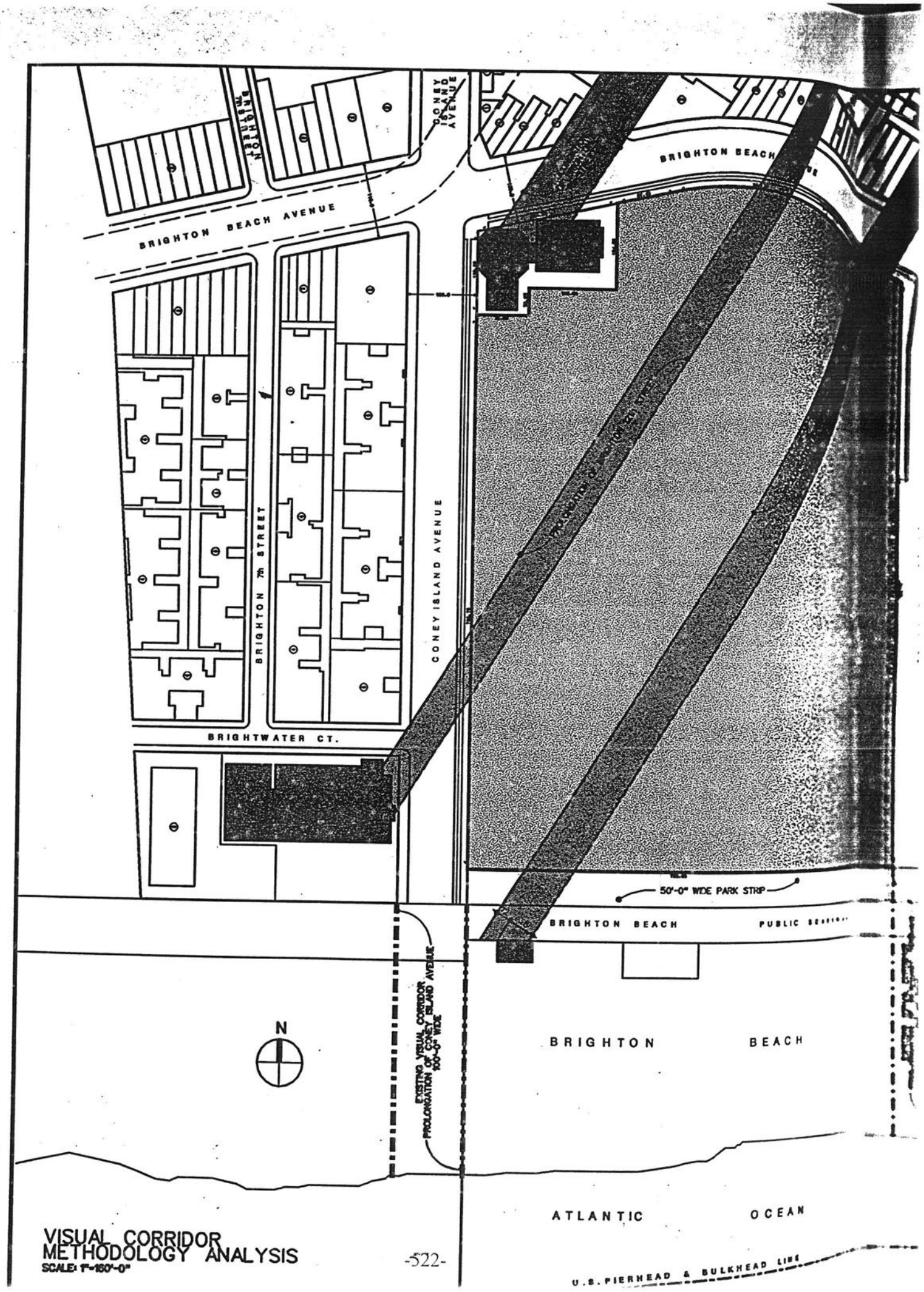
ZR Section 62-722
– Modification of waterfront public access and visual corridor requirements

STANLEY
MICHAEL
KREBUSHEVSKI
ARCHITECT, P.C.

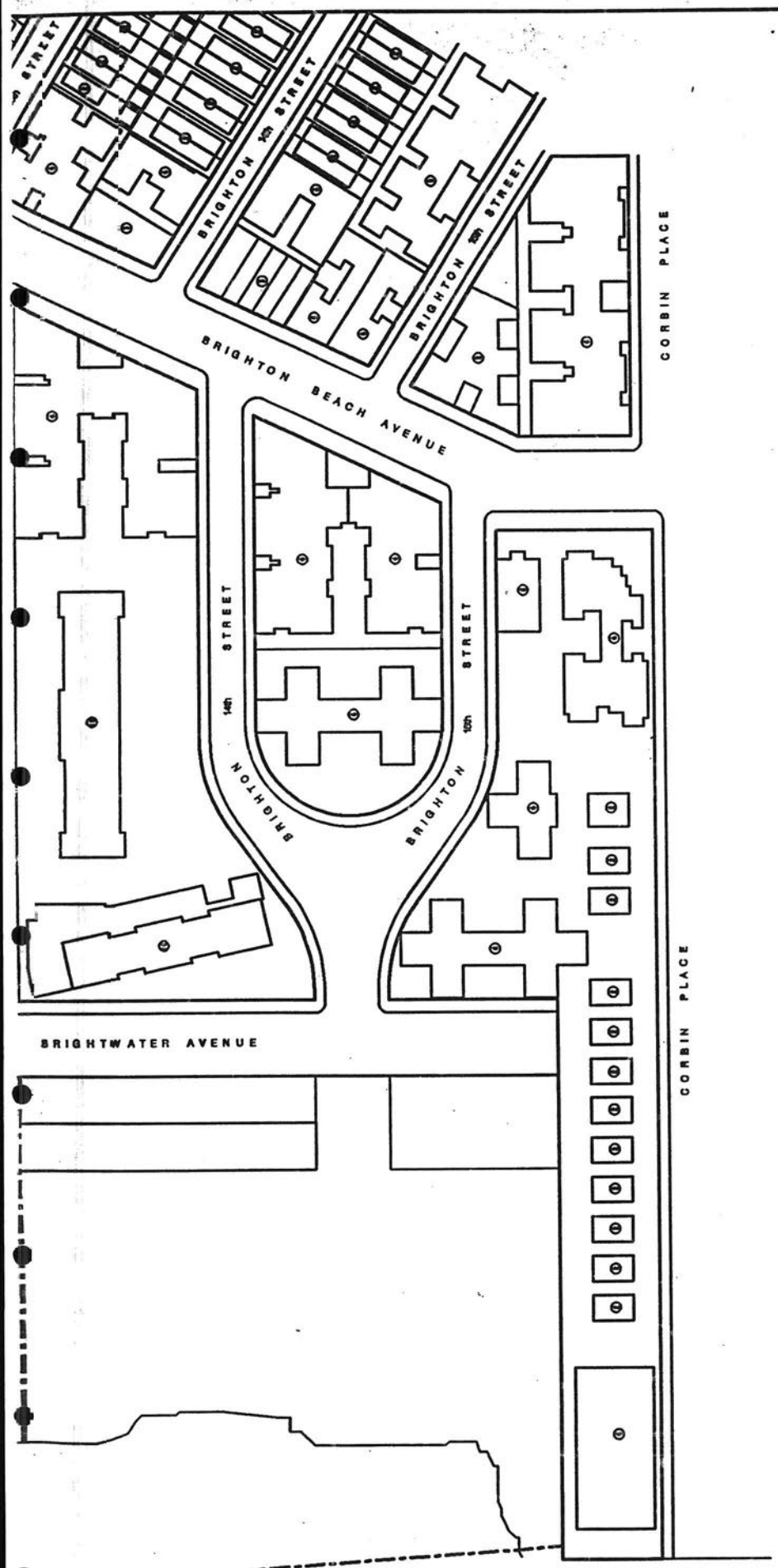
1692 RICHMOND ROAD
SUITE 205
STATEN ISLAND, NEW YORK 10304
718/667-1234

TITLE
VISUAL CORRIDOR
METHODOLOGY ANALYSIS
BLOCK 8720, p/o LOT 14

SCALE	1"=50'-0"	DWG. NO.	VC-01
DATE	03/16/95		
DRAWN BY	SMK		03



VISUAL CORRIDOR
METHODOLOGY ANALYSIS
SCALE: 1"=160'-0"



REGISTERED ARCHITECT
Stanley Michael Krebushevski
021570
STATE OF NEW YORK

Actions requested:

ZR Section 62-711
- Waterfront public access and visual corridors

ZR Section 62-722
- Modification of waterfront public access and visual corridor requirements

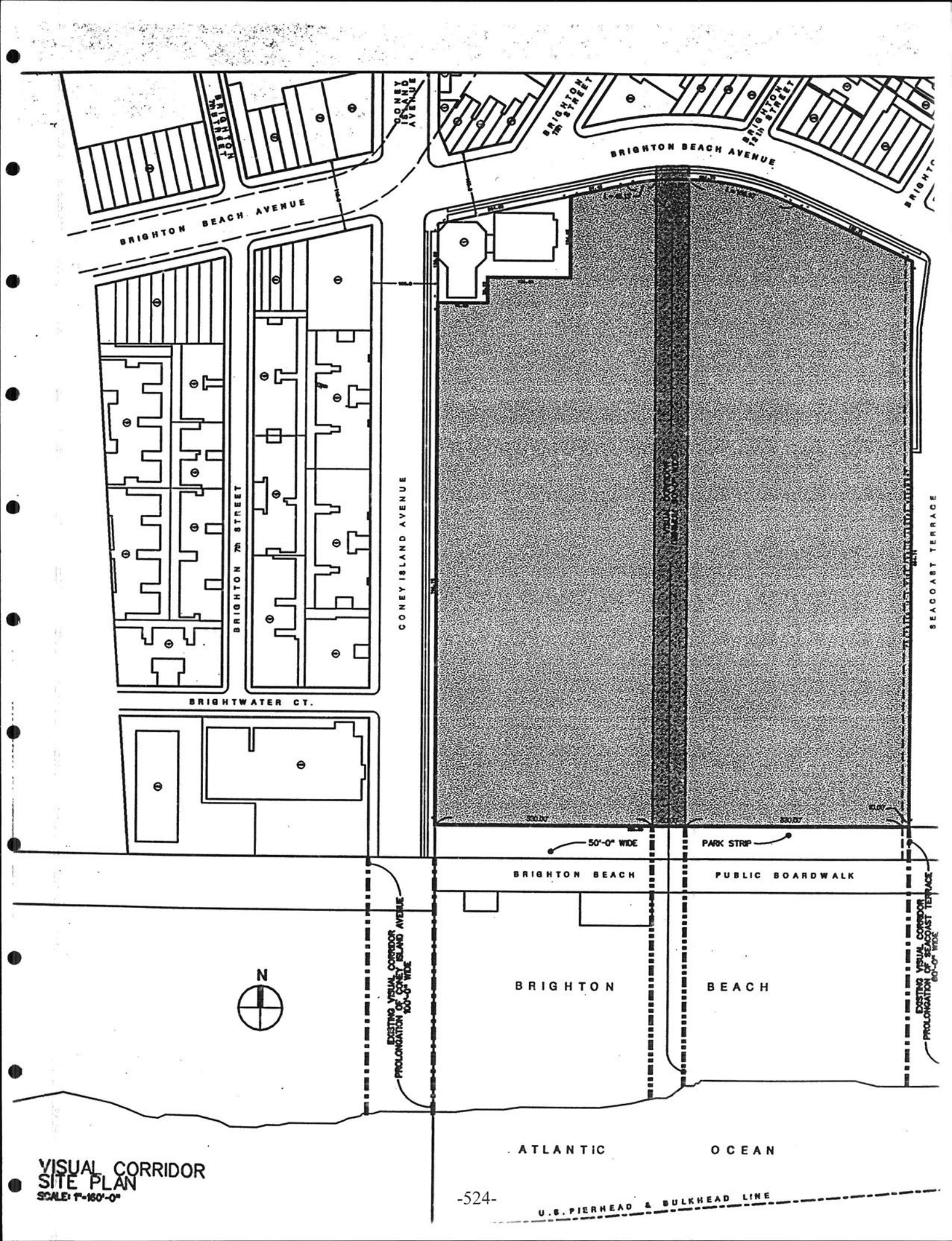
STANLEY
MICHAEL
KREBUSHEVSKI
ARCHITECT, P.C.

1932 RICHMOND ROAD
SUITE 205
STATEN ISLAND, NEW YORK 10304
718/667-6234

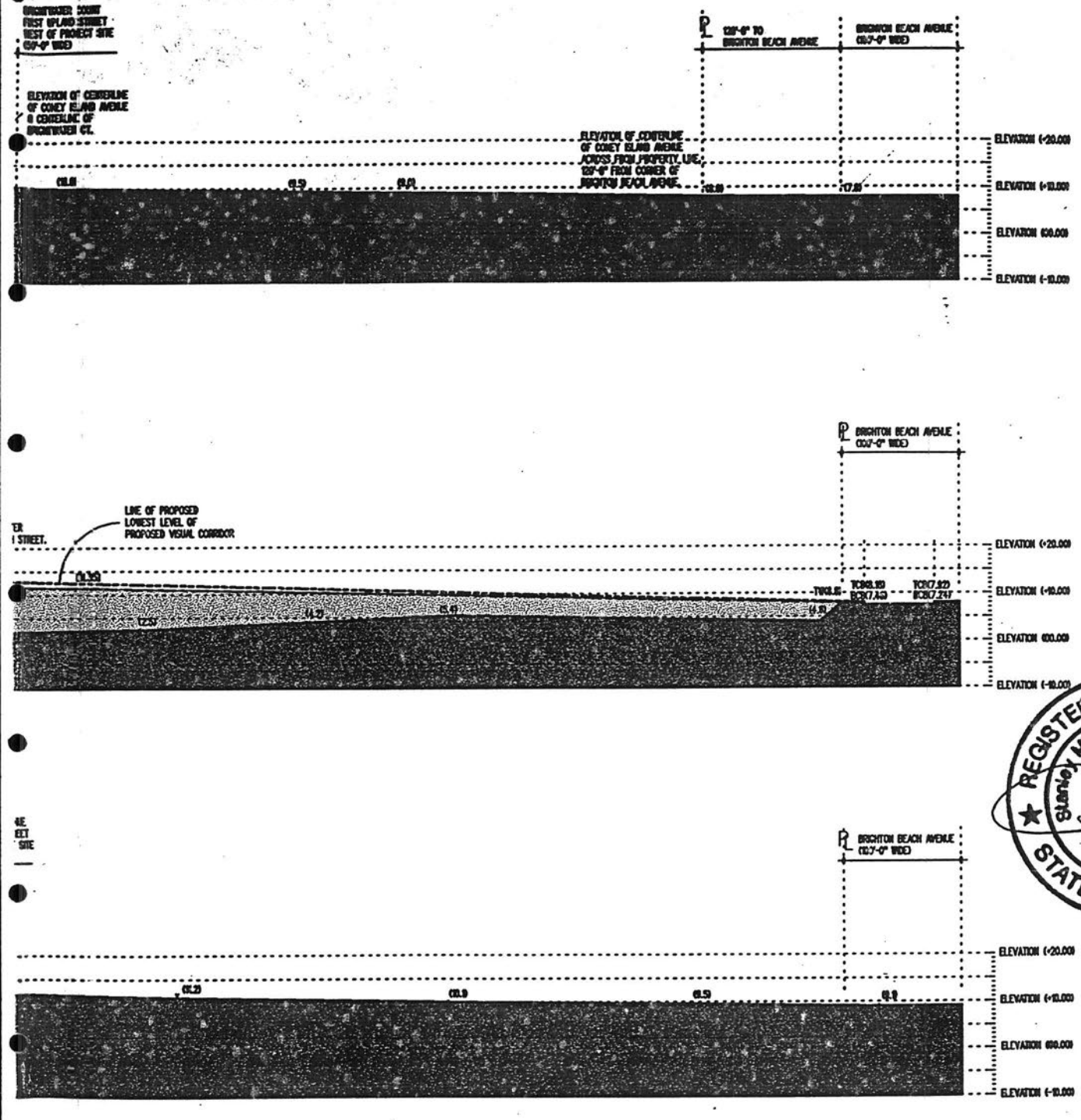
TITLE

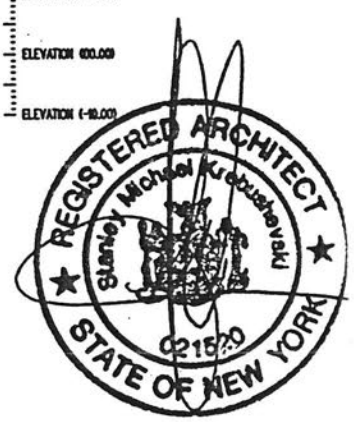
VISUAL CORRIDOR
SITE PLAN
BLOCK 8720, p/o LOT 14

SCALE	1"=80'-0"	DWG. NO.	VC-02
DATE	03/18/96		
DRAWN BY	SMK		03
JOB NO.	PR-362		



VISUAL CORRIDOR
SITE PLAN
SCALE: 1"=160'-0"





Actions requested:

ZR Section 62-711
- Waterfront public access and visual corridors

ZR Section 62-722
- Modification of waterfront public access and visual corridor requirements

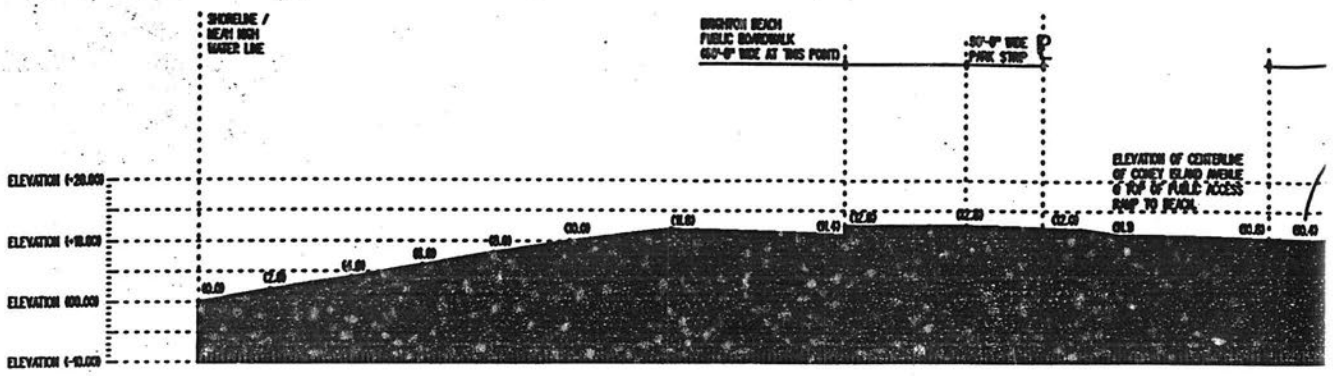
STANLEY
MICHAEL
KREBUSHEVSKI
ARCHITECT, P.C.

1562 RICHMOND ROAD
SUITE 205
STATEN ISLAND, NEW YORK 10304
718/667-1234

TITLE

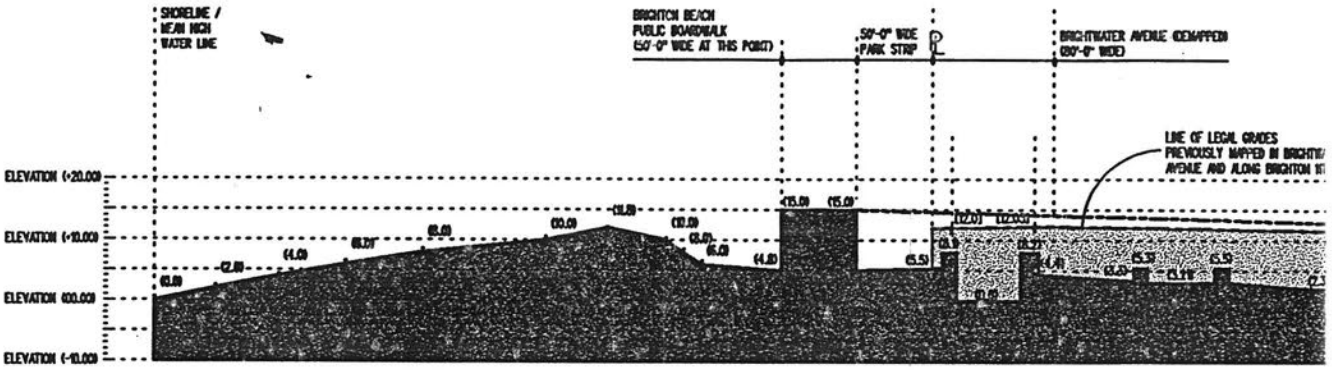
CROSS SECTIONS
THRU VIEW CORRIDORS
BLOCK 8720, p/o LOT 14

SCALE	1"=15'/60'	DWG. NO.	VC-03
DATE	03/16/98		
DRAWN BY	SMK		03
JOB NO.	PR-362		



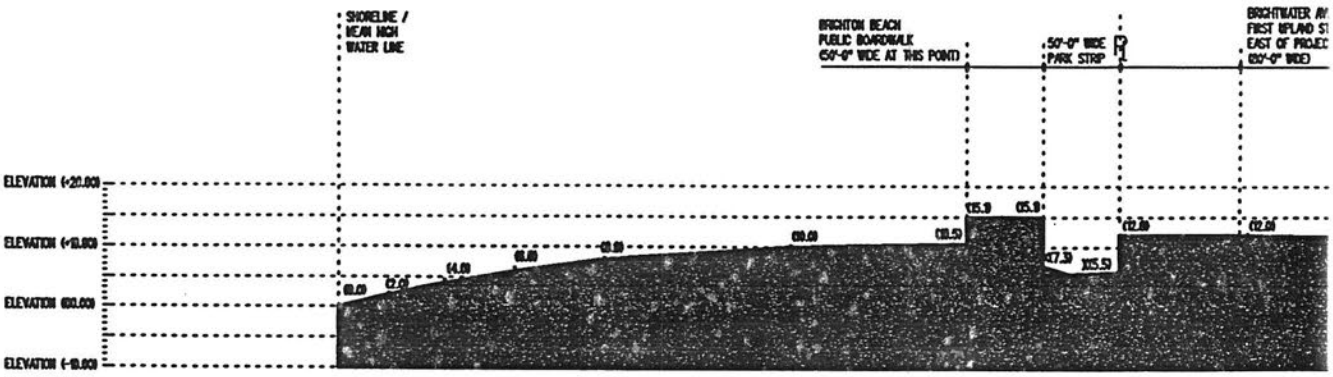
SECTION THRU CONEY ISLAND AVENUE

VERTICAL SCALE: 1" = 15'-0"
HORIZONTAL SCALE: 1" = 60'-0"



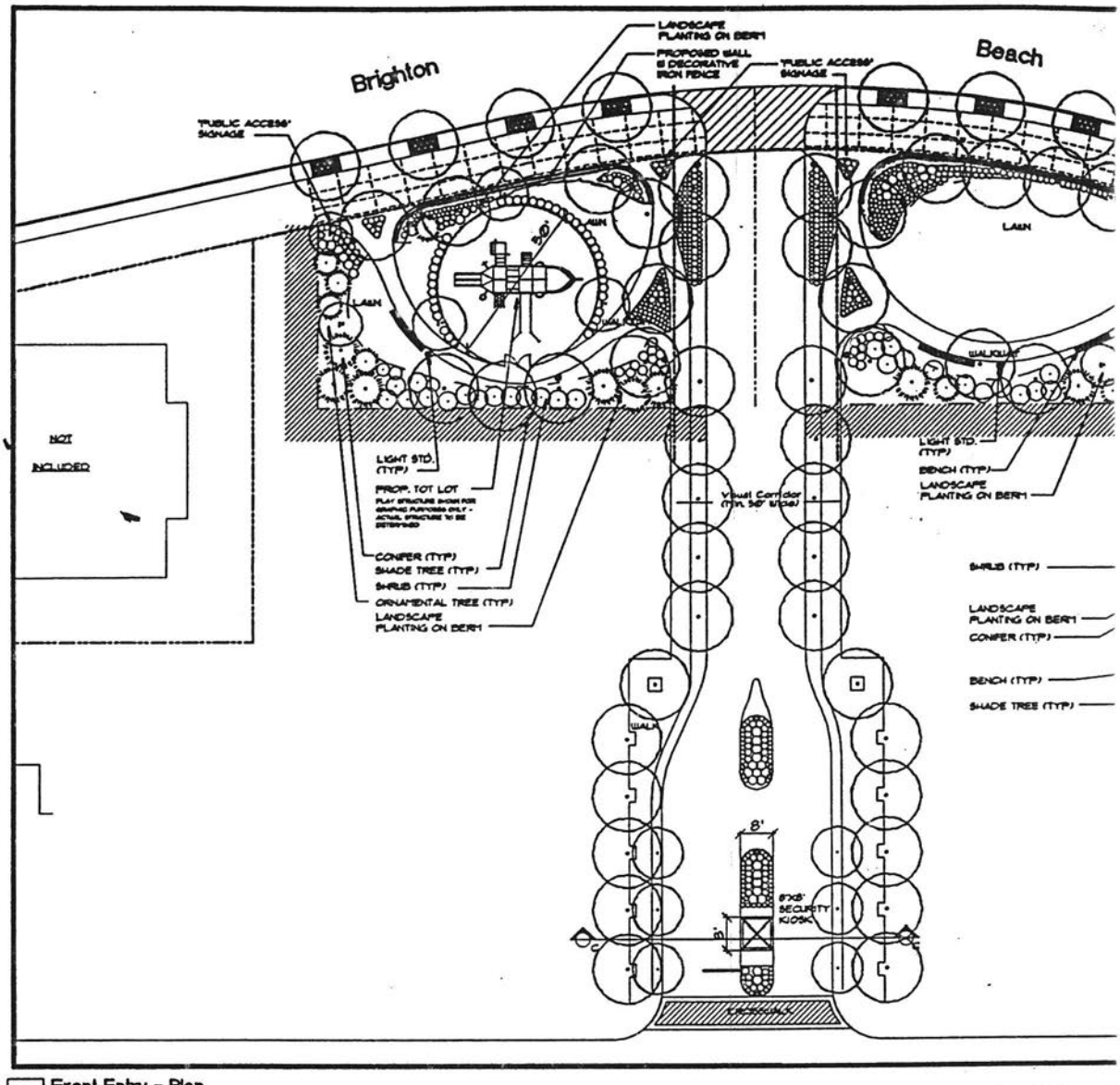
SECTION THRU CENTER OF THE SITE

VERTICAL SCALE: 1" = 15'-0"
HORIZONTAL SCALE: 1" = 60'-0"

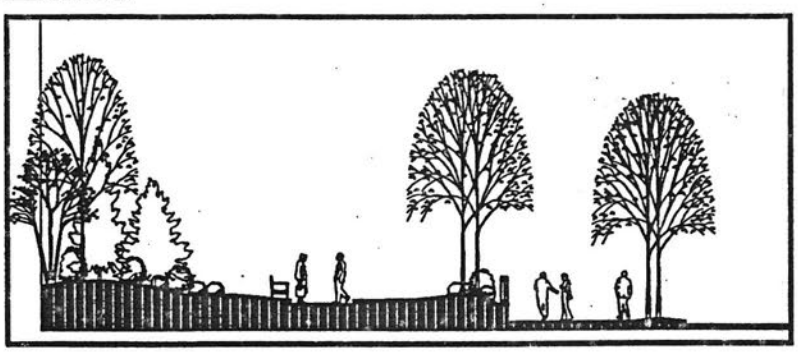


SECTION THRU SEACOAST TERRACE

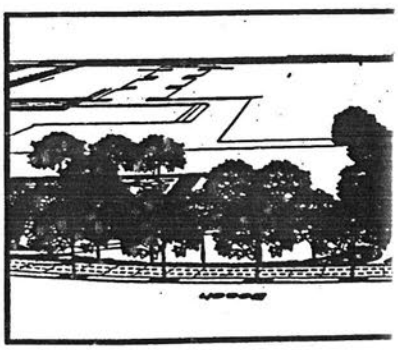
VERTICAL SCALE: 1" = 15'-0"
HORIZONTAL SCALE: 1" = 60'-0"



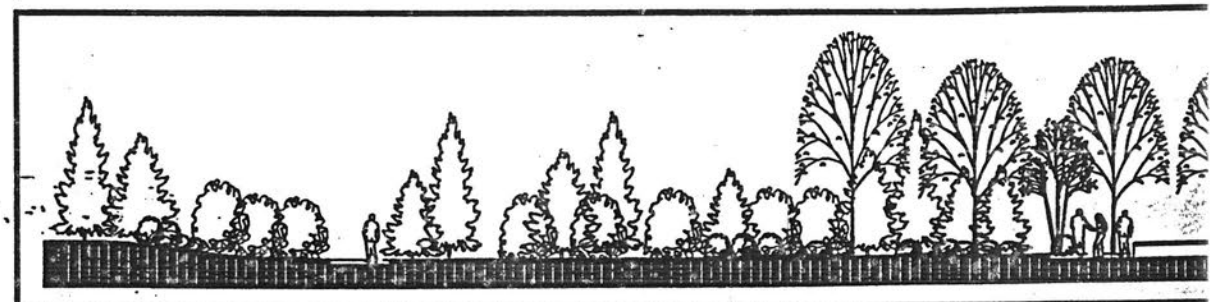
Front Entry - Plan
Scale: 1"=20'



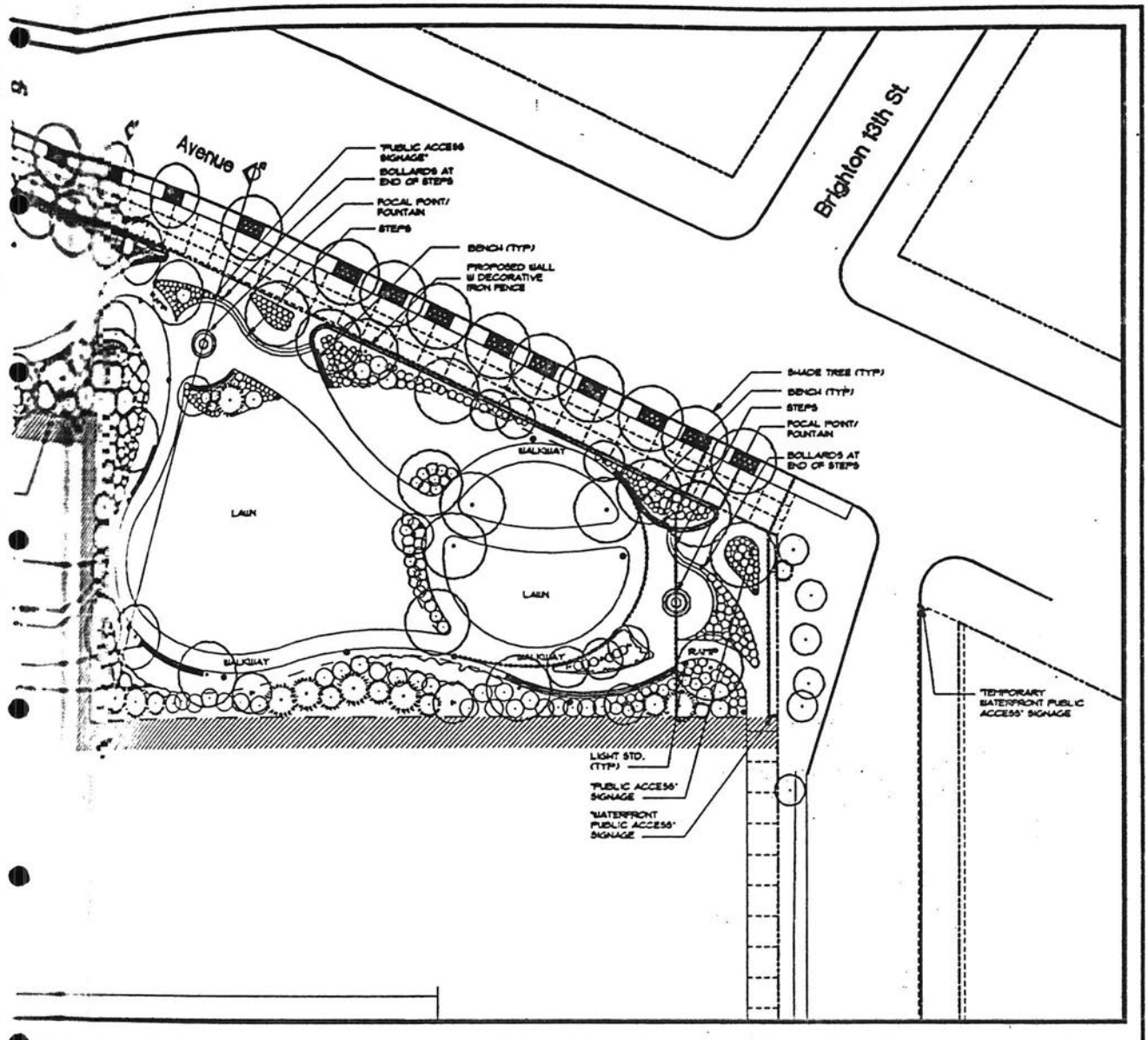
Section A-A
Scale: 1/8"-1'-0"

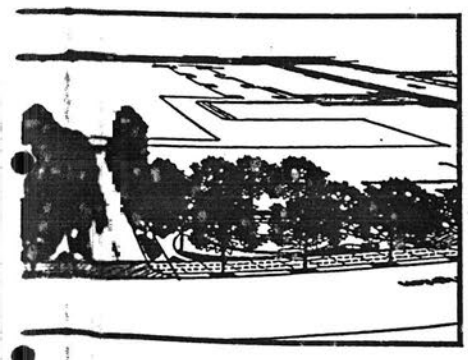


Perspective A
Not to Scale



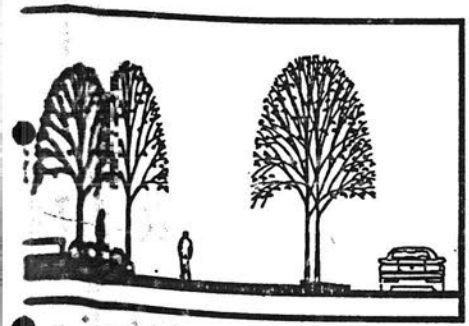
Section B-B

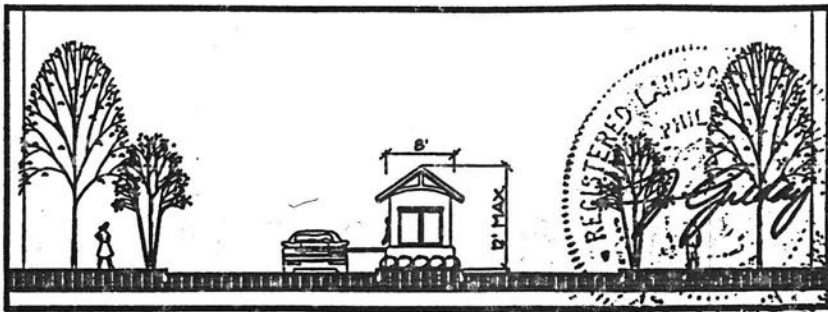






Perspective B
Not to Scale





Section C-C
Scale: 1/8"-1'-0"

Hodnett Gilday

Hodnett Gilday & Partners
136 Brighton Avenue, Blvd, New Jersey 07722
732.531.8575 732.531.8574 Fax

Project Title
Main Entrance Plan
Brighton Beach Residential Project
Located at
Brooklyn New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Berm
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk
- Proposed Signage Locations Approx.

North

Graphic Scale 1"=20'
0' 10 20 40

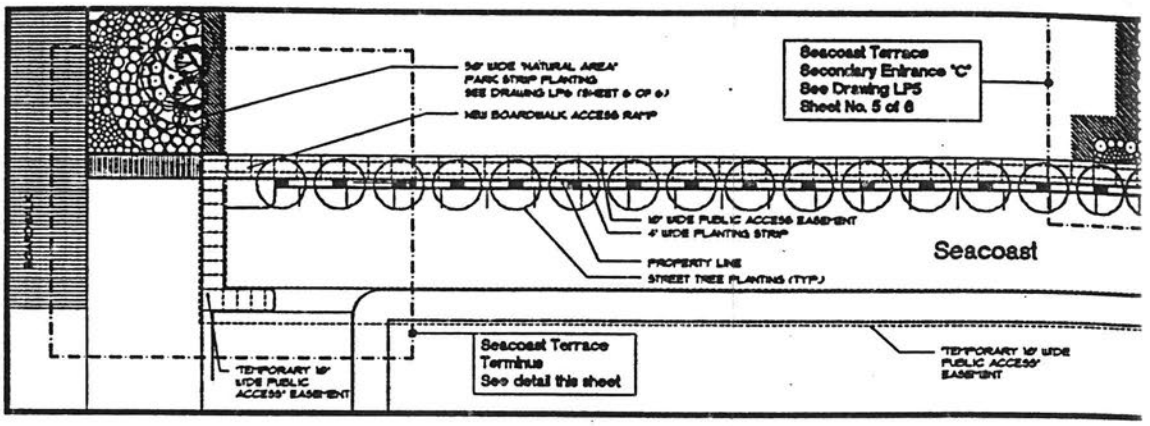
Rev	Description	Date	Dwn	Chkd
5	Rev. sign locations per City Planning	7	98	WAC/JPG
4	Rev. Tot Lot and Security Kiosk	7	98	WAC/JPG
3	Rev. Brighton Beach Open Space - Added CL Ave Trees	6	2398	WAC/JPG
2	Rev. Brighton Beach Open Space	6	2	98 WAC/JPG
1	Rev. Brighton Beach Open Space	6	3	98 WAC/JPG

Dwg Title
Brighton Beach Avenue
OPEN SPACE
Sections / Perspectives

Raymond J. Hodnett, CLA
Certified Landscape Architect
NJ Certification No A600054

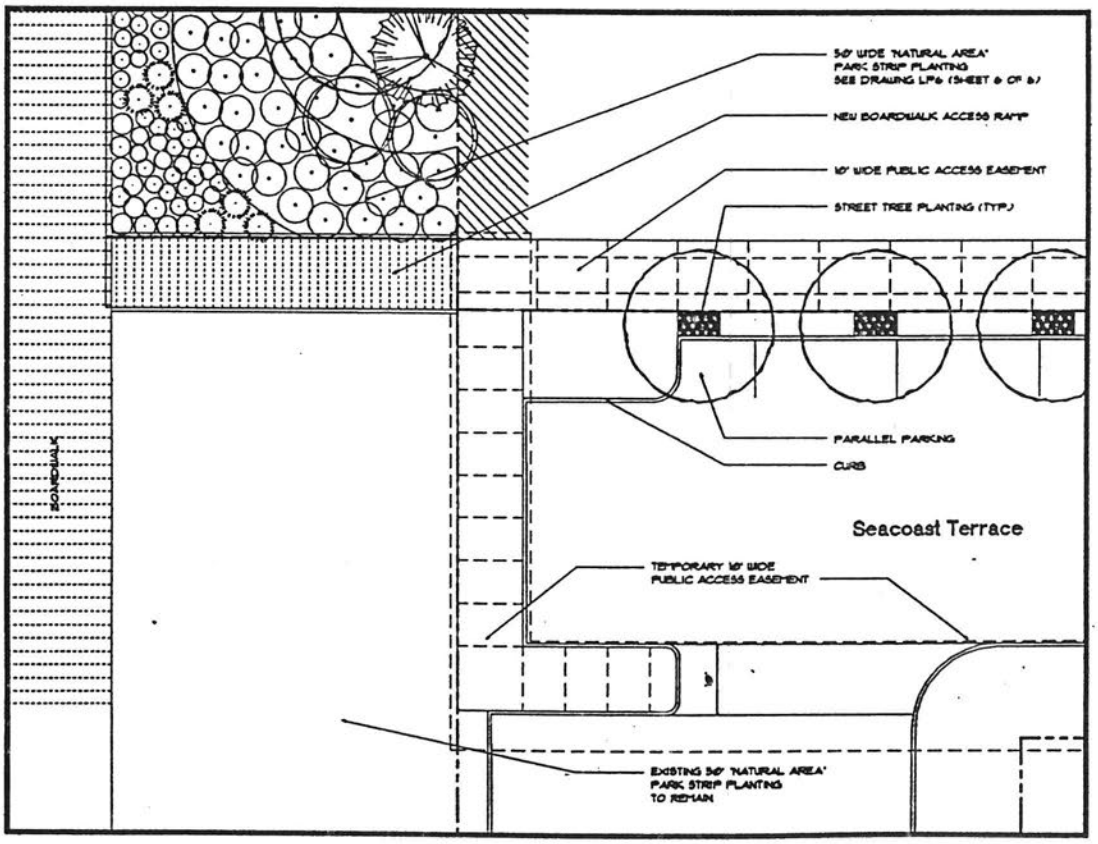
James Philip Gilday, CLA
Landscape Architect
NJ A600045 PA LA-000996-R
NY 001409 CT #1

Project No.	97-254
CAD File	254-dwg1
CAD Ref	254-ref1
Date	6/1/98
Dwg Scale	As Noted
Checked	JPG
Dwg No.	LP4
Sheet No.	4 of 6



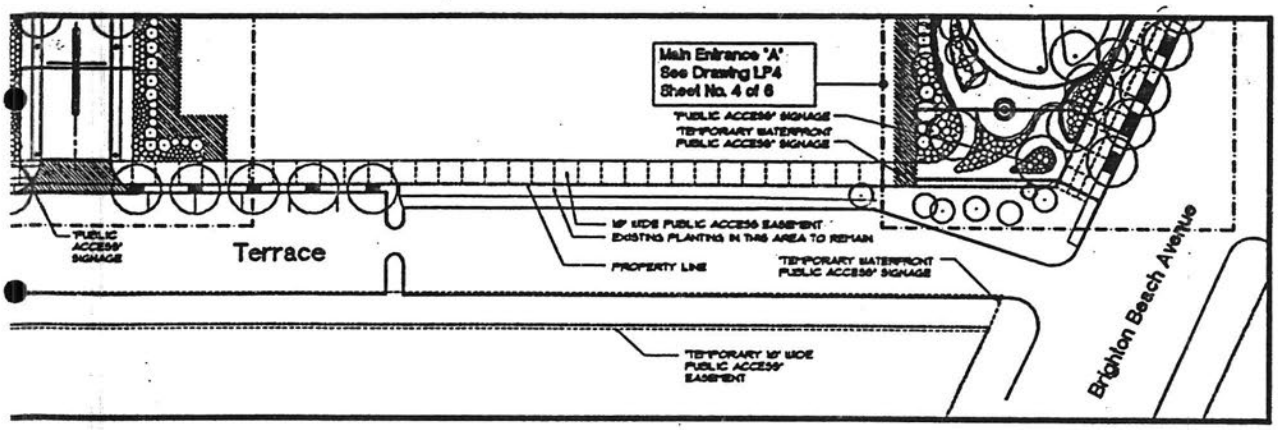
Seacoast Terrace Streetscape

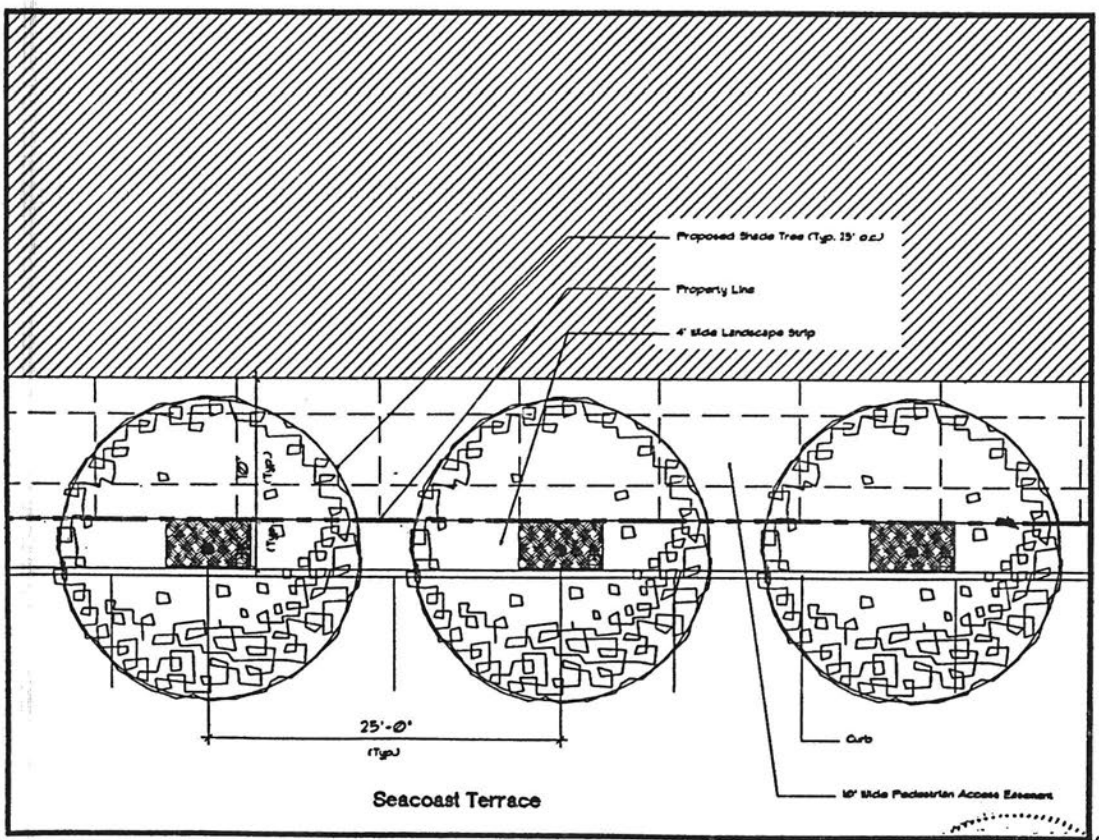
Scale: 1"=30'-0"



Seacoast Terrace Terminus at Boardwalk - Plan Enlargement

Scale: 1"=10'-0"





Typical Street Tree Planting - Seacoast Terrace
Scale 1"-5'-0"

Hocknell Gilday

Hocknell Gilday & Partners
139 Brighton Avenue, East, New Jersey 07723
732.531.8878 / 732.531.8874 Fax

Project Title
Seacoast Terrace
Landscape Plan
Brighton Beach
Residential Project
Located at
Brooklyn, New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Bars
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk
- Proposed Signage Locations Approx.

North

0' 15' 30' 60'
Graphic Scale Scale as Noted

Rev	Description	Date	Dwn	Chd
2	Revised sign location as per City Planning	7 28 98	WC	JG
1	ADDED PUBLIC ACCESS SIGNAGE, ADDED TEMPORARY EASEMENT ON SEACOAST TER.	7 14 98	WC	JPG

Dwg Title
Seacoast Terrace
Landscape Plan

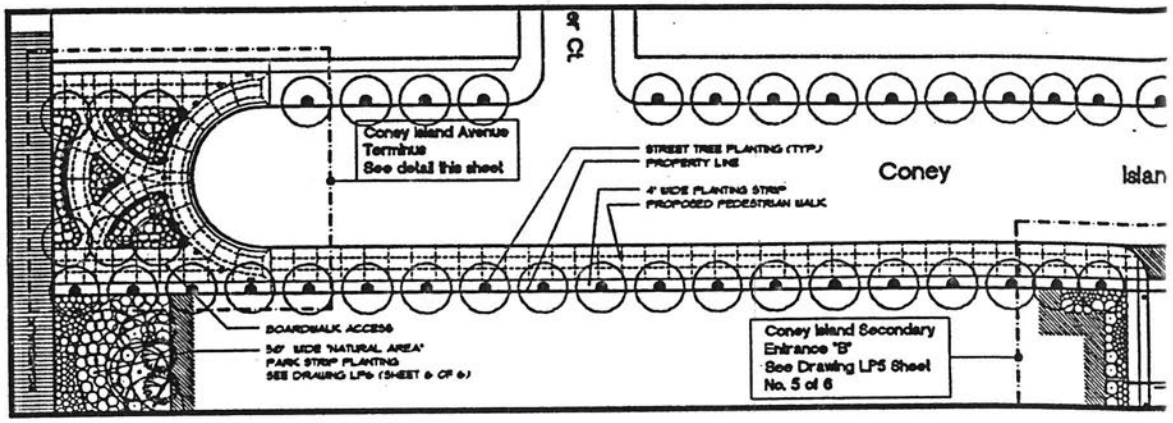
Raymond J. Hocknell, CLA
Certified Landscape Architect
NJ Certification No #000054

James Philip Gilday, CLA
Landscape Architect
NJ #000545 PA LA-000696-R
NY 001458 CT 741

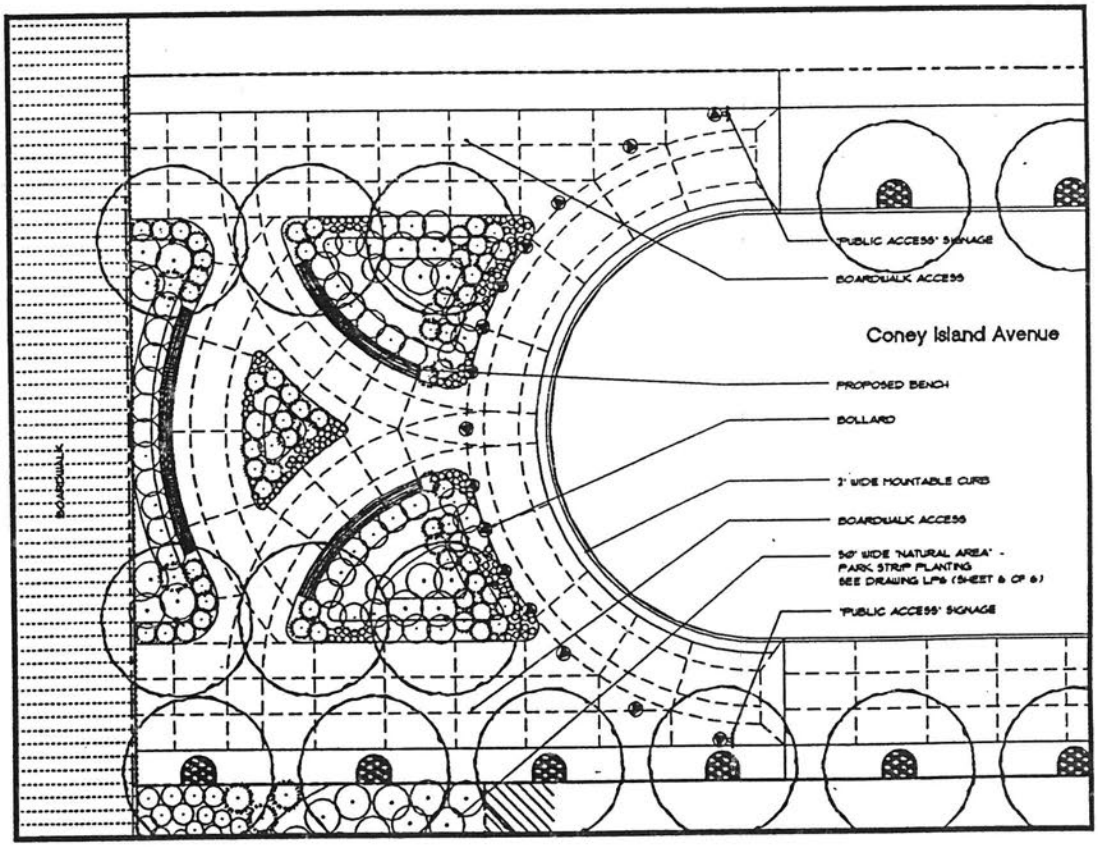
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Date	3/16/98
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Checked	JPG
Dwg No.	LP3
Sheet No.	3 of 6

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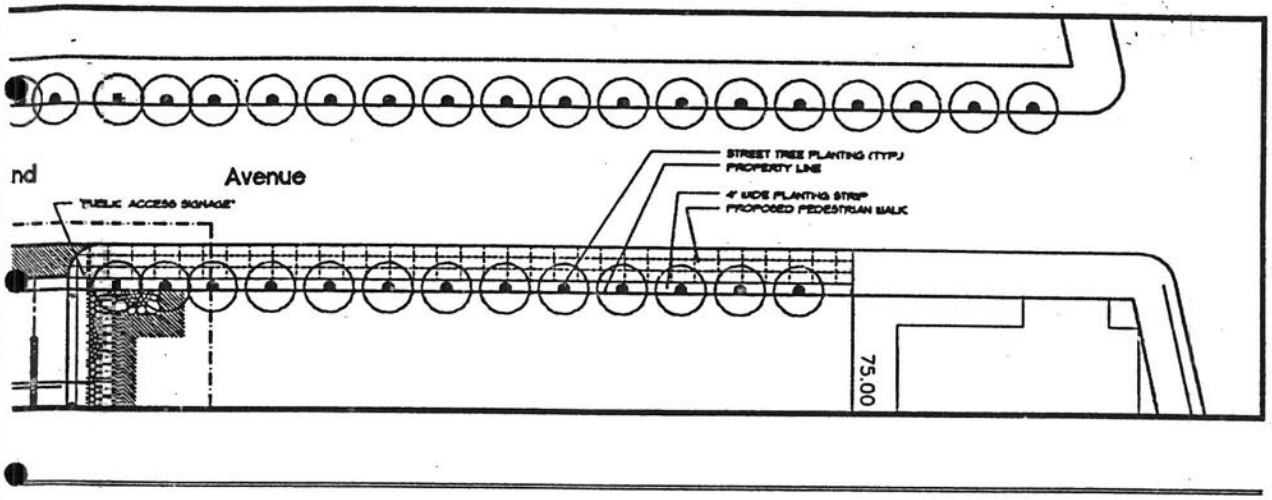
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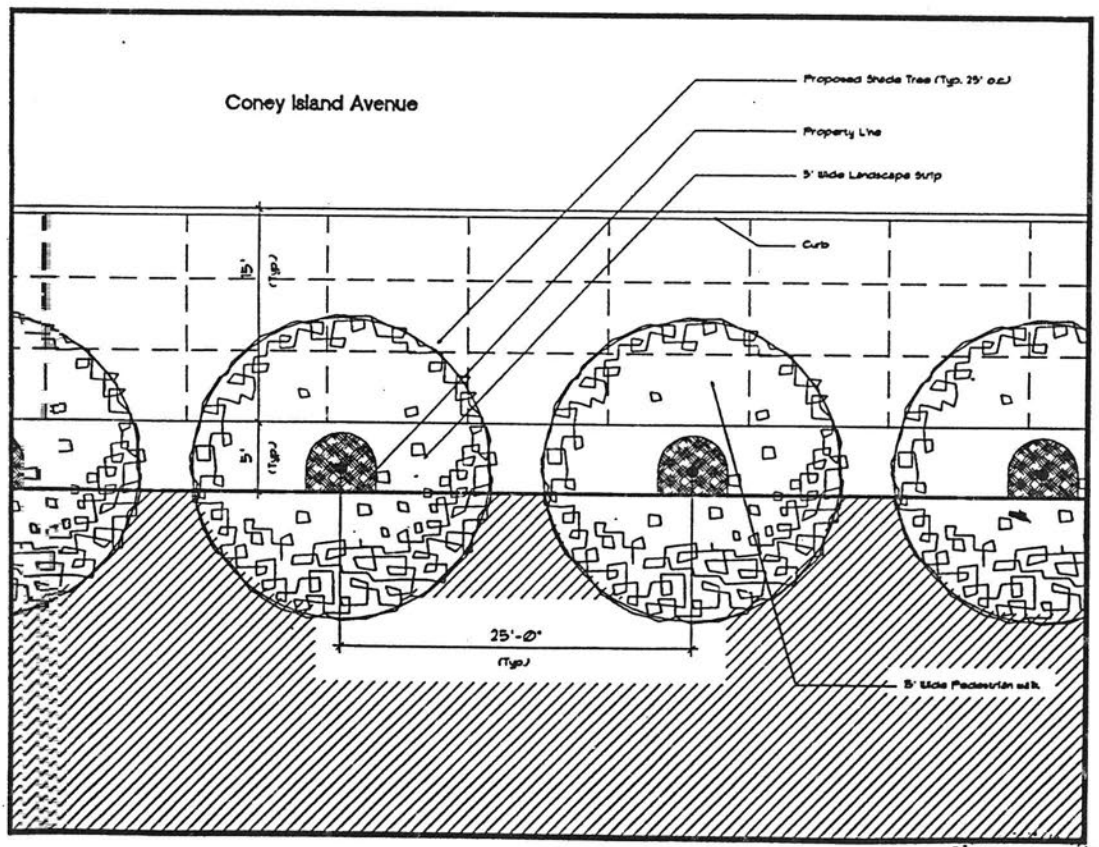


Coney Island Avenue Streetscape
Scale: 1"=30'-0"



Coney Island Avenue Terminus at Boardwalk - Plan Enlargement
Scale: 1"=10'-0"





Typical Street Tree Planting - Coney Island Avenue
Scale: 1"-5'-0"

Hadnott Gilday
Hadnott Gilday & Partners
130 Brighton Avenue, East, New Jersey 07723
732.531.0570 732.531.0574 Fax

Project Title
Coney Island Avenue
Landscape Plan
Brighton Beach
Residential Project
Located at
Brooklyn, New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Bars
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk
- Proposed Signage Locations Approx.

North

0' 15' 30' 60'
Graphic Scale Scale as Noted

Rev	Description	Date	Dwn	Chd
3	Rev. Signage Locations as per City Planning	7	28	98 MAC/JPG
2	ADDED PUBLIC ACCESS SIGNAGE	7	16	98 MAC/JPG
1	ADDED STREET TREES TO CONEY IS. AVE (WEST SIDE)	6	12	98 MAC/JPG

Dwg Title
Coney Island Avenue
Landscape Plan

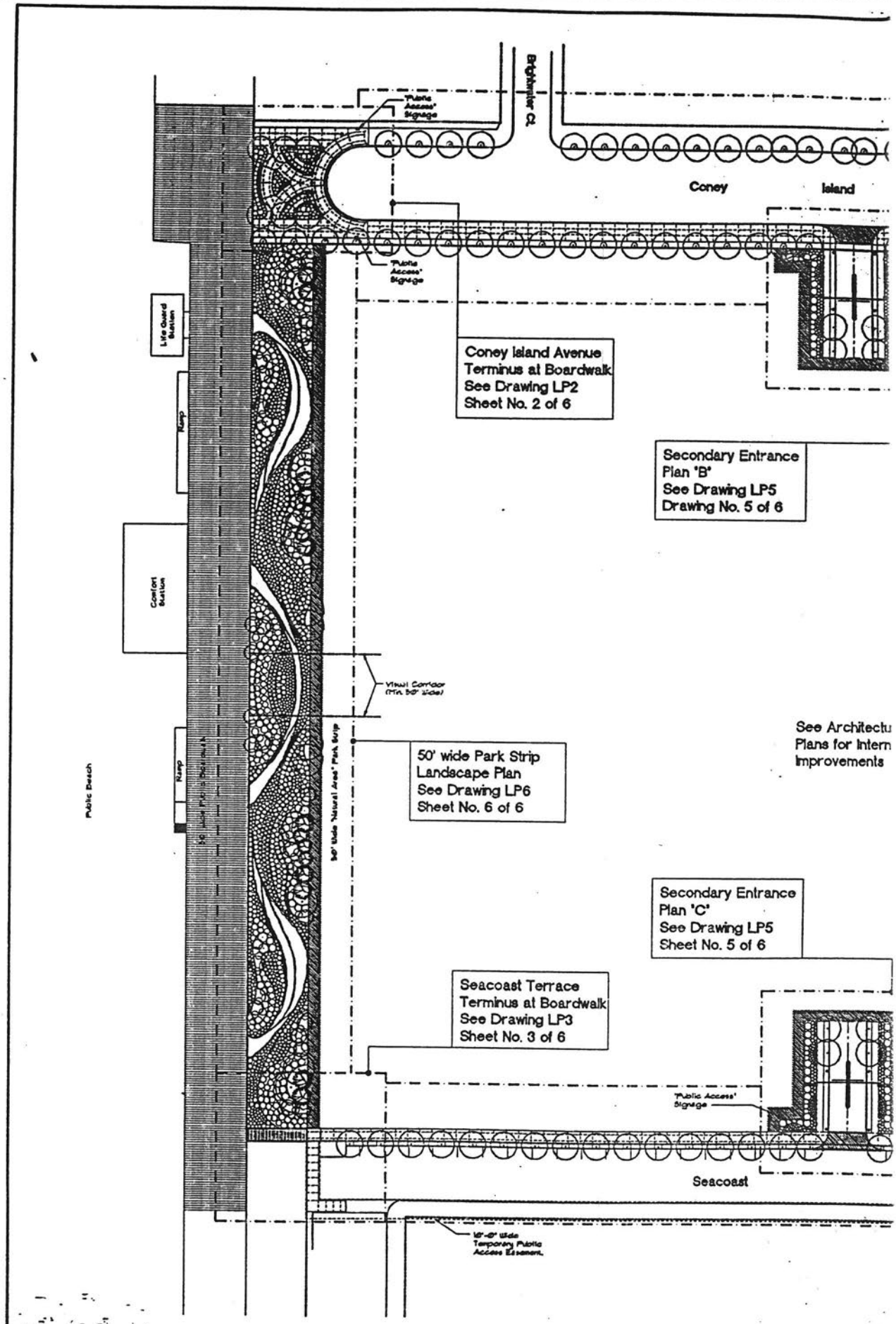
Raymond J. Hadnott, CLA
Certified Landscape Architect
NJ Certification No. #500054

James Philip Gilday, CLA
Landscape Architect
NJ #500549 PA LA-000898-R
NY #001438 CT 741

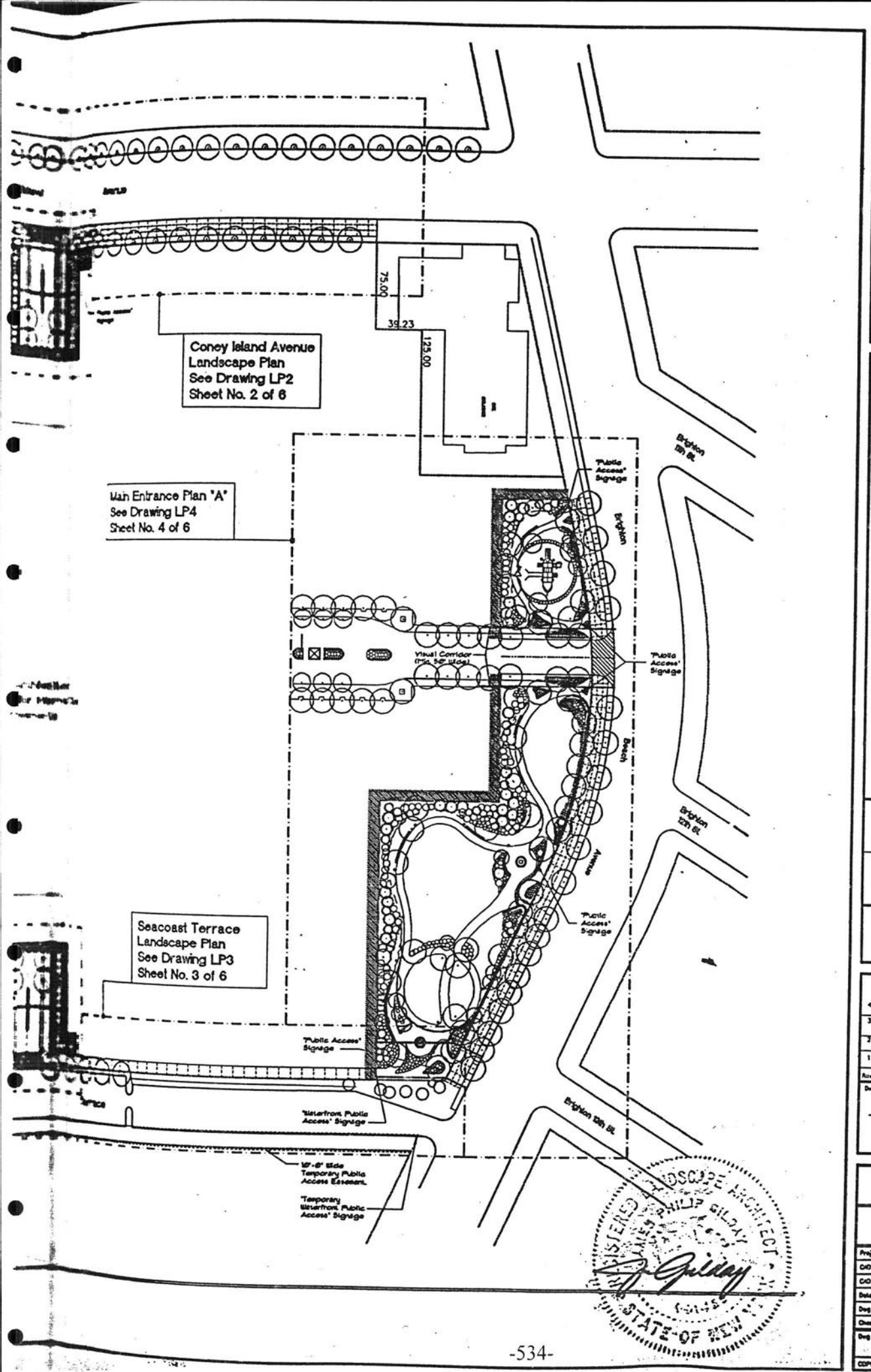
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CAD File	254-2cle	
CAD Xref	254xf	
Date	3/16/98	
Dwg Scale	As Noted	
Checked	JPG	
Dwg No.	LP2	Sheet No. 2 of 6

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254-Brighton Beach

REGISTERED LANDSCAPE ARCHITECT JAMES PHILIP GILDAY 001438 STATE OF NEW YORK



Overall landscape Plan
Scale 1"=40'-0"



Hednett Gilday

Hednett Gilday & Partners
130 Brighton Avenue, Deal, New Jersey 07723
732.531.8575 732.531.8574 Fax

Project Title
Overall Landscape Plan

Brighton Beach
Residential Project
Located at
Brooklyn, New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Bars
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk
- Proposed Signage Locations Approx.

North

Graphic Scale 1"=40'

Rev	Description	Date	Dwn	Chkd
4	Rev. Signage Locations per City Planning	7	28	RH/MC/JPG
3	Rev. Site Signage, Added Sponsored Ter. Access Easement	7	17	RH/MC/JPG
2	Rev. Brighton Beach Open Space	6	12	RH/MC/JPG
1	Rev. Brighton Beach Open Space	6	3	RH/MC/JPG

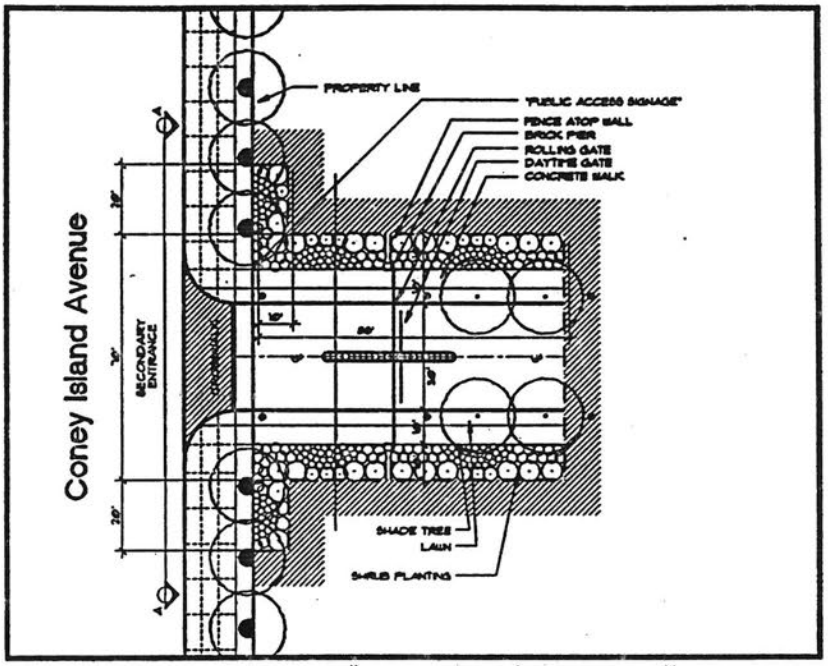
Dwg Title
Overall Landscape Plan

Raymond J. Hednett, CLA
Certified Landscape Architect
NJ Certification No #500054

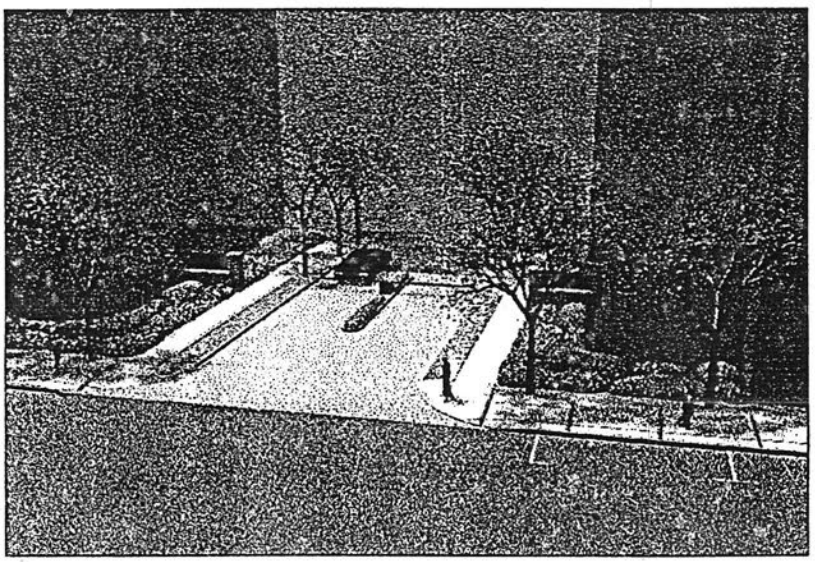
James Philip Gilday, CLA
Landscape Architect
NJ #500545 PA LA-000898-R
NY 001459 CT 741

Project No.	97-254
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CAD Xref	-254all
Date	3/16/98
Dwg Scale	1"=40'
Checked	JPG
Dwg No.	LP1
Sheet No.	1 of 6

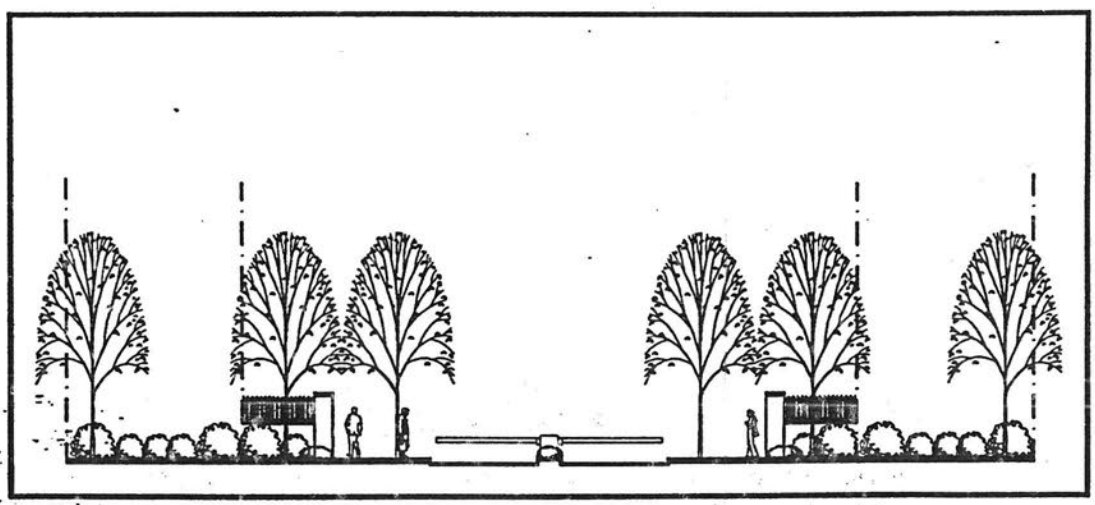
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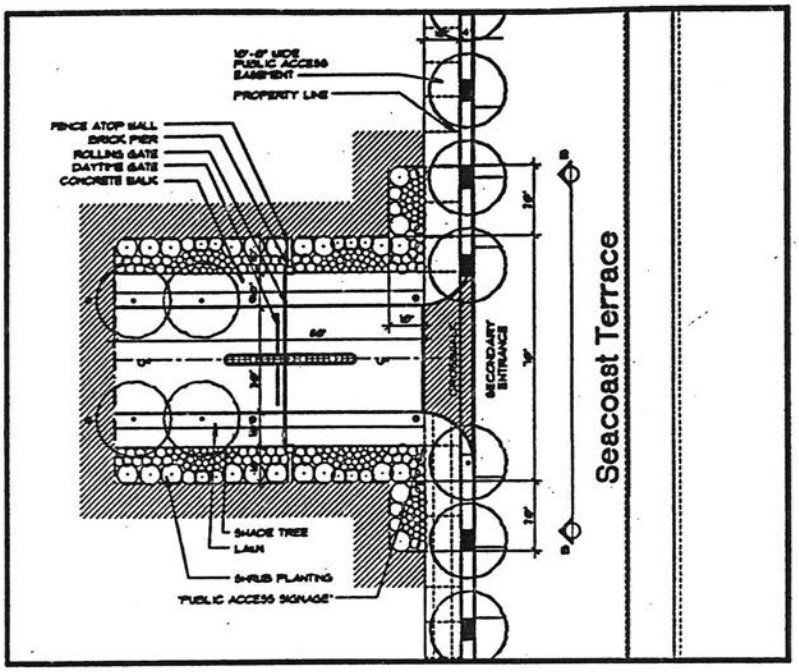
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Scale: 1"=20'-0"



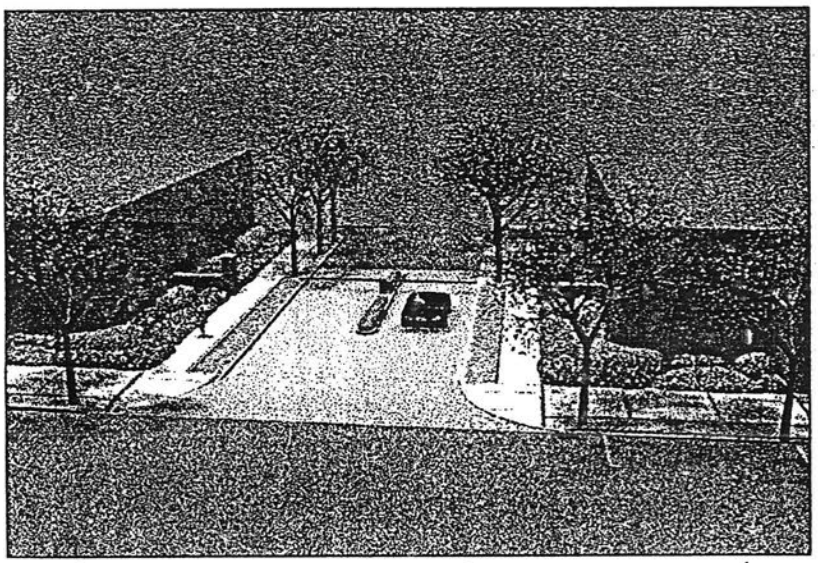
Secondary Entrance "B" Perspective
Not To Scale



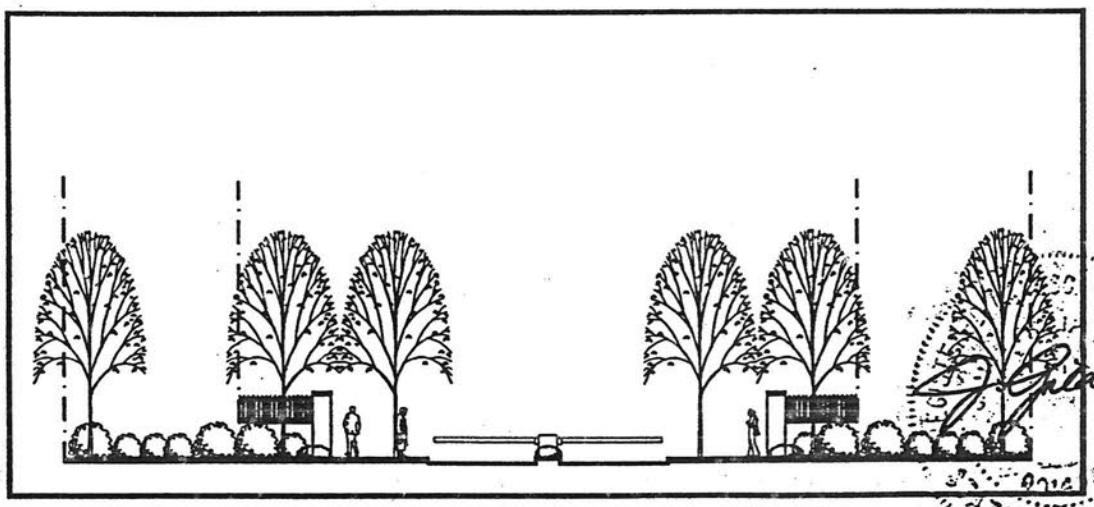
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Scale: 1/8"-1'-0"



Secondary Entrance "C" Plan Detail
Scale: 1"=20'-0"



Secondary Entrance "C" Perspective
Not To Scale



Secondary Entrance "C" - Section Elevation B-B
Scale: 1/8"=1'-0"

Hodnett Gilday

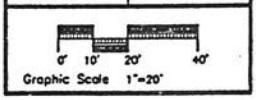
Hodnett Gilday & Partners
139 Brighton Avenue, East, New Jersey 07732
732.531.2070 732.531.2074 Fax

Project Title
Secondary Entrance Plans
Brighton Beach Residential Project
Located at
Brooklyn, New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Bars
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk





Rev	Description	Date	Dwn	Chd
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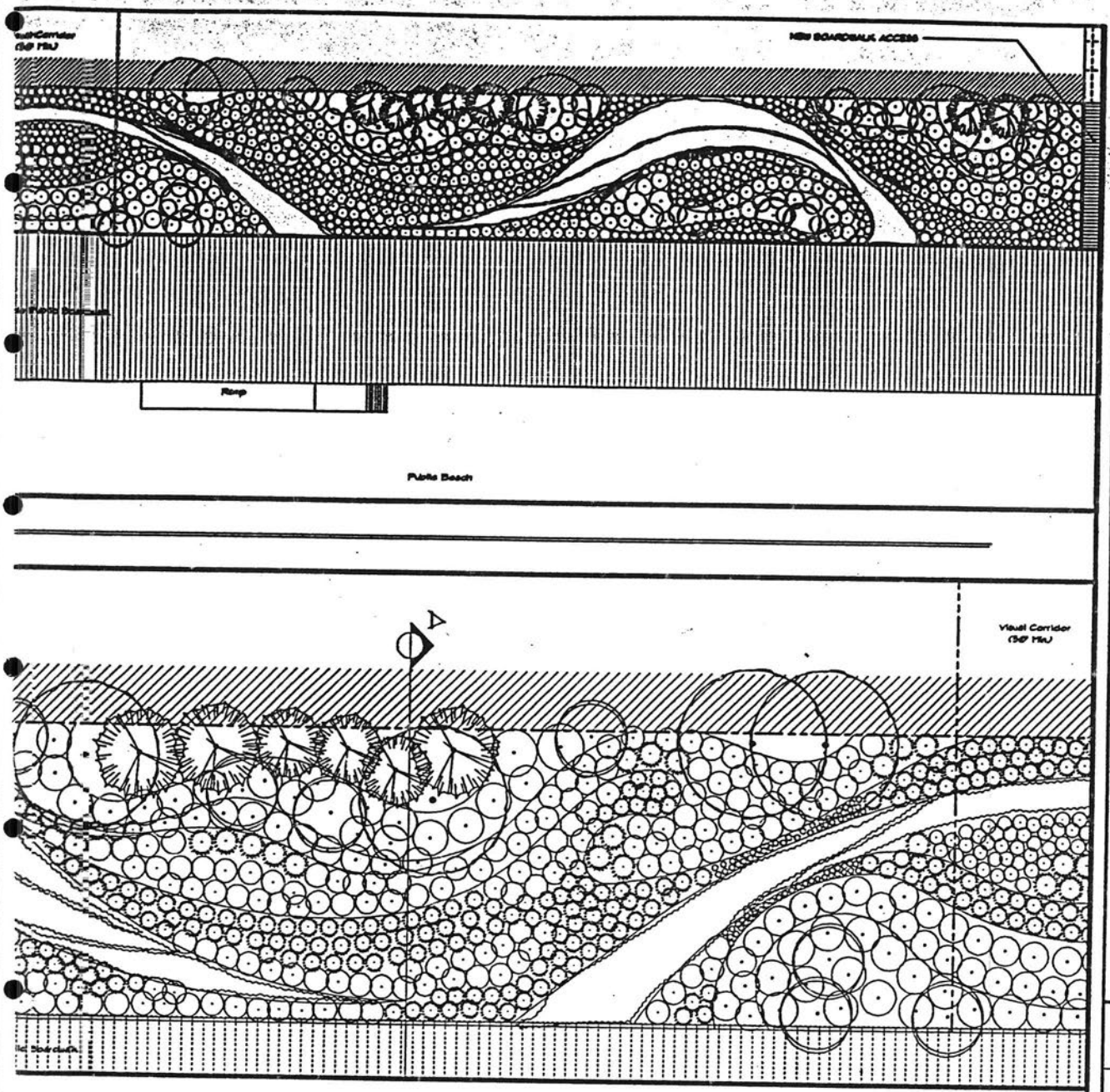
Dwg Title
Secondary Entrance
Plans / Elevations

Raymond J. Hodnett, CLA
Certified Landscape Architect
NJ Certification No A500054

James Philip Gilday, CLA
Landscape Architect
NJ A500545 NY 001458 PA LA-000898-R CT 741

Project No.	97-254
CAD File	254-SE1
CAD Xref	
Date	3/16/98
Dwg Scale	1"=20'
Checked	JPG
Dwg No.	LP5
Sheet No.	5 of 6

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Suggested Plant Schedule

Shade and Evergreen Trees

Zone	KEY	QTY.	BOTANICAL NAME	COMMON NAME	Planting Specification: SIZE	CAL.	ROOT	NOTES	Plant Characteristics: TYPE	HEIGHT	SPREAD	RATE
Zone 1	AB	4	ALNUS GLUTINOSA	BLACK ALDER	14'-16'	3" - 3.5"	B&B	TYP. HABIT	DECIDUOUS	40'-50'	30'-40'	FAST
	CO	3	CELTIS OCCIDENTALIS	HACKBERRY	14'-16'	3" - 3.5"	B&B	TYP. HABIT	DECIDUOUS	40'-50'	40'-50'	MEDIUM
	Pla-	7	PLATANUS X ACERIFOLIA 'BLOODGOOD'	BLOODGOOD LONDON PLANETREE	14'-16'	3" - 3.5"	B&B	TYP. HABIT	DECIDUOUS	60'-70'	60'-70'	MEDIUM
	SJ	4	SOPHORA JAPONICA	ACHOLAMTREE	14'-16'	3" - 3.5"	B&B	TYP. HABIT	DECIDUOUS	50'-60'	40'-50'	MEDIUM
	PT	19	PINUS THUNBERGII	JAPANESE BLACK PINE	6'-8'	--	B & B	TYP. HABIT	EVERGREEN	50'-70'	VARIES	MEDIUM
	VO	6	ULEX OPACA	AMERICAN HOLLY	5'-6'	--	B & B	TYP. HABIT	EVERGREEN	30'-50'	30'-50'	MEDIUM
										40'-50'	15'-20'	SLOW

Ornamental Trees and Large Shrubs

Zone	KEY	QTY.	BOTANICAL NAME	COMMON NAME	Planting Specification: SIZE	CAL.	ROOT	NOTES	Plant Characteristics: TYPE	HEIGHT	SPREAD	RATE
Zone 2	AA	36	ABIES ARNOLDII 'BELLWOOD'	RED DICKCEDAR	3'-5'	--	B&B	TYP. HABIT	DECIDUOUS	8'-15'	VARIABLE	SLOW
	AC	4	AMELANCHIER CANADENSIS	SHADBLOW SERVICEBERRY	6'-8'	--	B&B	SEAR/MULTI STEM	DECIDUOUS	8'-15'	VARIABLE	MEDIUM
	CB	8	CRATAEGUS X LAVALLEI	LAVALLEE HAWTHORN	6'-8'	2"-2.5"	B&B	TYP. HABIT	DECIDUOUS	8'-20'	8'-20'	SLOW / MED
	CL	4	CERCIDIPHYLLUM JAPONICUM 'RUBRUM'	CRIMSON CLOUD HAWTHORN	6'-8'	2"-2.5"	B&B	TYP. HABIT	DECIDUOUS	8'-20'	8'-20'	SLOW / MED
	RG	4	RHAMNUS FRANGULA	RUSSIAN OLIVE	6'-8'	--	B&B	MULTI-STEM	DECIDUOUS	8'-20'	8'-20'	MEDIUM
	HS	36	HIBISCUS SYRIACUS	ROSE OF SHARON	3'-4'	--	B/A	TYP. HABIT	DECIDUOUS	8'-12'	6'-10'	MEDIUM
	PVA	12	PRUNUS X VIRGINIANA	CANADA PLUM	6'-8'	2"-2.5"	B&B	HEAVY	DECIDUOUS	20'-30'	8'	SLOW
	PH	36	PRUNUS MARITIMA	BEACH PLUM	3'-4'	--	B/A	TYP. HABIT	DECIDUOUS	6'-8'	6'-8'	MEDIUM
	RA	19	RHUS GLABRA	SMOOTH SUMAC	3'-4'	--	B/A	TYP. HABIT	DECIDUOUS	6'-8'	VARIABLE	FAST
	VO	24	VIBURNUM DENTATUM	ARROWWOOD VIBURNUM	3'-4'	--	B/A	TYP. HABIT	DECIDUOUS	6'-8'	6'-8'	MEDIUM
	VP	36	VIBURNUM PRUNIFOLIUM	BLACKHAW VIBURNUM	3'-4'	--	B&B	TYP. HABIT	DECIDUOUS	8'-10'	8'-10'	SLOW / MED

Medium Deciduous and Evergreen Shrubs

Zone	KEY	QTY.	BOTANICAL NAME	COMMON NAME	Planting Specification: SIZE	CAL.	ROOT	NOTES	Plant Characteristics: TYPE	HEIGHT	SPREAD	RATE
Zone 3	CA	41	CLETHRA ALNIFOLIA	SWEETBRIER	2'-3'	--	B/A	TYP. HABIT	DECIDUOUS	3'-8'	4'-6'	SLOW / MED
	IB	19	ILEX GLABRA	INKBERRY HOLLY	2'-3'	--	B&B	TYP. HABIT	EVERGREEN	6'-8'	6'-8'	MEDIUM
	MP	36	MYRICA PENNSYLVANICA	NORTHERN BAYBERRY	2'-3'	--	B&B	TYP. HABIT	EVERGREEN	5'-8'	5'-8'	MEDIUM
	RS	36	ROSA RUGOSA	JAPANESE SHORE ROSE	2'-3'	--	B/A	TYP. HABIT	DECIDUOUS	4'-6'	4'-6'	FAST

Small Deciduous and Evergreen Shrubs and Tall Grasses

Zone	KEY	QTY.	BOTANICAL NAME	COMMON NAME	Planting Specification: SIZE	CAL.	ROOT	NOTES	Plant Characteristics: TYPE	HEIGHT	SPREAD	RATE
Zone 4	CH	13	COTONEASTER HORIZONTALIS	ROCKSPRAY COTONEASTER	6'-8'	--	4 CAN	TYP. HABIT	DECIDUOUS	3'-5'	5'-8'	MEDIUM
	DV	270	CALLUNA VULGARIS	SCOTCH BROOM	6'-8'	--	4 CAN	TYP. HABIT	EVERGREEN	3'-5'	5'	MEDIUM
	JS	160	JUNIPERUS CHINENSIS 'SARGENTII'	SARGENT JUNIPER	6'-8'	--	4 CAN	TYP. HABIT	EVERGREEN	2'-3'	8'-10'	MEDIUM
	RN	64	ROSA NITIDA	SHEEN ROSE	2'-3'	--	B/A	TYP. HABIT	DECIDUOUS	3'-4'	2'-3'	MEDIUM
	SP	61	SPARTINA PECTINATA	PRAIRIE CORD GRASS	1'	--	P/L	TYP. HABIT	DECIDUOUS	4'-5'	3'	FAST

Medium Grasses and Groundcovers

Zone	KEY	QTY.	BOTANICAL NAME	COMMON NAME	Planting Specification: SIZE	CAL.	ROOT	NOTES	Plant Characteristics: TYPE	HEIGHT	SPREAD	RATE
Zone 5	AM	350	AMMOPHILA PANICTATA	SEA OATS	6"	--	QT. CAN	TYP. HABIT	PERENNIAL	3'-4'	2'-3'	FAST
	CR	450	COTONEASTER APICULATUS	CRANBERRY COTONEASTER	6'-8'	--	4 CAN	TYP. HABIT	DECIDUOUS	2'-3'	5'-8'	FAST
	EY	300	ELYTRIGIA ARENARIUS	BLUE WILD RYE	6'-8'	--	4 CAN	TYP. HABIT	GRASS	3'-5'	2'-3'	FAST
	HE	84	HELICTOTRICHON SEMPERVIRENS	BLUE OAT GRASS	1'	--	QT. CAN	TYP. HABIT	GRASS	3'-5'	2'-3'	FAST
	SH	300	SOLIDAGO SPECIOSA 'GOLDEN FLEECE'	GOLDEN FLEECE GOLDENROD	1'	--	QT. CAN	TYP. HABIT	PERENNIAL	2'-3'	1'	FAST

Grasses and Vines

Zone	KEY	QTY.	BOTANICAL NAME	COMMON NAME	Planting Specification: SIZE	CAL.	ROOT	NOTES	Plant Characteristics: TYPE	HEIGHT	SPREAD	RATE
Zone 6	AB	1245	AMMOPHILA BREVILIGULATA	AMERICA BEACH GRASS	1'	--	B/A	TYP. HABIT	GRASS	3'-4'	1'	FAST
	AS	6400	ANDROPOGON SCOPARIUS	LITTLE BLUE STEM	1'	--	P/L	TYP. HABIT	PERENNIAL	2'-3'	1'	FAST
	HP	--	HYDRANGEA PETIOLARIS	CLIMBING HYDRANGEA	6'-12'	--	4 CAN	TYP. HABIT	VINE	30'-40'	10'-15'	MEDIUM
	PA	--	PANICUM AMARUM	BEACH LOVE GRASS	----	--	SEED	5# / ACRE	CLUMP GRASS	4'-5'	2'-3'	FAST
	SS	--	SPARTINA PATENS	MEDIUM LOVE GRASS	----	--	SEED	5# / ACRE	CLUMP GRASS	3'-4'	2'-3'	FAST

Hocket Gilday

Hocket Gilday & Partners
138 Bayview Avenue, Leonardo, New Jersey 07737
732.531.8570 732.531.8574 Fax

Project Title
50' 'Natural Area' Park Strip Landscape Plan
Brighton Beach Residential Project
Located at
Brooklyn, New York

General Dwg Legend

Symbol	Description
	Prop. Shade Tree
	Prop. Ornamental Tree
	Prop. Conifer
	Prop. Shrub Planting
	Planting Beds/line
	Prop. Berm
	Prop. Sculptural Element
	Prop. Bench
	Prop. Decorative Iron Fence
	Extent of Open Space
	Property Line
	Existing Curb
	Prop. Pedestrian Crosswalk

North

Graphic Scale As Noted

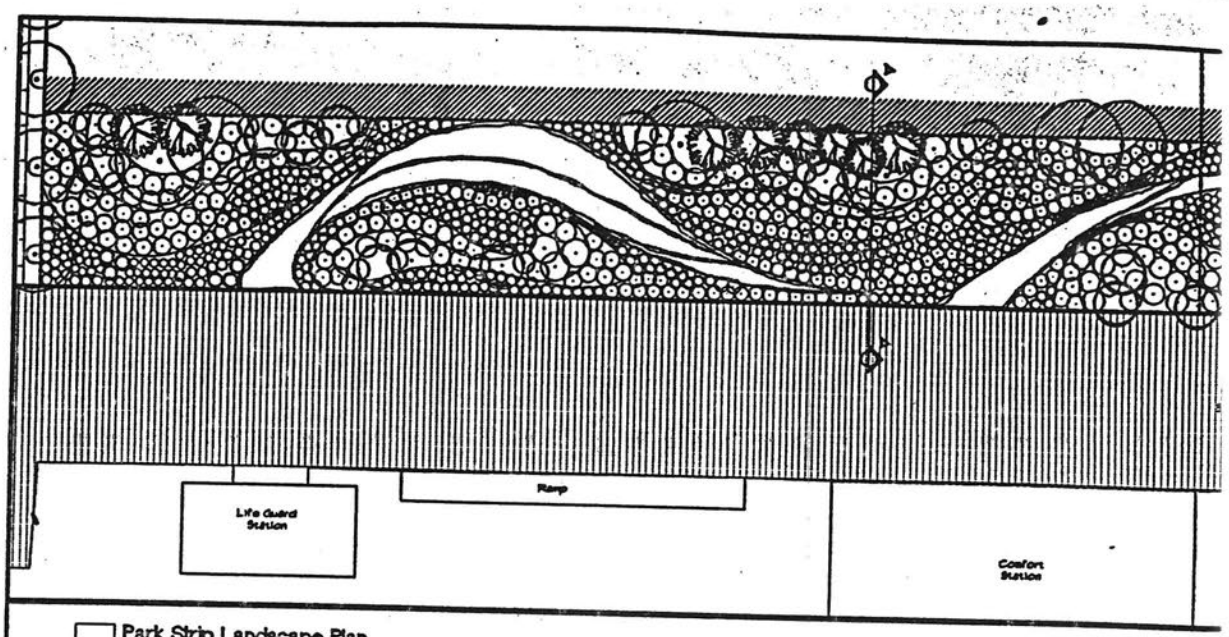
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Dwg Title
50' 'Natural Area' Park Strip
landscape Plan

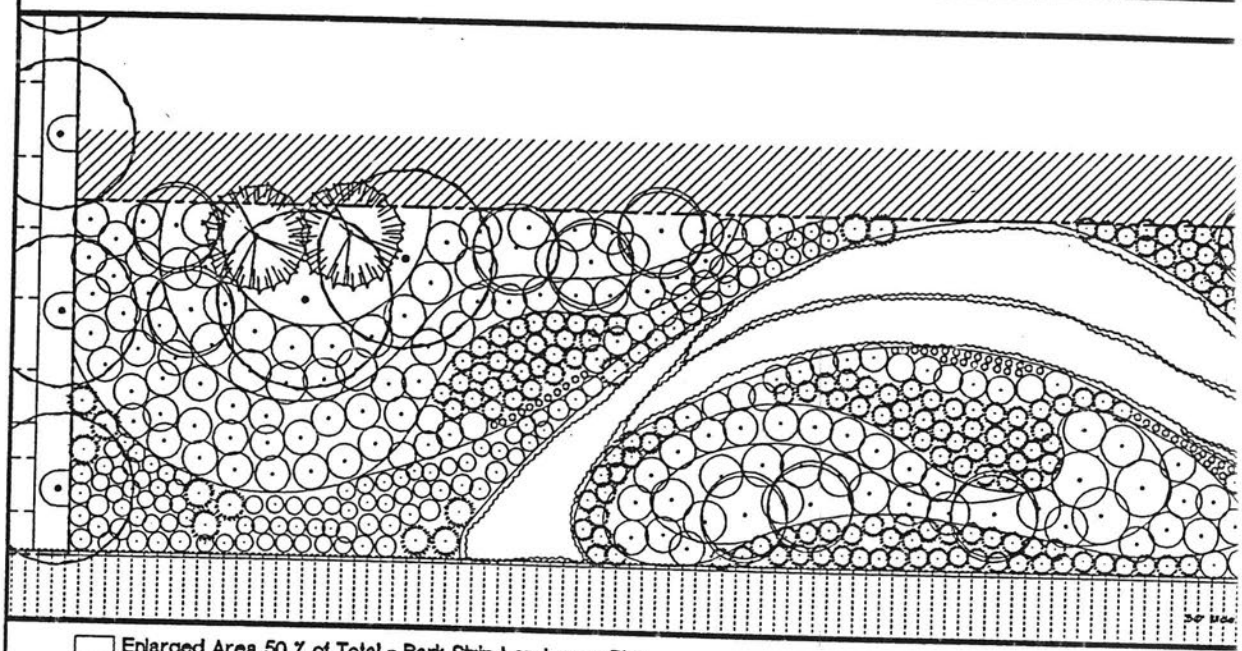
Raymond J. Hochett,CLA
Certified Landscape Architect
NJ Certification No ASC03054

James Philip Gilday, CLA
Landscape Architect
NJ ASC03545 PA LA-000898-R
NY 001458 CT 761

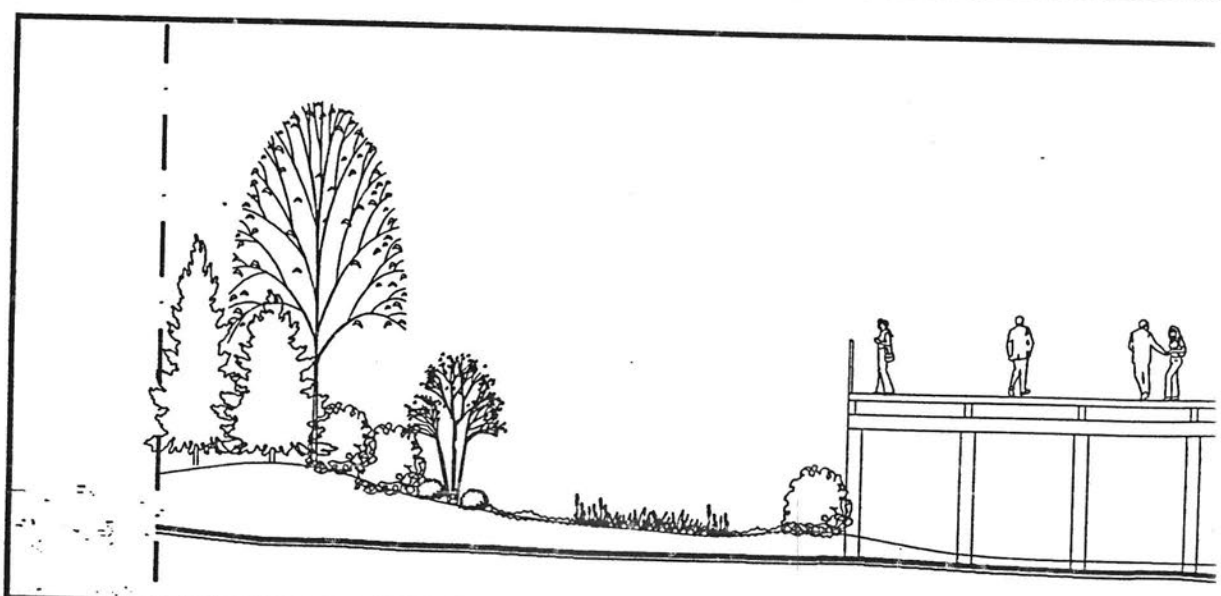
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Sheet No.	1



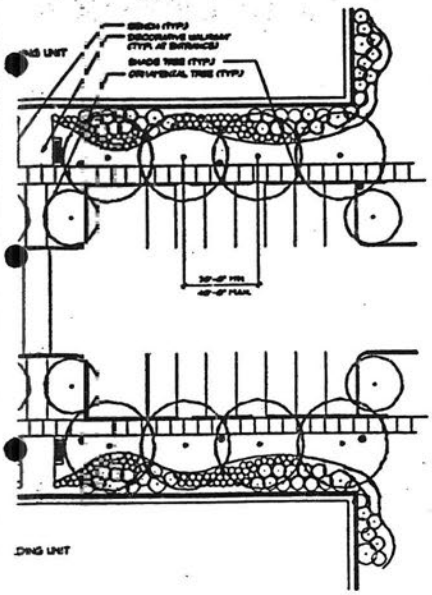
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Scale 1"=60'-0"

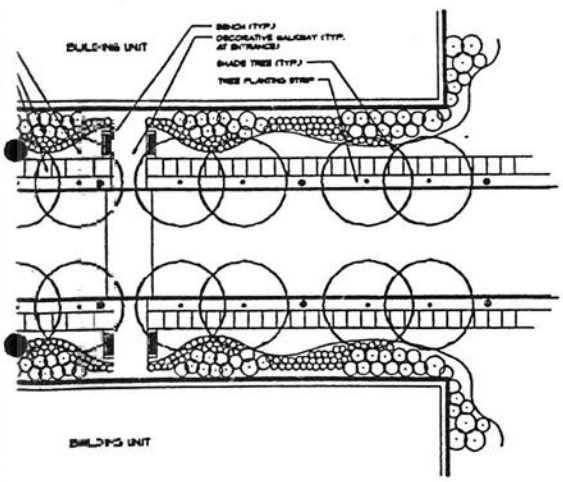


Enlarged Area 50 % of Total - Park Strip Landscape Plan
Scale 1"=10'-0"



Section A-A Park Strip Landscape
Scale 1"=60'-0"





Hedrett Gilday

Hedrett Gilday & Partners
130 Bryson Avenue, East, New Jersey 07732
732.531.8979 732.531.8974 Fax

Project Title
Typical Interior Streetscape Plan
Brighton Beach Residential Project
Located at
Brooklyn, New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Bars
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk

North

0' Graphic Scale Not to Scale

Rev	Description	Date	Dwn	Chd
1	Revised parking, tree, light @ 90 Degree Parking scheme per City Planning	7 28 98		JG

Dwg Title
Typical Apartment Building
Streetscape Plan

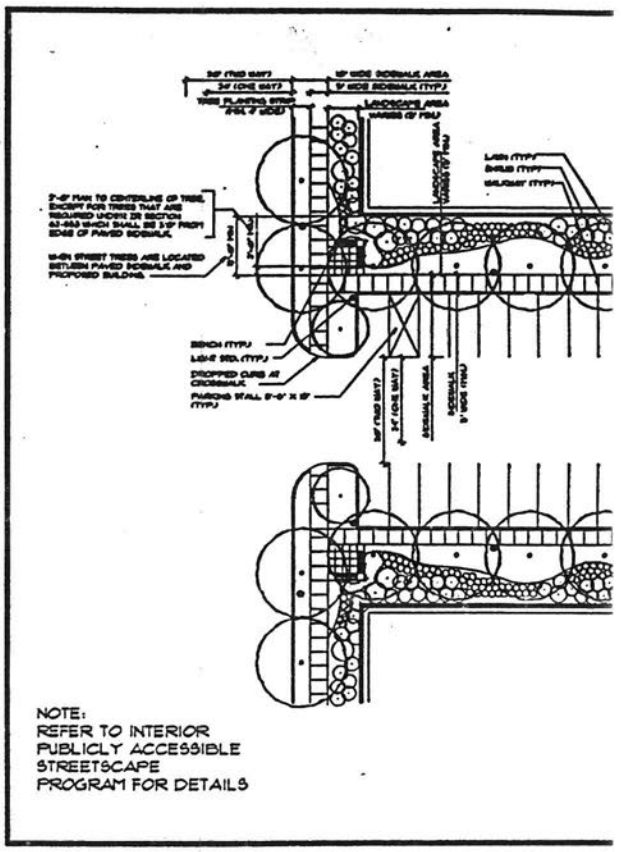
Raymond J. Hodnett, CLA
Certified Landscape Architect
NJ Certification No #500054

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NJ #500545 PA LA-000996-R
NY 001458 CT 741

Project No.	97-254
CAD File	254-TYP-SA
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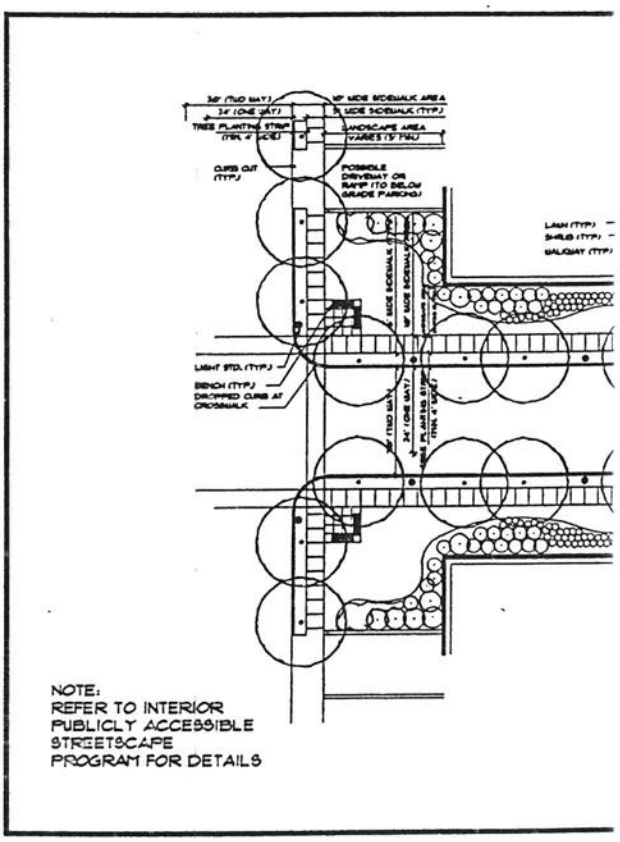
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REGISTERED LANDSCAPE ARCHITECT J. Gilday STATE OF NEW YORK



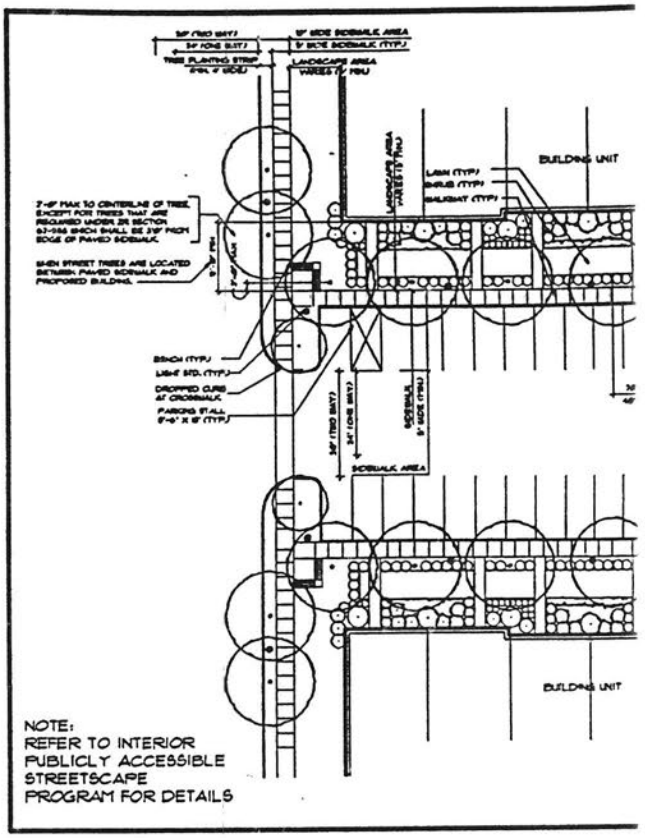
Typical Interior Streetscape for Apartment Building with 90° Pa

Not to Scale

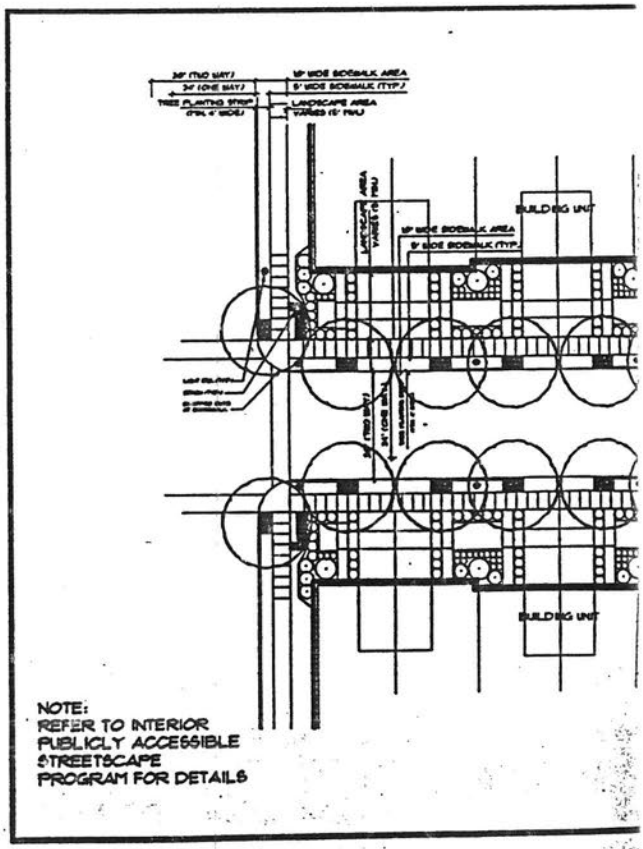


Typical Interior Streetscape for Apartment Building

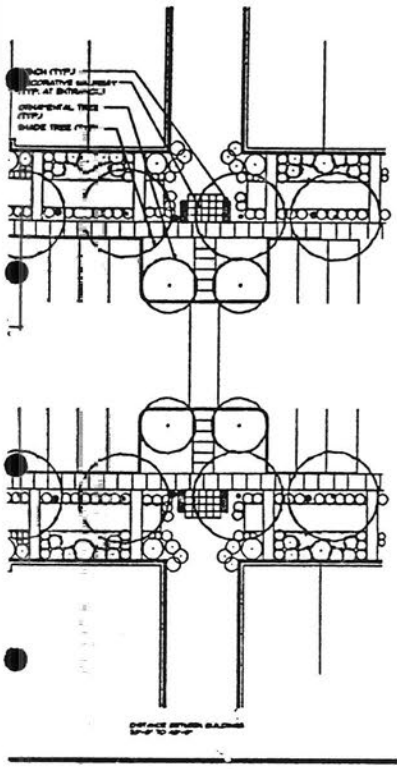
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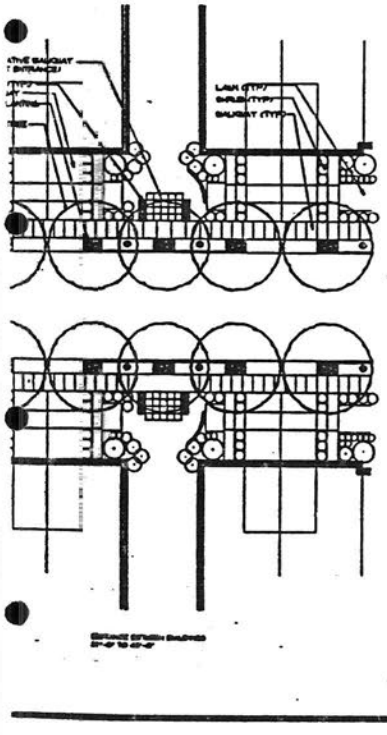


Typical Townhouse Unit Planting with 90° Parking on Street
Not to Scale



Typical Townhouse Unit Planting
Not to Scale





Hodnett Gilday

Hodnett Gilday & Partners
134 Brighton Avenue, East, New Jersey 07713
732.531.8575 732.531.8574 Fax

Project Title

Illustrative Interior Streetscape Plan

Brighton Beach Residential Project

Located at

Brooklyn, New York

General Dwg Legend

- Proposed Shade Tree
- Proposed Ornamental Tree
- Proposed Conifer
- Proposed Shrub Planting
- Proposed Sculptural Element
- Proposed Bench
- Proposed Barn
- Proposed Decorative Iron Fence
- Extent of Open Space
- Property Line
- Existing Curb
- Planting Bedline
- Proposed Crosswalk

North

0' Graphic Scale Not to Scale

Rev	Description	Date	Dwn	Chd
1	Revised parking, tree, light @ 90 Degree Parking scheme per City Planning	7/29/98		JG

Dwg Title

Typical Townhouse Building

Streetscape Plan

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James Philip Gilday, CLA
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NY 001459 CT 741

Project No.	97-254
CAD File	254-STH1
CAD Xref	
Date	7/14/98
Dwg Scale	NTS
Checked	JPG
Dwg No.	TYP-STH-B
Sheet No.	2 of 2

REGISTERED LANDSCAPE ARCHITECT JAMES PHILIP GILDAY 001459 STATE OF NEW YORK

EXHIBIT E

EXHIBIT E

INTERIOR PUBLICLY ACCESSIBLE STREETSCAPE PROGRAM

EXHIBIT E

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"Oceana" Residential Development
INTERIOR PUBLICLY ACCESSIBLE STREETSCAPE PROGRAM

All interior streets to be located on the site in accordance with the Alternate Plans as shown on Drawings BB-ALT-01, BB-ALT-02 and BB-ALT-03, included as Exhibits in the Restrictive Declaration..

The main and two secondary entrances to the interior street system are indicated on the Alternate Plans and described in the Landscape Plans, LP-1 through LP-6, included as Exhibits in the Restrictive Declaration.

Within the project, these three entrances are interconnected by an minimum 50'-0" wide interior street system which will be built in conformance with DOT standards. The roadway will be limited to resident related vehicular traffic and the sidewalks will be open to the public.

"Public Access" signage shall be located at each of the three entrances and detailed as shown in the Landscape Plans. These signs are provided to identify and direct the public to the publicly accessible areas within the development.

(Additionally, "Waterfront Public Access" signage shall be placed at the southeast and southwest corners of Seacoast Terrace and Brighton Beach Avenue as shown on the Landscape Plans. These signs are provided to identify the entry point and direct the public to the 10'-0" wide public access easement and 10'-0" temporary access easement which lead to the boardwalk. These signs shall be provided in accordance with Z.R. Section 62-674 Signage.)

In accordance with Typical Interior Streetscape Plans, Drawings TYP-SA and TYP-STH, the publicly accessible streetscape is comprised of three zones, Zone 1 - Roadway Area, Zone 2 - Sidewalk Area and Zone 3 - Landscaped Area.

ZONE 1 - ROADWAY AREA

This area consists of a minimum 30'-0" wide paved area for two-way vehicular traffic with a minimum 15' wide paved area in each direction. Opposite travelling lanes may be separated by a minimum 4'-0" wide landscaped island. The roadway will remain unobstructed for its full minimum width.

No parking of vehicles is permitted within this area. Parking spaces and/or access to parking areas, such as driveways or ramps, are located adjacent to the roadway, and cannot obstruct the minimum roadway width prescribed above.

Crosswalks are permitted within this area.

ZONE 2 - SIDEWALK AREA

This area is located between the Roadway Area and the Landscaped Area. The primary elements within this area consists of street tree planting areas, a sidewalk, street trees, street lighting and bench seating.

Except where otherwise required by the Zoning Resolution in general and the Waterfront Zoning in particular, all required street trees will be located within a planting area with a minimum diameter of 4'0".

Street trees of three inch (3") caliper or greater at the time of planting shall be provided at the amount of at least eight (8) trees for each two-hundred lineal feet (200 lin. ft.) of roadway. Street trees will be spaced at least 20'-0" apart with a maximum spacing of 40'-0". Trees will be selected from the Zoning Resolution, Waterfront Zoning Plant List, Appendix A, Section 1, "Shade Trees, Large and Medium".

Paved sidewalks will be a minimum 5'-0" in width. Sidewalks shall be continuous and shall remain unobstructed for the full minimum width. Dropped curbs with a detectable warning texture will be provided at roadway intersections for access to crosswalks. All crosswalks shall be distinctly treated.

Street lighting will be in accordance with the Administrative Code of the City of New York (or as the Code may change from time to time), providing at least 1/1000 of a watt illumination per square foot of street area with New York City Regulation Type 100 watt high pressure sodium vapor lamps or equivalent.

Separate sidewalk lighting, where necessary, will be provided for with post-mounted or bollard type lighting. Post mounted fixtures shall be 10 to 15 feet in height and bollard type fixtures between 2 feet and 3 feet, 6 inches in height. Lighting shall be provided at a minimum intensity of 0.2 average maintained horizontal footcandles.

All lighting will meet the Illuminating Engineering Society (IES) standards for residential street and sidewalk lighting, including those for illumination intensity, color and glare.

These lighting standards shall be applicable to the Public Open Space along Brighton Beach Avenue as shown in the Landscape Plans.

Bench seating shall be provided adjacent to the paved sidewalk area at a rate of twelve linear feet (12 lin. ft.) for each two-hundred lineal feet (200 lin.ft.) of sidewalk. Required bench seating may also be provided in Zone 3 - Landscaped Area, as long as it is adjacent to the sidewalk.

The configuration of the Sidewalk Area as shown in the Typical Streetscape Plans, may vary based on the building type and final site plan design. Secondary elements such as dropped curbs, curb cuts, driveways, parking areas, parking pads, entrance walkways, planters, lawn areas and landscaped areas are permitted

The following curb cut requirements shall be met along all interior roadways:

- Curb cuts shall not be located within 30'-0" of a roadway intersection.
- Curb cuts serving single parking space shall not exceed 10'-0" in width, including splays.
- Curb cuts serving two (2) side-by-side parking spaces or a driveway which provides access to two (2) side-by-side garages shall not exceed 18'-0" in width, including splays.
- Curb cuts for two-way traffic shall not exceed 24'-0" in width, including splays (unless a greater width is required for access and egress by the N.Y.C. Fire Department).
- Curb cuts providing access to a group parking facility containing 25 or more parking spaces shall not exceed 30'-0" in width, including splays.
- A minimum distance of 16'-0" of uninterrupted curb space shall be maintained between curb cuts.

Although the design and location of both the primary and secondary Sidewalk Area elements may vary, the character of this area will remain similar to the Typical Streetscape plans and the primary elements must comply with the program described above.

ZONE 3 - LANDSCAPED AREA

This area is located between the Sidewalk Area and the Building Line. The Building Line represents the outermost portion of a proposed building.

The Landscape Area is generally a planting area and may consisting of lawn area, shrubs, ornamental trees, flowers and/or additional shade trees. This area will not be less than 5'-0" wide.

Based on the building type and final site plan design, other elements extending to or from the Sidewalk Area such as driveways, parking areas, parking pads, entrance walkways, steps or ramps are permitted within this area. The Sidewalk Area element of bench seating may also be located within this area. Although the design and location of these elements may vary, the character of this area will remain similar to the Typical Streetscape plans.

DESCRIPTION OF TYPICAL STREETSCAPE PLANS

The four typical interior streetscape plans attached to this declaration depict the configuration, landscaping and other urban design elements of the designated interior street system and the required adjacent landscaped areas. These drawings supplement the above written landscape program. The drawings show the design of the streetscape and locations of the design elements in four primary situations:

* The streetscape in front of an apartment building on a street with no parking allowed;
* The streetscape in front of an apartment building on a street with perpendicular parking;
* The streetscape in front of townhouses with individual garages on a street with curbcuts to the townhouse driveways; and
* The streetscape in front of townhouses on a street with perpendicular parking.

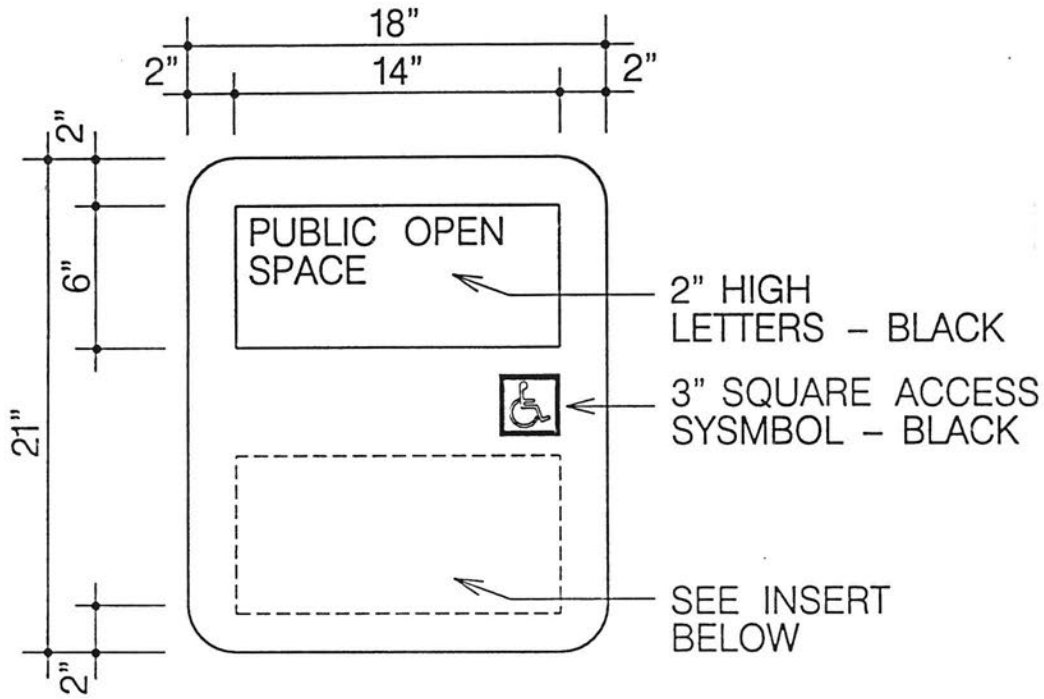
n all other instances, the design of the roadway areas shall also fully meet the written landscaping program and shall be designed in a way consistent with the typical drawings. Such instances include cases where the designated street system abuts the side or rear of an apartment building or where it is adjacent to an area with no buildings on one side of the street.

In order to more accurately show the full streetscape effect, these typical drawings are "mirrored" to show both sides of the street. However, it is possible that, in certain instances, an apartment building will be across the street from a row of townhouses or from an area where no buildings exist. There may also be cases where only one side of the street is designed to permit parking. The written program and its implementation as shown in the illustrative plans have been developed in such a way that a consistent streetscape appearance will be created in those instances where the development on one side of the street is different than that on the other.

"Public Access" signage and Street/Sidewalk Lighting shall be provided in the Public Open Space along Brighton Beach Avenue as shown in the Landscape Plans, utilizing the same signage and lighting standards mentioned above.

PUBLIC ACCESS SIGNAGE

N.T.S.



INSERT ON SIGN:

PARKS, WALKWAYS AND SEATING AREAS OPEN TO THE PUBLIC FROM – HOURS OF OPERATION PER RESTRICTIVE DECLARATION – TO BE FILLED IN.

THIS SPACE IS ACCESSIBLE TO THE PHYSICALLY HANDICAPPED.

THIS SPACE IS OWNED BY:
(TO BE FILLED IN AS PER RESTRICTIVE DECLARARTION)

THIS SPACE IS MAINTAINED BY:
(ADDRESS AND PHONE NUMBER TO BE FILLED IN AS PER RESTRICTIVE DECLARATION)

NOTES:

– ALL SIGNS TO BE BRUSHED ALUMINUM W/ETCHED DESIGN.
– ALL SIGNS TO BE BUILDING, WALL, FENCE, KIOSK MOUNTED.
– ALL LETTERS TO BE MINIMUM 2" TALL.
– DESIGN AND LOCATION OF SIGNAGE ON DOT PROPERTY SUBJECT TO DOT APPROVAL
– DESIGN AND LOCATION OF SIGNAGE ON PARKS DEPARTMENT PROPERTY SUBJECT TO PARKS DEPTMENT APPROVAL.

EXHIBIT F

EXHIBIT F

PARKS INSPECTION PROGRAM
RATING GUIDE



FOR
SMALL PARKS, PLAYGROUNDS, MALLS AND SITTING AREAS

1996 Edition

City of New York
Parks & Recreation

INSPECTION RATING GUIDE FOR SMALL PARKS, PLAYGROUNDS, MALLS AND SITTING AREAS

Prepared by Operations and Management Planning

Originally Published: August 1987
Revised and Updated: August 1988,
August 1989, March 1993, March 1994, August 1994
& January 1996

NEW YORK CITY / PARKS AND RECREATION

INSPECTION RATING GUIDE

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Features not included in the Inspection Program as of Spring 1992

I. INTRODUCTION

The Parks' Inspection Program monitors the conditions and quality of maintenance in the parks and playgrounds under the jurisdiction of the New York City Department of Parks and Recreation

A. History and Development of Inspection Program

New York City Parks and Recreation began development and testing of this inspection program in Summer 1985 under the auspices of the Office of Operations, Policy and Planning (now known as Operations and Management Planning). Regular inspections under the system were introduced for all playgrounds and other parks under six acres in Fall 1985/Winter 1986.

The Program has been altered twice between 1985 and 1991. First, in 1989, the Program's rating standards were modified to place an increased emphasis on safety factors. Second, in Summer 1990, the Program was altered in order to provide a separate rating for District Maintenance, consisting of litter, glass, graffiti, weeds and lawns/grass areas. While used seperately, these features are still included in assigning an Overall Condition rating for the site. Until Spring 1991, the Department's 1,400+ smaller parks and playgrounds received three inspections per year.

In Summer 1991, due to budget reductions and layoffs within the Department, this Program was temporarily suspended. During the suspension, OMP reevaluated the inspection process and its resources to develop a streamlined inspection program, which began in Spring 1992. Now, three rounds of inspections are conducted (Spring, Summer and Fall) with 1/3 (or 1/2) of the smaller parks and playgrounds inspected in each round. Also, instead of evaluating all twenty features at a site (many sites had fewer), this streamlined program evaluates the 12 predominate features a site may have. **These 12 features are sidewalks, paved surfaces, safety surfaces, play equipment, benches, fencing, trees, litter, glass, graffiti, weeds and lawns.** In all, each facility is inspected at least once a year.

B. Assigning Site Ratings

When an inspector evaluates a site, he/she begins with the concept of a facility in it's optimal condition, providing maximum service and contributing to a pleasant atmosphere. Each site must attempt to match this model and will receive a lower rating if it does not.

Before recording any information, an inspector should walk the entire area of a site to get an idea of its overall condition. After this, he/she should inspect each feature individually and record its condition as accurately as possible to assign Overall Condition and District Maintenance ratings.

II. GENERAL INSPECTION PROCEDURE

The area of inspection includes the entire property owned by the Parks Department, as well as the surrounding sidewalk. For playgrounds inspected in large parks, only the sidewalk that gives direct access to the playground is inspected. Every defect in the area should be recorded on the inspection form.

A. Explanation of Rating Procedure

Each site (under the streamlined Program) is assigned either an "A" for acceptable or a "U" for unacceptable. The 12 features rated are listed in the table of contents.

Each site feature or component is also evaluated and judged either "Acceptable" or "Unacceptable". Below are brief explanations of these letter grades:

ACCEPTABLE: A site or component is in good to excellent condition, but may contain several minor problem which can be corrected by the district, borough-wide crews or technical services

UNACCEPTABLE: A site or component where physical deterioration has begun to limit, or already has limited, use of the facility. The site or component may be improved/upgraded by borough crews or skilled tradesmen. In addition, the site's appearance can be improved by increasing routine district maintenance. In some cases, the repairs needed may be beyond Departmental resources and in need of contract replacement or Capital/NPIP.

See Table #1 for the general standards that determine condition ratings (pp. 4-5)

B. Measuring and Identifying the Defective Area

When possible, give the size of the defective area in terms of length and width, and square footage as well as the percentage of the feature that is defective. Giving a percentage is critical for determining if the site is eligible for contract replacement.

Identify the location of the defective area in terms of relevant street names or obvious park features

C. Repair and Replacement Recommendations

DPR must frequently make decisions on how repairs and/or replacements can best be made. Inspectors can make three different types of recommendations for each site: In-house repair, contract replacement or Capital/NPIP.

In-house repairs are generally recommended when one or more features have isolated problems that require small to mid-sized repairs or involve situations which require immediate attention, such as any potential safety problems (referred to as "Immediate Attentions").

Contract replacement is recommended for a site when one to two of the features are extensively deteriorated from age, heavy use, vandalism or weather exposure, and full replacement is needed. N.P.I.P./Capital is recommended when two or more features on a site need to be fully reconstructed. In general, "extensive deterioration" refers to damage covering over 20% of the feature and/or rendering it unusable.

All features replaced by Capital/NPIP or contract replacement are covered by a standard guarantee on the part of the general contractor for one year, after acceptance of the project. The guarantee covers only material failures. Extraneous problems over which the manufacturer has no control, such as vandalism, are not covered.

See Table #2 for specific criteria per feature (pp. 6-7).

D. Cleanliness Rating

Beginning in Summer 1990, at the request of the Deputy Commissioner of Operations, a separate rating was established for district operations. The Cleanliness Rating (then known as the District Maintenance Rating) initially included the five appearance features (litter, glass, graffiti, weeds and lawns) in addition to functions believed to be within control of the district (i.e. painting of benches, removing exposed bench bolts, blocking off/removing damaged play equipment). In Spring 1992 (the beginning of the streamlined inspection program), the Cleanliness Rating was redefined to include only the appearance features, all of which are universal functions of the district.

The following features are rated, in all seasons, with relation to the Cleanliness Rating: Litter, glass, graffiti, weeds and lawns. For a site to be rated "unacceptable," the majority of these features need to be unacceptable; in a case where there are an even number of Cleanliness Rating features to be rated, 50% or more need to be unacceptable. Below are two cases where a site would be rated unacceptable:

	LITTER	GLASS	GRAFFITI	WEEDS	LAWNS
CASE #1	A	U	U	A	U
CASE #2	A	U	U	A	NONE

In addition, the following situations would directly affect the rating:

1) Unsanitary conditions exist, such as illegal dumping, or excessive amounts of feces in the play areas.

2) Excessive glass in the play areas (especially on safety surface).

3) Overgrown weeds or lawns where feature is predominant or is obstructing use of the site (i.e. sidewalks).

NOTES:

TABLE #1 - GENERAL STANDARDS FOR DETERMINING CONDITION RATINGS

Ratings	Distribution of Letter Ratings	Safety Factors	Appearance	Repair Requirements	Use Factor
Acceptable "A"	•No more than two non-safety related items receive an "unacceptable" rating.	•No hazardous conditions.	•Good to excellent •Appearance may be affected by lack of routine maintenance or needs minor repairs.	•Routine maintenance requirements are met. •Minor repairs or maintenance can be made by district forces or borough crews/Shops.	•All aspects of the site are in sound, operable condition. •Minor amounts of missing/damaged equipment or facilities. •Inviting in public use.
Unacceptable "U"	•Three or more non-safety related items that receive an "unacceptable" rating.	•One or more potentially hazard-ous safety related conditions which affects use of the site.	•Missing, damaged or vandalized features that strongly detract from a site's appearance. •Severe lack of routine maintenance results in unsightly conditions. •Deterioration or damage due to age, heavy use, vandalism or weather exposure.	•Crews and/or shops repairs needed. •Potential safety hazards need prompt attention •N.P.I.P./Capital or Requirement Contract needed for feature beyond Departmental resources	•Signaficant and extensive amounts of missing, damaged or vandalized facilities and/or equipment •Safety hazards present •Public use is limited or prevented

TABLE # 2 - REPAIR RECOMMENDATION CRITERIA

Work Performed By	Sidewalk	Paved Surface	Safety Surface	Play Equipment	Benches	Fencing
Borough Crews & Tradesman	•Less than 20% defective. •Safety hazard present. •Spot repairs/ patchwork can correct defect. •Small areas of hex or belgian block need replacement.	•Less than 20% defective. •Safety hazard present. •Spot repairs/ patchwork can correct defect. •Small areas of hex or belgian block need replacement.	•Less than 20%, or ten pieces defective or missing. •Safety hazard (e.g. critical area of safety surface missing, worn or non-resilient) present.	•Replacement of single pieces that are vandalized or damaged •Safety hazard •Removal of equipment beyond repair, that poses a hazard to the public	•Missing or damaged slats. •A few supports are damaged •Safety hazard present	•Separate, moderately sized areas need replacement or repair •Safety hazard present.
N.P.I.P./Capital	•More than 20% defective. •Spot repairs/ patchwork cannot correct problems. •Cement sidewalk replacement.	•More than 20% defective. •Spot repairs/ patchwork cannot correct problems. •Full replacement is needed.	•More than 20% defective or missing. •Separation and curling affects safety of area. •Surface is no longer resilient.	•If all or most play equipment is vandalized or damaged. •Sites with broken cement "animals" or old-fashioned equipment that needs to be removed.	•More than 20% extensively damaged, deteriorated or vandalized.	•Extensive damage, deterioration vandalism or weather exposure.
Contract Replacement	Same as N.P.I.P./Capital, except only one or two structural features are affected. Two or more features must meet criteria listed above to be eligible for an N.P.I.P/Capital recommendations.					

Work Performed By	Sprinklers/ Wading Pools	Sandboxes	Comfort StationExterior	Comfort Station Interior	Drinking Fountains	Walks/Ramps/ Stairs
Borough Crews & Tradesman	•Minor repairs or unclogging needed. •Insufficient water pressure. •Safety Hazard present •Spray heads or standpipe needs replacement.	•Minor repairs to walls, steps, floor, wood borders or fencing required. •Safety hazard present.	•One or more repairs needed to correct moderate damage to doors, windows, roofing, vents, louvers, etc. •Safety hazard present.	•Immediate attentions- plumbers, electricians, or other skilled tradesman to correct hazards or unsanitary conditions.	•Minor plumbing or structural repairs needed.	•Defects confined to several small areas. •Safety hazard present.
N.P.I.P./Capital	•Walls, stairs, floor/surface or fencing are extensively damaged or deteriorated •Most spray heads or showers are missing •No water service is available.	•Extensive damage or deterioration due to age,vandalism or weather exposure •Full replacement is needed.	•Building shows extensive damage and deterioration due to age, vandalism or weather expo sure. •Full reconstruction is needed	•Building shows extensive damage and deterioation due to age, vandalism or weather exposure. •Full reconstruction is needed	•Both plumbing and structural damage present. •Water lines into site need repair or replacement.	•Extensive damage, deterioation, vandalism or weather exposure. •Full reconstruction is needed.
Contract Replacement	Same as N.P.I.P./Capital, except only one or two structural features are affected. Two or more features must meet criteria listed above to be eligible for an N P I P/Capital recommendations					

III. INSPECTION AND RATING GUIDELINES

A. Cleanliness Rating

LITTER/GARBAGE

Feature:

WHAT'S RATED: Garbage, litter and natural debris such as leaves, branches and animal or human feces. The condition of garbage cans, litter baskets and the amount of debris in them, as well as the amount and appearance of any bagged garbage awaiting collection will be included in the overall litter rating.

WHAT'S EXCLUDED: Glass, excluding unbroken bottles, is rated under "Glass" (p. 9).

RATING STANDARDS:

ACCEPTABLE:

- Litter is slightly scattered but visible and may detract slightly from the appearance of the site.
- A few garbage cans are bent and in need of paint.
- Garbage is neatly stacked at curb awaiting packer pickup.
- Overall condition and appearance are **good to excellent.**

UNACCEPTABLE:

- Litter is found in moderate to heavy concentrations throughout the site, detracting strongly from it's appearance.
- Garbage cans are missing altogether or any of those present are badly damaged and overflowing.
- Garbage awaiting packer pickup is not in cans or proper containers. Significant amounts are loose, spilling out and scattered. This presents a potential health hazard as it may attract rodents.
- Overall condition and appearance are **poor to fair.**

HOW FEATURE SHOULD BE RATED:

(1) Inspect the entire site for litter, garbage or natural debris. Note if litter is primarily natural (e.g. leaves or branches).

(2) Ideally, garbage cans or litter baskets should be painted and not bent. Check the condition of these containers and note if they are overflowing.

(3) Inspect any garbage awaiting collection. This refuse should be in bags, boxes or other containers and neatly stacked. No garbage should be spilling out, nor presenting health or sanitation problems (e.g. attracting vermin).

(4) Indicate whether packer pickup is needed, as evidenced by large quantities of uncollected garbage in bags or cans at curbside. Describe how much uncollected garbage is present and give location.

eature:

GLASS

HAT'S RATED: The entire site. All types of glass, excluding unbroken bottles, which is rated under litter.

HAT'S EXCLUDED: Glass in full or empty sandboxes is rated under "Sandboxes" (p. 25).

ATING STANDARDS:

ACCEPTABLE:

- Small amounts of scattered broken glass.
- No glass in play areas or on safety surface.
- Overall condition and appearance are **good to excellent.**

UNACCEPTABLE:

- Large amounts of broken glass evident throughout site.
- Glass is present in play areas.
- Overall condition and appearance are **poor to fair.**

OW FEATURE SHOULD BE RATED:

(1) Inspect the entire site. Glass on safety surfaces and in active play areas should be specifically noted.

OTES:

Feature: GRAFFITI

WHAT'S RATED: The entire site, including benches, playground equipment, safety surface, buildings, walls, ramps, signs, paved surfaces and any other structure or surface.

WHAT'S EXCLUDED: Murals that have been sponsored by the community.

RATING STANDARDS:

ACCEPTABLE:

- Present in small amounts but does not detract from the overall appearance of site.
- Overall condition and appearance are **good to excellent**.

UNACCEPTABLE: 75 sq horizontal
25 square feet on any vertical surface of [illegible]

- Covers 50% or more of all surfaces.
- Detracts from appearance of site.
- Overall condition and appearance are **poor to fair.**

HOW FEATURE SHOULD BE RATED:

(1) Inspect the entire site. Look for labels by artist or community groups to identify murals.

NOTES: 25% of all surfaces [illegible]

Feature: WEEDS

WHAT'S RATED: Weeds in all areas other than lawns (e.g. cracks in pavement and between safety surface sections, tree pits, base of fencing, or walkway borders)

WHAT'S EXCLUDED: Weeds in lawn areas and turf ballfields

RATING STANDARDS:

ACCEPTABLE:

- Weeds are present and visible but low to the ground
- Weed growth does not interfere with use of site
- Overall condition and appearance are **good to excellent**.

UNACCEPTABLE:

- Weed growth is several inches high
- May interfere with use of several areas within site
- Concentrated throughout site
- Severely detracts from appearance of site.
- Overall condition and appearance are **poor to fair.**

HOW FEATURE SHOULD BE RATED:

(1) Inspect the entire site. Weeds are rated in **all** seasons.

NOTES:

Feature: **LAWNS/GRASS AREAS**

WHAT'S RATED: All areas where grass does or should exist on a site, including grass strips adjacent to benches, fences or sidewalks. Weeds intermixed with grass in lawns areas are included in the "Lawn/Grass Areas" rating

WHAT'S EXCLUDED: Grass of turf ballfields and weeds growing up through belgian block or hex block strips

RATING STANDARDS:

ACCEPTABLE:
- Up to 20% may be bare, weedy or discolored.
- Grass is no higher than 6" and does not need mowing.
- Overall condition and appearance are **good to excellent.**

UNACCEPTABLE:
- 20% or more is bare, discolored or otherwise unsightly.
- Lawn is higher than 6" and requires mowing.
- Lawn is made unsightly by tall weed growth.
- In some areas, lawn may have large depressions or holes
- Overall condition and appearance are **poor to fair.**

HOW FEATURE SHOULD BE RATED:

(1) Lawns are to be inspected in all seasons.

(2) A "lawn" is any open, interior portion of a site designed to be covered with grass. It should be usable for passive recreation. Horticulture strips are smaller green spaces in the site or along the surrounding sidewalk with no recreational use.

(3) A lawn area on which it is impossible to grow grass due to excess shade, traffic or infertile, compacted soil may receive an "acceptable" rating if it is covered with woodchips or gravel. The feature will receive an "unacceptable" rating if more than 20% of the area(s) is just bare dirt.

(4) Strips on the exterior of a site may have formerly been planted with grass and filled with belgian blocks. Area should then be rated under "Paved Surfaces" (p. 15).

(5) At present, DPR has few contracts or crews to rehabilitate lawns or grass areas. However, indicate on the inspection form if the site is eligible for contract replacement due to compacted soil, heavy traffic or too much shade.

B. Structural Features

Feature: **SIDEWALKS**

WHAT'S RATED: All sidewalks made of cement, asphalt, bricks or block pavers. In a large park, only rate the sidewalk which gives direct access to a playground.

WHAT'S EXCLUDED: Grassy or block-paved strips to either side of the sidewalk. Grassy strips are rated under "Lawns" (p. 12) and cobblestone or block-paved areas bordering sidewalks are rated under "Paved Surfaces" (p. 15).

RATING STANDARDS:

ACCEPTABLE:
- Less than 20% of the sidewalk is damaged, defective or deteriorated from use, vandalism or weather exposure.
- Repairs or patchwork may be present. These are smooth, level, have a good appearance and effectively correct pavement defects.
- Any defects detract only slightly from appearance of the site.
- Overall condition and appearance are **good to excellent.**

UNACCEPTABLE:
- 20% or more of the sidewalk is damaged, defective or deteriorated.
- Any type of "Immediate Attention," such as sharp changes in grade, drops between sidewalk sections of 4" or more, and/or large crevices (see p. 45 for examples).
- Repairs or patchwork may be rough, sunken, uneven and or do not fully correct pavement defects.
- Defects detract severely from appearance of site.
- Overall condition and appearance are **poor to fair.**

HOW FEATURE SHOULD BE RATED:

(1) **Walk** the entire perimeter sidewalk to identify sidewalk conditions and what the sidewalk is made of: Cement, asphalt, brick, hex block or other. Sidewalks should be uniform, smooth and constructed of a single material. Any patchwork or mixing of material should be neat in appearance and properly applied. Poor workmanship can cause the site to be downgraded.

(2) Identify the following:
- a. **PAVEMENT:** Cracked, raised, sunken, rough/eroded surfaces or holes.
- b. **CURBS:** Broken, raised, missing or sunken.
- c. **DRAIN COVERS:** Clogged, damaged, malfunctioning or missing

Feature:

SIDEWALK (cont)

4. **PROTRUDING OBJECTS:** Any object which may pose a trip hazard.

(3) All cement sidewalk replacement is done by contract. In most other situations, in-house crews use asphalt to patch or repair defective portions of sidewalks. In-house crews can also replace small areas of hex or belgian block. The use of asphalt on concrete sidewalks is not a perfect solution, but may be necessary to correct safety problems until cement replacement by contract is possible. If this is the case, recommend both an **"Immediate Attention" and contract**. Refer to Table #2 (p. 7) in this guide for specific sidewalk repair recommendation criteria.

(4) **Note On Curb Cuts:** Curb cuts are required whenever a sidewalk is replaced. The Inspection Program, however, does not downgrade a site if they are absent. Curb cuts are required at crosswalks, center islands which divide a crosswalk and midblock crosswalks. Crosswalks are identified by painted pedestrian lanes, "Walk/Don't Walk" lights and traffic lights. Curb cuts should be flush with the street, textured (i.e. transverse grooves), no less than 36" wide, and have flared edges if they are located in a spot where pedestrians may walk across them. Curb cuts are installed by the Department of Transportation, or included in a DPR contract involving sidewalks.

NOTES:

ature:

PAVED SURFACES

HAT'S RATED: All paved or hard surfaces within the area to be inspected, including asphalt, cement, painted games surfaces, hex block, belgian block, brick, cobblestone, etc.

HAT'S EXCLUDED: Sidewalks, grassy areas with curbs, wading pools and sandbox interiors.

ATING STANDARDS:

ACCEPTABLE:

- One area, or up to 20% of the surfaces may be damaged, defective or deteriorated.
- No "Immediate Attentions" may exist.
- Surface shows **limited deterioration** (e.g. minor cracks over large areas, uneven settlement in one or two places, block pavers missing or upheaved in several sizable areas. Conditions do **not** impair use of the site.
- Any repairs or patchwork are smooth, level, have a good appearance and correct pavement defects.
- Overall condition and appearance are **good to excellent**.

UNACCEPTABLE:

- 20% or more of the surface is damaged, defective or deteriorated.
- "Immediate Attentions" (e.g. a deep hole, sudden drop, missing utility cover or protruding object) may exist (see p. 45 for examples).
- Surface may be significantly raised or sunken in several areas affecting drainage of the facility. Pavement may be broken or missing in several locations. Protrusions and holes may exist.
- Conditions detract from the appearance of the site and limit use of the facility.
- Repairs or patchwork do not properly correct pavement defects and may contribute to a poor appearance.
- Overall condition and appearance are **poor to fair.**

OW FEATURE SHOULD BE RATED:

(1) Walk the entire site noting the type of paved surface. Refer to Table #2 (p. 7) for specific repair recommendation criteria.

Feature: PAVED SURFACES (cont.)

(2) Check for:

a. **ACTIVE RECREATION AND SPORTS AREAS:** Poor surfaces or conditions that may interfere with safe use and play.

b. **DRAINS:** Clogged, damaged, missing or malfunctioning covers.

c. **SETTLEMENT:** Uneven, raised, sunken or upheaved surfaces, cracks and holes.

d. **PROTRUDING OBJECTS:** Any object which may pose a trip hazard.

Feature: SAFETY SURFACE

WHAT'S RATED: Sectional, poured or interlocking safety surface. Safety surface remaining on a site after play equipment has been removed is still rated. Sand, woodchips or "pea-gravel" of sufficient depth may be used in place of safety surface.

WHAT'S EXCLUDED: Hard surfaces exposed by missing sections of safety surface are covered under "Paved Surfaces" (p.15).

RATING STANDARDS:

ACCEPTABLE:

- **Critical Areas:** All surface surrounding or immediately next to play equipment must be in place.
- **Non-Critical Areas:** Up to 20% not immediately surrounding or underneath play equipment may be missing or damaged.
- Slight but not dangerous separating or curling of sections may exist.
- Safety surface is still intact but may show wear or minor signs of vandalism.
- Soft dirt, sand, "pea" gravel or woodchips, when used as safety surface, are of sufficient cleanliness and depth.
- Overall condition and appearance are **good to excellent**.

UNACCEPTABLE:

- **Critical Areas:** Protection is not provided in one or more critical areas due to missing surface, damage or non-resiliency.
- **Non-Critical Areas:** Over 20% of non-critical surface may be missing, damaged or non-resilient.
- Critical and non-critical sections may have significant separating and curling over 20% or more of the area.

ature: SAFETY SURFACE (cont.)

- "Immediate Attentions" may exist (see p. 45 for examples).
- Poured safety surface is losing (or has lost) its resiliency and may be worn in critical areas.
- No safety surface under play equipment on a hard-surfaced site.
- Overall condition and appearance are **poor to fair.**

)W FEATURE SHOULD BE RATED:

(1) Safety surface is required wherever there is paved surface, hard dirt or other hard surfaces under play equipment. If safety surface is missing completely, or was never installed, then an overall "unacceptable rating will be given to the site

(2) Check for:

a. **CRITICAL SECTIONS:** Areas of safety surface at the base of slide beds, in and sandboxes where stone animals or other structures have been installed beneath swings, seesaws, timberform, adventure equipment and any other type of equipment

b. **NON-CRITICAL SECTIONS:** Safety surface between pieces of play equipment or on the edges of the play area.

(3) It may be necessary for in-house crews to replace missing critical sections, even though all of the safety surface is worn and needs contract replacement. If this is the case, indicate both an **"Immediate Attention" and contract eligible** on the inspection form. Refer to Table #2 (p. 7) in this guide for specific repair recommendation criteria.

(4) Safety Surface is not required when soft dirt, sand, "pea-gravel" or woodchips takes its place. According to the U.S. Consumer Product Safety Commission, for play structures up to 5', the depth of these loose materials should be at least 6". For structures over 5', depth of material should be between 9" and 12".

Feature: PLAY EQUIPMENT

WHAT'S RATED: Traditional, timberform and adventure equipment; concrete, metal and stone climbing apparatus; all handball walls, basketball backstops and rims, volleyball poles, checker tables, boccie courts and horseshoe pits.

WHAT'S EXCLUDED: Structures not meant for play, such as statues.

RATING STANDARDS:

ACCEPTABLE:

- Several pieces of equipment may have minor defects that can be promptly corrected (e.g. twisted or uneven chains on swings).
- Less than 20% of the play equipment may be missing, damaged, defective or deteriorated.
- Play equipment may need painting.
- Where paint has been used to cover graffiti, it is neatly applied, in a uniform manner and creates a good appearance.
- No "Immediate Attentions" may exist. Any minor defects which could result in a future safety problem should be carefully noted (e.g. loose fitting seesaws or loose bolts on adventure equipment).
- Use is not limited.
- Overall condition and appearance are <u>good to excellent</u>.

UNACCEPTABLE:

- 20% or more of equipment is missing, damaged or vandalized.
- Equipment has been removed and no sign is present.
- Use of existing equipment may be limited due to missing pieces, damage, vandalism, or defects.
- One or more "Immediate Attentions" may be present (see p. 43 for examples).
- Equipment does not appear to be maintained.
- Overall condition and appearance are <u>poor to fair</u>.

<u>HOW FEATURES SHOULD BE RATED:</u>

(1) **Inventory** all equipment. Indicate how many units were intended to be in place and how many are missing, damaged or need paint. Refer to Table #2 (p. 7) for specific repair recommendation criteria.

(2) Check for:

a. <u>DEFECTS:</u> Removed, omitted or incorrectly Installed pieces that have resulted in protruding stumps, unbarricaded platforms and any other potential or existing "Immediate Attentions."

Feature:

NOTES:

b. <u>DAMAGE:</u> Sharp edges, splintered wood, missing bolts, cotter pins and any other potential or existing "Immediate Attentions."

(3) The number of handball courts is determined by the number of sections on each wall of the court. Each side of a free-standing handball wall is counted as one court.

(4) <u>Note on Equipment Removal:</u> An appropriate sign should be posted where play equipment has been removed at the request of a school principal or the community. The Inspection Program, however, no longer downgrades a site for missing such signs. Play equipment that has been removed, for whatever reason, will contribute to the downgrading of this feature (or the a site as a whole) only if it has left behind any unacceptable conditions (e.g. 20% or more of the Play Equipment is missing or damaged or at least one "Immediate Attention" is present).

Feature: BENCHES

WHAT'S RATED: Any bench or feature designed for the purpose of sitting, including traditional, vandal-resistant, World's Fair, California, Christie-Forsythe, cement benches, bleachers and picnic tables.

WHAT'S EXCLUDED: Team benches at turf ballfields. Chess and checker tables are rated under "Play Equipment" (p. 18).

RATING STANDARDS:

ACCEPTABLE:

- Slats or supports may need to be painted.
- Less than 20% of the benches have missing/damaged slats or damaged supports.
- No "Immediate Attentions," such as exposed bolts/screws, are present.
- Overall condition and appearance are <u>good to excellent.</u>

UNACCEPTABLE:

- 20% or more of the benches have missing/damaged slats or supports.
- One or more "Immediate Attentions" are present (see p. 45 for examples)
- Replacement or removal may be necessary for several bench supports.
- Benches are not safe to use by the public.
- Overall condition and appearance are <u>poor to fair.</u>

HOW FEATURE SHOULD BE RATED:

(1) Inspect all benches, bleachers or picnic tables on the site. Refer to Table # 2 for specific repair recommendation criteria

(2) Check for

a. <u>SLATS:</u> Damage or deterioration may have left splintering and/or bolts exposed. Determine the number, footage and type of slats missing and/or damaged. Look for worn paint.

b. <u>SUPPORTS:</u> Cracks, missing pieces or exposed rods may have resulted in unusable benches and/or "Immediate Attentions."

Feature: FENCING

WHAT'S RATED: Chain link (CLF), wrought iron (WIF), pipe rail (PRF), guard rail, schumpf fences and all types of ornamental fencing. "K" and "J" swing area safety fencing, ballfield backstops and team bench fences for asphalt ballfields. Fencing around mini-pools should also be inspected and rated. Fence gates are also included in the rating.

WHAT'S EXCLUDED: Fence enclosures for sandboxes, wading pools and spray showers are not included. Any fencing associated with turf ballfields is also excluded and should be rated during "Turf Ballfield Inspections".

RATING STANDARDS:

ACCEPTABLE:

- <u>Children's Play Areas:</u> All fencing, including safety fencing, is present, though some small holes or minor damage may be present.
- <u>All Other Areas:</u> Up to 20% of all CLF, WIF, or PRF may have small holes or minor defects. No missing sections, or "Immediate Attentions".
- <u>CLF:</u> Several crossbars or vertical poles may be missing but mesh is still taut and secure. No mesh sections are missing. One or two sneakholes are not properly framed or tied back and have bottom crossbars present.
- Some sections of fence may require painting or rustproofing.
- Overall condition and appearance are <u>good to excellent.</u>

UNACCEPTABLE:

- <u>Children's Play Areas:</u> Sections of four foot safety fence are missing or damaged and require immediate repair. This condition alone will result in an "unacceptable" rating.
- <u>All Other Areas:</u> 20% or more of all the CLF, WIF or PRF may be damaged or missing. Sections of fence may be unstable or leaning and insecure.
- <u>CLF:</u> May have large holes, and/or enough missing crossbars or vertical supports to cause the mesh to sag, separate or fall away from the fence line. Sections of mesh may be missing. Three or more "sneakholes" are not properly framed or tied back and sharp edges or bottom crossbars are present
- Extensive painting or rustproofing required
- Overall condition and appearance are <u>poor to fair</u>
- "Immediate Attentions" may be present (see p. 45 for examples)

Feature: FENCING (cont.)

HOW FEATURE SHOULD BE RATED:

(1) Inspect all fencing on the site.

(2) Check for:

a. GATES: At playground or site entrances, look for protruding bars, ragged edges or any other potential or existing **"Immediate Attention"**; note where missing.

b. CROSSBARS: Do not downgrade CLF where the top rail is missing, so long as the fence itself is secure and the mesh is not sagging. Top rails on safety fencing for swing areas, however, must be present.

c. SNEAKHOLES: Often cut into fences to provide convenient access, sneakholes should be framed on the top and sides by metal pipes. The bottom crossbar should be removed to prevent a trip hazard. Wire mesh at the top and sides should be tied back to prevent cuts and scrapes.

(3) Do not downgrade fencing for being covered with shrub, tree or vine growth unless that growth is weighing down or damaging the fence.

(4) The amount of CLF that can be repaired by in-house crews is limited to small areas because of the high cost of mesh and poles. At sites where either in-house crews or contracts could be used to make repairs, indicate this on the inspection form. Refer to Table #2 (p. 7) for specific repair recommendation criteria.

Feature: SPRINKLER/WADING POOL

WHAT'S RATED: Spray caps, heads, drains, drain covers, walls, steps, perimeter fen of wading pools, and standpipes for spray showers.

WHAT'S EXCLUDED: The large, open paved area around a standpipe sprinkler is rated ur "Paved Surfaces" (p. 15). Only the immediate area around the standpipe and its drain gets rated.

RATING STANDARDS:

ACCEPTABLE:

- At wading pools, at least one head provides adequate service with reasonable water pressure.
- A standpipe provides an adequate spray with good water pressure a has no drainage problems.
- Area is capable of providing safe and sanitary service.
- The walls, stairs and floor of the wading pool may have minor cracking and chipping.
- The wading pool fence may have minor damage, chipped paint or some rust but no missing sections.
- Overall condition and appearance are good to excellent.

UNACCEPTABLE:

- Water service, if available, is inadequate. There is insufficient press or flow for satisfactory use.
- Even if water service is available, safe and adequate use is not ensur due to sharp edges, uncapped heads, missing drain covers or other damage.
- Drains may be clogged.
- The structure of the wading pool is beginning to show or is significantly deteriorated.
- Overall condition and appearance are poor to fair.

Feature: SPRINKLER/WADING POOL (cont.)

HOW FEATURE SHOULD BE RATED:

(1) Sprinklers and wading pools should be rated in all seasons. Report physical or structural damage even when they are "winterized" and/or the water is turned off. If the playground has a sprinkler and a wading pool, rate each for structural defects and cleanliness. Refer to Table #2 (p. 8) for specific repair recommendation criteria.

(2) During the Summer inspections, ask the playground attendant or supervisor to turn on the wading pool or sprinkler so you can see if it works. If no one is present to turn on the water, give a rating based on its physical appearance and condition. In the Summer, sprinklers and spray showers should be turned on when the temperature reaches 80 degrees (85 degrees in a Drought Emergency).

(3) If there is just a standpipe, rate it and its drain system. Be sure to note any defects in the larger paved area surrounding the standpipe under "Paved Surfaces".

(4) If more than one water feature is present at a site, indicate what types of facilities are present and make your comments specific to each one.

(5) Indicate on the inspection form what is working, damaged or missing. Include counts of missing or damaged spray caps, drain covers, and measurements of damaged areas as described in Chapter II, Section B (p. 3).

NOTES:

Feature: SANDBOXES

WHAT'S RATED: Walls, floors, steps and perimeter fencing of traditional and adventure sandboxes. The sandbox is not downgraded for lack of sand, but is downgraded if it has sand in poor condition, as described in the rating standards. Any glass in full or empty sandboxes is included in the sandbox rating.

RATING STANDARDS:

ACCEPTABLE:

- Sand, if any, is generally clean, but may have scattered leaves or small amounts of litter as a result of that days use.
- Structure has slight cracks or chipping of its walls, steps or floor.
- Wooden borders of adventure sandbox may be slightly worn, but there are no major problems from splintered wood.
- Fencing is slightly rusted or has chipped paint.
- No "Immediate Attentions" are present.
- Overall condition and appearance are good to excellent.

UNACCEPTABLE:

- Sand, if any, may have large amounts of litter, old leaves, feces and debris.
- Large sections of the floor, walls and steps show advanced deterioration.
- Wood borders may have broken or missing sections and can no longer adequately contain sand.
- Badly damaged, missing or bent fence sections.
- "Immediate Attentions" may exist.
- Overall condition and appearance are poor to fair.

HOW FEATURE SHOULD BE RATED:

(1) Indicate whether the sandbox is traditional or adventure and whether it is empty of full. Refer to Table #2 (p. 8) for specific repair recommendation criteria.

(2) Check for:

a. SAND: Is it dirty and, if so, does it contain litte glass or feces?

b. STRUCTURE: Is it chipped or cracked? Is the fence rusted or damaged?

Feature: COMFORT STATION EXTERIOR

WHAT'S RATED: All physical aspects of building including doors, door jambs, locks, windows, roof, flashing, vents, louvers, vent covers, conditions of bricks, and pointing of bricks or masonry.

WHAT'S EXCLUDED: Drinking fountains attached to the comfort station building. Graffiti on outside walls is rated under "Graffiti" (p. 10).

RATING STANDARDS:

ACCEPTABLE:

- Minor damage: Cracked windows, chipped doors and jambs, and a few missing roof slates or tiles. Structure is sound and needs only minor repairs.
- Exterior may need paint or re-painting due to peeling, chipping or patchy appearance.
- Building can be locked and secured.
- Overall condition and appearance are good to excellent.

UNACCEPTABLE:

- Major damage: Broken windows, damaged vents, louvers or vent covers, doors, jambs and many missing or damaged roof slates or tiles.
- Building cannot be fully closed or secured.
- Building may be burned or gutted.
- Exterior may show advanced deterioration.
- Overall condition and appearance are poor to fair.

HOW FEATURE SHOULD BE RATED:

(1) Thoroughly inspect the entire exterior of the comfort station. Refer to Table #2 (p. 8) for specific repair recommendation criteria.

(2) Check the following for damage or defects: paint (chipped or worn), walls (missing bricks), doors and jambs, windows (broken or missing glass), roof flashing and slates, vents, louvers and vent covers.

Feature: COMFORT STATION INTERIOR

WHAT'S RATED:

- All plumbing fixtures (sinks, toilet bowls, and urinals, including flushometers, pipes and faucets).
- All aspects of the inner structure (floors, walls, ceilings and toilet partitions).
- All utilities (gas for heat, electricity for lighting, water service and drainage systems).
- Minor furnishings, when present (toilet paper dispensers, towel holders, mirrors, etc.).

WHAT'S EXCLUDED: Graffiti is rated under "Graffiti" (p. 10).

RATING STANDARDS:

ACCEPTABLE:

- Both men's and women's sides are in-service, with at least one sink, one toilet or urinal fully operational and in good repair on each side. In larger comfort stations at heavily used sites such as Washington Square and Battery Park, at least half the toilet fixtures should be in-service.
- Some plumbing fixtures may be missing or removed from service (by storage) so long as the one sink and one toilet or urinal standard is met.
- Sinks, toilets or urinals intended to provide service are clean, sanitary and function adequately (e.g. the toilets can be flushed). Sinks have an adequate flow of water and all fixtures drain properly. They may show some minor damage (e.g. chipped bowls or sinks; leaky faucets, missing toilets).
- Walls, ceiling, or partitions are properly painted, clean and have a good appearance; they may have minor cracks or damage.
- Floors are clean with no wet spots, puddles or drainage problems; there may be minor cracks but no trip hazards.
- Gas, electricity and water service exist. Lighting may be inadequate (dim) but working.
- Minor furnishings (paper dispensers, mirrors, etc.) may be slightly damaged or have poor appearances. Paper may not be available.
- No offensive orders.
- Interior is clean and sanitary with no "Immediate Attentions."
- Overall condition and appearance are good to excellent.

eature: COMFORT STATION INTERIOR (cont.)

UNACCEPTABLE:

- An employee is present, yet only one, or neither, side of the comfort station is open.
- Some fixtures may be missing or removed. Those fixtures present may be damaged or not functioning properly (e.g. clogged drains and broken flushometers). Flooding may be present.
- The floors, walls or ceiling may show advanced deterioration.
- Minor furnishings may have been vandalized or badly damaged.
- Utilities (gas, electric and water) may not be available.
- Facility may be dirty, unsanitary and have an offensive odor. These conditions may cause potential safety defects or sanitary problems.
- Building may be "bombed out," i.e. extensively vandalized.
- Overall condition and appearance are poor to fair.

OW FEATURE SHOULD BE RATED:

omfort stations are to be opened and available to the public whenever a fixed-post employee is signed to a site. It is acceptable for the employee to keep the comfort station locked and to unlock for those who request it. Refer to Table #2 (p. 8) for specific repair recommendation criteria.

(1) Determine the status of both men's and women's comfort stations and indicate if (1) both are open, (2) one side is open, (3) both sides are closed, (4) no employee at site/no access, (5) entire building is used for storage or (6) building is bombed out.

(2) Indicate which utilities are available: gas, electricity and/or water.

(3) Inspect the entire interior structure and test each fixture. Inventory all toilets, urinals and sinks, including those missing or damaged. Describe any defects. Note areas used for storage that reduce the number of fixtures available to the public.

(4) If the comfort station appears to be in good conditions but cannot be opened because no employee is at site, give an "N" rating.

Feature: DRINKING FOUNTAINS

WHAT'S RATED: All structural components including base, stepping stone, basin, button, bubbler and drain.

RATING STANDARDS:

ACCEPTABLE:

- At least one fountain provides service.
- Some fountains may have minor defects which detract from appearance or cleanliness. Minor work may be needed to clean or repair them (e.g. scrub the basin or unclog drain).
- Overall condition and appearance are good to excellent.

UNACCEPTABLE:

- Users cannot get an adequate drink of water because of plumbing problems (e.g. low water pressure or missing button).
- Unsanitary or unsafe conditions may exist.
- No fountains provide service due to structural damage.
- Water lines may need to be replaced.
- Overall condition and appearance are poor to fair.

HOW FEATURE SHOULD BE RATED:

(1) Drinking fountains are to be rated in all seasons. Report physical or structural damage to fountains even when they are "winterized" and the water is turned off. Refer to Table #2 (p. 8) for specific repair recommendation criteria.

(2) Locate all drinking fountains and try them. Record the tota number of fountains in the site and then record the number in-service and the number out-of-service.

(3) Look for flooding, damage to the cement structure of the fountain, clogged drains, soiled or unsanitary drinking fountain bowls, missing plumbing, buttons and bubblers.

(4) Document all defective or unsanitary conditions.

'eature: WALL/RAMPS/STAIRS

VHAT'S RATED: Any vertical or sloped asphalt, concrete or other hard surface including retaining walls and walls that support fencing. Ramps may provide pedestrian, especially handicapped access or vehicle access to a site.

VHAT'S EXCLUDED: Handball court walls, comfort station walls, wading pools, sandboxes, or concrete play equipment. Grass strips, dirt paths, sidewalks and other level surfaces are also excluded.

ATING STANDARDS:

ACCEPTABLE:

- Slight erosion or small holes and cracks which weeds can grow through are present, but these do not affect safe use of stairs or ramps.
- Surfaces are level and smooth. No trip hazards present.
- No "Immediate Attentions" are present.
- Overall condition and appearance are good to excellent.

UNACCEPTABLE:

- Sections of surface are leaning or bulging.
- Sections do not properly support fencing or do not properly retain soil.
- Cracks and crumbling, large holes, raised or sunken sections and severe erosion affect most or all of the surface.
- "Immediate Attentions" are present (see p. 45 for examples).
- Overall condition and appearance are poor to fair.

IOW FEATURE SHOULD BE RATED:

(1) Stairs and ramps should provide safe, even walking surfaces with no trip hazards. Walls should be sound, stable and plumb, providing adequate support for any fencing mounted on the wall. Walls should properly retain soils that separate different levels of the site. Refer to Table #2 (p. 8) for specific repair recommendation criteria

(2) Check for:

a. WALLS: cracked, broken or chipped maso..ry, bulging or leaning sections, improper settlement, erosion problems, or inadequate support for fencing mounted atop the wall.

b. RAMPS: cracks, holes, depressions or other uneven walking surfaces, any protruding objects or trip hazards; damage to side walls, railing or hand supports.

Feature: WALL/RAMPS/STAIRS (cont.)

3. STAIRS: cracked, broken or chipped surfaces, especially the lip or edges of stairs; any uneven walking surfaces; any damaged side walls, railing or hand supports; any protruding objects or trip hazards.

NOTES:

C. Horticultural Features

Feature: LAWNS/GRASS AREAS

Refer to "Lawns/Grass Areas" on page 12.

Feature: SHRUBS

WHAT'S RATED: Bushes, hedges or other small, landscaped planting on the site.

RATING STANDARDS:

ACCEPTABLE:

- Shrubbery is trimmed and maintained.
- A few areas of moderate but visible overgrowth are present.
- A few broken or dead branches are evident.
- No dead bushes or missing sections of hedges or borders.
- Overall condition and appearance are good to excellent.

UNACCEPTABLE:

- More than 20% of the shrubs are overgrown, dead, missing or poorly maintained.
- Broken or dead branches detract from appearance.
- Dead or missing bushes leave sizable gaps in hedges or other areas planted with shrubs.
- Overall condition and appearance are poor to fair.

HOW FEATURE SHOULD BE RATED:

(1) Inspect all of the shrubs. Hedges or shrubbery are usually planted in continuous rows, which should not be interrupted by gaps or dead bushes. All shrubbery should be neatly and uniformly trimmed or pruned.

(2) Shrubs are to be inspected and rated in all seasons.

(3) Look for overgrown; broken or dead branches and missing areas of shrubbery.

(4) Estimate percentage of original shrubs or hedges that are missing, damaged or dead and require replacement. Give locations.

Feature: TREES

WHAT'S RATED: All trees along the exterior perimeter of the site as well as those on the interior. Trees are rated in all seasons.

RATINGS STANDARDS:

ACCEPTABLE:

- Trees may need minor care, but general appearance is good and no "Immediate Attentions" exist.
- A small amount of sucker growth, small, dead or low hanging branches may be present.
- Roots do not affect sidewalks or paved surfaces.
- May have one or two tree stumps awaiting removal.
- May have one or two small dead trees (which do not pose an "Immediate Attention") present.
- General appearance is good to excellent.

UNACCEPTABLE:

- Trees may have several potential "Immediate Attentions" that require Forestry's attention (see p. 45 for examples).
- Several dead limbs or several low hanging branches may cause safety problems, especially in the play equipment area.
- Several dead trees or several stumps may require removal.
- Tree roots interfere with sidewalks and paved surfaces in several areas causing trip hazards.
- General appearance is poor to fair.

HOW FEATURE SHOULD BE RATED:

Tree inspection comments are used by the Forestry Division to direct Climbers and Pruners to correct serious tree problems. Forestry work in parks and playgrounds is concentrated on (1) removal of dead trees, (2) removal of potentially hazardous dead branches, (3) pruning large amounts of low hanging branches that interfere with safe use of the play equipment, and (4) roots that upheave pavement and cause trip hazards. Forestry's availability to handle lesser tree care problems is extremely limited. Therefore, tree inspections should focus on these serious situations and de-emphasize lesser problems such as sucker growth, small dead branches and isolated pruning needs.

(1) Avoid such general comments as "low hanging branches" or "prune all trees". Note specific locations of trees with problems. Identify the species if possible.

(2) Do not downgrade trees for small dead branches which will be removed by wind or rain.

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Feature:

TREES (cont.)

(3) Note when tree's growth is being "girdled" or restricted by supports
used to stabilize it when it was first planted.

(4) "Sucker growth" is small branches sprouting towards the middle of the tree on large branches or the trunk. Note whether sucker growth is above or below six feet from the ground. If growth is below six feet, DPR's district personnel may be able to remove it.

(5) Only mention root problems when they cause an obvious trip hazard.

(6) A dead branch which would pose a potential "Immediate Attention" is four inches or more in diameter, hanging over play areas, etc.

(7) Sites are not downgraded for empty trees pits unless the missing trees detract significantly from the appearance of the site. If empty tree pits pose a serious potential trip hazard, this should be reported under "Paved Surfaces" (p. 15).

(8) Report the number of empty tree pits on the exterior and interior of the site. This information is used by Parks' Capital Projects Division to select sites for new tree planting.

(9) Report the number of dead trees on the interior and exterior which need to be removed by the Forestry Division.

NOTES:

D. Miscellaneous Inspection Procedures

(1) "Immediate Attentions":

Use this area to record any major problems or damage which must be corrected without delay. The inspector should use this space to identify potential safety defects, thereby alerting borough management to schedule necessary repairs. See page 45 for examples of "Immediate Attentions" by feature.

(2) General Comments:

This section of the inspection form is extremely important. It is used to explain any unusual condition or situation found at a site (e.g. abandoned vehicles, a homeless situation, drug trafficking, etc.). Also, use this section to explain why a site received the rating it was given and why "under construction" or "undeveloped" was indicated on the inspection form.

(a) Site Status - Sometimes a site does not fit the usual rating procedures because it is either under construction or undeveloped. Rate the site as follows:

Under Construction: If any portion of the site is still open and accessible to the public, it must be rated. Report the nature and extent of any construction activity in "General Comments." If the entire site is inaccessible to the public, do not rate it.

Undeveloped: Inspect for any category which applies. Report illegal dumping, abandoned vehicles or other unsightly conditions. Describe characteristics of the site under "General Comments".

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(3) Inventory Counts:

The inspection form will often provide space for the inspector to provide counts of features within a site (e.g. playground equipment, safety surface, etc.)

(4) Staffing Definitions:

Fixed Post - Park worker is assigned to one site.
Split - Park worker divides their time between two or more sites.
Mobile - District crew comes to a site at intervals to clean and maintain it.
Other - Area maintained by either another City agency, community group or volunteers.

(5) Signs:

Playgrounds are required to have a name sign posted at each entrance (excluding DPR sneakholes), and small sites with no name are required to have a sign with Parks' logo. The next page provides additional information on signs.

D. Miscellaneous Inspection Procedures (cont.)

5) **Light Fixtures:**

Make note of any hazardous conditions (exposed wires) or any unusual situations (dayburning lights, all light globes are broken) in the "General Comments" section. Citywide Services will be given this information so that necessary repairs can be scheduled by lighting contractors (DPR lights are included in the Department of Transportation's street lighting contract).

7) **Film #/Shot #:**

When taking pictures of a site, indicate the site name, property number and borough in the back of the photo. This will prevent confusion when sites are photographed. Where possible, include a brief description of the conditions being noted in the photo.

NOTES:

E. Outline of Signs Criteria

(1) **Sign Letter Colors For Each Borough:**

All signs should have the appropriate color for their borough. The borough colors are:

Bronx - Silver
Brooklyn - Yellow-Orange
Manhattan - White
Queens - Gold
Staten Island - Cream.

(2) **Name Signs and Parks' Logo:**

Routed signs should be placed:

(a) At every paved or otherwise surfaced pedestrian or vehicular entranc to a park. In a park without a clear entrance (triangle, sitting area, etc.), a sign should be placed at every major approachway.

(b) A double-sided sign should be placed in every section of a mall on a major roadway. Placement should be consistent. For example, all signs in a mall should be on the same (northern, southern, etc.) end.

(c) Unnamed smaller sites and undeveloped areas should have a Parks logo posted.

(d) Every 500 yards along a boundary of a developed park with no entrance.

(e) At the entrance of every Parks' facility (pool, historic house, etc.).

(3) **Play Equipment Removal Signs:**

An appropriate sign should be posted where play equipment has been removec the request of a school principal or the community. The Parks' Inspection Program, however, no longer downgrades a site for missing such signs. Play equipment that has been removed for whatever reason will contribute to the downgrading of the feature (or possibly the entire site) if it has left behind any "unacceptable" conditions (e.g. 20% or more of the play equipment is either missing or damaged; at least one "immediate attention" is present).

IV. GLOSSARY OF ABBREVIATIONS

ADV	Adventure Equipment
BB	Belgian Block
B-BALL	Basketball
B-STOP	Backstop
BLCH	Bleacher
CLF	Chain Link Fence
CSE	Comfort Station Exterior
CSI	Comfort Station Interior
CT	Court
DF	Drinking Fountain
FS-DF	Free-Standing Drinking Fountain
HB	Hex Block
H-BALL	Handball Court
HC-C/C	Handicap Curb Cut
HC-DF	Handicap Drinking Fountain
I/S	In-Service
J	Junior Swing/Slide
K	Kinder Swing/Slide
O/S	Out-of-Service
PFEU	Pipe Form Exercise Unit
PRF	Pipe Rail Fence
PS	Paved Surface
SS	Safety Surface
SW	Sidewalk
TBF	Turf Ballfield
T-FORM	Timberform
TRAD	Traditional Bench/Play Equipment
TS	Tire Swing
VR	Vandal-Resistant Bench
WIF	Wrought Iron Fence
WM	Wall Mounted Drinking Fountain
WP	Wading Pool

V. VEHICLE INFORMATION

A. Vehicle Use And Care

(1) When signing out a vehicle from either the Zoo Garage or 79th Street Yard, you must sign the daily vehicle log sheet in the Dispatcher's Office, and note the time you sign out the vehicle as well as the time you bring it back.

(2) Before leaving the garage, the vehicle should be thoroughly inspected, both inside and out for new damage. The oil, water and transmission fluid should be checked every week on Mondays, and any deficiencies should be noted on the back of the trip ticket.

(3) All spaces on the trip ticket should be filled out carefully and accurately.

(4) Each stop should be noted on the trip ticket chronologically, including coffee breaks and lunch.

(5) Each successive driver uses the same trip ticket and indicates the change by using their initials in the signature column.

(6) Before returning the vehicle at the end of the day, the trip ticket must be turned in to the supervisor for review and signature.

(7) Tokens can be obtained for the bridges and tunnels through the supervisor. It is necessary that a receipt be obtained and turned in at the end of the day with the date, vehicle number and the driver's initials on the back.

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(8) The senior inspector assigned to the vehicle is responsible for keeping it clean and free of debris.

(9) At the beginning of each day, make sure that the gas tank is at least half full. If not, make sure you stop at the nearest Park garage to fill-up. A list of locations is on page 44.

(10) Be sure to leave vehicle keys in Dispatcher's Office at Zoo Garage or 79th Yard at the end of the day. Do not take keys home with you.

B. Emergency Information

(1) Operations & Managegement Planning Number - (212) 360-8230
(2) Tow Truck Number - (212) 860-1824
(3) Central Communications - (800) 427-0933

C. Fueling Locations

(DPR Sites)

BRONX:

Bronx Park
One Bronx River Parkway
Always Open
(212) 430-1871

Van Cortlandt Park
Mosholu Ave. & Broadway
Open Daily (6 AM - 4 PM)
(212) 822-4768

Orchard Beach
Parking Area Near Main Tower
Open Daily - Closes At Dusk
(212) 885-2275/3247

BROOKLYN:

Coney Island
Surf Avenue & West 25th Street
Open Daily (7:30 AM - 2:30 PM)
(718) 946-1350

Marine Park
Flatbush & Belt Parkway - **Unmanned Site**
Always Open

Prospect Park
7th Avenue & Prospect Park West
Always Open
(718) 965-6555

MANHATTAN:

Central Park
86th Street Transverse
Open Monday-Friday (7:30 AM - 3 PM)
(212) 408-0254

Randall's Island
New Five Borough Building
Open Monday-Friday (7:30 AM - 4 PM)
(212) 860-1823

QUEENS:

Cunningham Park
Union Turnpike & 199th Street
Always Open
(718) 217-6360/6240

Flushing Meadows Park
123-30 Roosevelt Ave. - Near Olmsted Center
Always Open
(718) 699-6765/4260

Forest Park
Forest Park Shops
Open Mon. - Fri. (7 AM - 3 PM)
(718) 520-5339

C. Fueling Locations (cont.)

(DPR Sites)

QUEENS (cont.):

Rockaway Garage
Amsted Blvd., Beach Channel Drive, B. 74-B. 75 Streets
Always Open
(718) 318-4000

STATEN ISLAND:

Silver Lake Park
Slosson Avenue & Victory Blvd.
Always Open
(718) 816-9196

HOW TO USE YOUR (RAD) GASCARD ALONG WITH YOUR (P)ERSONAL (I)DENTIFICATION (N)UMBER

STEP 1 - When you arrive at the **AUTHORIZED** Gas Station (on list that follows), take the GASCARD in your vehicle along with the **ODOMETER READING** to the attendant.

STEP 2 - Give **ONLY** your GASCARD to the attendant to open the transaction.

STEP 3 - The attendant will pass you the "Touch-Pad", on which the first entry asked for will be the accurate ODOMETER reading. Do so and press "ENTER".

STEP 4 - The readout will ask for your **P.I.N.** When entered, you will note that the number does NOT appear on the display, so BE CAREFUL to enter correctly. Press "ENTER".

STEP 5 - The readout will ask for a PUMP NUMBER. Enter the number of the pump you will use, (UNLEADED REGULAR), and press "ENTER".

STEP 6 - (*) In about 10 seconds, your "Approval" will appear on the readout and you can begin to pump your fuel.

STEP 7 - After fueling, **RETURN TO THE ATTENDANT,** sign your receipt and **TAKE YOUR VEHICAL GASCARD BACK TO YOUR VEHICLE.**

STEP 8 - **BE SURE TO PLACE THE GASCARD BACK IN THE VEHICLE AFTER USE.** The card belongs to the VEHICLE, not the driver.

(*) - Should you get an "error-message", notify the attendant for assistance **BUT UNDER NO CIRCUMSTANCE ARE YOU TO REVEAL YOUR P.I.N.** If the attendant cannot resolve the problem, have him call the "800" number on the back of the card.

"ALWAYS REVIEW THE RECEIPT BEFORE SIGNING !! "

Source: Department of General Services
Division of Financial & Administrative Services
Office of Fleet Administration
October 1995

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List of RAD Locations

Boro	CB	Site Name	Address
MA	02	ATLANTIC	534 Hudson St. nr. Charles St., W. Village
MA	12	MERIT	410 W. 207 St. nr. 9 Av., nr. Harlem River
MA	11	MERIT	120 W. 145 St. nr. Lenox Av., nr. Harlem River
MA	03	GNC	335 Bowery nr. Bleecker, E. Village
MA	09	BP	619 W. 125 St. nr. B'way, W. Harlem
MA	08	BP	92 St. & 1 Av., Upper East Side
MA	04	GETTY	152 10 Av. Nr. 19 St., Chelsea
MA	11	GETTY	348 E. 106 St. nr. 1 Av., E. Harlem
BK	04	BUY-RITE	1188 Metropolitan Av. nr. Stewart, Williamsburg/Bushwick
BK	14	MERIT	914 Coney Is. Av. nr. Ditmas Av., Bklyn College
BK	18	MERIT	810 Pennsylvania Av. nr. Linden Blvd., nr. Starett City
BK	12	MERIT	3501 Ft. Hamilton Pkwy. adjacent to Greenwood Cemetery
BK	02	MERIT	740 Atlantic Av. nr. 6 Av., not far from Flatbush Av.
BK	16	MERIT	2880 Atlantic Av. nr. Jerome St., E. New York
BK	01	MERIT	210 Greenpoint Av. nr. McGuinness Blvd., Greenpoint
BK	04	MERIT	1630 Bushwick Av. nr. Highland Blvd.,nr. Queens border,E. New York
BK	03	MERIT	801 Bedford Av. nr. Park Av., Bed-Stuy
BK	01	MERIT	810 Metropolitan Av. nr. Bushwick Av., Greenpoint/Williamsburg
BK	13	MERIT	1620 Neptune Av. nr. W. 17 St., Coney Island
BK	14	MERIT	2251 Nostrand Av. nr. Av. I, Bklyn College area
BK	16	MERIT	484 Remsen Av. nr. Kings Hway, E. New York
BK	18	MERIT	2400 Flatbush Av. nr. Av. T, Marine Park area
BK	08	MERIT	530 Utica Av. nr. Winthrop St., Crown Heights
BK	08	MERIT	1885 Atlantic Av. nr. Rochester, Crown Heights

BK	06	MERIT	204 4 Av. nr. Union St., Park Slope
BK	07	CITGO	5701 2 Av. nr. 57 St., Sunset Park
BK	01	GASCARD	37 Bridgewater St. nr. JJ Byrne Mem. Bridge & BQE, Greenpoint
SI	01	GULF	1252 Forest Av. nr. Jewett Av., Port Richmond
SI	01	MERIT	951 Bay St. nr. Townsend Av., Clifton
SI	02	GETTY	105 New Dorp Lane nr. SI Transit Railway, New Dorp
SI	02	MOBIL	863 Arthur Kill Rd. nr. Richmond Av., S/O LaTourette Park
SI	01	SUNOCO	2121 Forest Av. nr. Harbor Rd., Port Ivory
BX	03	MERIT	1201 Webster Av. nr. 168 St., Morrisania
BX	01	MERIT	370 Grand Concourse nr. 138 St., Mott Haven
BX	01	MERIT	126 Bruckner Blvd. nr. St. Ann's Av., Mott Haven
BX	12	MERIT	285 E. 233 St. nr. Katonah Av., Woodlawn
BX	02	MERIT	766 Southern Blvd. nr. Longwood Av., W/O Hunts Point
BX	09	MERIT	1596 White Plains Rd. nr. E. Tremont, Van Nest
BX	08	BP	5959 B'way nr. 242 St., Manhattan College area
BX	09	CITGO	1499 Bruckner Blvd. nr. Wheeler Av., N/O Soundview Park
BX	12	GASPOST	3203 Peartree Av. nr. N. England Thruway
BX	15	GETTY	3305 E. Tremont Av. nr. Bruckner Exwy., Schuylerville
BX	07	GETTY	2375 Jerome Av. nr. 184 St., University Heights
QNS	01	BP	46-06 Ditmars Blvd. nr. 46 St., Astoria
QNS	01	MERIT	38-02 21 St. nr. 38 Av., LIC/Astoria
QNS	13	MERIT	117-08 Springfield Blvd. nr. Linden Blvd., Cambria Heights
QNS	04	MERIT	97-01 N. Blvd. nr. 97 St., Corona
QNS	04	MERIT	77-33 Qns. Blvd. nr. 51 Av., Elmhurst
QNS	07	CITGO	153-17 N. Blvd. nr. 153 St., Flushing

QNS	08	CITGO	184-17 H. Harding Exwy nr. 184 St., Fresh Meadows
QNS	07	GAS STOP	195-06 N. Blvd. nr. 195 St., Flushing
QNS	07	MERIT	56-01 Main St. nr. 56 Av., Flushing
QNS	05	MERIT	80-07 Cypress Av. nr. Cooper Av., Glendale
QNS	12	MERIT	148-27 Liberty Av. nr. 148 St., Jamaica
QNS	12	MERIT	144 St. either Hillside or Jamaica Av., Jamaica
QNS	02	BP	48-02 Van Dam St. nr. 48 Av., LIC
QNS	07	CITGO	130-15 N. Blvd. nr. 130 St., Flushing
QNS	02	MERIT	39-02 Qns. Blvd. nr. 39 St., LIC/Sunnyside
QNS	02	MERIT	39-04 N. Blvd. nr. 39 St., LIC
QNS	13	MERIT	219-28 Hillside Av. nr. Springfield Blvd., Qns. Village
QNS	13	CITGO	243-02 S. Conduit nr. 243 St., Rosedale
QNS	10	MERIT	134-15 Cross Bay Blvd. nr. 134 Av., Howard Beach
QNS	10	MERIT	129-30 N. Conduit nr. 129 St., South Ozone Park

NOTES:

Appendix A: Examples of Immediate Attentions

Feature:	Examples:
Sidewalks/Paved Surface	-Protruding Objects (signstubs) -Missing/Damaged Metal Covers -Badly Uplifted/Damaged Pavers -Holes in Pavement
Safety Surface	-Missing/Damaged Critical Areas -Compacted Earth -Insufficient Amounts of Woodchips/Sand
Play Equipment	-Exposed Metal on Rubber and Tire Swings -Damaged/Missing SlideBeds: -Unbarricaded Slide Bed Anchors -Damaged Sidewalls/Handrails -Missing/Damaged Anchor Clamp -Deteriorated Tires on Tire Swings -Missing/Damaged Planks to Platforms -Missing Lug Bolts to Climbing Poles (allowing bars to rotate) -Damaged/Missing Equipment Where Area is Not Properly Blocked Off
Benches	-Exposed Bolts -Splintered/Damaged Slats -Damaged Supports (exposed rods w/sharp edges)
Fencing	-Downed/Damaged Sections (esp. safety fencing for swings) -Sneakholes (w/a large drop to ground level)
Trees	-Large Dead Branches, especially in play and sitting areas (4"+ in dia.) -Dead Trees in Play Areas -Low Hanging Branches (eye level)

Appendix A: Examples of Immediate Attentions (cont.)

Feature:	Examples:
Sprinklers/Wading Pools	-Damaged or Missing Drain Covers -Clogged Drains Leading to Unsanitary Conditions -Sharp Edges Caused By Missing Cap Heads. -Damaged/Missing Sections of Fencing.
Sandboxes	-Unsanitary Material (e.g. feces, food, needles) in Sand. -Damaged Sections of Fencing Create Sharp Edges or Protrusions
Comfort Station Exterior	-Collapsing Aluminum Flashing -Jagged Edges on Rusted/Damaged Doors -Vandalized, Protruding Window Mesh
Comfort Station Interior	-Unsanitary Conditions -Jagged Edges or Protrusions on Equipment (dispensers, stall wallsand doors, etc.) -Deteriorating Ceiling or Floors
Drinking Fountains	-Unsanitary Conditions (e.g. glass, standing water) in Fountain Bowl -Jagged Edges on Spigot -Severely Deteriorated Structure (w/exposed plumbing)
Walls/Ramps/Stairs	-Exposed Metal Rods on Steps -Deteriorating Support Walls -Deteriorated/Missing Steps

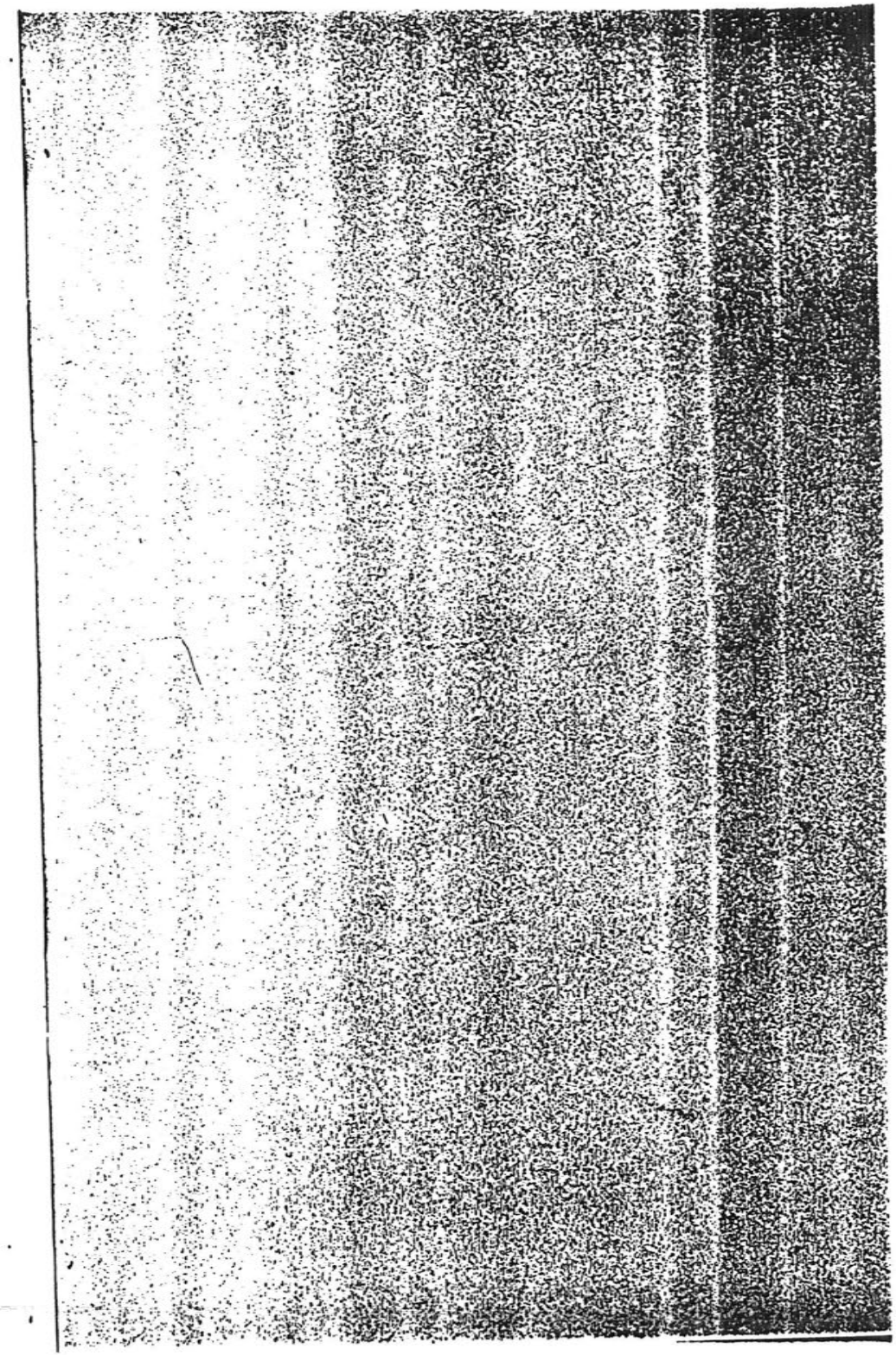


EXHIBIT G

EXHIBIT G

TIMING OF DECLARANT'S IMPROVEMENT

REQUIREMENT	TIMING
1. Completion of Coney Island Avenue Improvements	Prior to the issuance of a TCO of any residential units in excess of 150th residential units
2. Subject to the Construction Area of 2,500 square feet, Completion of Brighton Beach Avenue Open Space	Prior to the issuance of a TCO of any residential units in excess of 250th residential units
3. Completion of the Park Strip Improvements	Prior to the issuance of a TCO of any residential units in excess of 350th residential units
4. Completion of the Temporary Public Pedestrian Easement including the ramp over the Park Strip	Prior to the issuance of a TCO of any residential units in excess of 450th residential units
5. Completion of the Public Pedestrian Easement	Prior to the issuance of a TCO of any residential units in excess of 750th residential units
6. Completion of the entire Brighton Beach Avenue Open Space	Prior to the issuance of a TCO of any residential units in excess of 850th residential units or Completion of construction of the Project, whichever occurs first

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Re: Oceana Condominium No. Three

Ladies and Gentlemen:

We are the Sponsor and the Principals of Sponsor of the Condominium Offering Plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Parts 20 and 22 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 which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where 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 penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

BRIGHTON DEVELOPMENT, LLC
By: Allied Brighton, LLC, Managing Member

By: _____
Joshua L. Muss, Managing Member

ALLIED BRIGHTON LLC, Managing Member

By: _____
Joshua L. Muss, Managing Member

_____
Joshua L. Muss

Sworn to before me this
2nd day of DECEMBER, 1999.

_____
Notary Public

CAROL COLODNER
Notary Public, State of New York
No. 41-4767538
Qualified in Queens County
Commission Expires 2/2/2001

F\USERS\CAROL\OCEANA3\CERTSPON

SCHUMAN LICHTENSTEIN CLAMAN EFRON • ARCHITECTS
841 BROADWAY, NEW YORK, N.Y. 10003-4785 • (212) 979-8400 • FAX (212) 979-8387

CERTIFICATION OF ARCHITECT

New York State Department of Law
Real Estate Financing Bureau
120 Broadway – 23rd Floor
New York, New York

Re: **Oceana Condominium No. Three**
60 Oceana Drive West
Brooklyn, New York 11235

Ladies & Gentlemen:

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare reports describing the construction of the property (the "Reports"). I have examined the building plans and specifications that were prepared by our office dated January 28, 2000 and prepared the Reports dated January 20, 2000, copies of which are intended to be incorporated into the offering plan so that prospective purchasers may rely on the Reports.

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 and Part 22 insofar as they are applicable to these Reports.

I have read the entire Reports and investigated the facts set forth in the Reports and the facts underlying them, 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 Reports:

i. set forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical conditions of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

iii. does not omit any material fact;

iv. does not contain any untrue statement of a material fact;

v. does not contain any fraud, deception, concealment, or suppression;

vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

vii. does not contain any representation or statement which is false, where I:

a) knew the truth;

b) with reasonable effort could have known the truth;

c) made no reasonable effort to ascertain the truth; or

d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing these Reports 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.

SCHUMAN LICHTENSTEIN CLAMAN EFRON
ARCHITECTS

By: _____

Peter Claman, A.I.A.
Partner

REGISTERED ARCHITECT ★ STATE OF NEW YORK

Sworn to before me this 2nd Day of February 2, 2000

HOWARD HOFFMAN
Notary Public, State of New York
Qualified in
Commission Expires

Notary Public

BUCHBINDER & WARREN LLC
One Union Square West
New York, New York 10003
(212) 243-6722

CERTIFICATION OF ADEQUACY OF BUDGET

January 27, 2000

State of New York Department of Law
Real Estate Financing Bureau
120 Broadway - 23rd Floor
New York, New York

Re: Oceana Condominium Section III
Brooklyn, New York 11235 (the "Premises")

The sponsor of the Condominium Offering Plan for the above-referenced Premises retained the undersigned to review Schedules "B", "C" and "C-1" (the "**Schedules**") containing projections of income and expenses for the first year of condominium operation of the Premises starting June 1, 2002 and ending May 31, 2003.

Undersigned or undersigned's principal(s) have managed or operated cooperatives or condominiums or rental properties for at least 40 years.

Undersigned understands that undersigned is responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 and Part 22 (as applicable) insofar as they are applicable to the Schedules "B", "C", and "C-1".

Undersigned has 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. Undersigned also has relied on undersigned's experience in managing residential buildings.

Undersigned certifies that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the first year of condominium operation.

Undersigned certifies that the Schedules:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where undersigned:

(a) knows 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.

Undersigned further certifies that undersigned is not owned or controlled by the Sponsor. Undersigned understands 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 penalty of perjury for the benefit of all persons to whom this offer is made. Undersigned understands that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

BUCHBINDER & WARREN LLC
By: _____

Print Name: **Rosemary Paparo**

Print Title: **Director of Management**

Sworn to before me this
27th day of **January, 2000**

_____
Notary Public

GRACE C. HAMLER
Notary Public, State of New York
No. 4922231
Qualified in New York County
Commission Expires Feb. 29, 2000