

THIS OFFERING PLAN HAS BEEN AMENDED -
SEE INSIDE FRONT COVER

CONDOMINIUM OFFERING PLAN

FOR

CROWN-BERGEN CONDOMINIUM

LOCATION

**1062 BERGEN STREET
BROOKLYN, NEW YORK 11216
COUNTY OF KINGS**

16 RESIDENTIAL UNITS

(1 Superintendent's Apartment exists but is not being offered for sale.)

TOTAL OFFERING - \$2,895,950.00

SPONSOR AND SELLING AGENT:

**CTC GROUP INC.
48 Hester Street
New York, New York 10002
(212) 353-8563**

Date of Acceptance for Filing: February 22, 2001

This Offering Plan may not be used after: February 21, 2002

Unless extended by an Amendment to the Offering Plan.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

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

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I. SPECIAL RISKS

1. The provisions in the Declaration, the By-Laws and/or the Rules and Regulations concerning additions, alterations or improvements by Unit Owners, the use of the Common Elements, and the sale or leasing of Units do not apply to the Sponsor. Such documents can be found in Part II.

2. The Sponsor will have voting control of the Board of Managers until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty percent of (ii) two (2) years after the first Unit Closing, at which time the existing three-member Board will resign and a new five-member Board will be elected by all Unit Owners, subject to the limitations hereinafter stated. So long as the Sponsor or a Sponsor-affiliate shall continue to own Units representing 20% or more in Common Interest, the Sponsor or Sponsor-affiliate shall have the right to elect one of the five members of the Board of Managers. Sponsor may not exercise veto power over expenses described in Schedule B of the Plan, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner. See By-Laws in Part II for further details.

3. The Sponsor will apply for real estate tax benefits pursuant to the J-51 Program. Although it anticipated that this application will be granted, there can be no assurance of same. No representation is made as to whether or when the foregoing benefits will become effective. The Sponsor does not anticipate obtaining the benefits before the closing of the first Unit. If these benefits are granted, each Unit Owner's liability for the payment of real estate taxes will be reduced. When these benefits expire, each Unit Owner will be fully liable for the payment of all real taxes assessed against his Unit. If the Sponsor's J-51 application is not granted, Units will be fully taxable for real estate tax purposes. See Section entitled "Real Estate Taxes" for further details.

4. Purchasers will be required to pay the following:

- a. New York State Transfer Tax and the New York City Real Property Transfer Tax.
- b. Fee for the Sponsor's closing attorneys, Chu & Partners, in the amount of \$500.00. In the event that the closing is not held at the offices of Chu & Partners, an additional fee of \$250.00 will be added. Moreover, in the event that the Purchaser orders title insurance from a company other than Summit Associates, the Purchaser

will be required to pay an additional fee of \$250.00 to Sponsor's counsel for their additional services in clearing title and furnishing documents to such other Company.

- c. In the event Purchaser receives a discount in the title insurance premium by reason of prior title insurance covering the Property, then the Purchaser shall pay the Sponsor an amount equal to one-half of the savings in the title insurance premium.

See Section entitled "Unit Closing Costs And Adjustments" for further details.

5. Pursuant to existing law and regulation the Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the Units in the Building. See Section entitled "Effective Date" for details. 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 Building with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase a Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35% or 50%) 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 purchased is lower than a lender's particular sales minimum.

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

6. No bond or other security has been furnished to secure Sponsor's obligations under the Offering Plan or Sponsor's obligations to complete the renovations to the Building. See Section entitled "Rights and Obligations of the Sponsor" for further details.

7. In the event that the laundry income is less than projected, the Common Charges due from Residential Unit Owners may have to be increased.

8. Any deposit in excess of \$100,000.00 will not be federally insured in excess of \$100,000.00.

II. INTRODUCTION

CTC GROUP INC., a New York corporation (the "Sponsor"), hereby presents its offering plan (the "Offering Plan") for the establishment of condominium ownership of the premises commonly known as 162 Bergen Street, Brooklyn, N.Y. (The "Property"). The Condominium shall be known as CROWN-BERGEN CONDOMINIUM. The Sponsor acquired title to the Property on May 14, 1999. The Building was originally constructed in 1920 and is currently vacant. It is undergoing a complete renovation. A detailed description of the Building can be found in the Engineer's Report in Part II of the Plan. It is anticipated that a temporary or permanent Certificate of Occupancy permitting Purchasers of Units to occupy the Building will be obtained by December 31, 2000, unless completion of the work is 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.

Purpose

The purpose of this Offering Plan is to set forth all the material terms of the Sponsor's offer. The Offering Plan may be amended from time to time when an amendment is filed with the New York State Department of Law and served on all offerees as defined in Section 20.1(d) of the Regulations.

Condominium Act

The Condominium is subject to and complies with Article 9-B of the Real Property Law of the State of New York, as amended, which is commonly known as the "New York Condominium Act." A Declaration submitting the Property to the New York Condominium Act, and the By-Laws, will be recorded prior to conveyance of title to the first Unit by the Sponsor.

Number and Type of Units

The Sponsor is offering for sale sixteen (16) residential Units. There will also be a Superintendent's apartment in the Basement of the Building which will be part of the Common Elements and is not being offered for sale. No parking or recreational facilities are included in the Condominium or in the Offering Plan. No Units have been built or will be built pursuant to related offering plans or related sections of the Condominium Act.

THE PURCHASE PRICES FOR THE UNITS ARE SET FORTH IN SCHEDULE A. THE PURCHASE PRICES WERE SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

The Plan delivered to prospective Purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge, and for copying at a reasonable charge, to prospective Purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or Sponsor. Copies of the Plan and all Exhibits thereto will also be available for inspection and copying at a reasonable fee at the Department of Law.

In this Offering Plan, there are no limitations on who may purchase Units. Under the New York Condominium Act, a condominium unit may be owned by a natural person, corporation, partnership, limited liability company, association, trustee, or other legal entity.

Features of Condominium Ownership

A condominium unit owner ("Unit Owner") owns his condominium unit ("Unit") in a manner similar in many respects to the manner in which a private home owner owns his home. Each purchaser of a Unit owns his Unit outright and is entitled to exclusive possession of that Unit. He also owns in fee in common with the other Unit Owners, an undivided interest in all parts of the Condominium other than the Units ("Common Elements"), including without limitation, the land, and the exterior walls, roofs and entrances of the Building. He will also have the exclusive right to use any Limited Common Elements appurtenant to his Unit.

The authority to manage and operate the property and affairs of the Condominium is vested in the Board of Managers. As a Unit Owner, one has the right, as provided for in the By-Laws of the Condominium, to vote for the election of the members of the Board of Managers.

The Board of Managers will assess every Unit Owner, in proportion to his respective interest in the Common Elements, charges ("Common Charges") for the costs and expenses incurred in connection with the maintenance and operation of the Common Elements ("Common Expenses"). Each Unit Owner must pay common charges in accordance with the New York Condominium Act Sections 339(i) and (m). Included, among other things, in the Common Charges payable by Unit Owners will be charges for the costs and expenses of insurance premiums, management fees, and all repairs and

maintenance of the Common Elements. The projected budget for the first year of operation of the Condominium is set forth in Schedule B.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, Rules and Regulations and any other requirements of the Board of Managers.

In addition to Common Charges, a Unit Owner will have the responsibility for interior repairs and maintenance of his Unit and of procuring casualty and liability insurance covering his Unit, if he desires, and shall pay the cost and expense thereof. This is distinguishable from the charges for repair and maintenance of the Common Elements and for casualty and liability insurance covering the Common Elements which will be paid by the Board of Managers as a Common Expense and will be included in the Common Charges. A Unit Owner will also be responsible for interest and amortization payments on his mortgage, if any. Water charges and sewer rents covering the Units are to be paid by the Board of Managers as a Common Expense and will be included in the Common Charges.

A Unit Owner may decorate or improve the interior of his Unit subject to compliance with the By-Laws and the Rules and Regulations made in accordance therewith, and provided no damage is done to any other Units or the Common Elements.

A Unit Owner may sell or lease his Unit to anyone without restriction or limitation, subject, however, to a right of first refusal held by the Board of Managers. (See "Rights and Obligations of Unit Owners"). Each Unit Owner may mortgage his Unit, as he sees fit, with such lender and in such amount as he chooses, subject only to compliance with the By-Laws. Under this Offering Plan, there is no restriction on financing the purchase of Units and Purchasers will be free to obtain their own mortgage financing. The Sponsor has not obtained a commitment from any lender to finance the purchase of Units. No representation is made as to the availability or terms of such financing.

A Unit will be treated as a separate tax lot for real estate tax purposes, just as a private home is treated, and no Unit Owner will incur any liability if any other Unit Owner fails to pay real estate taxes assessed against his Unit. The tax consequences of ownership of a Unit are set forth in the opinion of the Sponsor's tax counsel which can be found in Part I of the Plan.

Each Unit is a separate entity for mortgage purposes and is not subject to any mortgage placed by other Owners on their Units.

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 AN AGREEMENT TO PURCHASE A CONDOMINIUM.

III. DEFINITIONS

This Plan is the Offering Plan for the establishment of condominium ownership of the land (the "Land"), and the buildings and structures erected thereon (the "Building"), located at 1062 Bergen Street, Brooklyn, New York.

1. **"Board of Managers"** as hereinafter referred shall mean the board of individuals responsible for governing the affairs of the Condominium.

2. **"Common Charges"** as hereinafter referred shall mean each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

3. **"Common Elements"** as hereinafter referred shall mean the Building, except the Units, including without limitation, outside walls and roofs of Units, the land, buildings and improvements (other than the Units) comprising the Building, and all utility or other pipes and materials located outside of the Units, and sidewalks.

4. **"Common Expenses"** as hereinafter referred shall mean and include the expenses of the operation of the Property, and all sums designated common expenses by or pursuant to the provisions of the Declaration, the By-Laws, or the provisions of the New York Condominium Act.

5. **"Common Interest"** as hereinafter referred shall mean the proportionate, undivided interest each Unit Owner has in the Common Elements.

6. **"Condominium"** as hereinafter referred to shall mean CROWN-BERGEN CONDOMINIUM which is composed of the Unit Owners.

7. **"Condominium Act"** as hereinafter referred shall mean Article 9-B of the Real Property Law of New York State, as amended.

8. **"Declaration"** as hereinafter referred shall mean the instrument by which the Property is submitted to the provisions of the New York Condominium Act.

9. **"Department of Law"** as hereinafter referred shall mean the Department of Law of the New York Real Estate Financing Bureau.

10. **"Limited Common Elements"** means the Common Elements appurtenant to a particular Unit or Units the use of which is restricted to the Owners of such Unit or Units. The respective responsibilities of such Unit Owners and the

Condominium Board for repair and maintenance of Limited Common Elements are set forth in the Declaration and By-Laws.

11. **"Person"** as hereinafter referred shall mean a natural person, corporation, partnership, limited liability company, association, trustee or other legal entity.

12. **"Property"** as hereinafter referred shall mean and include the Land, the Building and all other improvements thereon owned in fee, and all easements, rights and appurtenants belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York Condominium Act.

13. **"Purchase Agreement"** as hereinafter referred shall mean an agreement to purchase a Unit.

14. **"Selling Agent"** as hereinafter referred shall mean CTC Group Inc., a New York corporation.

15. **"Sponsor"** as hereinafter referred shall mean CTC Group Inc., a New York corporation.

16. **"Unit"** as hereinafter referred shall mean a space, designated as a Unit in the Declaration consisting of a specific Unit in the Building and an appurtenant undivided interest in the Common Elements.

17. **"Unit Owner"** as hereinafter referred shall mean the owner of fee title to a Unit.

18. **"Unsold Unit"** as hereinafter referred shall mean a Unit owned or retained by the Sponsor.

IV. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property is located in the Borough of Brooklyn, County of Kings, City and State of New York, on the south side of Bergen Street, approximately 239 feet west of Nostrand Avenue. Both of these are public streets. No roads are being constructed by the Sponsor. The Property is a rectangular shaped parcel measuring 38 feet by 125.29 feet. The site occupies a lot size of approximately 4,761 square feet. The Property is designated on the Tax Map of the Borough of Brooklyn as Block 1219, Lot 25. It is located within a R-6 zoning district.

The Building was originally constructed in 1920 and is currently vacant. It is undergoing a complete renovation, and is scheduled to be substantially completed on November 15, 2000. The Building is non-fireproof, Class II A construction. It has 4 stories plus a cellar. The height of the Building is approximately 48 feet.

A detailed description of the Building can be found in Part II of this Offering Plan. All major fixtures and equipment set forth in this description, including refrigerators, stoves and kitchen cabinets, are included in the purchase price. The Property will be improved and the Units constructed in accordance with all applicable zoning and building laws, regulations, codes and other governmental requirements of the City of New York.

The Building will have a laundry room in the basement, with coin-operated machines. There will be two washing machines and two dryers.

Prior to the closing of the first Unit, the Sponsor will, at its own cost and expense, obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit. The Sponsor will obtain a permanent certificate of occupancy for the Property within twenty-three (23) months after closing the first Unit. The Sponsor will obtain the permanent certificate of occupancy before the partial or temporary certificate expires, unless extended.

If the first closing takes place prior to the issuance of a permanent certificate of occupancy for the Property, the Sponsor will maintain all deposits and funds in the special escrow account required by New York General Business Law Section 352-e (2)(b) unless the 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, in which case the sum exceeding the amount so certified by the Sponsor's

engineer or architect may be released from the special escrow account. Alternatively, by prior amendment, the Sponsor will deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified.

V. LOCATION AND AREA INFORMATION

The Property is located in the central portion of the Borough of Brooklyn, County of Kings, in the City of New York. It is on the south side of Bergen Street, approximately 239 feet west of Nostrand Avenue.

This portion of Brooklyn is developed primarily with one and two family dwellings plus some low to medium rise walk-up apartment and elevator buildings. It also is closely identified with the Prospect Park Complex located nearby. This Park contains the Brooklyn Museum, Brooklyn Central Library, Prospect Lake and the Brooklyn Botanical Gardens. Nearby subway and bus lines provide easy access to Manhattan and other parts of New York City.

New York City remains the financial and cultural capital of the world. The Property is within easy access of numerous restaurants, food markets, banks, retail establishments and houses of worship. It is also within easy access of a variety of medical, educational and recreational facilities including Kings County Hospital and Kingsborough Jewish Medical Center.

As the Property is located in the City of New York, all municipal services are provided by the City of New York. These include police, fire, water, sanitation, snow removal, and road maintenance services.

The Property is located within a R-6 zoning district, a general residential district. Permissible uses are Use Groups 1 through 4. These groups permit a wide range of residential uses and community facilities.

Neither Sponsor nor any principals of Sponsor own, in whole or part, or have an option or right to acquire in whole or part, any adjoining areas which are not fully developed.

CROWN-BERGEN CONDOMINIUM

SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION

(All Projected charges are for the Twelve Month Period
Commencing April 1, 2001 and ending Marh 31, 2002.)

Unit # (1)	Number of Bedrooms and Bathrooms	Approx. Sq. Ft. Area (2)	Estimated Purchase Price (\$) (3)	% of Common Interest (4)	Projected Monthly Common Charges (\$) (5)	Projected Real Estate Taxes (\$)			Projected Total Monthly Carrying Charges (\$)		Projected Monthly Carrying Charges Deductible for Income Tax Purposes Assuming Tax Abatement (\$) (8)
						Assuming Tax Abatement (6)	Assuming No Tax Abatement (7)	Mo./Year	Assuming Tax Abatement	Assuming No Tax Abatement	
						Mo./Year	Mo./Year				
1A	2 - 1	522	182,700	6.459	236.29	14.38 / 172.56	66.12 / 793.44		250.67	302.41	14.38
1B	2 - 1	522	182,700	6.459	236.29	14.38 / 172.56	66.12 / 793.44		250.67	302.41	14.38
1C	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
1D	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
2A	2 - 1	531	185,500	6.563	240.10	14.61 / 175.32	67.18 / 806.16		254.71	307.28	14.61
2B	3 - 1	662	231,350	8.187	299.50	18.22 / 218.64	83.81 / 1,005.72		317.72	383.31	18.22
2C	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
2D	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
3A	2 - 1	531	185,500	6.563	240.10	14.61 / 175.32	67.18 / 806.16		254.71	307.28	14.61
3B	3 - 1	662	231,350	8.187	299.50	18.22 / 218.64	83.81 / 1,005.72		317.72	383.31	18.22
3C	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
3D	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
4A	2 - 1	531	185,500	6.563	240.10	14.61 / 175.32	67.18 / 806.16		254.71	307.28	14.61
4B	3 - 1	662	231,350	8.187	299.50	18.22 / 218.64	83.81 / 1,005.72		317.72	383.31	18.22
4C	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
4D	2 - 1	433	160,000	5.354	195.87	11.92 / 143.04	54.81 / 657.72		207.79	250.68	11.92
Total:	8,087		2,895,950	100.00	3,658.34	222.61 / 2,671.32	1,023.69 / 12,284.28		3,880.95	4,682.03	222.61

FOOTNOTES TO SCHEDULE A

1. The number of rooms is calculated for each Unit as being equal to the number of "rooms" to be counted for a particular apartment for lot area requirements according to the Zoning Resolution of the City of New York. This basis of calculation is commonly known as the "zoning law" room count. Floor Plans showing the layout and approximate dimensions of the Units are found in Part II of the Plan. An identification of the rooms within each Unit line can be found in the Engineer's Report of Melvin Lindner, P.E. in Part II of the Plan.
2. Square footages shown are approximate net square footages and are not guaranteed. See Part II of the Plan for the floor plans showing the layout and approximate dimensions of the Units. Each Unit should be inspected to determine its exact layout and dimensions.
3. Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes In Prices Or Units". Please note that purchase prices are negotiable although Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price". In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs And Adjustments". While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.
4. The percentage interest of the respective Units in the Common Elements has been determined upon the ratio of the square foot area of each Unit to the total square foot area of all Units. These allocations are made pursuant to the terms of Sec. 339-i(1)(ii) of Article 9-B of the Real Property Law of the State of New York. The aggregate Common Interest of all Units equals 100%.
5. These estimates are based upon the "Projected Budget for First Year of Operation", which can be found in Schedule B of the Plan. These projections do not include certain costs for which a Unit Owner is generally responsible such as debt service on any loan obtained to finance the acquisition of his Unit, the cost of interior repairs to, and the maintenance, painting and decoration of his Unit, separately metered electricity, and the cost of any insurance covering his personal property and liability

to others for personal injury or property damage as a result of occurrences in his Unit.

6. The Sponsor has or will apply for tax exemption benefits under Section 11-243 of the New York City Administrative Code (commonly known as the J-51 Program). It is the opinion of Sponsor's counsel, Chu & Partners, that based on current laws and regulations and application, the Property will be entitled to real estate tax benefits under the J-51 Program. (See "Counsel's Real Estate Tax Exemption Opinion" in Part I of the Plan).

The real estate tax projections in this column assume that J-51 tax benefits are granted and are based on the assumption that the benefits will not commence until July 1, 2001. Accordingly, the taxes for the period from March 1, 2001 to February 28, 2002 were computed by taking four months of taxes based on the actual annual taxes of \$2,670.96, with no taxes for the remaining eight months. This results in a projected tax of \$890.32 for the anticipated first year of operation. These projections were also based on the presumption that any increases in the assessed valuation due to improvements to the Property will not come into effect until the 2001/02 tax year. There can be no assurance that this will be the case.

These projections assume that the real estate taxes will be apportioned to the Units according to the proportion that each such Unit's percentage of Common Interest bears to the aggregate Common Interest of all Units. No assurances can be given that this method of apportionment of real estate taxes will be used by the City of New York. If the first year of condominium operation commences before the J-51 benefits are in effect, or if the benefits are never granted, then the real estate taxes payable by Unit Owners will increase, possibly substantially.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

7. The real estate tax projections in this column assume no tax abatement and are based upon an estimate for the assessed valuation after completion of construction prepared by Arthur Chiaramonte, MAI, of Capital Appraisal Services, Inc., 19-02 Whitestone Expwy., Suite 304, Whitestone, N.Y. 11357. In such estimate, the assessed valuation for the Property after completion of construction was projected to be \$157,500.00. The 2000/01 actual assessed valuation is \$24,615.00. The real estate taxes for the anticipated first year of operation, March 1, 2001 to February 28, 2002, were computed by taking four months of taxes based on the actual 2000/01 taxes of \$2,670.96 per year, and eight months based on the \$157,500.00 projected

assessed valuation after completion of construction, and applying the present tax rate of \$10.851 per \$100.00 of assessed valuation. This results in a projected tax of \$12,284.00 for the anticipated first year of operation.

These projections assume that the real estate taxes will be apportioned to the Units according to the proportion that each such Unit's percentage of Common Interest bears to the aggregate Common Interest of all Units. No assurances can be given that this method of apportionment of real estate taxes will be used by the City of New York. The real estate taxes were also projected using a tax rate of \$10.851 per \$100.00 of assessed valuation for the Units. There can be no assurance that the tax rate will be at this level. This projection was also based on the presumption that any increases in the assessed valuation due to improvements to the Property will not come into effect until the 2001/02 tax year. There can be no assurance that this will be the case.

8. The amount projected herein only consists of Real Estate Taxes. In the event that any Unit Owner obtains mortgage financing for his Unit the interest paid on such mortgage indebtedness, in most cases, will be deductible for income tax purposes. The projected income tax deduction may vary in future years due to the changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. For more details, see "Counsel's Income Tax and Real Property Law Sec. 339(i) Compliance Opinion" in Part I of the Plan.

SCHEDULE B

Projected Budget For First Year of Operation Beginning March 1, 2001

Projected Income

Common Charges (1)	\$43,900.00
Laundry Income (2)	\$ 3,600.00
Total Income	\$47,500.00

Projected Expenses

Salaries and Other Labor Costs (3)	\$ 7,214.00
Gas (Including Heating, Cooking Gas, Hot Water and Laundry Room) (4)	\$ 9,953.00
Electricity (5)	\$ 375.00
Water and Sewer (6)	\$ 3,478.00
Repairs, Maintenance and Supplies (7)	\$ 3,000.00
Service Contracts (8)	\$ 2,485.00
Insurance (9)	\$ 7,000.00
Management Fees (10)	\$ 9,600.00
Legal and Audit Fees (11)	\$ 2,000.00
Other (12)	\$ 1,000.00
Contingency (13)	\$ 1,395.00
Total Expenses	\$47,500.00

FOOTNOTES TO SCHEDULE B

1. Common Charges

Amounts are projected on the assumption that the first year of condominium operation will be the year from March 1, 2001 to February 28, 2002. The actual first year of operation may be earlier or later than that year.

In the event that the projected commencement date of the first year of the condominium operation is revised to be six (6) months or more later than March 1, 2001, the Plan will be amended to include a revised budget disclosing then current budget projections. If the Common Charges in the revised budget projections exceed the earlier projections by twenty-five (25%) percent or more, the amendment will provide all Purchasers with the right to rescind their Purchase Agreements and have their deposits refunded to them within a reasonable period of time. Purchasers will be given fifteen (15) days after the date of presentation to exercise the right of rescission, whether or not Sponsor offers to guarantee the previous budget projection. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

2. Laundry Income

The budgeted figure is based upon laundry room usage for comparable buildings. The Unit Owners shall pay for the cost of gas, electricity and water for the laundry machines and room as a Common Expense. Any Laundry Income shall be credited against, and in reduction of, the Common Charges due from Unit Owners. In the event that the Laundry Income is less than projected, the Common Charges may have to be increased.

3. Salaries and Other Labor Costs

This projection is based on the employment of one part-time non-union resident superintendent to service the Building. The annual labor costs for this employee are as follows:

	<u>Superintendent</u>
Wages	\$ 6,000.00
FICA at 7.65% of Wages	\$ 459.00
Unemployment Insurance at 7% of first \$7,000.00 of wages	\$ 420.00
Worker's Compensation Insurance at 4% of Wages	\$ 240.00
Disability Insurance at \$7.90 per employee per month	<u>\$ 95.00</u>
	Total: \$ 7,214.00
	<u><u> </u></u>

These wages meet state minimum wage laws.

The costs of these services for the first year of Condominium operation is based on the number of condominium units and comparable costs for buildings of this size, with an inflation allowance. There will be no other employees of the Condominium. This does not violate applicable housing or labor laws.

4. Gas (Including Heating, Hot Water, Cooking Gas and Laundry Room)

The Building uses gas furnished by Keyspan for heating, hot water, cooking and the laundry room dryers. This estimate is based on the projections of Melvin Lindner, P.E., 103 Aspen Drive East, Woodbury, N.Y. 11797, contained in the Energy Budget Estimate dated September 26, 2000. This estimate is contained in Part II of the Plan.

5. Electricity

This budgeted figure pertains only to the cost of providing electricity to the common areas of the Building only, including the laundry room. The estimate is based on the projections of Melvin Lindner, P.E. contained in the Energy Budget Estimate dated September 26, 2000. Electricity consumed within a Unit shall be separately metered and paid for by the owner of such Unit.

6. Water and Sewer

The cost of water and sewer charges will be borne by the Unit Owners in proportion to their respective Common Interests. The budgeted figure is based on the projections of Melvin Lindner, P.E. contained in the Energy Budget Estimate dated September 26, 2000.

7. Repairs, Maintenance and Supplies

The budgeted figure for these items includes normal repairs, maintenance and supplies, and is based upon the expenditures for comparable buildings, with an inflation allowance, taking into account the fact that the Building is newly renovated. This figure does not include maintenance and repairs within specific Units, which are the obligation of the Unit Owner, but is designed to cover the cost of maintaining the Common Elements only. No provision has been made to cover the cost of any major capital expenditure. Although no such expenditures are expected because the Building is newly renovated, each Unit Owner will be obligated to pay his pro-rata share of such expenditures in the event that any such expenditures are required.

8. Service Contracts

The budgeted figure for this item is based on a written estimate and covers the following:

<u>Contractor</u>	<u>Nature of Service</u>	<u>Annual Cost (\$)</u>
Coinmach Corp.	Service Laundry Machines	720.00
Terminix	Pest Control	1,137.00
Demar Plumbing & Heating	Sprinkler Maintenance	628.00

9. Insurance

This estimated expense pertains to the insurance policy that will cover the Condominium upon the first sale of any of the Units and is based on the projection of C.L. Insurance Agency Inc., 23 Pell Street, 2/F, New York, N.Y. 10013. The projection is for the following coverages:

Property

Building	\$1,400,000.00
Loss of Rents	\$ 80,000.00
Boiler & Machinery	\$ 1,400.00
Deductible	\$ 1,000.00
Cause of Loss: Special Form, Replacement Cost, 90% co-insurance Agreed Amount.	

General Liability

General Aggregate Limit	\$2,000,000.00
Each Occurrence	\$1,000,000.00
Directors & Officers	\$1,000,000.00

Umbrella Liability

Limit	\$1,000,000.00
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Estimated annual premium - \$7,000.00.

The budgeted item is considered to be a reasonable estimate. The premium is subject to rate changes at the time coverage is commenced.

The insurance coverage will meet the requirements of any mortgage lender procured by the Sponsor. The fire, casualty and general liability insurance will provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board of Managers; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The proposed insurance coverage with respect to the Condominium provides for an "agreed amount replacement cost" clause whereby the insurer agrees to reimburse the insured for the losses up to the full amount of the policy regardless of the actual replacement value of the Building. The Condominium would be fully protected against failure to conform to "coinsurance" requirements. This clause does not mean that the Condominium would necessarily receive sufficient proceeds to actually rebuild the Building in the event of a total destruction. In order to safeguard the investment of its Unit Owners in case of a substantial or total destruction of the Building, the Condominium should periodically review the amount of real property insurance for the Building. This coverage does not include claims for personal injury or property damage resulting from occurrences in apartments, nor does it include coverage of the furniture or personal property of Unit Owners. Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost to cover such risks as fire and casualty losses to the contents, replacements, additions, upgraded fixtures and improvements within his Unit and liability coverage for personal injury and property damage as a result of occurrences within the Unit, or where applicable, on Limited Common Elements.

10. Management Fees

Ed-Mar Management Inc., an affiliate of the Sponsor, will act as Managing Agent for an initial term of one year with an annual compensation of \$9,600.00, payable \$800.00 per month. The Management Agreement will be automatically extended monthly thereafter until cancelled by either party on at least sixty (60) days prior written notice. The management fee is similar to the fees charged by other management companies for comparable buildings. The services to be rendered by the Managing Agent will include (a) billing and collecting Common Charges and assessments; (b) supervising maintenance and repairs; (c) purchasing supplies; and (d) collection and remittance of laundry coin machines. The Managing Agent will not prepare the annual certified financial statements. Such statements will be prepared by an independent certified public accountant employed by the Board of Managers at the expense of the Unit Owners.

11. Legal Fees and Audit Fees

The main component of this budget item is auditing fees in connection with the preparation of the certified financial statement for the Condominium's first year of operation and is based on a fee quotation of \$1,500.00 from Robert Lee, CPA, 57 Mott Street, New York, N.Y. 10013. A small allowance is provided for miscellaneous legal services in the event the Board of Managers decides to engage an attorney.

12. Other Expenses

This budget item is to provide a fund for miscellaneous expenses not provided for in other footnotes.

13. Contingency

This budget item is to provide a fund for unanticipated expenses not included in the budget or unanticipated increases in one or more items of operating expense above the amounts projected. The budget may be modified from time to time prior to commencement of, or during, condominium operation to add new items or increase one or more items of operating expense. The funds for such modifications may be provided by decreasing the budget item for contingencies or by decreasing one or more items of expense, or both. The budget item for contingencies does not include a reserve for capital replacements or repairs, for which no provision is made under the budget since the Building is newly renovated and no major capital repairs or replacements are anticipated within the first five years of condominium operation.

CHU & PARTNERS
ATTORNEYS AT LAW
233 CANAL STREET
NEW YORK, NEW YORK 10013-4112

TEL: 212-925-9000
FAX: 212-925-9003

WESTCHESTER OFFICE
1 STONE PLACE, SUITE 102
BRONXVILLE, NEW YORK 10701
TEL: 914-961-2502
FAX: 914-621-1375

VI. COMPLIANCE LETTER FOR SECTION 339(i)

September 25, 2000

New York State Department of Law
120 Broadway, 23rd Floor
New York, N.Y. 10271

Attn: Real Estate Financing Bureau

Re: Crown-Bergen Condominium
1062 Bergen Street, Brooklyn, N.Y.

Gentlemen:

I have been engaged in the practice of real estate law in the City of New York for over 20 years, and am familiar with the formation, operation, and management of condominiums in New York City. In addition, I have had extensive experience in the preparation of condominium offering plans and the sale of condominium units.

I reviewed the percentage of Common Interest allocated to each Unit as shown in Schedule A of the Offering Plan. In accordance with Section 339-i(1)(ii) of the New York Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined based upon the ratio of the square feet area of each Unit to the total square feet area of all Units. The aggregate Common Interests of all of the Units equals one hundred (100%) percent.

In my opinion this method of determining percentage of interest in the Common Elements is reasonable and equitable, and conforms to Section 339-i(1)(ii) of the Condominium Act.

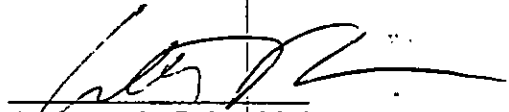
I am not affiliated with the Sponsor or any affiliate of the Sponsor, and have no interest in the proceeds to be realized on the sale of Units under the Plan other than legal fees for the preparation of the Plan and closing of the Units. I have no beneficial interest in the Sponsor or the profitability of the project. The compensation for legal services to be received by the undersigned in connection with the Plan and the closing of the Units has not affected the contents of this letter.

I hereby consent to the reproduction of this letter in the Plan.

Very truly yours,

CHU & PARTNERS

By


Anthony P. Colombini

APC:dc

VII. CHANGES IN PRICES OR UNITS

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective Purchasers, or for any other reason, the Sponsor reserves the right (i) to change the price (including without limit the terms of sale and manner of payment of the purchase price) or layout of, or number of rooms in, any Unit; (ii) to change the size and/or number of Units by subdividing one or more Units into separate Units, combining separate Units into one or more Units, altering any boundary walls between one or more Units, or otherwise, and (iii) to re-apportion among the Units affected by any such change, subdivision, combination, or alteration their appurtenant interests in the Common Elements. Unless an affected Purchaser consents, no material change will be made in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default.

Notwithstanding the foregoing, the offering prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. Offering prices and other terms of sale are negotiable. Accordingly the Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

Purchasers of Units affected by such change, subdivision, combination, or alteration may pay more or less than other purchasers under this Offering Plan for similar Units, but this shall not affect any prior or subsequent sale of Units not the subject of such change, subdivision, combination or alteration.

No change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common Elements, except by amendment to the Offering Plan and, when applicable, to the Declaration.

No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless all Purchasers consent.

It should be noted that so long as the layout and dimensions of a Unit conform substantially to the floor plans, a Purchaser will not be excused from purchasing his Unit except as otherwise provided herein.

VIII. INTERIM LEASES

The Sponsor may rent any Unit that is vacant before the closing. No rental protection laws are applicable to interim lessees.

In the event that the Sponsor rents a Unit to the Purchaser of the Unit prior to closing, an uncured default under the Purchase Agreement will be a default under the lease, and an uncured default under the lease will be a default under the Purchase Agreement. Before the Sponsor may utilize the default under the lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit. After a default under the Purchase Agreement or rescission of the Purchase Agreement by the lessee, the lessee will have thirty (30) days to vacate the Unit.

IX. PROCEDURE TO PURCHASE

Purchase Agreement and Payments

A complete copy of the Purchase Agreement can be found in Part II of the Plan. At the Sponsor's option, a prospective Purchaser will be afforded either (a) not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to his execution of the Purchase Agreement; or (b) not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor or Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing post-marked within the seven (7) day period.

A person desiring to purchase a Unit will be required to execute the Purchase Agreement in quadruplicate and return it to the Sponsor's attorneys, Chu & Partners, 233 Canal Street, New York, New York 10013 together with the deposit required therein. Within twenty (20) days after the Sponsor receives an executed Purchase Agreement along with the required deposit, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser or reject the Purchase Agreement and refund the deposit previously tendered. If the Sponsor takes no action within said twenty (20) day period, the Purchase Agreement will be deemed null and void.

The deposit required by the Purchase Agreement will not be more than ten (10%) percent of the offering price and payable to "Chu & Partners Crown-Bergen Condominium Special" except that the deposit may be increased for special work ordered by the Purchaser and itemized in the Purchase Agreement. Deposits may not be less than the lower of (i) \$1,000.00 per Unit or (ii) ten (10%) percent of the offering price. The balance of the purchase price will be payable at the closing of title. All payments to the Sponsor except any deposit made by the Purchaser upon the execution of a Purchase Agreement shall be by unendorsed certified check of Purchaser or teller's or cashier's check made payable to the Sponsor or such other payee as the Sponsor may designate. All checks must be drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization unless the Seller consents otherwise.

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on all Purchasers stating the date of the first closing and setting each closing date. Such notice will be served no less than thirty (30) days before the date set for closing.

Purchasers may waive this thirty (30) day notice provision and close earlier. Any adjournment exceeding fourteen (14) days granted at the request of a Purchaser shall be upon the condition that all adjustments shall be made as of the date originally fixed for the closing of title and that Purchaser reimburse the Sponsor for the pro-rata amount of Sponsor's mortgage loan interest for the period from the original closing to the actual date of closing.

The Purchase Agreement and this Offering Plan may not contain, or be modified to contain, a provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under this Offering Plan or under Article 23-A of the New York General Business Law.

Purchaser's Obligation To Purchase Is Contingent On Obtaining Financing

The Purchase Agreement is subject to and conditioned upon the Purchaser obtaining a commitment from a lending institution for a first mortgage loan in an amount not less than the Mortgage Contingency Amount set forth at the beginning of the Agreement, with interest at the prevailing rate, for a term not less than the Mortgage Term set forth at the beginning of the Agreement, within forty-five (45) days of the date thereof. If the Purchaser is unable to obtain a mortgage commitment in the aforementioned amount within forty-five (45) days of the date of the Agreement and Purchaser has sent Sponsor written notice of his inability to obtain a commitment within this period, then upon the refunding of the Purchaser's deposit, together with any interest earned thereon, less the actual cost incurred by the Sponsor for any special work ordered by the Purchaser, the Agreement shall be deemed cancelled and the parties thereto shall be released from any liability thereunder except that the Sponsor reserves the right for a period of thirty (30) days to designate another lending institution, or to grant the mortgage loan itself on the same or better terms and conditions as the then prevailing terms and conditions of the lender to which the Purchaser had originally applied for a loan. In the event that written notice is not received by the Sponsor of the Purchaser's inability to obtain such financing within the said forty-five (45) day period at the then prevailing terms, the provisions of this Paragraph shall be deemed waived by the Purchaser and Purchaser shall be obligated to complete the transaction whether or not the Purchaser obtains financing. Purchasers should be aware that the commitment may expire and that the terms of the commitment may change prior to actual closing. If the Purchaser's financing commitment lapses or expires prior to closing due to Sponsor's delay in closing, and the Purchaser has made a good faith effort to extend the commitment, without success, then Purchaser shall have a period of ten (10) days from the expiration date of the commitment to rescind the Purchase Agreement by written notice to the Sponsor, and to be refunded the deposit plus any interest earned thereon, less the actual cost incurred by the Sponsor or for any special work ordered by the Purchaser.

Default By Purchaser

In the event of a default by the Purchaser under the Purchase Agreement, the Sponsor may notify the Purchaser, in writing, of its intention to cancel the Purchase Agreement unless the default is cured within thirty (30) days. If the Purchaser fails to cure the default within the said thirty (30) days, then the Sponsor may, at its option, cancel the Purchase Agreement and retain as liquidated damages the deposit paid thereunder, to a maximum of ten (10%) percent of the purchase price, together with any interest earned thereon, plus the actual cost incurred by the Sponsor for any special work ordered by the Purchaser.

Trust Funds

The Sponsor will comply with the escrow and trust fund requirements of the General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, and all funds paid by Purchasers shall be handled in accordance with these statutes and regulations. Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds, is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision of the Offering Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments or advances made by Purchasers prior to the closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five (5) business days after the execution of a Purchase Agreement by the Purchaser and Sponsor, in a segregated special escrow account by Anthony P. Colombini, the Escrow Agent and attorney-at-law admitted to practice in the State of New York, whose address is c/o Chu & Partners, 233 Canal Street, New York, N.Y. 10013 and whose telephone number is (212)925-9000. Mr. Colombini will be the only signatory on this account authorized to withdraw funds. The name of the account will be "Chu & Partners Crown-Bergen Condominium Special Escrow Account", with Eastbank, N.A., 235 Canal Street, New York, N.Y. 10013. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit. Any deposit in excess of \$100,000 will not be federally insured in excess of \$100,000.

The account will be an interest-bearing account in accordance with Section 71-a(3) of the Lien Law. The account will not be an IOLA established pursuant to Judiciary Law Section 497. The deposit will accrue interest which shall belong to the Purchaser, at the prevailing rates, from the date that the deposit is placed into the account.

Section 71-(a)3 of the Lien Law all provides that down payments, with any accumulated interest, shall remain the property of the Purchaser until paid to the Sponsor except as provided by law.

All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor shall be made payable to the order of Chu & Partners as Escrow Agent. Anthony P. Colombini will comply with the Appellate Division rules for the preservation of client funds of the Judicial Department having jurisdiction over him.

Within 10 business days after the tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number. If the Purchaser does not receive notice of such deposit within 15 business days after tender of the deposit, the Purchaser may cancel the purchase and rescind the Agreement as long as the right to rescind is exercised within 90 days after tender of the deposit. In the event that the Purchaser does not receive notice of the deposit within 15 business days after tender of a down payment, the Purchaser may also apply to the Attorney General for relief. Recession may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed or otherwise delivered to the Purchaser in conformity with the Attorney General's regulations.

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide full disclosure with respect to the new account, the Escrow Agent and the escrow agreement as originally provided. A bond, letter of credit or other security may not be substituted for the escrow account, unless a special exemption under exceptional circumstances is first requested by the Sponsor and is granted by the Attorney General pursuant to the applicable regulations. In such event, and only after the Department of Law grants such exemption in writing may such bond or letter of credit be used.

Under no circumstances shall the Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan for those Purchase Agreements which are contingent upon the Plan's becoming effective.

The Escrow Agent will hold the funds in escrow until the individual Unit is closed and the Purchaser takes title or until otherwise directed in:

- (i) a writing signed by both the Sponsor and the Purchaser;
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedure contained in the Attorney General's regulations; or

- (iii) a judgment or order of a court of competent jurisdiction.

The Sponsor will not object to the release of the escrowed funds to a Purchaser, who is not in default and who timely rescinds his/her Purchase Agreement in accordance with a rescission offer contained in the Plan, or amendment to the Plan or contained in the Purchase Agreement itself, or to all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

In the event of a default by the Purchaser under the Purchase Agreement, and if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Purchaser unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provision.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent shall not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in the applicable regulations of said Department of Law and has so notified the Escrow Agent in accordance with such provisions.

In the event of a dispute, the Purchaser and the Escrow Agent may apply to the Attorney General for a determination or the disposition of the Down Payment. The Sponsor must avail itself of this procedure, if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of the Plan and is also available from the Department of Law, 120 Broadway, New York, New York 10271. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, the Sponsor and the Purchaser shall abide by any interim directive issued by the Attorney General. If the application permitting release of sums is granted, the deposit shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit until:

- a. both the Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and Purchaser; or
- b. a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or

c. the Escrow Agent deposits the disputed amount into court.

In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds into court, until any dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of the Sponsor and the Purchaser.

A copy of the escrow agreement between the Sponsor and Escrow Agent is set forth in Part II.

Pursuant to the regulations, the Attorney General shall act upon the application for release of the Escrow Monies thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for reasons stated in such notification.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. Upon any dissolution of Escrow Agent's law firm, Escrow Agent shall make appropriate arrangements for the maintenance of these records by either his new firm or himself and shall notify the Department of Law of any such transfer. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Nothing here contained shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the Purchaser until consummation of the transaction. Such funds shall not be part of the estate of the Sponsor or the Escrow Agent upon bankruptcy, incapacity or death.

In the event that a Purchaser rescinds his/her Purchase Agreement in accordance with the terms and conditions contained therein, then the Down Payment shall be fully returned to the Purchaser within fifteen (15) days of such notice of cancellation, except for the cost actually incurred of any additional work ordered by the Purchaser, if any.

Anything contained herein to the contrary notwithstanding, in the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price plus any interest earned thereon may be retained as liquidated damages. In addition, the actual cost incurred by the Sponsor for any special work ordered by the Purchaser may also be retained as liquidated damages.

Sponsor agrees not to seek the remedy of specific performance in connection with the Purchase Agreement if there has been a default by Purchaser.

Risk of Loss

If before the closing of title or delivery of actual possession of the Unit to the Purchaser pursuant to an interim lease (or written agreement with the Sponsor), the Unit is damaged by fire or other casualty, the risk of loss is assumed by the Sponsor, but without any obligation or liability of the Sponsor to repair or replace same. If the Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair the damage, the Purchase Agreement will remain in effect and the closing of title may be postponed for a reasonable period of time in order to complete repairs. If the Sponsor or the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and of no further force or effect and Purchaser will be refunded all deposit monies paid, together with any interest earned thereon, less the actual cost incurred by the Sponsor for any special work ordered by the Purchaser, unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which case said contract monies may be retained by Sponsor as liquidated damages pursuant to the paragraph herein entitled "Default by Purchaser".

Conflict

If there is a conflict between any provision of the Offering Plan and any provision of the Purchase Agreement, the provision of the Offering Plan will control.

Assignment

The Purchase Agreement may not be assigned without the prior written consent of the Sponsor.

First Closing Date

The Sponsor anticipates that the first closing of a Unit will occur on March 1, 2001. If such date is delayed twelve (12) months or more, Purchasers will be offered the right to rescind their Purchase Agreements.

Power of Attorney

At the closing, the Purchaser is required to execute and deliver a Power of Attorney to the Board of Managers of the Condominium. In the event that the Purchaser fails to do so, the Sponsor will not be required to close title and the Purchaser will be in default under the Purchase Agreement.

X. EFFECTIVE DATE

The Sponsor's offer to sell is contingent upon this Offering Plan being declared effective and compliance with the relevant conditions and time periods set forth in the Plan.

The closing of the first Unit by the Sponsor may not occur before this Offering Plan is declared effective and the effectiveness Amendment to the Offering Plan is accepted for filing by the Department of Law.

This Offering Plan may not be declared effective by the Sponsor until executed Purchase Agreements have been accepted by the Sponsor for not less than fifteen percent (15%) of the Units offered under this Offering Plan subscribed for by bona fide Purchasers. Units of a primarily ancillary nature such as garage units may not be counted toward effectiveness, and may be excluded from the base in calculating the percentage needed. 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 was not afforded either (a) not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly; or (b) not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to executing a 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 or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing the Purchaser is bona fide.

This Offering Plan must be declared effective by the Sponsor when Purchase Agreements are accepted for the sale of eighty percent (80%) or more of the Units offered under this Plan.

This Offering Plan may be abandoned or withdrawn by the Sponsor, at its option, for any reason whatsoever, at any time before this Offering Plan is declared effective or before eighty percent (80%) of the Units have been purchased. If this Offering Plan is abandoned or withdrawn by Sponsor, Purchasers will be notified in writing, by registered or certified mail.

In the event the Plan is abandoned or withdrawn, all deposit monies will be returned within twenty (20) days to Purchasers, with interest, if any, earned thereon. Upon the return or retention of the deposit monies, as the case may be, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to a Purchaser under this Offering Plan or the Purchase Agreement. However, this limitation of liability does not apply to any liability on the part of the Sponsor or its principals for failure to perform any obligation imposed by applicable statute or for failure to perform any of their obligations under the Offering Plan. Sponsor will promptly submit an amendment to the Department of Law confirming such abandonment and file a notice of abandonment on Form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all funds received.

Once the Plan has been declared effective or eighty percent (80%) of the Units have been purchased, it may not thereafter be abandoned or withdrawn, for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than \$25,000.00, (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than \$25,000.00, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned figures of \$25,000.00 which are relied upon as a basis for abandonment exclude attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

The Plan may be declared effective by (i) an amendment to the Plan, or (ii) by personal service of notice on every Purchaser or by commencement of service by mail stating that the Plan is declared effective and submitting an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date.

The Sponsor must submit to the Department of Law, if requested, copies of all purchase agreements (and any amendments or modifications) within five (5) business days after the request is made.

This Offering Plan will be abandoned and deemed abandoned unless it is declared effective within eighteen (18) months of the date of the Plan.

XI. TERMS OF SALE

- 1. At the closing of title, a Unit Owner will receive a Bargain and Sale with Covenant Against Grantor's Acts Deed. A form of Unit Deed is contained in Part II of the Plan.**
- 2. Sponsor is under no obligation to repair any damage from a casualty or other cause before the closing of a Purchaser's Unit. If the Sponsor elects to repair the damage, the Purchase Agreement will remain in effect and the closing of title may be postponed for a reasonable period of time in order to complete repairs. If the Sponsor does not elect to repair the damage, where the risk of loss is on Sponsor, the Purchase Agreement will be cancelled.**
- 3. A closing will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or, issuance of a partial, temporary or permanent certificate of occupancy for the Unit closed or the building in which the Unit is located.**
- 4. Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in the Plan and the proposed Unit Deed. The following title exceptions are found in the Purchase Agreement set forth in Part II of the Plan:**
 - a. Zoning regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.**
 - b. Any state of facts which an accurate survey of the Unit would show, provided such state of facts would not render title unmarketable.**
 - c. All of the terms, covenants and conditions of the Declaration, By-Laws (and the Rules and Regulations set forth therein), and Floor Plans to be recorded in the office of the Register of the City of New York, County of Kings, as same may be amended from time to time.**
 - d. Any easement or right of use in favor of any utility company for construction, use, maintenance and repair of all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Land and Building.**

- e. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.
- f. Easements in favor of other Units and in favor of the Common Elements for the continuation of all encroachments of such other Units or the Common Elements on the Unit existing or which may come into existence as a result of (a) construction or alteration of the Building; (b) settling or shifting of the Building; (c) any alteration or repair to the Common Elements made with the consent of the Board of Managers in accordance with the Declaration and By-Laws; (d) any repair or restoration of the Building (or portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements so that such encroachments may remain so long as the Building shall stand.
- g. Easements in favor of the Unit and other Units to use, maintain, repair, alter and replace the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such Unit or other Units, provided that access to any Unit or the Common Elements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for permitted purposes.
- h. Right of access to all Units by the Board of Managers or other authorized persons to inspect the same, to remove violations therefrom, to correct conditions therein threatening other Units or which violate the provisions of a mortgage on another Unit, or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property; provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for permitted purposes.
- i. Right of access to the Common Elements by the Seller, its contractors, subcontractors, agents and employees, before and after filing of the Declaration, for the purposes of completing alterations of the Building in accordance with the plans and specifications and to fulfill its obligations as set forth in the Plan under the section entitled "Obligations of Sponsor", provided that access thereto is exercised in such a manner as would not unreasonably interfere with the use of the Units for permitted purposes.
- j. Easement in common with all other Unit Owners for the exclusive use of the Common Elements except where such exclusive use is appurtenant to a particular Unit.

- k. Easement of support and necessity in favor of the other Units and the Common Elements.
- l. The right is reserved to the Seller and its designee (so long as Seller or its designee owns a Unit), and to the Board of Managers, to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property as the Seller, its designee or the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for permitted purposes. The utility and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for permitted purposes.
- m. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent which shall be apportioned at the closing of title.
- n. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers), except Seller will pay all such assessments due and payable prior to the Closing Date and Purchaser will pay all installments due subsequent to said Closing Date.
- o. The lien of any unpaid franchise or corporate tax of any corporation in the chain of title or any individual in the chain of title, provided the title insurance company insuring Purchaser's title to the Unit shall insure against collection thereof out of the Unit and its appurtenant undivided interest in the Common Elements.
- p. The lien of a purchase money mortgage (if any) obtained by a Purchaser to finance the purchase of his Unit.
- q. Revocability of licenses for vault space, if any, under the sidewalks and streets.
- r. Encroachments of stoops, areas, cellar steps, trim, coping, cornices, foundations, footings and similar projections, if any, on, over, or under the Property, or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any projections, and variations between record lines of the Property and retaining walls and the like, if any.

- s. Any sidewalk violations or sidewalk notices to repair.
 - t. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.
 - u. Covenants, restrictions, agreements and easements of record as of the date of closing of title to the Unit provided same do not prevent the existing use of the Unit.
5. All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the declaration is filed, that is owned by the Sponsor or the owner of the property, if not the Sponsor, is included in the conveyance unless specifically excepted in the Offering Plan. Furnishings, equipment, appliances and decorations located in any model Unit or sales office which are not referred to in the Plan are excluded from the conveyance unless specifically included by a rider to the Purchase Agreement.
6. The Declaration, By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded or filed in the Office of the City Register of the County of Kings prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act.
7. At the time of conveyance of the first Unit, each mortgagee will either: (a) consent to the formation of a Condominium and acknowledge that its lien will be limited to unsold Condominium Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.

XII. UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as set forth below. Such costs are only estimates and are subject to change.

- a. If Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor which will vary depending upon the Purchase price for the Unit. Fee title insurance charges, as set by the New York Board of Title Underwriters and filed with the New York State Insurance Department, as of the date of this Plan are as follows: \$371.00 for up to \$35,000.00 coverage, plus \$6.16 per thousand dollars of the purchase price in excess of \$35,000.00 up to \$50,000.00, plus \$5.02 per thousand dollars of the purchase price in excess of \$50,000.00 up to \$100,000.00, plus \$4.03 per thousand dollars of purchase price in excess of \$100,000.00 up to \$500,000.00.
- b. Recording fee for recording the deed and power of attorney of approximately \$175.00.
- c. New York State Transfer Tax which currently is \$2.00 per \$500.00 of the consideration or fraction thereof.
- d. New York City Real Property Transfer Tax which currently is the following:

For conveyances of residential condominium units, the tax rate is 1.0% of the consideration for conveyances with a consideration of \$500,000.00 or less, and 1.425% of the consideration for conveyances with a consideration greater than \$500,000.00.

ITEMS C AND D ARE COSTS WHICH BY STATUTE ARE OBLIGATIONS OF THE SELLER BUT MAY, BY CONTRACT, BE TRANSFERRED TO THE PURCHASER. IN DETERMINING THE CONSIDERATION MENTIONED ABOVE, THE TENTATIVE NEW YORK CITY AND NEW YORK STATE TRANSFER TAXES WILL BE ADDED TO THE PURCHASE PRICE.

- e. Fee for the Sponsor's closing attorneys, Chu & Partners, in the amount of \$500.00. In the event that the closing is not held at the offices of Chu & Partners, an additional fee of \$250.00 will be added. Moreover, in the event that the Purchaser orders title insurance from a company other than Summit Associates, the Purchaser

will be required to pay an additional fee of \$250.00 to Sponsor's counsel for their additional services in clearing title and furnishing documents to such other company.

- f. If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:
1. Legal fees of the lending institution's attorney.
 2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance charges as set by the New York Board of Title Underwriters and filed with the New York State Insurance Department as of the date of this Plan will cost \$318.00 for coverage of up to \$35,000.00, plus \$5.13 per thousand or fraction thereof for coverage of over \$35,000.00 up to \$50,000.00, plus \$4.19 per thousand for coverage in excess of \$50,000.00 up to \$100,000.00, plus \$3.36 per thousand for coverage in excess of \$100,000.00 up to \$500,000.00. Please note that if a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, insurance coverage rates shall be discounted.
 3. Mortgage Recording Tax which currently is as follows:

For mortgages under \$500,000.00 covering residential condominium units, the mortgage recording tax is 2.0% of the amount of the mortgage.

Note: For mortgages covering residential condominium units, the lender should pay a portion of the mortgage recording tax equal to 1/4% of the amount of the mortgage, and there is also a \$25.00 credit against the tax.
 4. Recording fee for recording of the mortgage, approximately \$125.00.
 5. Commitment, origination, appraisal, application, and credit fees, if any, charged by the lending institution.
- g. The following will be apportioned between a purchaser and the Sponsor as of the day preceding the date of closing of title:
1. Real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed) on the basis of the fiscal or calendar tax year for which assessed. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of

percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time. The Seller shall be entitled to reimbursement from a Unit Owner for real estate taxes as they are paid should tax lots not be apportioned by the end of the tax payment period in which a Unit Closing occurs. Such reimbursement shall be per Unit Owner's percentage of Common Interest. If the Unit has been separately assessed but the Closing occurs before the tax rate is fixed, apportionment of real estate taxes shall be upon the basis of the latest tax rate applied to the most recent assessed valuation. Installments for tax assessments due after the delivery of the deed (if any) shall be paid by Purchaser and shall not be considered a defect in title.

2. If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.
 3. Common Charges for the month in which title closes (there will be no apportionment of Common Charges if the Unit is conveyed on the date of filing the Declaration).
- h. The sum of \$400.00 per Unit will be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers the working capital fund will not be used to reduce the Common Charges. If any portion of the working capital fund is used during this period to pay for items in the budget set forth as Schedule B, such amounts will be repaid to such fund out of Common Charges collected.
 - i. In the event that a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing shall pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being

financed. Sponsor at closing will be reimbursed to the extent of any mortgage tax credit allowed.

- j. Each Purchaser will be required to reimburse Sponsor for his proportionate share of the professional fees, disbursements and filing fees advanced or payable to obtain the J-51 real estate tax abatement. The Sponsor estimates that the professional fees, disbursements and filing fees for the J-51 tax abatement will amount to approximately \$14,000.00. These costs will be allocated to the Unit Owners in proportion to their respective Common Interests.
- k. In the event Purchaser receives a discount in the title insurance premium by reason of prior title insurance covering the Property, then the Purchaser shall pay the Sponsor an amount equal to one-half of the savings in the title insurance premium.
- l. As an example of the closing costs for a typical Unit, assume that the Unit being purchased is Unit 1C, with a purchase price of \$160,000.00, a mortgage of \$128,000.00, and a 5.354% interest in the Common Elements. The estimated closing costs would be as follows:

Fee Title Insurance - Approx. \$956.00

Mortgage Title Insurance - Approx. \$210.00

(Please note that the above figures assume that both coverages are purchased together, as is normally the case.)

New York State Transfer Tax - \$650.00

New York City Transfer Tax - \$1,647.40

Recording Charges - Approx. \$300.00

Sponsor's Closing Attorneys' Fees - \$500.00

Mortgage Tax and Mortgage Tax Credit - \$1,895.00

Working Capital Contribution - \$400.00

J-51 Reimbursement - \$749.56

In addition to the above, the Purchaser will pay closing fees to its lender which vary from lender to lender, and adjustments, which depend on the time of closing.

XIII. RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. The Sponsor will defend any suits or proceedings arising out of Sponsor's acts or omissions and indemnify the Board of Managers and Unit Owners for same.

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

3. The Sponsor shall not be liable for, or obligated to defend, any suits with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit, or with respect to the Common Elements arising out of any occurrence taking place on or after the date of the filing of the Declaration, except claims arising out of acts or representations of the Sponsor. All obligations of the Sponsor pertaining to the Common Elements shall be enforceable only by the Board of Managers and not by the individual Unit Owners.

4. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units. It will fund its financial obligations to the Condominium from the proceeds of its construction loan, income from projected sales and leases, refinancing of the construction loan, its own net worth, and capital contributions and/or loans from its principals. No bond or other security has been posted to secure Sponsor's obligations.

5. The Sponsor will cause the Board of Managers to maintain the property in substantially the same condition and manner as on the date of first closing until the Sponsor no longer controls the Board of Managers.

6. Sponsor is under no obligation to repair any damage from a casualty or other cause before the closing of a Purchaser's Unit. If the Sponsor elects to repair the damage, the Purchase Agreement will remain in effect and the closing of title may be postponed for a reasonable period of time in order to complete repairs. If the Sponsor does not elect to repair the damage, where the risk of loss is on Sponsor, the Purchase Agreement will be cancelled.

7. The Sponsor agrees to initially procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

8. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations and in the event of dissolution or liquidation, the principals of the Sponsor shall guarantee the performance of such obligations.

9. The Sponsor has already obtained construction financing.

10. The Sponsor will at its own cost and expense and with reasonable diligence complete the Condominium in accordance with the building plans and specifications identified herein and with a quality of construction comparable to the standards currently prevailing in the City of New York. The Sponsor reserves the right to substitute equipment or materials of equal or greater quality or design. The Sponsor's rights to make modifications of layout or design are explained in the Section entitled "Changes In Prices And Units."

11. Prior to the closing of the first Unit, the Sponsor will, at its own cost and expense, obtain a permanent certificate of occupancy for the property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit. The Sponsor and its principals agree to obtain a permanent certificate of occupancy for the property within twenty-three (23) months after closing the first Unit. The Sponsor will obtain the permanent certificate of occupancy before the partial or temporary certificate expires, unless extended.

12. If the first closing takes place prior to the issuance of a permanent certificate of occupancy for the property, the Sponsor will maintain all deposits and funds in the special escrow account required by New York General Business Law Section 352-e (2)(b) unless the 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, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from the special escrow account. Alternatively, by prior amendment, the Sponsor will deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified.

13. The Housing Merchant Implied Warranty Law applies to this Offering since the Building is not greater than five stories. This Law is found in Article 36-B of the New York General Obligations Law. A copy of this statute can be found in Part II of the Plan. The Sponsor will warrant the materials and workmanship of each Unit and the Common Elements in accordance with the Housing Merchant Implied Warranty Law. This Warranty covers the following:

- a. One year from and after the warranty date, the Premises will be free from defects due to a failure to have been constructed in a skillful manner;
- b. Two years from and after the warranty date, the plumbing, electrical, heating, cooling and ventilation systems will be free from defects due to a failure by the Sponsor to have installed such systems in a skillful manner; and
- c. Six years from and after the warranty date, the Premises will be free from material defects.

There is no limitation herein on the Housing Merchant Implied Warranty.

14. Prior to the closing of the Unit, the Sponsor will assign to the Purchaser and/or the Board of Managers all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Purchaser's Unit or the Common Elements, respectively, if any, to the extent made by such manufacturers and sub-contractors and to the extent such warranties and bonds are assignable.

15. Except as otherwise indicated in Section entitled "Unit Closing Costs and Adjustments", the Sponsor agrees to pay for the authorized and proper work involved in the construction, establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan. However, under no circumstances shall the Sponsor undertake to pay, nor shall it be responsible for, any costs incurred by any proposed Purchaser of any Unit, including, but not limited to, any costs, fees, or charges imposed by said Purchaser's lending institution, and any brokerage commissions occasioned by the actions of the proposed Purchaser. The Sponsor will cause any and all mechanics' liens arising out of the work being done in and on the Property to be discharged by bonding or otherwise promptly after the filing of any such liens.

16. The Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

17. No bond or other security other than what is required by Part 20 of the Regulations promulgated by the Department of Law has been furnished to secure the Sponsor's obligations to complete the construction of the Condominium.

18. The Sponsor will have the right of access to Units to complete the alteration of the property provided that such access thereto is exercised in such a manner as will not unreasonably interfere with the permitted use of the Units. The Sponsor will be obligated to repair any damage to the Units, or their contents, caused by Sponsor or its agents during such access.

19. Before the closing of title, Sponsor may rent or lease any Unit to any prospective Purchaser who has executed a Purchase Agreement which has been accepted by Sponsor for such rent and under such conditions as Sponsor and Purchaser may agree. Sponsor reserves the right to occupy, rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between Sponsor and such tenant) any Unsold Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding.

XIV. CONTROL BY SPONSOR

1. The Sponsor will have voting control of the Board of Managers until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty percent or (ii) two (2) years after the first Unit Closing, at which time the existing three-member Board will resign and a new five-member Board will be elected by all Unit Owners, subject to the limitations hereinafter stated. A meeting will be held to elect new board members unrelated to the Sponsor within thirty (30) days after the expiration of the control period. So long as the Sponsor or a Sponsor-affiliate shall continue to own Units representing 20% or more in Common Interest, the Sponsor or Sponsor-affiliate shall have the right to elect one of the five members of the Board of Managers.

2. Sponsor may not exercise veto power over expenses described in Schedule B of the Plan, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner.

3. Members of the Board of Managers and Officers will serve without compensation.

4. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer, manager or managing agent may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

XV. BOARD OF MANAGERS

Principal provisions of the By-Laws and the Declaration are summarized herein. It is suggested that Purchasers make full reference to the full By-Laws and Declaration, copies of which are set forth in Part II of the Plan.

Composition of the Board

The affairs of the Condominium shall be governed by the Board of Managers. Until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty percent or (ii) two (2) years after the first Unit Closing, the Board of Managers shall consist of three (3) persons designated by the Sponsor. Thereafter, the Board of Managers shall be composed of five (5) persons elected by the Unit Owners at a special meeting called for that purpose subject to the limitations hereinafter stated in this Paragraph. Subsequently the Board of Managers shall be elected at the annual meeting of the Unit Owners held by the Unit Owners on the second Tuesday of May of each year. The Managers shall hold office for a term of one year or until their successors shall have been qualified and elected. There shall be no limit on the number of successive terms a Manager may serve on the Board of Managers, if elected as herein provided. For each election of the five-member board, so long as the Sponsor or a Sponsor-affiliate shall continue to own Units representing 20% or more in Common Interest, the Sponsor or Sponsor-affiliate shall have the right to elect one of the five members of the Board of Managers to be elected by Unit Owners. Except for Managers elected by Sponsor, all other Managers shall be Unit Owners or spouses of Unit Owners, or mortgagees of Units or a spouse of an individual mortgagee, or, in the case of partnership Unit Owners or mortgagees, shall be members or employees (or their spouses) of such partnerships, or in the case of corporate Unit Owners or mortgagees, shall be directors, officers, stockholders or employees (or their spouses) of such corporation, or, in the case of limited liability company or association Unit Owners or mortgagees, shall be members or employees (or their spouses) of such limited liability companies or associations, or, in the case of fiduciary Unit Owners or mortgagees, shall be the fiduciaries or their beneficiaries (or their spouses), or directors, officers, stockholders or employees (or their spouses) of a corporate fiduciary, or partners or employees (or their spouses) of a partnership fiduciary. Except for Managers elected by Sponsor, no manager shall continue to serve on the Board after he ceases to be a Unit Owner or an interested party in a Unit Owner as specified in the preceding sentence. Managers shall serve without compensation.

Subject to the provisions of Section 1 of Article II of the By-Laws, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of Managers elected by the Sponsor shall be filled only by the Sponsor.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts except such acts which by law, the Declaration or these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of managers shall include, without limitation (a) Operation, care, upkeep and maintenance of the Common Elements; (b) Determination of the Common Charges; (c) Collection of the Common Charges from Unit Owners; (d) Adoption and amendment of the Rules and Regulations; (e) Maintaining bank accounts on behalf of the Condominium and designating the signatories required therefore; (f) Purchasing, leasing or otherwise acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers; (g) Purchasing Units at foreclosure or other judicial sales, in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners; (h) Selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Board of Managers, corporate or otherwise, on behalf of all Unit Owners; i) Obtaining and reviewing insurance for the Property; (j) Making repairs, additions and improvements to, or alterations of, the Property and repairs to and restoration of the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; (k) Enforcing obligations of the Unit Owners, allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium; (l) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the Common Elements.

Special Meetings

Special meetings of the Board of Managers may be called by the President giving five (5) business days' prior notice to each member of the Board of Managers, by personal delivery, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the 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 three (3) members of the Board of Managers.

Anticipated First Board and Officers

It is anticipated that the members of the first Board of Managers will be Lyndon Chin, May Wan Chu and Anthony P. Colombini and that the first officers will be Lyndon Chin - President; Anthony P. Colombini - Vice President; and May Wan Chu - Treasurer and Secretary. Lyndon Chin and May Wan Chu are principals of the Sponsor, and Anthony P. Colombini is a member of Chu & Partners, Sponsor's attorneys.

Liability of the Board of Managers and Unit Owners

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgement, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners (including those who are members of the Board of Managers), in proportion to their respective interests in the Common Elements, shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of law, the Declaration or these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements.

Amendments to By-Laws

Except as otherwise provided herein and in the Declaration, the By-Laws may be modified or amended by the vote of 66-2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, when said modification or amendment would adversely affect one or more of the mortgagees (if any) the consent of such mortgagee(s) must first be obtained. For as long as Sponsor or its designee remains the owner of one or more Units, these By-Laws, the Rules and

Regulations and the Declaration may not be modified, added to, amended or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses or exceptions granted therein or herein to Sponsor, or otherwise adversely affect Sponsor without Sponsor's prior written consent in each instance. Notwithstanding anything to the contrary contained herein, no provision of these By-Laws, the Rules and Regulations, or the Declaration, relating to the use of the Units or the percentage interest of a Unit in the Common Elements may be amended without the consent of every Unit Owner affected by such amendment.

Amendment of Declaration

Subject to the provisions of Section 1 of Article XII of the By-Laws, the Declaration may be amended by the vote of at least 66-2/3% 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 By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected. No such amendment shall be effective until recorded in the office of the Register of the City of New York, County of Kings.

Termination of Condominium

The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain as more particularly provided in the By-Laws or (ii) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of the Units, (Sponsor will not vote its interest appurtenant to the Units owned by it for such withdrawal unless at least 80% in number and in Common Interest of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit). In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all 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 off out of his share of such net proceeds all liens on his Unit.

Covenant Against Partition of Common Elements

The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.

XVI. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale or Lease of Units

Each Unit Owner may freely sell or lease his Unit provided he first gives the Board of Managers, on behalf of all Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee as more specifically provided for in Article VIII, Section 1 of the By-Laws. If the Board of Managers does not elect to purchase or lease the Unit within thirty (30) days after receipt of the offering Unit Owner's notice, said Unit Owner may accept the outside offer. The Board of Managers may not exercise its option to purchase or lease any Unit without the prior approval of a majority in Common Interest of the Unit Owners other than the offeree Unit Owner. A Unit Owner may lease, sell or convey the Unit to his spouse, adult children, parents, parents-in-law, or adult siblings, or may convey his Unit by gift, or may devise his Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the preceding restrictions.

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

The restrictions upon the sale and lease of Units set forth in this Section shall not apply to Units owned by the Sponsor or its designee or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure; they shall be free to sell or lease without first offering to sell or lease to the Board of Managers. Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed such Unit Owner's (i) undivided interest in the Common Elements; (ii) interest in any Unit or Units acquired by the Board of Managers from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) interest in any other assets of the Condominium ("Appurtenant Interests").

Since the Building has been vacant and is being gut-renovated, the terms of the leases to Units, including the rent, are not subject to state or local law.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Rights of First Refusal; Units Acquired or Leased by Board of Managers

The purchase of any Unit by the 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. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Unit Owner, in proportion to his interest in the Common Elements, as a Common Charge, which assessment shall be enforceable in the manner as provided in Sections 6 and 7 of Article VI of the By-Laws, and/or the Board of Managers 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 Interests.

The Board of Managers shall have the power to sell, lease, mortgage or otherwise deal with Units acquired by, and to sublease Units leased by, the Board of Managers on behalf of all Unit Owners. While such Units are held or leased they may be used only for such purposes as allowed by the Declaration and By-Laws. The net proceeds of the disposition of such Units may be used for working capital or held in reserve, as the Board of Managers may determine.

Mortgage of Unit by Unit Owners

Each Unit Owner shall be free to mortgage his Unit without restriction provided that at the time such mortgage is made the Unit Owner is not in arrears for Common Charges and there are no other unsatisfied liens against his Unit (other than mortgages). A Unit mortgage must be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan.

Obligation to Pay Common Charges and Expenses; Assessment, Collection, and Lien for Nonpayment

Common Charges shall be paid to the Board of Managers by each Unit Owner in accordance with his proportionate interest in the Common Elements and shall be based upon budgets prepared by the Board of Managers pursuant to the By-Laws. Each Unit Owner shall be advised promptly after the adoption of each budget of the amount of the Common Charges payable by him for the period covered by such budget. The Common Charges may include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacement, and to make up any deficit in the Common Charges for any prior year. Until all Units are constructed and title thereto has been conveyed, the Board

of Managers can reduce the amount of Common Charges payable by Unit Owners, provided that so long as the Sponsor or its designee controls the Board of Managers, the Common Charges will not be reduced below the amount necessary to operate the Property with the services to be provided as set forth in this Plan.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer, or other conveyance by him of such Unit, together with the Appurtenant Interests, or subsequent to a conveyance of such Unit by him without consideration to the Board of Managers or its designee, on behalf of all the Unit Owners, in accordance with the provisions of the By-Laws.

No Unit Owner may exempt himself from liability for his Common Charges by waiving use of any of the Common Elements or by abandonment of his Unit. Subject to the provisions of Article VI, Section 4 of the By-Laws, a Unit Owner may, by conveying his Unit and his Appurtenant Interests, without consideration, to the Board of Managers (or its designee) on behalf of all the Unit Owners, exempt himself from Common Charges thereafter accruing. Such conveyance to the Board of Managers is conditioned upon his Unit being free and clear of all liens and encumbrances other than a first mortgage permissible under the terms hereof and a statutory lien for Common Charges.

On a resale of a Unit, a purchaser of such Unit shall be required to pay unpaid Common Charges (if any) assessed against his Unit prior to his acquisition of such Unit, except that a first mortgagee acquiring title to the mortgaged Unit or a purchaser at a first mortgage foreclosure sale shall not be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by said mortgagee or purchaser at a first mortgage foreclosure sale. In the event of a foreclosure by the Board of Managers of a statutory lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges or if a Unit is acquired by a first mortgagee or said purchaser at a first mortgage foreclosure sale, the defaulting Unit Owner shall remain liable for the unpaid balance. The Board of Managers shall have the right to assess such unpaid balance amongst all Unit Owners as a Common Expense.

Under the provisions of the Section 339-Z of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, shall be subordinate to liens for real estate taxes on the Unit and any sums unpaid on a first mortgage of record on such Unit. Pursuant to Section 339-aa of the Real Property law, any lien for unpaid Common Charges against a Unit shall be effective from and after filing of a verified notice thereof in the office of the recording officer in which the Declaration is filed and until all sums secured thereby with the interest accrued

thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall be sooner. Such lien may be foreclosed by a suit brought in the name of the Board of Managers (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property. A Unit Owner who is delinquent in the payment of common charges or assessments shall not be permitted to vote at any meeting of Unit Owners.

The Sponsor will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of common charges while it is in control of the Board of Managers.

Repairs

All maintenance, repairs, painting, decorating, and replacements of or to any Unit (other than maintenance, repairs, painting, decorating, and replacements of or to any Common Elements, unless caused by the negligence, misuse or neglect of the Owner of such Unit), whether structural or nonstructural, ordinary or extraordinary, including, without limitation, maintenance, repairs, painting, decorating, and replacement of the window panes and the entrance door and all other doors within a Unit and the electrical, plumbing, heating and air conditioning fixtures, (other than those located in or behind the walls), if any, within the Unit or belonging to the Unit Owner, shall be performed by the Owner of such Unit, at the Unit Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein. All maintenance, repairs, painting, decorating, and replacements in or to the Common Elements shall be performed by the Board of Managers and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, his family, guests or invitees, in which case such cost and expense shall be paid by such Unit Owner. All maintenance, repairs and replacements in or to the Limited Common Elements will be performed (a) by the Board of Managers as a Common Expense, if such Limited Common Elements is for use by all Residential Unit Owners, or if it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving painting, decorating, and nonstructural or ordinary maintenance, repairs or replacements or as a result of the negligence, misuse or neglect of the Unit Owner, his family, guests or invitees.

Obligation to Grant Access to the Board of Managers

A Unit Owner shall grant a right of access to his Unit to the Board of Managers, the managing agent, and/or any other person authorized by the Board of

Managers, for the purpose of making inspections, or for the purpose of removing violations noted or issued by any governmental authority against the Common Elements, or any other part of the Property, or for the purpose of correcting any conditions originating in his Unit and threatening another Unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations, repairs or maintenance to the mechanical or electrical services or other portions of the Common Elements within his Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements in his Unit or any other Unit in the Building or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for such entry are made not less than one (1) day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

Alterations, Additions and Improvements

No Unit Owner shall make any structural alteration, addition or improvement in his Unit without the prior written approval of the Board of Managers, but this provision shall not apply to Units owned by the Sponsor or its designee until such Units have been sold and conveyed by the Sponsor or said designee, as the case may be. A Unit Owner may make nonstructural alterations, additions or improvements in his Unit. All work shall be performed in compliance with applicable governmental regulations, including any requirements for filing plans and obtaining permits. Before any work is commenced, the Board of Managers may require the Unit Owner to obtain liability insurance, workers' compensation insurance and such other insurance as the Board may determine, naming the Board of Managers, all other Unit Owners and the Managing Agent as additional insureds, and in amounts that the Board may from time to time require.

If not prohibited by the New York Condominium Act (as the same may be amended) the Sponsor, or its designee, shall have the right, without the consent of the Board of Managers, other Unit Owners or the representative or representatives of holders of mortgages on Units, to make alterations, additions or improvements, structural and nonstructural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by them upon complying with all laws, ordinances and regulations of all governmental authorities having jurisdiction thereof.

Insurance

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism

and malicious mischief endorsements, insuring the Building (including all of the Units and the bathroom and kitchen fixtures initially installed therein by Sponsor, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners or tenants of Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation), without deduction for depreciation; each of said policies 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 Board of Managers hereinafter set forth; (2) worker's compensation insurance; (3) comprehensive general liability including water damage legal liability; (4) such other insurance as the Board of Managers may determine. The premiums for such insurance shall be a Common Expense payable by all Unit Owners. All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof shall be payable to the Board of Managers. The Board of Managers may obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each Unit Owner. Details of the insurance coverage can be found in Schedule B.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost to cover such risks as fire and casualty losses to the contents, replacements, additions, upgraded fixtures and improvements within his Unit and liability coverage for personal injury and property damage as a result of occurrences within the Unit.

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 three- fourths or more of the Building is destroyed or substantially damaged and 75% or more in number and Common Interest of the Unit Owners do not duly and promptly resolve to proceed with repairs or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units contained therein, and the bathroom and kitchen fixtures initially installed therein by the Sponsor, but not including furniture, furnishings or other personal property supplied or installed by any Unit Owner or a tenant of a Unit Owner), and the Board of

Managers shall disburse the proceeds of all 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 net proceeds of insurance received by or payable to the Board of Managers shall constitute a Common Expense, and the Board of Managers shall assess all Unit Owners for such deficit as a Common Expense. In the event of a repair or restoration pursuant to this paragraph and in the event that the net proceeds exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Board of Managers to all Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner such amount as may be required to reduce unpaid liens on any Unit in the order of priority of such liens. If 75% or more of the Building is substantially damaged or destroyed and if 75% in number and in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with the repair or restoration thereof, the Property will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which event, the net proceeds of insurance resulting from such damage or destruction, shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such fund all liens on his Unit in the order of priority of such liens.

Restrictions on Occupancy and Use of Units

In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

The Units shall be used for a single-family residence only, but not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, limited liability company, association or a member or employee of such limited liability company or association, or fiduciary, may only be occupied by said individual, or an officer, director, stockholder, or employee of such corporation, or a partner or employee of such partnership, or the fiduciary or beneficiary of said fiduciary, respectively, and by members of the immediate family and guests of any of the foregoing. "Members of the immediate family" or words of similar import whenever used herein shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren. Notwithstanding the foregoing, the Board of Managers may consent to occupancy of a Unit by persons other than those set forth above, and the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements,

to sell or lease Units and to complete construction of the Building and to comply with its obligations.

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

No nuisance, nor any immoral, improper, offensive, or unlawful use shall be allowed on the Property or any portion thereof. No portion of a Unit (other than the entire unit) may be rented. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or Board of Managers, whoever shall have the obligation to maintain or repair such portion of the Property. Rules and regulations concerning the use of Units may be promulgated and amended from time to time by the Board of Managers provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective.

No pet, bird, reptile or animal shall be permitted, kept or harbored in the Building or the Property unless the same in each instance be expressly permitted in writing by the Board of Managers and such consent, if given, shall be revocable by the Board of Managers at any time. In no event shall any pet, bird, reptile or animal be permitted in any of the public portions of the Building unless carried or on a leash.

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 the Appurtenant Interests, 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 Appurtenant Interests of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units.

Compliance with the Terms of the Declaration, By-Laws and Rules and Regulations

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and the By-Laws as well as to any rules and regulations contained in the Declaration or the By-laws or established by the Condominium in accordance therewith. The Board of Managers can institute legal

actions to enforce compliance with the provisions of the Declaration and the By-Laws, as well as the rules and regulations established therewith. Failure to comply can also be grounds for an action for money damages.

The following provisions in the Declaration, the By-Laws or the Rules and Regulations do not apply to the Sponsor:

- a) The provisions concerning additions, alterations or improvements by Unit Owners.
- b) The provisions concerning use of the Common Elements.
- c) The provisions concerning the sale or leasing of Units.

Annual Meetings, Voting Rights

Except for the first annual meeting, the Unit Owners shall hold annual meetings on the second Tuesday in May of each year unless such date shall occur on a legal holiday, in which event the meeting shall be held on the succeeding business day. At each annual meeting, the Unit Owners shall elect members of the Board of Managers.

Each Unit Owner shall be entitled to cast one vote for each 0.0001% of interest in the Common Elements attributable to the Unit at all meetings of Unit Owners. Unless otherwise provided, the presence in person or by proxy of Unit Owners owning more than 50% of the Common Interests shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, a majority of the votes of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all the Unit Owners.

XVII. REAL ESTATE TAXES

1. After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of taxes on other Units. The Sponsor does not anticipate any delay in obtaining separate assessments by the City of New York.

Until such time as each Unit is separately assessed for purposes of real estate taxes, same shall be collected by the Condominium Board in addition to, and as part of, the Common Charges in proportion to the Unit Owner's Common Interest and forwarded to the appropriate taxing authority on behalf of Unit Owners.

2. The assessing authority is the City of New York. The 2000/2001 actual assessed valuation of the Property was \$24,615.00, with a transitional assessed valuation of \$28,962.00. The 2000/2001 tax rate was 10.851 per \$100.00 of assessed valuation.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interests exceed the total valuation of the property were the property assessed as one parcel. The tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interests.

3. The amount of real estate taxes payable by Unit Owners, assuming no tax abatement, in the first year of condominium operation as reflected in Schedule A, was based on the projection of Arthur Chiaramonte, MAI, of Capital Appraisal Services, Inc. In this projection, the assessed valuation after the completion of construction was estimated to be \$157,500.00. The real estate taxes for the anticipated first year of operation, March 1, 2001 to February 28, 2002 were computed by taking four months of taxes based on the actual 2000/01 taxes of \$2,670.96 per year, and eight months based on the \$157,500.00 projected assessed valuation after completion of construction, and applying the present tax rate of \$10.851 per \$100.00 of assessed valuation. This results in a projected tax of \$12,284.00 for the anticipated first year of operation. It is anticipated that the increased assessed valuation due to the new construction will not fully come into effect until the 2001/2002 tax year. Please note that the data used in this projection was estimated.

4. There are no pending tax certiorari proceedings in connection with the Property.
5. Under the By-Laws, the Condominium Board is authorized to act as agent for the Unit Owners to bring a certiorari proceeding on behalf of the Unit Owners. Any Unit Owner may revoke the Condominium Board's authority to act on his behalf. In the event any Unit Owner seeks to have the assessed valuation of his Unit reduced by bringing a certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in, pursuing such reduction, provided that (a) such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees, resulting from such proceedings), (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners and (c) such Unit Owner is current in the payment of all Common Charges and Special Assessments.
6. Sponsor is applying to the City of New York for a real estate tax exemption under Sec. 11-243 of the Administrative Code of the City of New York, commonly known as Section J-51, and will use its best efforts to obtain those benefits.
7. Sponsor will request an opinion letter from the New York City Department of Housing Preservation and Development ("HPD") concerning the eligibility of the Property for Sec. J-51 benefits. Such opinion letter must be obtained before the Plan is declared effective.
8. Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, the result of which can be either the reduction or revocation of benefits if proper documentation is not provided.
9. Upon closing, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits.
10. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

11. The J-51 exemption benefits will decrease as follows:

<u>Year Following Completion of Construction</u>	<u>Percentage of Value of Improvement Which is Exempted</u>
1-10	100%
11	80%
12	60%
13	40%
14	20%

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BRONXVILLE, NEW YORK 10708
TEL: 914-961-2502
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XVIII. COUNSEL'S INCOME TAX
AND REAL PROPERTY LAW
SEC. 339(i) COMPLIANCE OPINION

September 29, 2000

CTC Group Inc.
48 Hester Street
New York, N.Y. 10002

Re: Crown-Plaza Condominium
1062 Bergen Street
Brooklyn, N.Y.

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for Crown-Bergen Condominium (the "Plan"), you have requested our opinion concerning (1) the availability of certain income tax deductions under Federal, New York State and New York City law to a Unit Owner; (2) the tax status of the Condominium with respect to income taxes; and (3) compliance with Real Property Law Sec. 339(i).

We have given this matter careful study and have reviewed the Plan, the Internal Revenue Code of 1986, as amended (the "Code"), and the laws, regulations and materials we deemed relevant. Our opinions expressed herein are based on the assumptions that the Units will be used for residential use only, and that the Plan will be consummated in accordance with its terms. All capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

1. MORTGAGE INTEREST AND REAL ESTATE TAXES

We understand that under the Plan each Unit Owner will own title to his Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Subject to the By-Laws, a Unit Owner may also mortgage his Unit and become directly liable for the payment of such indebtedness. A Unit Owner will not be liable for the payment of real estate taxes or mortgage indebtedness covering other Units.

In our opinion under present law, subject to the limitations discussed herein, interest on a mortgage secured by a Unit paid or accrued by the owner of such Unit who is liable for the interest payment on such mortgage and who uses the Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Unit Owner to purchase the Unit, that the Unit is the owner's principal residence and that the Unit Owner is an individual.

Under the Code, limitations are placed on the deductibility of residential interest. Such interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of Section 121 of the Code, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Unit, this ceiling is \$1 million, or \$500,000 in the case of a married individual filing a separate return. In addition, an individual may deduct interest on an additional \$100,000 of indebtedness in excess of the \$1 million limit mentioned above as interest on home equity indebtedness.

In some cases the amount of mortgage interest deductible by an individual Unit Owner who is subject to the alternative minimum tax may be less than the amount deductible by a Unit Owner subject only to the regular income tax and that no deduction is allowed for real estate taxes paid by a taxpayer in calculating his alternative minimum tax.

The deductible mortgage interest and real estate taxes described above will also be allowable as deductions for New York State and New York City income tax purposes

to a resident individual. It should be noted that for New York City income tax purposes, the benefit of such deductions may be reduced if the Unit Owner has more than the specified amount of tax preference items. We express no opinion with respect to these deductions under the New York State of New York City personal income tax on nonresidents. We also express no opinion as to the taxation of Unit Owners that are not individuals.

2. COMMON CHARGES

We have reviewed various documents included as exhibits to the Plan relating to the organization of the Condominium Board of the Condominium ("the Association"), including the Declaration and By-Laws of the Condominium (which are the instruments creating the Association).

Our opinion has also been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for Federal income tax purposes. In order for the Association to qualify as an exempt organization for Federal income tax purposes under Code Section 528, it must meet the following six conditions:

- (1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.
- (2) Sixty (60%) percent or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of residential units.
- (3) Ninety (90%) percent or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance, and care of the Association's property.
- (4) No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.
- (5) The Association must qualify as a "condominium management association", which is an organization meeting the requirements of condition (1) above, with respect to a condominium project substantially all the units of which are used by individuals for residences.

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five (85%) percent of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation has been established for transient use. No Building or Unit will be considered as used for residential purposes if, for more than one-half (1/2) of the days in the Association's taxable year, such Unit or Building has been occupied by a person or series of persons each of whom occupied the Unit or Building for less than thirty days.

You have advised us and we assume that Units representing more than 85% of the square footage of the Units will be used by individuals for residential purposes. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect tax-exempt status under Code Sec. 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to Federal income tax for the taxable years in which such election is in effect except as noted below.

An effective election will exempt from Federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Units. However, the Association will be subject to tax on any income which is not exempt function income to the extent such non-exempt income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are common charges paid by owners of nonresidential units, interest earned on reserve funds, and amounts received from persons who are not members of the Association. If the Association fails to qualify for or to properly elect treatment under Code Section 528 for a taxable year, it may be subject to Federal income taxation as an association taxable as a corporation on its taxable income. It should be noted that under certain circumstances where the association has taxable nonexempt function income, less Federal income taxes may be payable if it were not treated as an exempt organization. It also should be noted that meeting the qualification conditions prescribed by the statute will require careful periodic planning and monitoring.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Units. We express no views as to any Federal, New York State 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 the tax status or tax consequences of the Plan under the laws of any other state or foreign jurisdiction. Accordingly, it is strongly advised that each prospective purchaser of a Unit consult with his or her own tax advisor concerning the Federal, New York State and New York City tax consequences of the purchase and ownership of a Unit, as well as with respect to the tax matters discussed in this opinion.

3. COMPLIANCE WITH SEC. 339(i) OF THE REAL PROPERTY LAW

The Sponsor has selected subsection (ii) of Sec. 339(i)(1) of the New York Condominium Act as the method for determining the Common Interest of each Unit in the Condominium. This subsection provides for Common Interests to be based upon the ratio of the square foot area of each Unit to the total square foot area of all Units. It is our opinion that the allocation of Common Interests among the Units complies with Sec. 339(i)(1)(ii) of the Real Property Law.

4. CONCLUSION

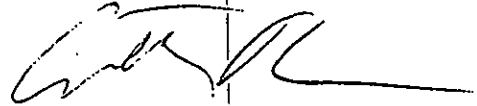
IN OUR OPINION, UNIT OWNERS WILL BE ENTITLED TO INCOME TAX DEDUCTIONS. HOWEVER, THIS OPINION IS NOT A GUARANTEE; IT IS BASED ON EXISTING RULES OF LAW APPLIED TO THE FACTS AND DOCUMENTS REFERRED TO ABOVE. NO ASSURANCES CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASE THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE BOARD OF MANAGERS OF THE CONDOMINIUM, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF, BY REASON OF FUTURE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS, THE TAX CONSEQUENCES PREVIOUSLY DESCRIBED SHOULD CHANGE.

We hereby authorize the use of this opinion, or a reproduction thereof, in the
Plan.

Very truly yours,

CHU & PARTNERS

By

A handwritten signature in black ink, appearing to read 'Anthony P. Colombini', written over a horizontal line.

Anthony P. Colombini

CHU & PARTNERS
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XIX. COUNSEL'S REAL ESTATE
TAX EXEMPTION OPINION

September 29, 2000

CTC Group, Inc.
48 Hester Street
New York, N.Y. 10002

Re: Crown-Bergen Condominium
1062 Bergen Street, Brooklyn, N.Y.

Gentlemen:

You have requested our opinion concerning the eligibility of the abovementioned premises for real estate tax exemption benefits under Section 11-243 of the New York City Administrative Code (commonly known as the J-51 Program).

Overview

The J-51 Program provides real estate tax benefits to owners of residential real property who perform rehabilitation work on their properties. The Program also grants tax benefits to owners of non-residential buildings who convert their buildings to residential use. Benefits are available as of right to owners of eligible projects.

The Program was originally enacted in 1955 to encourage landlords to upgrade cold water flats by installing heat and hot water systems, and has since been expanded to provide benefits for most major capital improvements, certain repairs, and conversions of buildings to residential use.

The Program grants two distinct benefits: a tax exemption and a tax abatement. The tax exemption benefit temporarily exempts property from the increase in assessed value which would otherwise occur as a result of significant renovation work. (Projects involving the replacement of only one or two systems do not generally result in an increase in assessed value and therefore do not utilize the tax exemption benefit.) The

tax abatement reduces existing taxes by a percentage of the cost of work performed. Most projects are eligible to receive both benefits for the same work.

Exemption Benefit

Rehabilitation projects involving a substantial scope of work and conversion projects generally trigger an increase in the assessed value of a building. The tax exemption granted under the J-51 Program temporarily exempts the property from this increase. Most projects receive an exemption for 14 years, phased out 20% per year over the last four years.

Abatement Benefit

The real estate taxes which are attributable to the nonexempt portion of the assessed valuation, may be abated and reduced by an amount no greater than 8-1/3% of the Certified Reasonable Cost ("CRC") of such conversion, alteration or improvement for a period of not less than 6 years and not to exceed 20 years. For most projects, the CRC equals the lesser of the actual cost of the item of work performed and the amount listed on the cost schedule provided in the J-51 Rules.

In general, to qualify for the exemption and abatement, the work must be completed within 3 years of the Permit date and an application must be submitted to HPD within 48 months of the commencement of the work. Certain limitations on the CRC and post rehabilitation assessed valuation per Unit will not apply in this case since the property is located in a Neighborhood Preservation Area.

In rendering this opinion we have relied on the following information which you have provided or represented to us:

1. You intend to rehabilitate the Building into 16 Class A Units and convert it to a condominium.
2. There will be no commercial space.
3. The cubic content of the Building will not be increased.
4. The renovation is being performed pursuant to an Alteration Type I permit and a Certificate of Occupancy for the premises will be issued by the N.Y.C. Department of Buildings upon completion of the renovation.
5. The CRC to be issued by HPD will be approximately \$490,000 for the entire project.

6. The work will be completed within 3 years of the Permit date and the application will be submitted to HPD within 48 months of the commencement of the work.

Based upon the foregoing, and subject to your timely and proper filing of the required applications and documentation as required under the J-51 Program, it is our opinion that the abovementioned premises after completion of construction will be eligible for tax benefits under the J-51 Program. However, if any of the foregoing requirements or conditions should not be met to the satisfaction of HPD, or if any of the foregoing representations should prove to be inaccurate, the premises would not qualify for J-51 benefits.

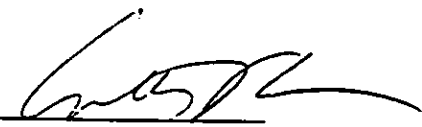
An estimate as to the amount of the benefits is contained in the letter from Empire Consulting Service, Inc. attached hereto.

IN OUR OPINION, THE UNIT OWNERS WILL BE ELIGIBLE FOR THE REAL ESTATE TAX BENEFITS DESCRIBED ABOVE. HOWEVER, THIS OPINION IS NOT A GUARANTEE; IT IS BASED ON EXISTING RULES OF LAW APPLIED TO THE FACTS AND DOCUMENTS REFERRED TO ABOVE. NO ASSURANCES CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASE THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE BOARD OF MANAGERS OF THE CONDOMINIUM, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING THIS OPINION OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR RULINGS ON WHICH COUNSEL RELIED WHICH CAUSE UNIT OWNERS NOT TO BE OR TO CEASE TO BE ENTITLED TO THE BENEFITS OR THE LEVEL OR DURATION OF BENEFITS DESCRIBED ABOVE.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,

CHU & PARTNERS

By 
Anthony P. Colombini



EMPIRE CONSULTING SERVICE, INC.

4 Jackson Avenue • Spring Valley, New York 10977 • (914) 354-6298 • (888) 354-6298 • FAX: (914) 354-0782

October 3, 2000

Mr. Anthony Colombini
Chu and Partners
233 Canal St,
New York, NY 10013

RE: 1062 Bergen St., Brooklyn
Block:1219 Lot: 25

Dear Mr. Colombini;

You have requested our opinion as to the eligibility of the above property for real estate tax abatement and tax exemption benefits under Section 11-243 of the administrative code of the City of New York (formerly Sec. J-51) and an estimate of what those benefits would be.

The real estate tax benefits which are available to eligible properties under Section J-51 are as follows:

TAX EXEMPTION

In some instances some or all of any increase in a building's assessed valuation, resulting from the conversion, alteration, or improvement of a building or structure, performed pursuant to Section J-51, except insofar as the gross cubic content of the building is increased thereby, may be exempt from taxation for a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years. The land value is not be exempt from any increase in assessed valuation.

TAX ABATEMENT

The taxes which are attributable to the nonexempt portion of the assessed valuation, may be abated and reduced by an amount no greater than 8 1/3% of the Certified Reasonable Cost

(CRC) of such conversion, alteration or improvement for a period of not less than 6 years and not to exceed 20 years.

All interested parties should note that the expiration date of Section 489 of the real property tax law, which is the enabling legislation for New York City's enactment of the J-51 status, is Dec 31 '03.

This legislation, and subsequent amendments to the Section 11-243 Program, include the withdrawal of benefits for the conversion of class B dwellings to Class A dwellings, restrictions on loft conversions, reduction of the "cap" on maximum abatement benefits and the removal of benefits for "luxury" conversions, among other changes. These provisions limit tax exemptions, in some cases, by creating a sliding scale for the exemption based on the post rehabilitation assessed valuation of the property. In addition, the Certificate of Reasonable Cost would be subject to a dollar limit of \$15,000 per dwelling unit (based on a unit of 3.5 rooms). However, these limitation do not apply for buildings in Neighborhood Preservation Areas. This building appears to be in such an area thus this limitations should not apply.

We were advised that the sponsor intends to rehabilitate the above multiple dwelling into sixteen Class A units and convert it to a condominium, that there will be no commercial space and that the cubic content of the building will not be increased. You have further advised us that the renovation is being performed pursuant to an Alteration Type I permit and that a Certificate of Occupancy for the premises will be issued by the Department of Buildings upon completion of the renovation. Each condominium unit will be issued a tax lot number and the owner of each unit will be responsible for paying it's real estate taxes.

Based on the foregoing, it is our opinion that the Department of Housing Preservation and Development ("HPD") will consider the property eligible for real estate tax abatement benefits under Section 11-243.

We have estimated, assuming that a substantial rehabilitation is done, and based upon information submitted to us by the Sponsor, that the Certificate of Eligibility and Reasonable Cost (CRC) to be issued pursuant to Subdivision "F" of Section 11-243 of HPD will be approximately \$490,000 for the entire project or an average of \$30,625 per unit, with an annual abatement of approximately \$2,550 until \$27,560 is used per unit Any unused abatement benefit may be carried forward up to 20 years after commencement of the abatement.

As noted above, Section 11-243 as amended, limits exemption benefits for properties where an alteration permit was issued after September 15, 1983. Exemption benefits are based upon post rehabilitation levels. Full exemptions will be granted to property with a post rehabilitation assessed valuation equal to or less than \$18,000 per dwelling unit. Properties whose post-rehabilitation assessment is between \$18,000 and \$38,000 will be exempt from an increase in taxation computed on an incremental basis.

Local Law 41 of '88 removed these exemption limitations for properties in the outer boroughs and in Manhattan above 110th Street, provided the permit was issued after June 1, '86. These exemption limitations will not apply to this property.

The sponsor retained an Appraiser to estimate the Assessed Value of the building after completion. They estimated it will be approximately \$157,500. Accordingly, the average annual Real Estate taxes before the J-51 Tax Abatements/Exemptions will be \$1,068. After applying the J-51 there will be no Real Estate taxes due for twenty years.

No assurance can be given that the assessed valuation and/or tax rate will remain the same for the duration of the benefits and if either increases the real estate taxes may increase. The ratio of exempt to non-exempt portions of the building's assessed value shall remain the same throughout the period of tax exemption, notwithstanding any subsequent increase in assessed value during this period.

In general, to qualify for the exemption and abatement, the work must be completed within three years of the Permit date and the application must be submitted to HPD within forty-eight months of the commencement of the work (Regulations Section 5-03(d) formerly Section 2.4 (4) of the Rules).

We also note that once J-51 benefits are granted, certain subsequent events could cause their reduction or withdrawal. Under Section 5-07(e) of the regulations, the commissioner of HPD may reduce or revoke past or future tax exemptions or abatements if he finds that the J-51 application contained a false statement as to a material matter or omits a material fact.

ALL INTERESTED PARTIES SHOULD BE AWARE THAT HPD ROUTINELY CONDUCTS AUDITS AND REQUIRES THAT, PURSUANT TO SECTION 5-07(b) OF THE REGULATIONS, ALL BOOKS, RECORDS AND DOCUMENTS BE KEPT, RETAINED FOR THREE YEARS AFTER COMPLETION OF THE APPLICATION AND MADE AVAILABLE TO HPD SHOULD SUCH DOCUMENTATION BE REQUESTED. FAILURE TO COMPLY WITH AUDIT REQUIREMENTS CAN RESULT IN THE REDUCTION OR LOSS OF J-51 BENEFITS.

Please note that, after the J-51 application has been approved by HPD, benefits will not actually commence so long as previous real estate taxes, water and sewer charges remain unpaid. J-51 real estate tax abatement and exemption benefits are not retroactive. All real estate taxes due up to the commencement of the benefits must be paid in full. In addition, once begun, J-51 benefits can be revoked in the event that real estate taxes or water charges and sewer rents remain unpaid for one year after they become due and payable to the city. Failure by one condominium owner to pay the taxes and/or charges applicable to its unit will not jeopardize the benefits of the other unit owners.

This letter was prepared at the Sponsor's request. The figures set forth herein are approximations derived from material submitted by the Sponsor and are subject to variation.

However, no representation is made by this firm that the provisions of the law will apply at the time the alterations to the building are completed, and if they do apply, that HPD will hold that the property is entitled to the benefits conferred by section 11-243.

NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT HPD OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT , OR ANY OTHER AGENCY WITH JURISDICTION WILL APPROVE SPONSOR'S APPLICATION FOR J-51 TAX BENEFITS, OR THAT THE PER UNIT ASSESSED VALUATION WILL FALL WITHIN THE PARAMETER SET FORTH ABOVE AND THE WRITER OF THIS LETTER SHALL NOT BE LIABLE IF , BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS OR THE INTERPRETATIONS OF LAWS AND /OR REGULATIONS OR IF THE FACTS REPRESENTED BY SPONSOR PROVE INCORRECT, THE PROPERTY FAILS TO OBTAIN IN WHOLE OR PART J-51 BENEFITS. SHOULD TAX ABATEMENT AND/OR EXEMPTIONS BE DENIED, IN WHOLE OR IN PART, THEN THE UNIT OWNERS MAY BE RESPONSIBLE FOR ALL OF THE TAXES DUE AND OWING FROM THE CLOSING DATE.

We consent to the use of the letter in the offering plan.

Please note: J-51 and 11-243 are used interchangeably

Sincerely yours,

Empire Consulting Service, Inc.

A handwritten signature in cursive script, appearing to read "Mendel Soifer".

Mendel Soifer

XX. RESERVE FUND

Since the Building has been totally renovated recently, it is not likely that any capital items will be needed to be replaced within the first five (5) years of condominium operation. Accordingly, no reserve for capital expenditures has been provided for in this Offering Plan.

XXI. WORKING CAPITAL FUND

At the first closing of each Unit, the Sponsor will collect \$400.00 from each Purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers the Working Capital Fund may not be used to reduce the projected Common Charges in the Plan. Closing adjustments between the Sponsor and the Condominium may be deducted from the Working Capital Fund or from the Common Charges collected.

No representation is made that this fund will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and above this fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

XXII. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

1. At the time of First Closing, a Management Agreement will be entered into between the Board of Managers and Ed-Mar Management Inc., an affiliate of Sponsor, with offices at 48 Hester Street, New York, N.Y. 10002. The initial term of the Management Agreement will be for one (1) year and it shall be automatically extended monthly thereafter until cancelled by either party on at least sixty (60) days prior written notice. The annual compensation to be paid to the Managing Agent will be \$9,600.00, payable in monthly installments of \$800.00.

The major duties of the Managing Agent will be to bill and collect Common Charges and assessments; cause the Common Elements to be maintained and repaired in the manner deemed advisable by the Board of Managers; contracting for necessary services for the Common Elements; rendering monthly statements of receipts and disbursements to the Board of Managers; maintaining payroll records and filing withholding tax statements for employees; maintaining an accurate set of books for the Condominium; sending notices, preparing agendas and attending meetings of the Board of Managers and Unit Owners; and assisting the Condominium's accountant in performing annual audits on the books and records of the Condominium.

The Board of Managers will be obligated to reimburse the Managing Agent for all the expenses it incurs in the performance of its duties. In addition, the Board of Managers will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Board of Managers or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the Management Agreement.

The Management Agreement will not be assignable by the Managing Agent.

The Managing Agent may receive additional compensation as a result of fees from Unit Owners in connection with the sale or leasing of Units.

2. All proposed service contracts to date that will be binding on the Condominium are described in the footnotes to the budget in Schedule B.
3. At this time, the Condominium will not have any leases.

XXIII. IDENTITY OF PARTIES

Sponsor

The Sponsor is CTC Group Inc., a New York corporation with offices at 48 Hester Street, New York, N.Y. 10002. The principals of the Sponsor are Lyndon Chin, President, and May Wan Chu, Secretary-Treasurer. Mr. Chin is engaged in the business of real estate development. His business address is 48 Hester Street, New York, N.Y. 10002. Mrs. Chu is engaged in the business of real estate development. Her business address is 48 Hester Street, New York, N.Y. 10002.

Neither the Sponsor nor the principals of the Sponsor have offered any other properties for sale as cooperatives, condominiums, planned unit development homes or time shares within the past five (5) years.

Counsel to Sponsor

The Sponsor has retained the law firm of Chu & Partners, 233 Canal Street, New York, N.Y. 10013, to represent it in the preparation and consummation of the Offering Plan. Chu & Partners is not affiliated with the Sponsor. The primary attorney from this firm handling this matter is Anthony P. Colombini. This firm drafted the Declaration, the By-Laws, this Plan, the form of purchase agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Offering.

Managing Agent

The Managing Agent will be Ed-Mar Management Inc., 48 Hester Street, New York, N.Y. 10002. Ed-Mar Management Inc. is an affiliate of the Sponsor. It also manages several other condominiums, 48 Hester Street, New York, N.Y. and 141 Division Street, New York, N.Y. Among the other buildings managed by Ed-Mar are 130 Baxter Street, New York, N.Y. and 202 Hester Street, New York, N.Y.

Engineer

The Engineer for the project is Melvin Lindner, P.E., 103 Aspen Drive, Woodbury, N.Y. 11797. Mr. Lindner has over 50 years of experience. He has no financial interest in the Property except that he will be paid a fee for his services.

XXIV. REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

1. A financial statement of the Condominium prepared and certified by an independent certified public accountant within four (4) months after the end of the Condominium's fiscal year. Such statement shall be certified while the Sponsor is in control of the Board of Managers.
2. Prior notice of the annual Unit Owner's meeting.
3. A copy of the proposed annual budget of the Condominium at least ten (10) days prior to the date set for adoption thereof by the Board of Managers. Such budget shall be certified while the Sponsor is in control of the Board of Managers.

XXV. DOCUMENTS ON FILE

The Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge, and copying at a reasonable charge, for six years from the date of first closing.

The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

XXVI. GENERAL

Pending Litigation

At the date of this Offering Plan, there are no lawsuits, administrative proceedings, or other proceedings the outcome of which may materially affect this Offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

Prior Offerings

The Property has not been the subject of any prior public offerings. No preliminary binding agreements have been entered and no money has been collected from prospective Purchasers.

Non-Discrimination

The Sponsor represents that it and its agents will not discriminate against any person because of his or her race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law.

Amendment of Offering Plan

The Offering Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Offering Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than fifteen (15) days after a copy of the duly filed amendment is mailed or otherwise delivered to them to cancel the Purchase Agreement by written notice to the Sponsor and to obtain a refund, of the down payment made therewith. The return of deposits to interim lessees will be conditioned upon their vacating their Units. No person has been authorized to make any representation which is not expressly contained herein. This Offering Plan may not be changed or modified orally.

XXVII. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property and Building Condition set forth in Part II of the Plan, and represents that it has no knowledge of any material defects or need for major repairs to the property except as set forth in the description of Property and Building Condition. Sponsor has no knowledge of any rehabilitation to be completed by the Sponsor which is not reported in the Description of Property and Building Condition.

The number of Units being offered is identical to the number of Units which will be stated in the Certificate of Occupancy when obtained. The proposed use of the Units is the same as the use which will be indicated in the Certificate of Occupancy when obtained. No other property interests are being offered.

The Building is being totally renovated. At this time there are no official inspection reports reflecting on its condition or required by local law. The Sponsor, at Sponsor's expense, will remove any municipal violations affecting the Building.

OFFERING STATEMENT

CROWN-BERGEN CONDOMINIUM

1062 BERGEN STREET

BROOKLYN, N.Y.

PART II

PURCHASE AGREEMENT

Date: _____

Seller: CTC GROUP INC., a New York corporation with offices at 48 Hester Street,
New York, N.Y. 10002.

Purchaser(s) Name(s): _____

Address: _____

Telephone #: _____

Social Security #/Fed. Employer I.D. #: _____

Unit No.: _____ % of Common Interest: _____%

Total Purchase Price \$ _____

Down Payment Herewith \$ _____

Balance Due at Closing \$ _____

MORTGAGE CONTINGENCY INFORMATION

Mortgage Contingency Amount \$ _____

Mortgage Term Years

WHEREAS, the Seller has promulgated a Condominium Offering Plan, (hereinafter referred to as the "Plan"), and desires to offer for sale, pursuant to Article 9-B of the Real Property Law of the State of New York, condominium units to be situated on the land located at 1062 Bergen Street, Brooklyn, N.Y., and the Purchaser is desirous of purchasing the unit in such Condominium listed above together with the undivided interest in the Common Elements appurtenant thereto (hereinafter collectively referred to as the "Unit"), which Unit is so designated in a certain proposed "Declaration Pursuant to Article 9-B of Real Property Law" to be filed in the Office of the Register of the City of New York, County of Kings, which establishes a plan for condominium ownership of said Building and the Land on which it stands.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Purchase Agreement, the parties mutually agree as follows:

1. Payment for Unit. The Seller hereby agrees to sell and the Purchaser agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment stated above has been made on the signing of this Purchase Agreement, by check the receipt of which, subject to collection, is hereby acknowledged by Seller. Non-payment of said check in due course shall give the Seller the option of cancelling this Purchase Agreement. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided, by unendorsed certified check of Purchaser or cashier's check, payable to the order of Seller or to such other payee or payees as the Seller may designate. All checks must be drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization, unless the Seller consents otherwise.

2. Deposit Monies Held in Trust. The Seller shall hold all monies received by it, directly or through its agents, employees or escrow agent, from the Purchaser in trust pursuant to, and in compliance with, Sections 352(h) and 352(e)(2)(b) of the General Business Law of the State of New York, in an escrow account entitled "Chu & Partners Crown-Bergen Condominium Special Escrow Account", or similar name, at Eastbank, N.A., 233 Canal Street, New York, N.Y. 10013, which account shall be interest bearing in accordance with Section 71-a(3) of the Lien Law. Anthony P. Colombini, Esq., the principal of the law firm of Chu & Partners, 233 Canal Street, New York, N.Y. 10013, the Seller's attorneys, must sign for the release of any funds as herein provided. The deposit will accrue interest, which shall belong to the Purchaser, at the prevailing rates, from the date that the deposit is placed in the escrow account.

Anything contained in this Purchase Agreement to the contrary notwithstanding, in the event of an uncured default by Purchaser in his obligations under this Purchase Agreement, no more than ten percent (10%) of the purchase price plus any

interest earned thereon may be retained as liquidated damages. In addition, the actual cost incurred by the Seller for any special work ordered by the Purchaser may also be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with this Purchase Agreement if there has been a default by Purchaser.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

3. Mortgage Contingency. This Purchase Agreement is subject to and conditioned upon the Purchaser obtaining a commitment from a lending institution for a first mortgage loan in an amount not less than the Mortgage Contingency Amount set forth at the beginning of this Agreement, with interest at the prevailing rate, for a term not less than the Mortgage Term set forth at the beginning of this Agreement, within forty-five (45) days of the date hereof. Purchaser agrees to make all necessary applications for such financing and to furnish all information that said institution may require within ten (10) days of the date of this Agreement. Purchaser agrees that if the application is approved he will execute at title closing all papers, statements or instruments which may be necessary to consummate the mortgage loan transaction. Failure to comply shall be deemed a material breach of this Agreement. If the Purchaser is unable to obtain a mortgage commitment in the aforementioned amount within forty-five (45) days of the date of this Agreement and Purchaser has sent Seller written notice of his inability to obtain a commitment within this period, then upon the refunding of the Purchaser's deposit, together with any interest earned thereon, less the actual cost incurred by the Seller for any special work ordered by the Purchaser, this Agreement shall be deemed cancelled and the parties hereto shall be released from any liability hereunder except that the Seller reserves the right for a period of thirty (30) days to designate another lending institution, or to grant the mortgage loan itself on the same or better terms and conditions as the then prevailing terms and conditions of the lender to which the Purchaser had originally applied for a loan. In the event that written notice is not received by the Seller of the Purchaser's inability to obtain such financing within the said forty-five (45) day period at the then prevailing terms, the provisions of this Paragraph shall be deemed waived by the Purchaser and Purchaser shall be obligated to complete this transaction whether or not the Purchaser obtains financing. The Purchaser agrees to furnish the Seller at the Seller's request with a copy of his mortgage application and the name and address of the institution to which said application has been made and a copy of the commitment when received. Purchaser should be aware that the commitment may expire and that the terms of the commitment may change prior to the actual closing. If the Purchaser's financing commitment lapses or expires prior to closing due to Seller's delay

in closing, and the Purchaser has made a good faith effort to extend the commitment, without success, then Purchaser shall have a period of ten (10) days from the expiration date of the commitment to rescind the Purchase Agreement by written notice to the Seller, and to be refunded the deposit plus any interest earned thereon, less the actual cost incurred by the Seller for any special work ordered by the Purchaser.

4. The Plan. Purchaser acknowledges having received a copy of the Plan and all amendments thereto filed prior to the date hereof, at least three (3) business days prior to the time of execution of this Agreement by him. Said Plan, including all documents set forth in Part II thereof, and said amendments thereof (if any), are incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and the Rules and Regulations contained therein) and agrees to abide, and be bound, by the terms and conditions thereof.

5. Recording of Condominium Declaration. The Declaration and By-Law will be recorded by the Seller in the Office of the City Register of the County of Kings prior to the conveyance of the first Unit as set forth in the Offering Plan. The Declaration and By-Laws, when recorded by the Seller, will be substantially in the form and substance of the Declaration and By-Laws attached to the Offering Plan and delivered to the Purchaser, and any changes therein will not substantially adversely affect the Purchaser.

6. Construction. (a) The construction of the Building and the Unit and the materials, equipment and fixtures installed therein shall be substantially in accordance with the Plan and the architectural plans and specifications, as said plans and specifications are modified or amended, as provided in the Plan. The issuance of a Certificate of Occupancy for the entire Building shall be deemed presumptive evidence that the Building has been fully completed in accordance with the plans and specifications.

(b) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (i) minor details of the Unit or the Building, or (ii) other Units, or (iii) portions of the Common Elements have not been completed.

(c) Purchaser will be entitled to examine his Unit with a representative of Seller during normal business hours prior to the Closing Date. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign an Inspection Statement and deliver same to the representative of Seller at the conclusion of the inspection. Failure of Purchaser either to inspect the Unit prior to closing or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from

paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit. Purchaser is obligated to pay the entire Balance of the Purchase Price, without provision for escrow, notwithstanding Seller's obligation to complete or correct the construction items noted on Purchaser's Inspection Statement. However, nothing herein shall relieve Seller of its obligations as set forth in the "Rights and Obligations of Sponsor".

7. The Deed; Marketable Title. (a) At closing of title, Seller shall deliver to Purchaser a Bargain and Sale with Covenant Against Grantor's Acts Deed, conveying title to Purchaser subject only to the liens, encumbrances and title conditions set forth in Exhibit A attached hereto. The deed shall be substantially in the form set forth in the Plan and shall be executed and acknowledged by Seller, in form for recording. Purchaser will pay all New York State and New York City real property transfer taxes. Purchaser agrees to execute and deliver to Seller at the closing of title a Power of Attorney in favor of the Board of Managers in the form annexed to the Plan.

(b) Except as provided in Subparagraph (c) of this Section, in the event Seller is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Seller will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever to render title marketable, and in such case, if Seller notifies Purchaser of its refusal to remedy the defect in title and if Purchaser is not in default hereunder, Purchaser shall have the option to (i) take title subject to such defect (without any abatement in, or credit against, the purchase price, or claim or right of action against Seller for damages or otherwise) or (ii) terminate this Agreement (in which case Seller shall, within ten (10) days after receipt of said termination notice, return to Purchaser all monies deposited hereunder, together with any interest earned thereon, less the actual cost incurred by the Seller for any special work ordered by the Purchaser, and upon making such refund this Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other hereunder or under 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 remedy the title defect, failing which it shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to the title defect.

(c) Notwithstanding the provisions of Subparagraph (b), it is specifically understood and agreed that in the event the Seller shall be unable to deliver or cause to be delivered a deed to the Unit to the Purchaser in accordance with this Agreement because of the inability of the Seller to complete the filing of the premises as part and parcel of a Condominium Plan in accordance with the Offering Plan, and any amendments thereto, then the Seller shall immediately notify the Purchaser and thereupon this Agreement shall terminate and the sole liability between the parties shall be the return by the Seller to the

Purchaser of the Purchaser's down payment, together with any interest earned thereon, less the actual cost incurred by the Seller for any special work ordered by the Purchaser.

8. Closing Costs. Purchaser shall pay the following costs and expenses at the time of title closing: (a) If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefore. (b) Fee for recording deed and power of attorney. (c) All New York State and New York City real property transfer taxes. (d) Fee for Sponsor's closing attorneys in the amount of \$500.00. In the event that the closing is not held at the offices of Chu & Partners, an additional fee of \$250.00 will be added. Moreover, in the event that the Purchaser orders title insurance from a company other than Summit Associates, the Purchaser will be required to pay an additional fee of \$250.00 to Sponsor's counsel for their additional services in clearing title and furnishing documents to such other company. (e) \$400.00 to the Condominium as initial working capital. (f) Purchaser will be required to reimburse Sponsor for the proportionate share of J-51 tax abatement filing and professional fees and disbursements (see "Closing Costs and Adjustments" for more details). (g) In the event that the Purchaser receives a discount in the title insurance premium by reason of prior title insurance covering the Property, then the Purchaser shall pay the Seller an amount equal to one-half of the savings in the title insurance premium. In addition, if Purchaser obtains a mortgage loan, he will be responsible for the payment of all closing costs and expenses in connection therewith in the amounts determined by the lender.

9. Closing Adjustments. The parties shall apportion as of the day preceding the closing date, the following:

(a) Real estate taxes and assessments, if any, (including water charges and sewer rents if separately assessed) on the basis of the fiscal or calendar tax year for which assessed. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time. The Seller shall be entitled to reimbursement from a Unit Owner for real estate taxes as they are paid should tax lots not be apportioned by the end of the tax payment period in which a Unit Closing occurs. Such reimbursement shall be per such Unit Owner's percentage of Common Interest. If the Unit has been separately assessed but the Closing occurs before the tax rate is fixed, apportionment of real estate taxes shall be upon the basis of the latest tax rate applied to the most recent assessed valuation. Installments for tax assessments due after the delivery of the deed (if any) shall be paid by Purchaser and shall not be considered a defect in title.

(b) If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Seller may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the Seller may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Seller will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

(c) Common Charges for the month in which title closes (there will be no apportionment of Common Charges if the Unit is conveyed on the date of filing the Declaration).

10. Mortgage Tax Credit. Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law of the State of New York will inure to the benefit of the Seller.

11. Closing of Title. The closing of title shall take place at the offices of Chu & Partners, 233 Canal Street, New York, N.Y. 10013, or such other place as the Seller may designate, at an hour and on a date to be specified by the Seller. After the Plan has been declared effective, the Seller will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on all Purchasers stating the date of the first closing and setting each closing date. Such notice will be served no less than thirty (30) days before the date set for closing. Purchaser may waive this thirty (30) day notice provision and close earlier. The closing of title may be adjourned to such later date as the parties may agree upon.

The Seller shall be entitled to reasonable adjournments in the closing of title in the event of any delays by reason of weather conditions, strikes, or material shortages, or delays in inspections and reports thereon, or other requirements, or to cure any objections to title which the Seller is obligated to cure. If the Purchaser is not ready to close title on the date specified by the Seller pursuant to this Purchase Agreement, any adjournment exceeding fourteen (14) days granted at the request of the Purchaser shall be upon the condition that all adjustments shall be made as of the date originally fixed for the closing of title and that Purchaser reimburse Seller for the pro-rata amount of Seller's mortgage loan interest for the period from the original date fixed for closing to the actual date of closing. Nothing herein contained shall be construed to require Seller to grant any adjournment.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

12. Default By Purchaser. In the event of a default by the Purchaser under this Purchase Agreement, the Seller may notify the Purchaser, in writing, of its intention to cancel the Purchase Agreement unless the default is cured within thirty (30) days. If the Purchaser fails to cure the default within the said thirty (30) days, then the Seller may, at its option, cancel the Purchase Agreement and retain all or part of the moneys paid on account hereunder as liquidated damages to a maximum of ten (10%) percent of the purchase price, together with any interest earned thereon, plus the actual cost of any special work ordered by the Purchaser, in which event the parties shall be discharged of all further liability hereunder. The provisions of this Paragraph shall apply regardless of any sale of the Unit subsequent to Purchaser's default.

13. Agreement Subject to Plan Becoming Effective. The performance by Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior or (under certain conditions) subsequent to its being declared effective and shall be abandoned and be deemed abandoned if it has not been declared effective within the time limits prescribed in this Plan. If the Plan is abandoned or deemed abandoned, Purchaser shall receive a refund in full of all monies deposited hereunder, together with any interest earned thereon, and upon such payment being made, neither party shall have any claim against the other and the parties shall be released and discharged from all obligations and liabilities under this Agreement and the Plan.

14. Subordination of Purchase Agreement to Mortgages. The Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments 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 the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary. Seller shall at its option satisfy such mortgages or obtain a release of the Unit from the lien of such mortgages at or prior to the Closing Date.

15. Equipment and Furnishing. Seller will provide Purchaser only with the fixtures, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

16. Selection of Colors. 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 Purchaser at the address herein set forth.

17. Seller's Right to Make Changes in Materials, etc. The Seller reserves the right to (a) make changes or substitutions of materials or construction for items as set forth in the Plan provided any such changes are of comparable value and quality; (b) determine the grading, elevation and design (including reversal of the Unit layout) of all plots, dwelling and Units; (c) determine elevation and location of foundations, decks, walkways and streets to conform with topographical conditions; and (d) determine the number of Units and the ultimate model type mix to be constructed.

18. Lack of Labor/Materials; Seller's Right to Cancel. The parties hereto do hereby agree that the Seller may cancel this Agreement by forwarding its check in the full amount paid by the Purchaser, plus any interest earned thereon, together with a notice in writing, addressed to the Purchaser, at his address hereinabove set forth in the event of the occurrence of either of the following: (i) that any governmental bureau, department, or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restriction shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (ii) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

19. Options Ordered by Purchaser. Any special work ordered or changes ordered by Purchaser shall be signed for by the Purchaser and must be paid for in full within seven (7) days of the order. Notwithstanding anything herein to the contrary, in the event that this Purchase Agreement is cancelled, such payment shall not be refunded. If for any reason the Seller fails to install said special work in accordance with the work order, the limit of the Seller's liability is a refund of the amount of the charge paid.

20. Marketable Title. The Seller shall give and Purchaser shall accept a good and marketable title (subject to the terms of the Declaration and By-Laws as filed and of the Plan), free and clear of all liens and encumbrances except the lien of any purchase money mortgage applied for by Purchaser herein and except as set forth in Exhibit A attached hereto and made a part hereof.

21. Acceptance of Deed - Full Compliance by Seller; Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this Agreement, and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this Agreement is hereby waived.

22. Lien of Deposit. All sums paid on account of this Agreement and the reasonable expense of the examination of the title to the Unit are hereby made liens hereon, but such liens shall not continue after default by the Purchaser under this Agreement.

23. Liens Satisfied at Closing. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that the Seller shall deposit a sufficient amount with Purchaser's title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in this agreement, out of the monies to be paid by the Purchaser at the time of closing title.

24. Risk of Loss. If before the closing of title or delivery of actual possession of the Unit to the Purchaser pursuant to an interim lease (or written agreement with the Seller), the Unit is damaged by fire or other casualty, the risk of loss is assumed by the Seller, but without any obligation or liability of the Seller to repair or replace same. If the Seller or (in the event the Declaration is filed) the Unit Owners elect to repair the damage, the Purchase Agreement will remain in effect and the closing of title may be postponed for a reasonable period of time in order to complete repairs. If the Seller or the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and of no further force or effect and Purchaser will be refunded all deposit monies paid, together with any interest earned thereon, less the actual cost incurred by the Seller for any special work ordered by the Purchaser, unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which case said contract monies may be retained by Seller as provided for herein under the paragraph titled "Default by Purchaser".

25. Binding Effect; Assignability; and Notices. This Purchase Agreement shall not be effective or binding on the Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. This Agreement may not be assigned without the prior

written consent of the Seller. The Purchaser agrees that he will not record this Agreement without the prior written consent of the Seller. Unless otherwise provided herein, any notice to be given hereunder shall be in writing and sent by certified mail, return receipt requested to the other party at the address above given or at such address as either party may hereafter designate to the other in writing.

26. Acceptance by Seller. Within twenty (20) days of receiving this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Seller must either accept this Purchase Agreement by returning to Purchaser a fully executed copy thereof or reject this Purchase Agreement offer by returning to Purchaser the Down Payment tendered. If Seller takes no action within said twenty (20) day period, this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's Down Payment within twenty (20) days.

27. Limitation of Seller's Liability. The Seller's liability under this Purchase Agreement for failure to complete and/or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder, together with any interest earned thereon, and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. This limitation of liability shall not apply to the Seller's or its principals' failure to perform any obligation imposed by applicable statutes or regulations or to the Seller's or its principals' failure to perform its obligations under the Offering Plan. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

28. Broker. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than _____. Purchaser agrees to indemnify and hold harmless the Seller from any and all liabilities arising from claims made against Seller for commissions by any other broker, on account of the Purchaser's acts or the acts of its representatives. The provisions of this paragraph shall survive the closing.

29. FIRPTA. At the closing the Seller shall supply a certificate in accordance with Treasury Department Regulations Section 1.1445-27 stating that the Seller is not a foreign person subject to the Foreign Investment in Real Property Tax Act.

30. Entire Agreement. This Agreement states the entire understanding of the parties and the Seller shall not be bound by any oral representations and/or agreements. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not

limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error.

31. Modification. This Agreement may not be modified, amended, changed or discharged orally, but only in writing signed by the parties or their respective duly authorized agents.

32. Applicable Law. This agreement shall be governed by and construed in accordance with the laws of the State of New York.

33. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine and neuter genders and the singular shall include the plural (and vice versa), wherever the context so requires.

34. Conflict. If there is a conflict between any provision of the Plan and any provision of the Purchase Agreement, the provision of the Plan will control.

35. 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.

36. Lease Prior to Closing. If the Seller leases the Unit to the Purchaser prior to the closing, any uncured default by the Purchaser under the lease will constitute a default under this Purchase Agreement entitling the Seller, at its sole option, to terminate this Purchase Agreement. Before the Seller may utilize the default under the lease to declare a default under this Purchase Agreement, the Seller must either obtain an order of eviction or other judgement or order from a court or agency of competent jurisdiction against the Purchaser unless the Purchaser has vacated the Unit.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first given above.

Purchaser L.S.

Purchaser L.S.

ACCEPTED:
CTC GROUP INC.

By: _____

DATED: _____

EXHIBIT A

TO PURCHASE AGREEMENT

LIENS, ENCUMBRANCES AND OTHER TITLE EXCEPTIONS

1. Zoning regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey of the Unit would show, provided such state of facts would not render title unmarketable.
3. All of the terms, covenants and conditions of the Declaration, By-Laws (and the Rules and Regulations set forth therein), and Floor Plans to be recorded in the office of the Register of the City of New York, County of Kings, as same may be amended from time to time.
4. Any easement or right of use in favor of any utility company for construction, use, maintenance and repair of all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Land and Building.
5. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.
6. Easements in favor of other Units and in favor of the Common Elements for the continuation of all encroachments of such other Units or the Common Elements on the Unit existing or which may come into existence as a result of (a) construction or alteration of the Building; (b) settling or shifting of the Building; (c) any alteration or repair to the Common Elements made with the consent of the Board of Managers in accordance with the Declaration and By-Laws; (d) any repair or restoration of the Building (or portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements so that such encroachments may remain so long as the Building shall stand.

7. Easements in favor of the Unit and other Units to use, maintain, repair, alter and replace the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such Unit or other Units, provided that access to any Unit or the Common Elements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for permitted purposes.

8. Right of access to all Units by the Board of Managers or other authorized persons to inspect the same, to remove violations therefrom, to correct conditions therein threatening other Units or which violate the provisions of a mortgage on another Unit, or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property; provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for permitted purposes.

9. Right of access to the Common Elements by the Seller, its contractors, subcontractors, agents and employees, before and after filing of the Declaration, for the purposes of completing alterations of the Building in accordance with the plans and specifications and to fulfill its obligations as set forth in the Plan under the section entitled "Obligations of Sponsor", provided that access thereto is exercised in such a manner as would not unreasonably interfere with the use of the Units for permitted purposes.

10. Easement in common with all other Unit Owners for the exclusive use of the Common Elements except where such exclusive use is appurtenant to a particular Unit.

11. Easement of support and necessity in favor of the other Units and the Common Elements.

12. The right is reserved to the Seller and its designee (so long as Seller or its designee owns a Unit), and to the Board of Managers, to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property as the Seller, its designee or the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for permitted purposes. The utility and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for permitted purposes.

13. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent which shall be apportioned at the closing of title.

14. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers), except Seller will pay all such assessments due and payable prior to the Closing Date and Purchaser will pay all installments due subsequent to said Closing Date.

15. The lien of any unpaid franchise or corporate tax of any corporation in the chain of title or any individual in the chain of title, provided the title insurance company insuring Purchaser's title to the Unit shall insure against collection thereof out of the Unit and its appurtenant undivided interest in the Common Elements.

16. The lien of a purchase money mortgage (if any) obtained by a Purchaser to finance the purchase of his Unit.

17. Revocability of licenses for vault space, if any, under the sidewalks and streets.

18. Encroachments of stoops, areas, cellar steps, trim, coping, cornices, foundations, footings and similar projections, if any, on, over, or under the Property, or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any projections, and variations between record lines of the Property and retaining walls and the like, if any.

19. Any sidewalk violations or sidewalk notices to repair.

20. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.

21. Covenants, restrictions, agreements and easements of record as of the date of closing of title to the Unit provided same do not prevent the existing use of the Unit.

POWER OF ATTORNEY

The undersigned, _____ (having an office)
(residing) at _____

the owner(s) of Condominium Unit No. _____ in the Condominium known as CROWN-BERGEN CONDOMINIUM covering the property located at 1062 Bergen Street, Brooklyn, New York, (does)(do) hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the members of the Board of Managers of CROWN-BERGEN CONDOMINIUM and their successors, jointly, my(our) true and lawful attorneys-in-fact, coupled with an interest, with power of substitution in my(our) own name and on my(our) own behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my(our) said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my(our) attorneys-in-fact may in their sole discretion determine, granting to my(our) said attorneys-in-fact the power to do all things in the said premises which I(we) could do if I(we) was(were) personally present.

The undersigned does(do) hereby further irrevocably nominate, constitute and appoint the members of the Board of Managers of CROWN-BERGEN CONDOMINIUM and their successors, my(our) true and lawful attorneys-in-fact coupled with an interest in my(our) name, and on my(our) behalf, to vote at any Unit Owners' meeting to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium.

The acts of a majority of such persons constituting the members of the Board of Managers shall constitute the acts of said attorneys-in-fact.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has(have) hereunto set my(our) hand this _____ day of _____, 2001.

STATE OF NEW YORK)

ss.:
)

COUNTY OF)

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

Notary Public

DEED

THIS INDENTURE made the _____ day of _____, 2001, between CTC GROUP INC., a New York corporation, having an office at 48 Hester Street, New York, New York 10002, (hereinafter referred to as the "party of the first part"), and

(residing) (having an office) at

(hereinafter referred to as the "party of the second part").

WITNESSETH

That the party of the first part, in consideration of Ten Dollars (\$10.00), lawful money of the United States, and other good and valuable consideration, paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

The Unit known as Unit No. _____ in the building known as and by Street Number 1062 Bergen Street, in the Borough of Brooklyn, County of Kings, City and State of New York designated and described as Unit No. _____ in the Declaration establishing a plan for condominium ownership of said building and on the land on which it is erected under The Condominium Act of The State of New York (Article 9B of the Real Property Law of The State of New York as amended) dated _____, 2000, recorded on _____, 2000 in the Office of the Register of the City of New York, County of Kings in Reel _____, page _____, and designated as Tax Lot _____ in Block 1219, Section 5 Vol. 1 of The Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York, and on the floor plans of the building, certified by _____ on _____, 2000 and filed in the Office of the Register of the City of New York, County of Kings on _____, 2000 as Condominium Plan No. _____, the land on which the building is located is described as follows:

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 southerly side of Bergen Street distant 238.58 feet westerly from the corner formed by the intersection of the southerly side of Bergen Street with the westerly side of Nostrand Avenue;

THENCE RUNNING southerly and parallel with Nostrand Avenue and part of the distance through a party wall, 125.29 feet;

THENCE westerly parallel with Bergen Street, 38.00 feet;

THENCE RUNNING northerly parallel with Nostrand Avenue and part of the distance through a party wall, 125.29 feet to the southerly side of Bergen Street; and

THENCE RUNNING easterly along the southerly side of Bergen Street, 38.00 feet to the point or place of BEGINNING.

TOGETHER WITH an undivided _____ percent interest in the Common Elements of the Property described in the Declaration, aforesaid.

TOGETHER WITH the benefits and SUBJECT TO the burdens of the provisions of the Declaration of Condominium, and of The By-Laws of The Condominium recorded in the Office of the Register of the City of New York, County of Kings, on _____, 2000 in Reel _____ page _____ as the same may be amended from time to time by instruments recorded in the Register's Office aforementioned, which shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit.

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

TOGETHER WITH the appurtenancies and all the estate and rights of the Party of the First Part in and to the Unit;

TOGETHER WITH and SUBJECT TO all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT TO easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroaching of such adjoining Units or Common Elements on the Unit now existing as a result of construction of the Building,

or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or of any adjoining Unit or of the Common Elements after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, so that any such encroachments may remain so long as the Building shall stand;

SUBJECT TO easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines, and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the party of the first part, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first 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 total of the same for any other purposes.

The Unit is intended for one-family residence use only as permitted by the Declaration and the By-Laws, subject to applicable governmental regulations.

The party of the second part accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time.

This conveyance is made in the regular course of business actually conducted by the party of the first part.

The word "party" shall be construed as if it read "parties" whenever the sense of this Indenture so requires.

IN WITNESS WHEREOF, the party of the first part and the party of the second part have duly executed this Deed on the day and year first above written.

CTC GROUP INC.

By _____

Description of the plot, Lot 25, Block 1219, New York City Tax Map, further identified as 1062 Bergen Street, Brooklyn, New York.

a) Location and use of the property

1. The building is located at 1062 Bergen Street, Brooklyn.
2. The building occupies Lot 25 within Block 1219.
3. The zoning district is R-6, a general residential district.
4. Permissible uses are Use Groups 1-4. These groups permit a wide range of residential uses and community facilities.

b) Status of Construction

1. The building was originally built in 1920, and is currently vacant. The building is undergoing complete renovation, and is scheduled to be completed on or before November 15, 2000.
2. The building is non-fireproof, Class II A construction.
3. A new Certificate of Occupancy will be obtained when construction is complete.
4. Permit number 300915721-01-AL has been issued for renovation of the building.

c) Site

1. The total area of the site is 4761 square feet.
2. The site has 39 foot frontage along the South side of Bergen Street. The Eastern and Western sides of the site are at right angles to Bergen Street, and extend to a depth of 120 feet. The site is rectangular, and is level.
3. There is one residential building on the site.

d) Streets

1. The North facade of the building faces Bergen Street, a one-way Westbound street.
2. The street is public, and is owned by the City of New York.
3. The street is asphaltic concrete, and will be maintained by the City of New York.
4. The curbing is stone, and will be refurbished as necessary at completion of the construction.
5. The sidewalk is scored concrete, and will be refurbished as necessary at completion of construction.
6. Drainage from storm drains on the roof and sanitary drainage from the building will be removed by a combined sewer in the street, which is owned and maintained by the City of New York, and is in good condition.
7. Street lighting is by means of lamps which are owned and maintained by the City of New York.
8. All the above listed items are in conformity with applicable sections of the New York City Building Code.

e) Utilities

1. Electrical service is provided by Consolidated Edison Company. There are separate meters for each occupant. House usage is separately metered.
2. Gas is supplied by Keyspan. Gas will be supplied to hot water heater, laundry dryers, heating boiler and residential cooking ranges. Gas usage will not be individually metered.
3. Water will be supplied by New York City.
4. Storm and sanitary sewage will be removed by a sewer owned by New York City.
5. Telephone and television cable wiring will be installed by the electrical contractor during the course of construction. Billing for these utilities will be directly from the utility supplier to the consumer.

f) Sub-soil Conditions

1. No new excavation was required, and no settling or cracks were found in the existing foundation.
2. There is no evidence of water seepage or ground water infiltration.
3. There is no danger of flooding from water table height or any nearby bodies of water. There is no danger of mudslides or erosion.

g) Landscaping and Enclosures

1. There is no landscaping on the project.
2. There is a low stone wall in the front of the project.
3. There is a 6 foot high chain link fence enclosing the rear yard.
4. There are no trees, gates, garden walls, display fountains or pools.

h) Building Size

1. The total height of the building is 48 feet.
2. The cellar height is 8 feet from floor to ceiling.
3. The total number of floors is four (4).
4. Equipment rooms for the boiler, hot water heater and laundry are located in the cellar.
5. There is a 36 inch parapet at the roof level.

i) Structural System

The structural system of the building consists of existing masonry walls and concrete footings. Floor construction consists of steel bar joists supported by pockets in the masonry walls and steel girders along the center line of the building. Surfaces are corrugated steel decking, with

plywood flooring secured to the decking with screws. The roof is wood joists and plywood decking, with a built-up surface. An independent stair tower is constructed of concrete masonry units, and supports the stair and stair landings. The stair tower concrete masonry structure is reinforced with wire at regular intervals.

1. Exterior of Building

i) Exterior walls of the building are brick masonry, and are existing. Local Law 10 does not apply to the building. During the course of construction/renovation, all exterior walls, including party walls, will be insulated with fiberglass insulation having an R value of at least 12.

Exterior brickwork has been stuccoed on side and rear walls, and pointed on the front wall. Lintels have been examined and found sound.

ii) Windows are double-glazed aluminum framed thermopane type in anodized frames. Window guards will be provided on an as-required basis. Screens will not be provided. There are no lot line windows. All windows are new.

iii) The building is not landmarked.

2) Parapets and Copings

There are existing masonry parapets at the front and rear of the building. Existing copings are stone. Parapets and copings have been examined and repaired as necessary during renovation. There is no evidence of deterioration of the existing masonry.

3) Chimneys and Caps

There is one chimney located at the rear of the building. There are no fireplaces. The chimney has been examined and found sound.

4) Balconies and Terraces

There are no balconies or terraces.

5) Exterior Entrances

i) New exterior doors are aluminum and glass set in aluminum frames, and are of self-closing design. A tumbler cylinder lock is installed.

ii) Vestibule door is aluminum and glass set in an aluminum frame, and is self-closing. A tumbler cylinder lock is installed.

iii) Exterior stairs are limited to a steel fire-escape.

iv) Mailboxes are Postal Service approved design, and are set in the lobby wall.

v) Lighting in the entrance lobby is by means of fluorescent fixtures recessed in the ceiling.

6) Service Entrances

There are no service entrances to the building.

7) Roof and Roof Structures

(i) A new roof is constructed of plywood attached to corrugated steel decking. Roof surface is 4 ply built-up roofing, with an elastomeric coating, over rigid insulation. "R" value of the roof system is 24, minimum. Surface finish of the roof is a smooth rubbery material, with a warranted life of at least 10 years. Flashing materials are fiberglass and formed aluminum sheet, suitably coated.

(ii) There are two cast iron roof drains, and ductile iron pipes to the sewer. Drains are new.

(iii) There is one hatch located above the stair tower near the stair. Hatch construction is of painted steel. The hatch is new.

(iv) Bulkhead of the stair tower is concrete block masonry from the cellar to the 4th floor, and is newly built. The stair is cement filled steel pan, with steel pipe railing. There is no elevator in the building. A new ladder extends to the roof.

(v) There is no metal work at the roof level.

8) Fire Escapes

There are steel fire escapes installed on front and rear walls, attached to the masonry wall and braced by diagonal steel supports. The fire escapes serve the 2nd, 3rd and 4th floors, with drop ladders from the 2nd floor to the ground level. The fire escapes are of open grid steel construction, with structural steel support members. Fire escapes have been repaired and repainted.

9) Yard and Courts

There is one rear yard, partially paved with scored concrete. The rear yard is enclosed with a chain link fence. Access to the rear yard, from the street, is by means of a passage with a self-closing and locking steel door. Access from the building interior is by the fire escape drop ladders. The rear court has been refurbished.

There is a front yard directly accessible from the street. Both front and rear yards have been refurbished.

10) Interior Stair

- (a) There is one interior stair of new construction.
- (b) The stair enclosure is reinforced concrete block from the cellar to the 4th floor, and is of new construction.. A ladder extends to the roof.
- (c) The stair construction is steel pan stair treads with cement fill. Stringers and risers are steel, with steel pipe rails.

11) Interior Doors and Frames

- a) Corridor/unit entrance doors are hollow steel self-closing doors and frames meeting New York City Building Code standards for a 1 1/2 hour rating.
- b) Stair doors and frames are hollow steel self-closing doors and frames meeting the New York City Building Code standards for a 1 1/2 hour rating.
- c) Unit interior doors are hollow wood doors in wood frames,
- d) Cellar doors are hollow steel self-closing doors and steel frames meeting the New York City Building Code for a 1 1/2 hour rating.

12) Elevators

There are no elevators in the building.

13) Elevator Cabs

There are no elevator cabs in the building

j) Auxiliary Facilities

1) Laundry Room

- i) There is one laundry room located in the cellar.
- ii) There are 2 coin operated clothes washers.
- iii) There are 2 coin operated gas fired clothes dryers.
- iv) Room ventilation is by means of a fan installed in a window.
- v) Dryer ventilation is through a flapper vent in the rear wall.
- vi) Washers and driers are owned by CoinMach. The Condominium will pay Coinmach a fee of approximately \$60.00 per month for the charges for the servicing and use of the machines. The machines will be new Speedqueen Dryers, Model #SDG109WA and new Speedqueen Washers, Model #SWT210WA.

2) Refuse Storage

Storage is in covered metal bins. Refuse is picked up by the New York City Department of Sanitation at regular intervals.

3) Superintendent's Apartment

There is an apartment for the use of the superintendent in the cellar

k) Plumbing and Drainage

- 1) Water supply is from an existing water main in the street, with a water meter in the boiler room.
- 2) Fire protection is by sprinkler heads distributed throughout the building in accordance with the New York City regulations.
- 3) There are no water storage tanks.
- 4) Water pressure is supplied by the New York City Water Department water main in the street and is maintained at 40 psi., min.. It is adequate.
- 5) Sanitary sewage is a 6 inch cast iron sewer pipe to a public sewer owned by New York City.
- 6) Permits required – Permits have been secured from New York City for installation of these facilities.
- 7) Storm Drainage is by cast iron roof drains and ductile iron drain pipes to the sewer. There are no eject or sump pumps.
- 8) All plumbing is new.

l) Heating

Central gas fired hot water heating with circulating loops. A master thermal control will govern operation of the heating boiler. Each residence unit has a controlling thermostat for heating to that unit. The heating boiler will supply sufficient heat to meet the requirements of the New York City Building Code. A separate gas fired domestic water heater will supply hot water to the residence units.

Heating boiler - one boiler, Weil-McLean LGB-8

Water heater - one heater, A.O. Smith H.W. 225, 150 gallon capacity.

Gas will be supplied by Keyspan to a single meter for the building.

m) Gas Supply

Gas piping in accordance with the riser diagram and New York City Building Department regulations.

n) Air Conditioning

Air conditioning is supplied by individually owned machines in each unit. Machines are not supplied by the builder..

o) Ventilation

Windowless kitchens have mechanical ventilation to the roof. Stair tower has a metal hatch. Laundry equipment is vented to the rear yard. Ventilation fans are new.

p) Electrical System

1) Service entrance to main service protected by 800 amp 3 wire circuit breaker panel.

2) Service to each unit 150 amps

3) Compartment switch gear in cellar meter room

4) Unit service 150 amp breaker protected

5) Adequacy

a) 150 amp 30 space panel in each unit, with appliances and air conditioners on dedicated circuits.

b) Lighting and fixtures - Incandescent and fluorescent fixtures provided for kitchen, living room, bathroom, bedrooms and corridors.

c) Appliance outlets provided for refrigerator and dishwasher, with an average of four convenience outlets per room, in accordance with the New York City Building Code. Ground fault interruptor receptacles are provided in bathrooms and at countertops in kitchens.

q) Intercommunication and Door Signal System, TV Cable

2-way communication between each unit and the lobby entry, with remote entry capability controlled from each unit. The system is new.

Each unit wired for cable TV. Each occupant to make individual arrangements for final connections and cable service.

r) Public Area Lighting

Lighting in public areas is by means of recessed fluorescent fixtures wired to building service. Exterior lighting is provided at the building entrance. All lighting is suitable for its intended purpose.

s) Garages and Parking Areas - none

t) Swimming Pools - none

u) Tennis Courts, Playgrounds and Recreational Facilities - none

v) Permits and Certificates

Permits required:

Work permit
Plumbing
Sprinkler

Inspections and Certificates:

Electrical
Plumbing
Sprinkler by Fire Inspector
Occupancy by Building Department

w) Violations - none

x) Unit Information

1. On all floors, "A" , "C" and "D" units consist of a living room with dining area, kitchen, bathroom and two bedrooms.
2. On floors 2, 3 and 4, the "B" units consist of a living room with dining area, kitchen, bathroom and three bedrooms.
3. On the first floor, unit "B" consists of a living room with dining area, kitchen, bathroom and two bedrooms.
4. In all rooms, walls and ceilings are painted, except that bathroom walls are partially tiled. Bathroom and kitchen floors are tiled. Other floors are carpeted. Walls and ceilings are sheetrock. Floors are plywood over corrugated steel decking. Sound insulation is applied below floors and within walls between units, and walls around public areas.
5. Bathroom fixtures are tub with shower, water closet and lavatory. Type and model American Standard, color white..
6. Kitchen equipment is gas range, Roper 30" cooktop Model SGP305EW, and refrigerator, Hotpoint 14 cu. Ft. Model CTX14 AYBRWW.

Laundry equipment type and model Coinmach coin operated machines., owned by Coinmach .

7. All interior walls are new and freshly painted.

y) Finish Schedule for Other Places

Cellar, storage area, boiler room, utility room and corridors are finished with painted walls floor and ceilings. Stair walls are painted and stair treads are painted concrete. Stair ceilings are painted. Entry lobby walls and ceiling are painted, and lobby floor is ceramic tile finished.

z) Safety and Warning Devices

Smoke detectors are installed in sleeping areas and public corridors. Sprinklers are installed as required by law.

aa) Additional Information

1. Floor Plans - see attached sheets
2. Floor to Ceiling Height - each living unit 9 feet
3. Floor Area of Each Unit as contained by permanent structural walls
 - "C" and "D" units all floors 432.88 sq. ft.
 - "A" Units, 2nd, 3rd, 4th floors 530.64 sq. ft.
 - "B" Units, 2nd, 3rd, 4th floors 661.94 sq. ft.
 - "B" Unit, 1st floor 522.23 sq. ft/
 - "A" Unit, 1st floor 522.23 sq. ft.

The approximate physical dimensions of each unit consists of the area extending horizontally to the interior face of windows, the hidden (unexposed) face of gypsum wallboard on exterior masonry walls, the exposed face of gypsum wallboard partitions separating the unit from other units, corridors or stairs. Vertically, each unit consists of the space extended from the steel deck floor to the underside of the gypsum wallboard ceiling.

bb) Percentage of Common Interest:

1C, 2C, 3C, 4C, 1D, 2D, 3D, 4D	5.354% each
1B	6.459%
2A, 3A, 4A	6.563% each
1A	6.459%
2B, 3B, 4B	8.187% each

4. Common Area Definition - Common areas are defined as the permanent enclosing walls, windows, exterior and unit access doors opening on stair landings, public corridors and stair, lobby, cellar and roof. Common areas

also include all permanent structural members such as columns, joists, etc., and electrical and lighting fixtures installed in the public areas.

- cc) Further Development - There is no plan to add additional units.
- dd) The building contains no asbestos containing material in any form.
- ff) There is no lead based paint in the building.
- gg) Projected timetable to completion - Construction has been completed.
- gg) There is an adequate reserve fund to pay for any anticipated capital improvements and replacements within the next three years.

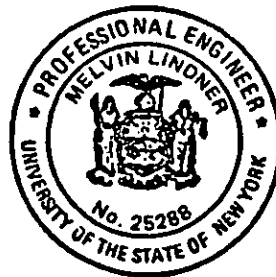
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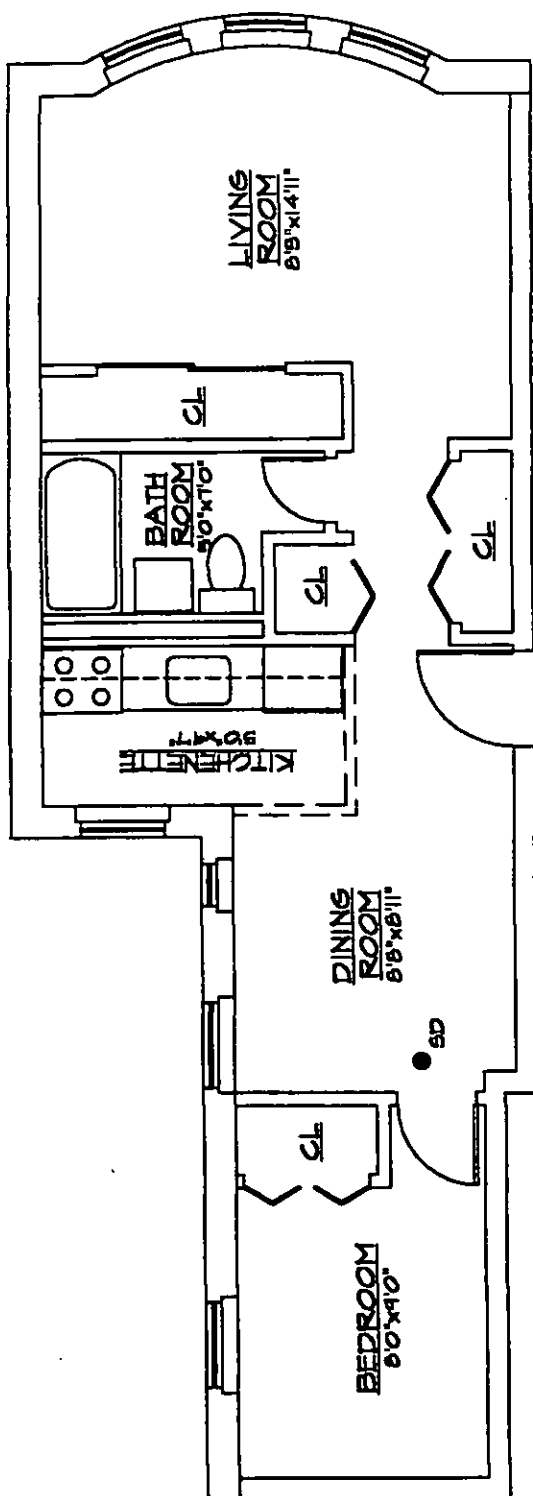
Melvin Lindner, P.E.

Date

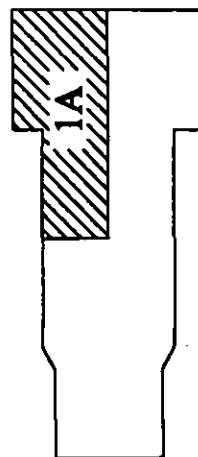
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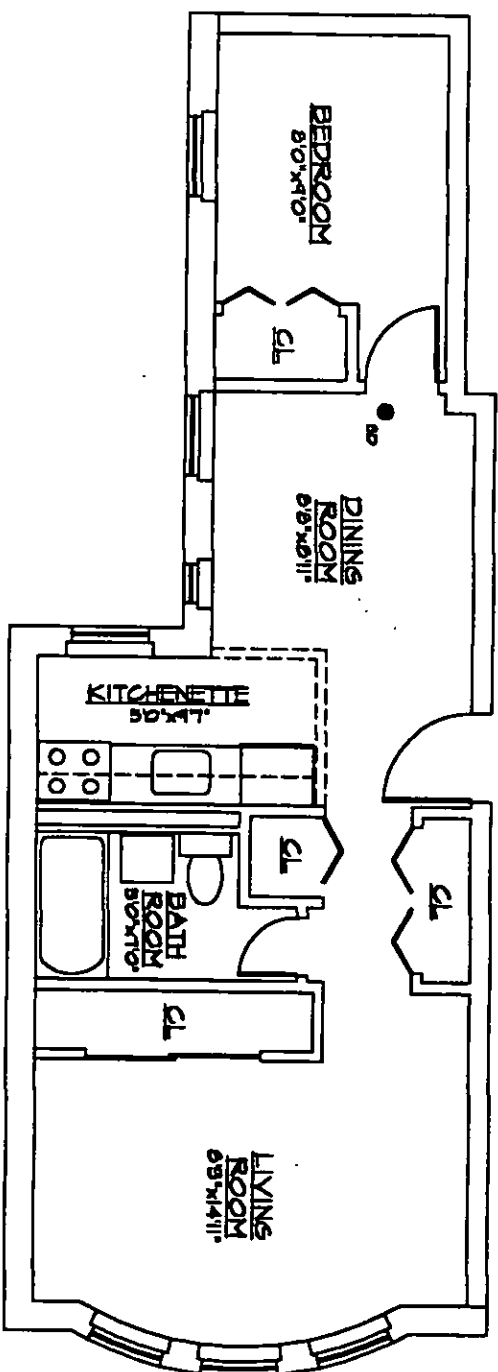
COLUMN ②



UNIT # 1A

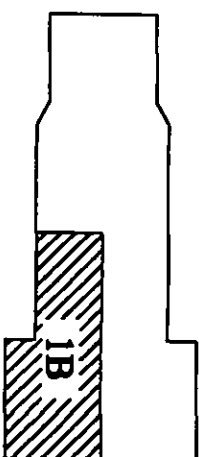


KEY PLAN

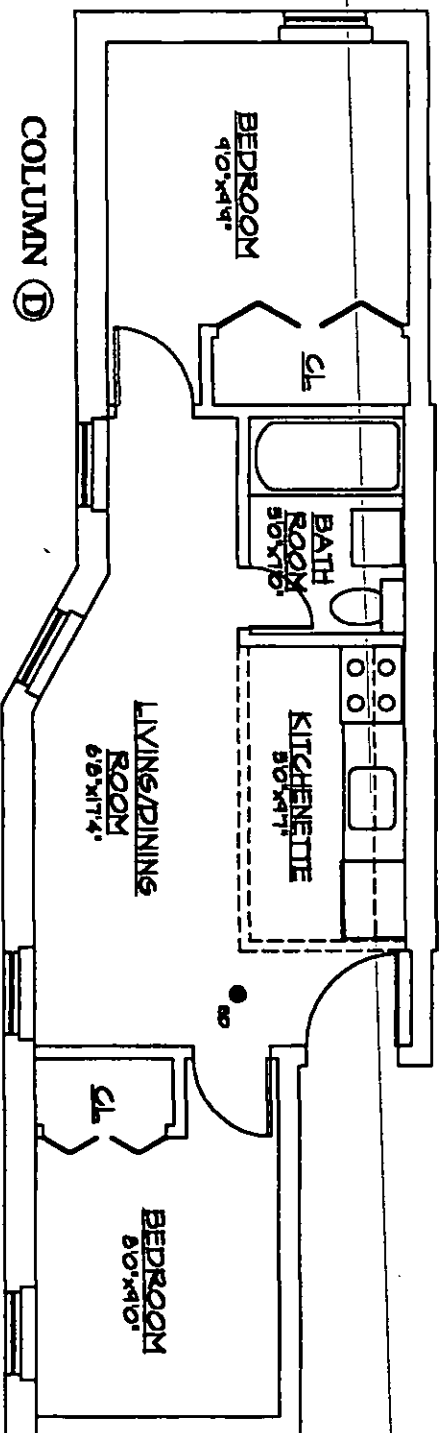


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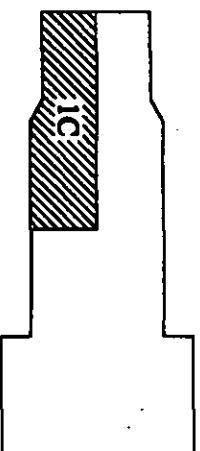
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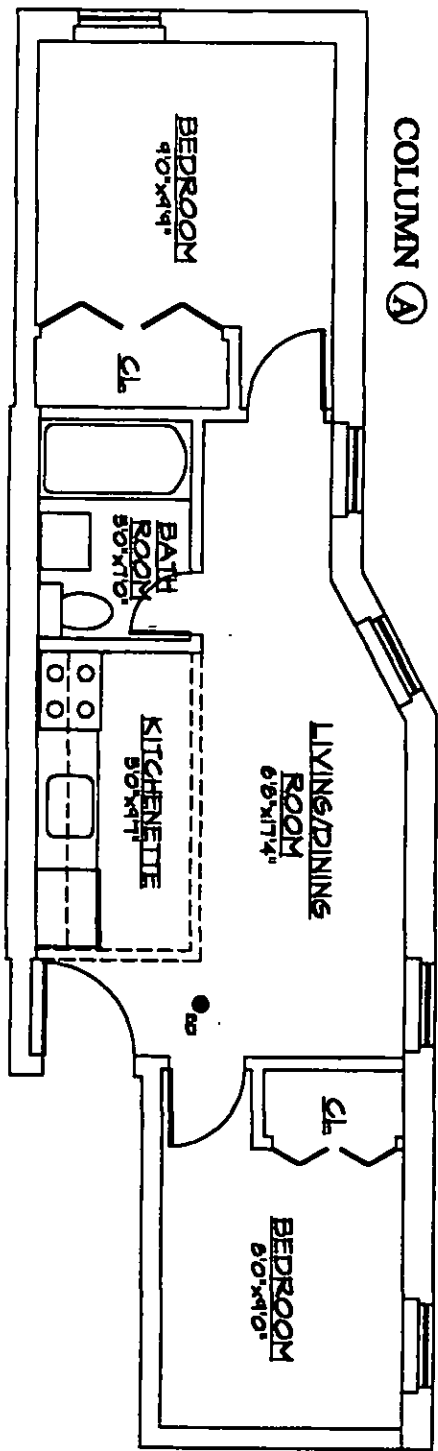
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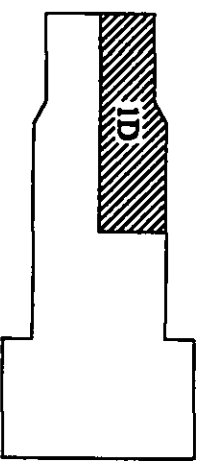
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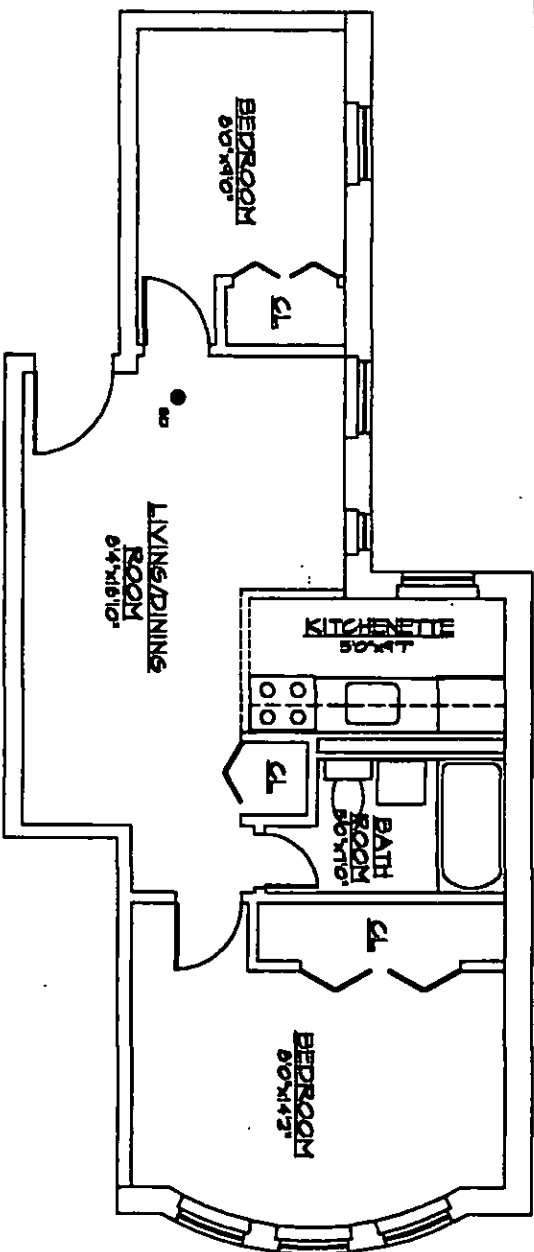


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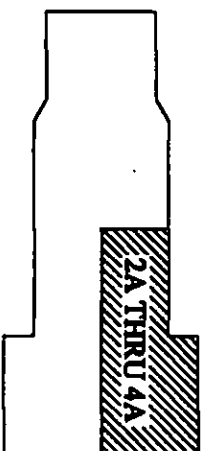


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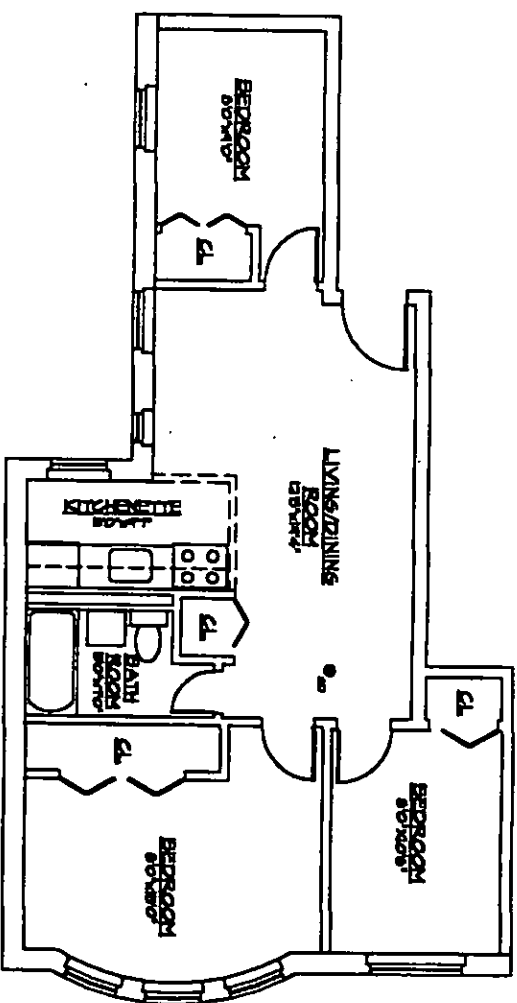
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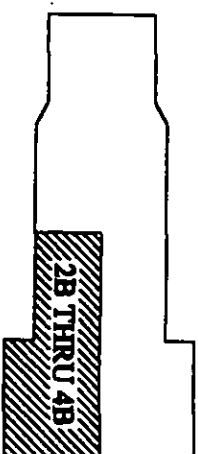


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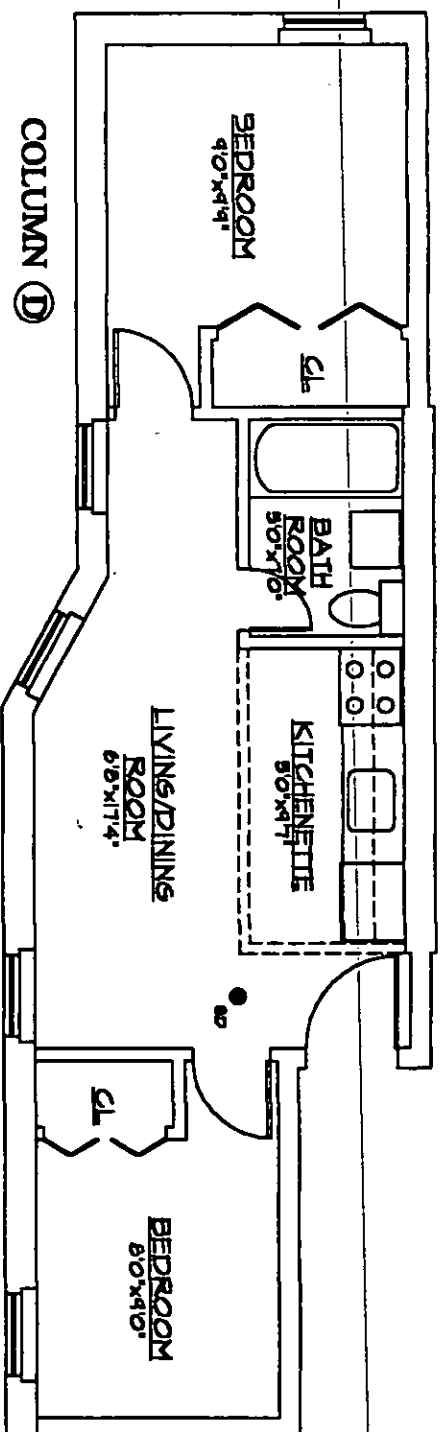


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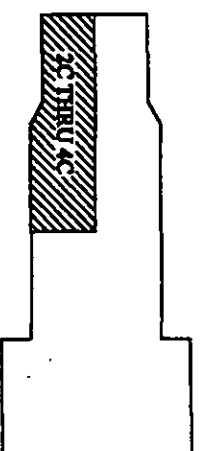


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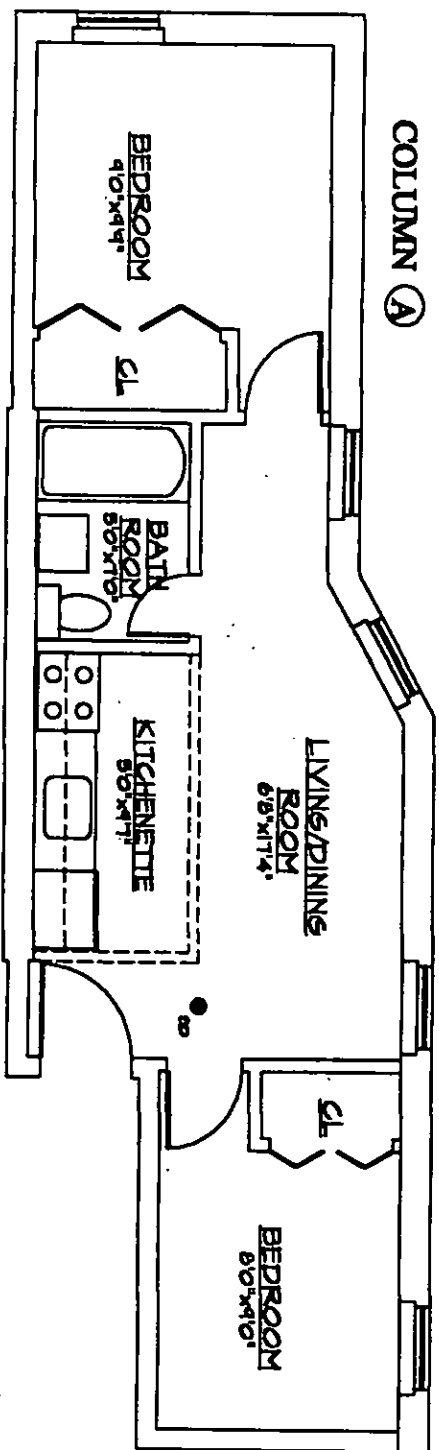


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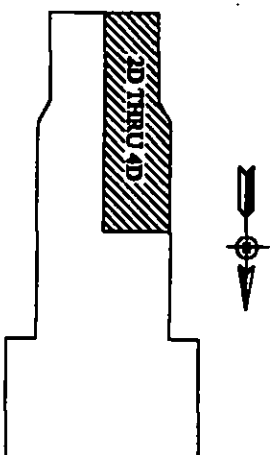
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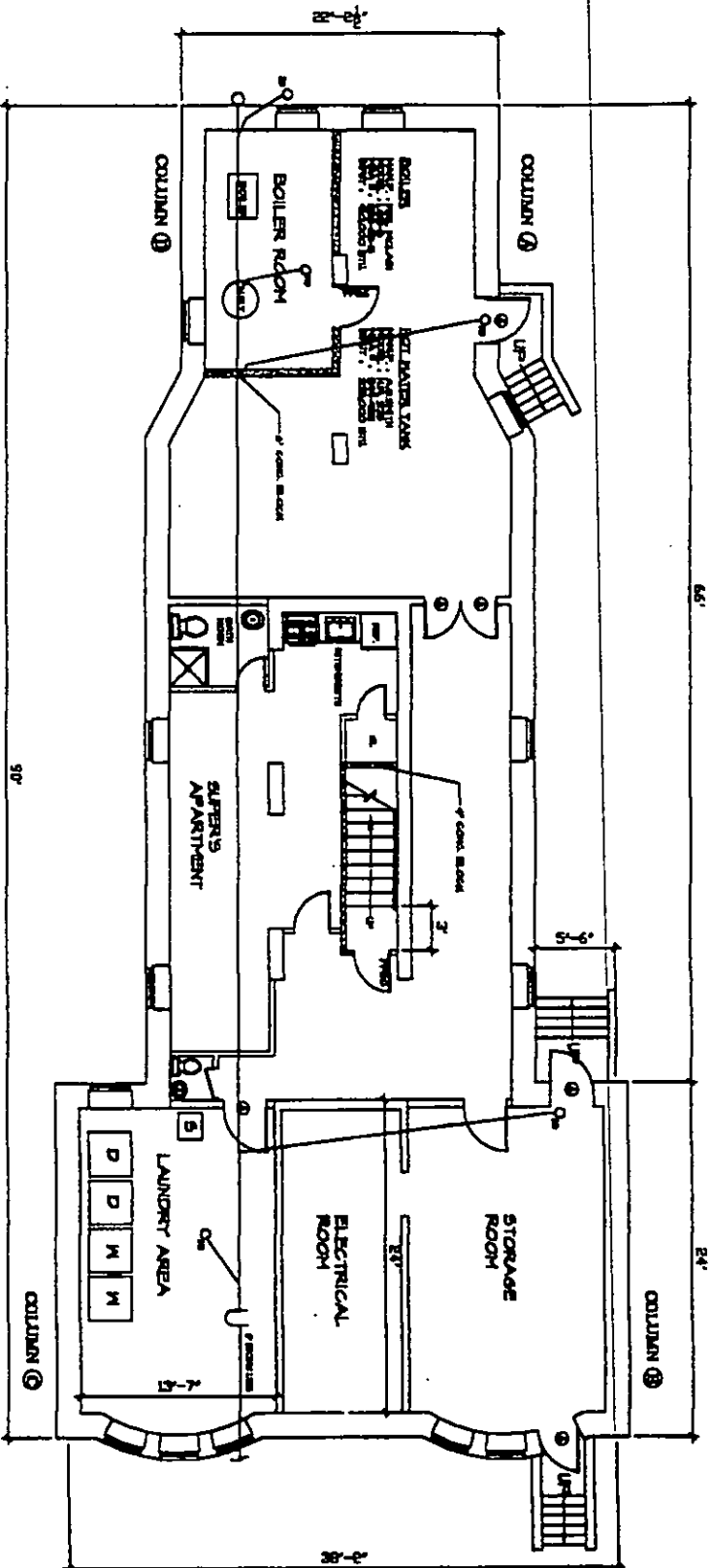
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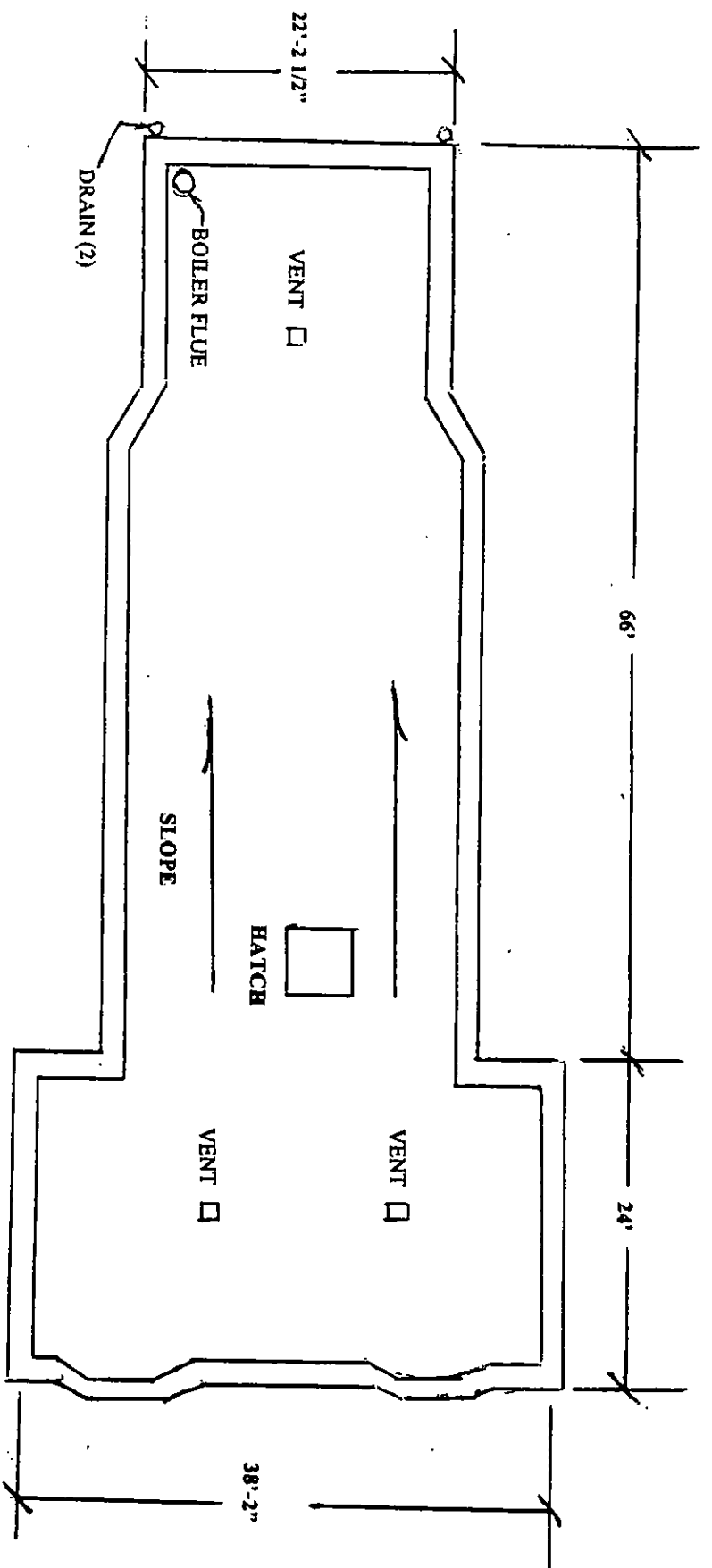


CELLAR PLAN CONTINUING

1062 BERGEN STREET
BROOKLYN, NY
CITY OF NEW YORK
CITY OF NEW YORK

Ed-Mer Management, Inc.
40 Beaver Street, Suite 1A
New York, NY 10002
Tel: (212) 333-4563

FR. Martin Lohr



ROOF PLAN

New York State Consolidated Laws

General Business

ARTICLE 36-B

WARRANTIES ON SALES OF NEW HOMES

Section 777. Definitions.

777-a. Housing merchant implied warranty.

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

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

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

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

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

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

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

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

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

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

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

ation elements and dampers.

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

S 777-a. Housing merchant implied warranty. 1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

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

c. six years from and after the warranty date the home will be free from material defects.

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

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

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

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty

claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

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

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

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

§ 777-b. Exclusion or modification of warranties. 1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

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

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

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

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

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

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

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

a. that the warranty is a limited warranty which limits implied

warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

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

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

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

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

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

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

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

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

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

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

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a

DECLARATION

Establishing a Plan for Condominium Ownership
of Premises located at 1062 Bergen Street, County
of Kings, City and State of New York Pursuant
to Article 9-B of the Real Property Law of the
State of New York.

NAME: CROWN-BERGEN CONDOMINIUM

SPONSOR: CTC GROUP INC.
48 Hester Street
New York, N.Y. 10002

DATE OF DECLARATION:

The land affected by the within instrument lies in
Section 5 Vol. 5, Block 1219, Lot 25, to be known
as Lots _____ to _____, on the Tax Map of
the Borough of Brooklyn, County of Kings, City
and State of New York.

Record and Return:

CHU & PARTNERS
Attorneys for Sponsor
233 Canal Street
New York, N.Y. 10013

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**DECLARATION OF CROWN-BERGEN CONDOMINIUM PURSUANT TO
ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK**

CTC GROUP INC., a New York corporation with offices at 48 Hester Street, New York, N.Y. 10002 (hereinafter referred to as the Sponsor), does hereby state and declare as follows:

1. **Submission of Property.** By this Declaration the Sponsor hereby submits the land described in Schedule A attached hereto and made a part hereof, together with the Buildings and Improvements thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, owned by the Sponsor in fee simple absolute (hereinafter collectively called the "Condominium"), to the provisions of Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "New York Condominium Act").
2. **Name.** The Condominium shall be known as CROWN-BERGEN CONDOMINIUM.
3. **Description of the Land and Building.** The land (the "Land") has an area of approximately 4,761 square feet and consists of 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, more particularly described in Schedule A attached hereto and made a part hereof. The Land is improved with a 4-story, plus cellar, non-fireproof brick masonry Class IIA building (the "Building"). The total height of the Building is approximately 48 feet above curb level.
4. **Units.**
 - (a) The Condominium shall contain sixteen (16) Units. Annexed hereto and made a part hereof as Schedule B is a list of all Units in the Building which contains the Unit designation and tax lot number of each Unit, and a statement of its location in the Building, approximate area, number of rooms, Common Elements to which it has immediate access, and its Percentage Interest in Common Elements and Common Expenses. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by Melvin Lindner, P.E. and intended to be filed in the Kings County Register's Office simultaneously with the recording of this Declaration. Reference should be made to the Floor Plans for the location of each Unit.

- (b) The approximate physical dimensions of each Unit consists of the area extending horizontally to: the interior face of windows, the hidden (unexposed) face of gypsum wallboard on exterior masonry walls, the exposed face of gypsum wallboard partitions separating the unit from other units, corridors or stairs. Vertically, each Unit consists of the space extended from the steel deck floor to the underside of the gypsum wallboard ceiling.

Any Common Element located within a Unit will not be considered a part of such Unit.

- 5. Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the value of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- (a) The Units shall be used for a single-family residence only, but not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, limited liability company or fiduciary, may only be occupied by said individual, or an officer, director, stockholder, or employee of such corporation, or a partner or employee of such partnership, or a member or employee of such limited liability company, or the fiduciary or beneficiary of said fiduciary, respectively, and by members of the immediate family and guests of any of the foregoing. "Members of the immediate family" or words of similar import whenever used herein shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren. Notwithstanding the foregoing, the Board of Managers may consent to occupancy of a Unit by persons other than those set forth above, and the Sponsor or Sponsor designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.
- (b) The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

- (c) No nuisance, nor any immoral, improper, offensive, or unlawful use shall be allowed on the Property or any portion thereof. No portion of a Unit (other than the entire Unit) may be rented. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board of Managers, whoever shall have the obligation to maintain or repair such portion of the Property. Rules and regulations concerning the use of Units may be promulgated and amended from time to time by the Board of Managers provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective.

- 6. Changes in Sponsor-Owned Units. If not prohibited by the New York Condominium Act (as the same may be amended), Sponsor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the representatives of holders of mortgages on Units, to (i) make alterations, additions or improvements in, to and upon any Units owned by the Sponsor (hereinafter called "Sponsor-Owned Units"), whether structural or nonstructural, interior or exterior, ordinary or extraordinary; (ii) change the layout or number of rooms in any Sponsor-Owned Units; (iii) change the size and/or number of Sponsor-Owned Units by subdividing one or more Sponsor-Owned Units into two or more separate Units, combining separate Sponsor-Owned Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Sponsor-Owned Units, or otherwise, and (iv) reapportion among the Sponsor-Owned Units affected by such change in size or number pursuant to the preceding Clause (iii) their appurtenant interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any Units (other than Sponsor-Owned Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, provided further, that Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Section may not be added to, amended or deleted without the prior written consent of the Sponsor.
- 7. Common Elements. The Common Elements consist of the entire Condominium Property, including all parts of the Building other than the Units and including, without limitation, the following:
 - (a) The Land, which is more particularly described in Schedule A attached hereto.
 - (b) All foundations, columns, girders, beams and supports.

- (c) All exterior walls of the Building; all walls and partitions separating Units from corridors, stairs, and other mechanical equipment spaces; the portions of the plaster partitions separating Units between the center lines of the plaster on each side of such partitions; and all concrete floors and concrete ceilings.
 - (d) Walls, stairs and stairways from the Building.
 - (e) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, refrigeration and air conditioning (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in Units), and all other mechanical equipment and janitor spaces.
 - (f) All sewerage and drainage pipes and facilities.
 - (g) All fire escapes.
 - (h) All roofs.
 - (i) All sprinkler and standpipe systems including risers, valves and hoses.
 - (j) The Superintendent's Apartment located in the cellar.
 - (k) The Laundry Room located in the cellar.
 - (l) All other parts of the Condominium Property and all apparatus and installations existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance, or safety of the Condominium.
8. Limited Common Elements. The Limited Common Elements consist of all portions of the Land and the Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units.
 9. Service of Process. In any action which may be brought against the Condominium, service of process shall be made upon the President or Secretary of the Condominium, 1062 Bergen Street, Brooklyn, N.Y. 11216, which address is in the County and City in which the Property is located.
 10. Determination of Percentages in Common Elements. The percentage interest of the respective Units in the Common Elements has been determined in accordance with Section 339-(i)(1)(ii) of the New York Condominium Act and is based upon the ratio of the square foot area of each Unit to the total square foot area of all Units.

Section 339-(i)(1)(ii) of the New York Condominium Act and is based upon the ratio of the square foot area of each Unit to the total square foot area of all Units.

11. Encroachments. If (a) any portion of the Common Elements encroaches upon any Unit; (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any encroachment shall hereafter occur as a result of (i) the construction or alteration of the Building; (ii) settling or shifting of the Building; (iii) any alteration or repair to the Common Elements made by or with the consent of the Board of Managers in accordance with this Declaration or the By-Laws annexed hereto; (iv) any repair or restoration of the Building (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then in such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

12. Easements.

- (a) Each Unit shall have an easement in common with all other Units to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, public utility lines and all other Common Elements located on any of the other Units or elsewhere on the Property and serving such Unit. Each Unit shall be subject to an easement in favor of all Units to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, public utility lines and all other Common Elements located in such Unit or elsewhere on the Property and serving other Units. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property; provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the permitted use of the Units. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.
- (b) Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units, and the Common Elements.
- (c) The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreational facilities, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility

lines for the benefit of any recreational facilities, and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

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

- (e) Each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

13. Power of Attorney to Board of Managers. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, jointly, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease

any Unit whose owner desires to surrender, sell or lease the same or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage or otherwise deal with (but not to vote votes appurtenant thereto) any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

14. Covenants Running with the Land.

- (a) All provisions of this Declaration, and the By-Laws shall, unless otherwise expressly herein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part hereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the Unit Owners of all or any part thereof, or interest therein, and their respective heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, and the By-Laws, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration and the By-Laws, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.
- (b) If any provision of this Declaration or the By-Laws is found to be insufficient to submit the Building to the provisions of the New York Condominium Act, such provision shall be deemed deleted from the Declaration or the By-Laws, as the case may be, for the purpose of submitting the Building to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Building and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Building to the provisions of the New York

Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Building to the provisions of the New York Condominium Act.

- (c) Subject to subparagraph (b) above, if this Declaration and the By-Laws are insufficient to submit the Building to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Building, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land.
15. Amendment of Declaration. Subject to the provisions of Section 1 of Article XII of the By-Laws, this Declaration may be amended by the vote of at least 66-2/3% 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 By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in common interest of all Unit Owners, provided, however, that the common interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected. No such amendment shall be effective until recorded in the office of the Register of the City of New York, County of Kings.

If the number of rooms in a Sponsor-Owned Unit is changed, or the size and/or number of Sponsor-Owned Units is changed (whether as a result of subdivision or combination of Sponsor-Owned Units or alteration of boundary walls between Sponsor-Owned Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with this Declaration, then the Sponsor shall have the right to execute, or (on its request) to require the Board of Managers to execute, and record in the office of the Register of the City of New York, County of Kings, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as may be required to effectuate the same) reflecting such change in the number of rooms in a Sponsor-Owned Unit (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the common interest resulting therefrom, all without the approval of the Board of Managers, the Unit Owners or the representative or representatives of holders of mortgages.

The provisions of this Section may not be amended or deleted, in whole or in part, without the consent of the Sponsor (so long as the Sponsor or its designee owns any Unit).

16. Termination of Condominium. The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain as more particularly provided in the By-Laws or (ii) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in common interest of the Units, (Sponsor will not vote its interest appurtenant to the Units owned by it for such withdrawal unless at least 80% in number and in common interests of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit). In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all 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 off out of his share of such net proceeds all liens on his Unit.
17. 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.
18. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.
19. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter genders, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.
20. Severability. If any provision of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof shall in any circumstances be judicially held in conflict with the laws of the State of New York, then the said laws shall be deemed controlling and the validity, force and effect of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

SCHEDULE A
TO
DECLARATION
OF
CROWN-BERGEN CONDOMINIUM

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 southerly side of Bergen Street distant 238.58 feet westerly from the corner formed by the intersection of the southerly side of Bergen Street with the westerly side of Nostrand Avenue;

THENCE RUNNING southerly and parallel with Nostrand Avenue and part of the distance through a party wall, 125.29 feet;

THENCE westerly parallel with Bergen Street, 38.00 feet;

THENCE RUNNING northerly parallel with Nostrand Avenue and part of the distance through a party wall, 125.29 feet to the southerly side of Bergen Street; and

THENCE RUNNING easterly along the southerly side of Bergen Street, 38.00 feet to the point or place of BEGINNING.

SCHEDULE B

TO THE DECLARATION OF

CROWN-BERGEN CONDOMINIUM

Unit #	Approximate Square Foot Area	Tax Lot Number	Percentage Interest in Common Elements and Common Expenses	Location	Number of Rooms and Baths	Common Elements to Which Unit Has Immediate Access
1A	522		6.459	1 st Floor, Northwest	4-1/2 - 1	Public Corridors, Stairs
1B	522		6.459	1 st Floor, Northeast	4-1/2 - 1	"
1C	433		5.354	1 st Floor, Southeast	4-1/2 - 1	"
1D	433		5.354	1 st Floor, Northwest	4-1/2 - 1	"
2A	531		6.563	2 nd Floor, Northwest	4-1/2 - 1	Public Corridors, Stairs
2B	662		8.187	2 nd Floor, Northeast	5-1/2 - 1	"
2C	433		5.354	2 nd Floor, Southeast	4-1/2 - 1	"
2D	433		5.354	2 nd Floor, Southwest	4-1/2 - 1	"
3A	531		6.563	3 rd Floor, Northwest	4-1/2 - 1	Public Corridors, Stairs
3B	662		8.187	3 rd Floor, Northeast	5-1/2 - 1	"
3C	433		5.354	3 rd Floor, Southeast	4-1/2 - 1	"
3D	433		5.354	3 rd Floor, Southwest	4-1/2 - 1	"
4A	531		6.563	4 th Floor, Northwest	4-1/2 - 1	Public Corridors, Stairs
4B	662		8.187	4 th Floor, Northeast	5-1/2 - 1	"
4C	433		5.354	4 th Floor, Southeast	4-1/2 - 1	"
4D	433		5.354	4 th Floor, Southwest	4-1/2 - 1	"

**BY-LAWS
OF
CROWN-BERGEN CONDOMINIUM**

**CHU & PARTNERS
Attorneys for Sponsor
233 Canal Street
New York, N.Y. 10013**

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BY-LAWS
OF CROWN-BERGEN CONDOMINIUM

ARTICLE I

GENERAL

SECTION 1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of CROWN-BERGEN CONDOMINIUM (the "Condominium"). The Condominium consists of the property (the "Property") located at 1062 Bergen Street, Brooklyn, N.Y., which is designated as Block 1219, Lot 25 on the Tax Maps of the Borough of Brooklyn, County of Kings, City and State of New York, and the Building and other improvements constructed thereon (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements (as such terms are defined in the Declaration, defined below), all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration of Condominium (the "Declaration") in the office of the Register of the City of New York, County of Kings, simultaneously herewith. Unless otherwise provided herein, all terms used in these By-Laws shall have the same meanings as ascribed thereto in the Declaration and the offering plan ("Offering Plan") covering the Condominium.

SECTION 2. Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees and occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations attached hereto as Schedule A and made a part hereof as they or any of them may be amended from time to time. The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease, or the act of occupancy of a Unit, shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

SECTION 3. Principal Office. The Principal office of the Condominium and of the Board of Managers shall be located within the Property or at such other place, reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II

BOARD OF MANAGERS

SECTION 1. Number, Term and Qualification. The affairs of the Condominium shall be governed by the Board of Managers. Until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty percent or (ii) two (2) years after the first Unit closing, the Board of Managers shall consist of three (3) persons designated by the Sponsor. Thereafter, the Board of Managers shall be composed of five (5) persons elected by the Unit Owners, subject to the limitations hereinafter stated in this Paragraph. Subsequently the Board of Managers shall be elected at the annual meeting of the Unit Owners held by the Unit Owners on the second Tuesday of May of each year. The Managers shall hold office for a term of one year or until their successors shall have been qualified and elected. There shall be no limit on the number of successive terms a Manager may serve on the Board of Managers, if elected as herein provided. Notwithstanding anything in these By-Laws to the contrary, for each election of the five-member board, so long as the Sponsor or a Sponsor-affiliate shall continue to own Units representing 20% or more in Common Interest, the Sponsor or Sponsor-affiliate shall have the right to elect one of the five members of the Board of Managers.

Except for Managers elected by Sponsor, all other Managers shall be Unit Owners or spouses of Unit Owners, or mortgagees of Units or a spouse of an individual mortgagee, or, in the case of partnership Unit Owners or mortgagees, shall be members or employees (or their spouses) of such partnerships, or in the case of corporate Unit Owners or mortgagees, shall be directors, officers, stockholders or employees (or their spouses) of such corporation, or, in the case of limited liability company or association Units Owners or mortgagees, shall be members or employees (or their spouses) of such limited liability companies or associations, or, in the case of fiduciary Unit Owners or mortgagees, shall be the fiduciaries or their beneficiaries (or their spouses), or directors, officers, stockholders or employees (or their spouses) of a corporate fiduciary, or partners or employees (or their spouses) of a partnership fiduciary. Except for Managers elected by Sponsor, no manager shall continue to serve on the Board after he ceases to be a Unit Owner or an interested party in a Unit Owner as specified in the preceding sentence.

SECTION 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts except such acts which by law, the Declaration or these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, without limitation (except as limited elsewhere herein) the following:

- (a) Operation, care, upkeep and maintenance of the Common Elements.
- (b) Determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (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 and amendment of the Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board as hereinafter provided.
- (f) Maintaining bank accounts on behalf of the Condominium and designating the signatories required therefore.
- (g) Purchasing, leasing or otherwise acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers.
- (h) Purchasing Units at foreclosure or other judicial sales, in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- (i) Selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Board of Managers, corporate or otherwise, on behalf of all Unit Owners.
- (j) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing Units by the Board of Managers on behalf of all Unit Owners.
- (k) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of these By-Laws.
- (l) Making repairs, additions and improvements to, or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (m) Enforcing obligations of the Unit Owners, allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium.

- (n) Levying fines against the Unit Owners for violations of the Rules and Regulations established by it to govern the conduct of the Unit Owners.
- (o) Purchasing or leasing a Unit for use by a resident superintendent, if any, on behalf of all Unit Owners.
- (p) Leasing of laundry room, if any, and granting of licenses for vending machines.
- (q) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the Common Elements provided, however, that (i) the consent of at least 66-2/3% in number and in Common Interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$50,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interests in the Common Elements without the consent of the Owner of such Unit. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (q) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.
- (r) Adjusting and settling claims under insurance policies obtained pursuant to these By-Laws and executing and delivering releases on settlement of such claims on behalf of all Unit Owners, all holders of mortgages or other liens on the Units and all owners of any other interest in the Property.

The Board of Managers shall be responsible for carrying out the duties imposed upon it under these By-Laws and the Declaration regardless of whether a Unit is vacant or occupied by the owner thereof or a permitted lessee or other permitted occupant.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor shall continue to own any Unit, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any addition, alteration or improvement to any Unit (unless required by law), or (ii) assess any Common Charges for the creation of, addition to, or replacement of, all or part of a reserve, contingency or surplus fund in excess of 4% of the estimated expenses for any year of operation, or (iii) hire any employee, or (iv) enter into any service or maintenance contract, or (v) borrow money on behalf of the Condominium. In addition, so long as the Sponsor shall collectively own Units representing 50% or more in number or in interest in the Common Elements, the

Board of Managers may not make any addition, alteration or improvement to the Common Elements without Sponsor's prior written consent.

Sponsor may not exercise veto power over expenses described in Schedule B of the Plan, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violations; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner.

SECTION 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to, the duties listed in subdivisions (a), (c), (d), (k), (l), and (p) of Section 2 of this Article II. The Board of Managers may delegate to the manager or managing agent other powers granted to the Board of Managers by these By-Laws except the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (m), (n), (o), (q), and (r) of Section 2 of this Article II. Upon the affirmative vote of a majority of the members of the Board of Managers, any managing agent and/or manager may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

SECTION 4. First Board of Managers. The first Board of Managers shall consist of three persons designated by the Sponsor and they shall hold office and exercise all powers of the Board of Managers. Upon the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty percent or (ii) two (2) years after the first Unit Closing, all members of the Board shall resign as Board members (such resignations to be effective on the election of their successors) and shall cause the President of the Condominium to call for a special meeting of the Unit Owners to elect a new Board of Managers as provided herein. A meeting will be held to elect new board members unrelated to the Sponsor within thirty (30) days after the expiration of the control period.

SECTION 5. Removal. Subject to the provisions of Section 1 of this Article II, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

SECTION 6. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the 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 Board of Managers for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of Managers elected by the Sponsor shall be filled only by the Sponsor.

SECTION 7. Organization Meeting. The first meeting of the Board of Managers following each annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by a majority of the members of the Board of Managers, and no notice shall be necessary to the newly elected members of the Board of Managers in order to legally constitute such meeting, provided that a majority of the members of the Board of Managers shall be present at such first meeting.

SECTION 8. Regular Meetings. Regular meetings of the 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 Board of Managers. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by personal delivery, mail or telegram, at least five (5) business days prior to the day named for such meeting.

SECTION 9. Special Meetings. Special meetings of the Board of Managers may be called by the President by giving five (5) business days' prior notice to each member of the Board of Managers, by personal delivery, mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the 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 three (3) members of the Board of Managers.

SECTION 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of

Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

SECTION 12. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

SECTION 13. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners (including those who are members of the Board of Managers), in proportion to their respective interests in the Common Elements, shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of law, the Declaration or these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners).

It is understood and permissible for the original Board of Managers, who may be members of (or officers of such members) or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for selfdealing, provided that any compensation paid in respect thereof shall be at then competitive rates. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by its designated managing agent on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, as the case may be, are acting only as agent for the Unit Owners and that the same shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interests in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

SECTION 14. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have

power (a) to determine the Common Expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g) and (q) of Section 2 in Article II above.

ARTICLE III

UNIT OWNERS

SECTION 1. Annual Meetings. Within thirty (30) days after the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds fifty (50%) percent or (ii) two (2) years from the first Unit Closing, the first annual meeting of the Unit Owners shall be held. At such meeting the incumbent Board of Managers shall resign and a new Board shall be elected by the Unit Owners as provided elsewhere herein. Thereafter, annual meetings shall be held on the second Tuesday of May 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 Managers to serve that year 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 Meetings. 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 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 Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of 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.

SECTION 4. Notice of meetings. It shall be the duty of the Secretary to give a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each Unit Owner of record, at the address of such Unit Owner at the Property or at such other address as such Unit Owner shall have designated by notice in writing 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. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, 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 6. Order of Business. The order of business at all 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 Board of Managers.
- (f) Reports of Committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

SECTION 7. Title to Units. Title to Units may be taken in the name of an individual, in the names of two (2) or more persons as tenants in common, joint tenants or tenants by the entirety, in the name of a corporation, partnership, limited liability company, association, trustee or other legal entity.

SECTION 8. Voting. The Unit Owner(s) of each Unit, or a person designated by such Unit Owner(s) to act as proxy on his or their 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(s) so designating. The Owner(s) of each Unit (including those owned by the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units), shall be entitled to cast one vote for each 0.0001% of interest in the Common Elements attributable to the Unit at all meetings of the Unit Owners, except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each 0.0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. Where two or more persons own one Unit, each shall be entitled to cast a proportionate share of said vote. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Any Units(s) owned by the Board of Managers or its designee on behalf of all Unit Owners shall not be entitled to vote.

When voting for members of the Board of Managers, the voting shall be by ballot and each ballot shall state the name of a Unit Owner voting and the name of the proxy if such ballot is cast by a proxy. All elections of Managers shall be determined by plurality vote and shall be balloted all at the same time, except as provided in the next paragraph.

A Unit Owner who is delinquent in the payment of common charges or assessments shall not be permitted to vote at any meeting of Unit Owners.

SECTION 9. Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws the term "majority 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 the Unit Owners determined in accordance with the provisions of Section 8 of this Article III.

SECTION 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 50% of the Common Interests shall constitute a quorum at all meetings of Unit Owners.

SECTION 11. Majority Vote. The vote of a majority 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 where otherwise provided by law, 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 Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers need be Unit Owners until the Board of Managers is elected by the Unit Owners. Thereafter, all officers shall be Unit Owners (or officers, directors, shareholders, partners, members, employees or beneficiaries, or members of their family, in the case of Units owned by corporations, partnerships, limited liability companies, associations, fiduciaries or mortgagees).

SECTION 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of

Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

SECTION 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers, shall have charge of such books and papers as the Board of Managers may direct and shall in general perform all duties incident to the office of Secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

SECTION 7. Treasurer. The Treasurer shall be responsible 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 necessary for the preparation of all required financial data. He shall be responsible for the deposit of all funds and other securities in the name of the Board of Managers, or the managing agent or manager, in such depositories as may from time to time be designated by the Board of Managers, and he shall in general perform all the duties incident to the office of Treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

SECTION 8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

SECTION 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

NOTICES

SECTION 1. Notices. All notices required or desired to be given hereunder shall be sent by registered or certified mail (return receipt requested) to the Board of Managers c/o the managing agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the 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 (return receipt requested) to the Property address of such Unit Owner or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees of Units shall be sent by registered or certified mail (return receipt requested) to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

SECTION 2. Waiver of Service of Notice. Whenever any notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

SECTION 3. Designation of Board of Managers for Service of Notice or Process. In the event a Unit is leased to or occupied by a person other than the Owner of such Unit in accordance with these By-Laws, said Owner of such Unit shall be deemed to have designated the Board of Managers as his agent for service of notice or process upon him by the lessee or occupant with respect only to the matters relating to the occupancy of the Unit. Upon receipt of notice or process pursuant to the preceding sentence, the Board of Managers shall forward such notice or process to the Unit Owner at his last known address pursuant to Section 1 of this Article V.

ARTICLE VI

OPERATION OF THE PROPERTY

SECTION 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners in proportion to their respective interests in the Common Elements. The Common Expenses shall include, without limitation, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a capital reserve of the Condominium, and for a reserve fund for replacements and to make up any deficit in the Common Charges for any prior year. From and after the date of the filing of the Declaration, the Sponsor shall pay Common Charges with respect to all Units covered thereby and not sold and conveyed to the purchaser thereof. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit, and/or any Unit which is to be sold at a foreclosure or other judicial sale, if any. The Board of Managers shall advise all Unit Owners promptly in writing of the amount of the Common Charges payable by each of them as determined by the Board of Managers as aforesaid and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and to their respective mortgagees.

A copy of the proposed annual budget of the Condominium shall be mailed or delivered to each Unit Owner at least ten (10) days prior to the date set for adoption thereof by the Board of Managers. Such budget shall be certified while the Sponsor is in control of the Board of Managers.

SECTION 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all of the Units and any bathroom and kitchen fixtures initially installed therein by Sponsor, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners or tenants of Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective

interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation), without deduction for depreciation; each of said policies 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 Board of Managers hereinafter set forth; (2) worker's compensation insurance; (3) comprehensive general liability including water damage legal liability; (4) such other insurance as the Board of Managers may determine. The premiums for such insurance shall be a Common Expense payable by all Unit Owners. All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof shall be payable to the Board of Managers.

Where possible, all policies of physical damage insurance shall contain 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 cancelled 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 thirty (30) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of foundation), including all of the Units and all of the Common Elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers may obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each Unit Owner.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

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 three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in number and common interest of the Unit Owners do not duly and promptly

resolve to proceed with repairs or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units contained therein, and any bathroom and kitchen fixtures initially installed therein by the Sponsor, but not including furniture, furnishings or other personal property supplied or installed by any Unit Owner or a tenant of a Unit Owner), and the Board of Managers shall disburse the proceeds of all 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 net proceeds of insurance received by or payable to the Board of Managers shall constitute a Common Expense, and the Board of Managers shall assess all Unit Owners for such deficit as Common Expense, subject to the second immediately succeeding paragraph.

In the event of a repair or restoration pursuant to the first paragraph of this Section 3 and in the event that the net proceeds exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Board of Managers to all Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner such amount as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

If 75% or more of the Building is substantially damaged or destroyed and if 75% in number and in common interest of all Unit Owners do not duly and promptly resolve to proceed with the repair or restoration thereof, the Property will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which event, the net proceeds of insurance resulting from such damage or destruction, shall be divided among all the Unit Owners in proportion to their respective common interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such fund all liens on his Unit in the order of priority of such liens.

SECTION 4. Payment of Common Charges. All Unit Owners shall be obligated to pay Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times (but not less than annually), as the Board of Managers shall determine. Unless otherwise determined by the Board of Managers, the Common Charges shall be payable monthly in advance.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that his Unit is free and clear of liens and encumbrances other than a permissible first mortgage and the statutory lien for unpaid Common Charges, convey his

Unit, together with the Appurtenant Interests, to the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and in any such event be exempt from Common Charges thereafter accruing. 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 that, to the extent permitted by law, a first mortgagee or other Purchaser of a Unit at a first mortgage foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued prior to the foreclosure sale.

SECTION 5. Collection of Assessments. The Board of Managers shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof.

SECTION 6. Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of his Common Charges, such Unit Owner shall be obligated to pay interest at the highest legal rate on such unpaid Common Charges computed from the due date thereof, together with all expenses, including, without limitation, attorneys' fees, paid or incurred by the Board of Managers or by the managing agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from unpaid Common Charges as provided in Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. The Board of Managers shall have the right and obligation to institute all proceedings deemed necessary or desirable by the Board of Managers to recover such unpaid Common Charges together with interest thereon computed as aforesaid, and the expenses of any such proceeding.

SECTION 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with, (but not to vote the votes appurtenant to), the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. 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) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, then such Unit Owner shall remain liable for the deficiency.

SECTION 8. Statement of Common Charges. The Board of Managers shall promptly provide any Unit Owner so requesting the same with a written statement of all unpaid Common Charges due from such Unit Owner.

SECTION 9. Maintenance and Repairs. All maintenance, repairs, painting, decorating, and replacements of or to any Unit (other than maintenance, repairs, painting, decorating, and replacements of or to any Common Elements, unless caused by the negligence, misuse or neglect of the Owner of such Unit), whether structural or non-structural, ordinary or extraordinary, including, without limitation, maintenance, repairs, painting, decorating, and replacement of the window panes and the entrance door and all other doors within a Unit and the electrical, plumbing, heating and air conditioning fixtures, (other than those located in or behind the walls), if any, within the Unit or belonging to the Unit Owner, shall be performed by the Owner of such Unit, at the Unit Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein.

All maintenance, repairs, painting, decorating, and replacements in or to the Common Elements shall be performed by the Board of Managers and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, his family, guests or invitees, in which case such cost and expense shall be paid by such Unit Owner.

All maintenance, repairs and replacements in or to the Limited Common Elements will be performed (a) by the Board of Managers as a Common Expense, if such Limited Common Elements is for use by all Residential Unit Owners, or if it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving painting, decorating, and nonstructural or ordinary maintenance, repairs or replacements or as a result of the negligence, misuse or neglect of the Unit Owner, his family, guests or invitees.

The public areas of the Building and those areas exposed to public view shall be kept in good appearance and in first class condition, in conformity with the dignity and character of the Building, by: (1) the Board of Managers with respect to the lobby, hallways and exterior walls of Units; (2) the Unit Owners with respect to the shades, venetian or other blinds, drapes, curtains or other window decorations in their respective Units.

SECTION 10. Restrictions on Occupancy and Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- (a) The Units shall be used for a single-family residence only, but not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, limited liability company, association, or fiduciary, may only be occupied by said individual, or an officer, director, stockholder, or employee of such corporation, or a partner or employee of such partnership, or a member or employee of such limited liability company or association, or the fiduciary or beneficiary of said fiduciary, respectively, and by members of the immediate family and guests of any of the foregoing. "Members of the immediate family" or words of similar import whenever used herein shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren. Notwithstanding the foregoing, the Board of Managers may consent to occupancy of a Unit by persons other than those set forth above, and the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.
- (b) The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.
- (c) No nuisance, nor any immoral, improper, offensive, or unlawful use shall be allowed on the Property or any portion thereof. No portion of a Unit (other than the entire Unit) may be rented. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board of Managers, whoever shall have the obligation to maintain or repair such portion of the Property. Rules and regulations concerning the use of Units may be promulgated and amended from time to time by the Board of Managers provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective.

SECTION 11. Additions, Alterations or Improvements by the Board of Managers. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of \$10,000 in the aggregate in any calendar year, and the making of such additions, alterations or improvements shall have been approved by (i) a majority of the Unit Owners present and voting at a meeting at which a quorum is present and (ii) the representative or a majority of the representatives of holders of mortgages on Units appointed pursuant to Section 4 of

Article VII hereof, the Board of Managers shall proceed with such additions, alterations or improvements. Any additions, alterations or improvements to the Common Elements costing in the aggregate \$10,000 or less in a calendar year may be made by the Board of Managers without approval of the Unit Owners or said representative or representatives of mortgagees. The cost and expense of any such additions, alterations or improvements to the Common Elements shall constitute part of the Common Expenses and shall be assessed to the Unit Owners as Common Charges. Notwithstanding the foregoing and supplementing Section 2 of Article II, the consent of Sponsor shall be required for any said addition, alteration or improvement (regardless of the cost) to the Common Elements so long as Sponsor shall collectively own Units.

SECTION 12. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within thirty (30) days after such request is received, and the failure to do so within the stipulated time shall constitute the Board of Managers' consent to the proposed addition, alteration or improvement. Prior to, and as a condition of, the granting of its consent to the making of a structural addition, alteration or improvement in or to a Unit, the Board may, at its option, require the owner of such Unit to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such addition, alteration or improvement may be made, including without limitation, the days and hours during which any work may be done. Before any work is commenced, the Board of Managers may require the Unit Owner to obtain liability insurance, workers' compensation insurance and such other insurance as the Board may determine naming the Board of Managers, all other Unit Owners and the Managing Agent as additional insureds, and in amounts that the Board may from time to time require.

All additions, alterations and improvements by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction. A Unit Owner making or causing to be made any additions, alterations or improvements agrees, and shall be deemed to have agreed, to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make an addition, alteration or improvement in or to any Unit so approved by the Board of Managers shall be executed by the Board of Managers, provided that the Board of Managers shall incur no liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer 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.

The foregoing restrictions of this Section 12 shall not apply to Sponsor-Owned Units. If not prohibited by the New York Condominium Act, the Sponsor shall have the right, without the consent or approval of the Board of Managers, other Unit Owners or the representative or representatives of holders of mortgages on Units, to make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to, and upon the Units owned by them (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the Building), provided, however, that in each instance, they shall comply with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction and agree, and shall be deemed to have agreed, to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

At the request of Sponsor, the Board of Managers will execute any application or other document required to be filed with the City of New York or any other governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor to any Unit, provided, however, that the Board of Managers and the Unit Owners shall incur no liability, cost or expense in connection with such application or document or to any contractor, subcontractor, materialman, architect or engineer 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.

SECTION 13. Use of Common Elements. No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, or any other part of the Common Elements other than the areas designated as storage areas. The lobbies, vestibules, public halls, and stairways shall be used only for normal passage through them. The provisions of this Section 13 shall not apply to the Sponsor until such time as all Units have been initially sold and conveyed by the Sponsor; however, Sponsor shall not use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

SECTION 14. Right of Access. A Unit Owner shall grant a right of access to his Unit to the Board of Managers, the managing agent, and/or any other person authorized by the Board of Managers, for the purpose of making inspections, or for the purpose of removing violations noted or issued by any governmental authority against the Common Elements, or any other part of the Property, or for the purpose of correcting any conditions originating in his Unit and threatening another unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations, repairs or maintenance to the mechanical or electrical services or other portions of the Common

Elements within his Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements in his Unit or any other Unit in the Building or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for such entry are made not less than one (1) day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the permitted use of the Units. In the case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

A Unit Owner shall grant a right of access to his Unit, and the Board of Managers shall grant a right of access to the Common Elements to the Sponsor and Sponsor's contractors, subcontractors, agents and employees, for the purposes of completing alteration of the Building in accordance with the plans and specifications thereof and to fulfill its obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the permitted use of the Unit. The Sponsor will be obligated to repair any damage to the Units or the Common Elements, or their contents, caused as a result of the negligence of the Sponsor or its agents during access to such.

SECTION 15. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations concerning the use of the Units, and the Common Elements. The Board of Managers may from time to time modify, amend or add to such rules and regulations except that a majority of the Unit Owners present and voting at a meeting at which a quorum is present may overrule the Board with respect to any such modification, amendment or addition. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Managers to each Unit Owner not less than thirty (30) days prior to the effective date thereof.

SECTION 16. Water Charges and Sewer Rents. Water shall be supplied to all of the Units through one or more Building meters and unless Unit Owners are billed directly by the City Collector, the Board of Managers shall pay, as Common Expenses, all charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the owner thereof, the Board of Managers, on request of the selling Unit Owner shall execute and deliver to the Purchaser of such Unit or to the Purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed by the City Collector.

SECTION 17. Utilities. If any utilities are supplied by the public utility company serving the area directly to a Unit through a separate meter, the Unit Owner shall be required to pay the bills for his Unit directly to the utility company.

SECTION 18. Abatement and Enjoinment of Violations by Units Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these by-laws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty or liable in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

The violation or breach of any of the provisions of these By-Laws, the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges or licenses granted to the Sponsor, shall give to Sponsor, the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.

ARTICLE VII

MORTGAGES

SECTION 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. A Unit Owner who satisfies a mortgage covering his Unit shall also notify the Board of Managers thereof and shall file a conformed copy of the Satisfaction of Mortgage with the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

SECTION 2. Notice of Default and Unpaid Common Charges. Whenever so requested in writing by the mortgagee of a Unit, the 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 may to the Board's knowledge then exist. The 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 has theretofore been furnished to the Board of Managers.

ARTICLE VIII

SELLING, LEASING AND MORTGAGING OF UNITS

SECTION 1. Selling and Leasing. No Unit Owner other than the Sponsor or its designee may sell or lease his Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to (a) purchase his Unit together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers on behalf of all Unit Owners, or his interest in the proceeds of the sale or lease of such Units, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium, (herein collectively called the "Appurtenant Interests"), or (b) lease his Unit, (such offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror", and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he intends to accept shall give notice by certified or registered mail to the Board of Managers of the receipt of such Outside Offer. Said notice shall also state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Unit Owner to sell his Unit together with the Appurtenant Interests or to lease his Unit to the Board of Managers on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Unit Owner who has received such Outside Offer, to the Board of Managers, on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board of Managers may reasonably have requested. Not later than thirty (30) days after receipt of such notice together with such further information as may have been requested, the Board of Managers may elect, by sending written notice to such Offeree Unit Owner, before the expiration of said thirty (30) day period, by certified or registered mail, to purchase such Unit together with the Appurtenant Interests or to lease such Unit, as the case may be, on behalf of all Unit Owners upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

In the event the Board of Managers shall timely elect to purchase such Unit together with the Appurtenant Interests or to lease such Unit, title shall close or a lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If, pursuant to such Outside Offer to purchase said Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board of Managers may

purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with the Appurtenant Interests is to be sold, shall convey the same to the Board of Managers or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Unit Owner, 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 Unit Owner and the Board of Managers as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board of Managers a lease between the Offeree Unit Owner, as landlord, and the Board of Managers, as tenant, covering such Unit, for the rental and terms contained in such Outside Offer.

In the event the Board of Managers or its designee shall fail to accept such offer within thirty (30) days after receipt of notice as aforesaid, the Offeree Unit Owner shall be free to accept the Outside Offer.

Any deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Any lease executed in connection with the acceptance of any Outside Offer to lease a 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 Board of Managers, 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 Board of Managers, and that the Board of Managers shall have the 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 the 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.

Except as hereinbefore set forth, the form of any such lease executed by the Board of Managers or an Outside Offeror shall be the then current form of lease recommended by the Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board of Managers. Any lease executed by the Board of Managers as tenant shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers and if the Board of Managers shall so elect, the Unit

Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board of Managers for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions of Section 1 of this Article VIII shall not apply to Sponsor-owned Units. The Sponsor shall have the right to freely sell its Units or to freely lease all or any part thereof without having to first offer the same for sale or lease to the Board of Managers.

SECTION 2. Consent of Unit Owners to the Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority in Common Interest of the Unit Owners other than the Offeree Unit Owner.

SECTION 3. 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 the Appurtenant Interests, 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 Appurtenant Interests of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units.

SECTION 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers only in the manner provided in Section 5 of this Article VIII. In the event the Board of Managers shall release or waive its right of first refusal as to any Unit, such Unit, together with the Appurtenant Interests, may be sold, conveyed or leased, free and clear of the provisions of said Section 1.

SECTION 5. Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary of the Condominium stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board of Managers, and that as a result thereof the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely on such certificates in good faith. The Board of Managers

shall furnish, without charge, such certificate upon request to any Unit Owner in respect to whom the provisions of such Section have, in fact, terminated.

SECTION 6. Financing of Purchase of Units by Board of Managers. The purchase of any Unit by the 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. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Unit Owner, in proportion to his interest in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article VI, and/or the Board of Managers 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 Interests.

SECTION 7. Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any lease, sale or conveyance of any Unit together with its Appurtenant Interests by (a) the Sponsor, (b) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings or to any one or more of them, (c) the Board of Managers, or (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article.

SECTION 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, to devise his Unit by will or to 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.

SECTION 9. Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, or its Designee, on Behalf of All Unit Owner as Tenants-in-Common. In the event that any Unit shall be acquired by the 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 and the entire property as herein provided.

SECTION 10. 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 Board of Managers all unpaid Common Charges theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

SECTION 11. Mortgage of Units. Subject to the preceding Section 10, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or noninstitutional lender to make the mortgage loan.

SECTION 12. Units Acquired or Leased by Board of Managers. The Board of Managers shall have the power to sell, lease, mortgage or otherwise deal with Units acquired by, and to sublease Units leased by, the Board of Managers on behalf of all Unit Owners. While such Units are held or leased they may be used only for such purposes as allowed by the Declaration and By-Laws. The net proceeds of the disposition of such Units may be used for working capital or held in reserve, as the Board of Managers may determine.

SECTION 13. No Discrimination. The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

ARTICLE IX

CONDEMNATION

SECTION 1. Condemnation. In the event of a taking in condemnation or by eminent domain of any part of the Common Elements the award made for such taking shall be payable to the Board of Managers. To the extent that the proceeds of the award are not utilized for the repair and restoration of such Common Elements, the Board of Managers shall distribute 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 VI.

ARTICLE X

RECORDS

SECTION 1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners and financial records and books of account of the Condominium, 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, if any remaining unpaid.

An annual Financial Statement of the Condominium, prepared and certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested same, within two (2) months after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as Common Expenses payable by the Unit Owners.

Copies of the Declaration, these By-Laws, the Rules and Regulations and floor plans of the Building and Units, as the same may be amended from time to time, shall be maintained, at the office of the Board of Managers and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE XI

MISCELLANEOUS

SECTION 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

SECTION 2. 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 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

SECTION 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

AMENDMENTS TO BY-LAWS

SECTION. 1. Amendments to By-Laws. Except as other provided in the next paragraph and in the Declaration, these By-Laws may be modified or amended by the vote of 66-2/3% in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, when said modification or amendment would adversely affect one or more of the mortgagees (if any) the consent of such mortgagee(s) must first be obtained.

For as long as Sponsor or its designee remains the owner of one or more Units, these By-Laws, the Rules and Regulations and the Declaration may not be modified, added to, amended or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses or exceptions granted therein or herein to Sponsor, or otherwise adversely affect Sponsor without Sponsor's prior written consent in each instance. Notwithstanding anything to the contrary contained herein, no provision of these By-Laws, the Rules and Regulations, or the Declaration, relating to the use of the Units or the percentage interest of a Unit in the Common Elements may be amended without the consent of every Unit Owner affected by such amendment.

ARTICLE XIII

CONFLICTS

SECTION 1. Conflicts. These By-Laws and the Rules and Regulations are intended to comply with the requirements of Article 9-B 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, the provisions of said statute, the Declaration or such other applicable law, as the case may be, shall control.

ARTICLE XIV

REAL ESTATE TAXES

SECTION 1. Review of Assessments. The Board of Managers shall have the power to act as agent for all Unit Owners:

- (a) to protest, complain or apply to the appropriate taxing authority to correct the tax assessments of the Units for any year by filing a single complaint on behalf of all such Unit Owners;
- (b) to 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) to seek administrative and judicial review of the tax assessments for any year;
- (d) to negotiate and settle with the taxing authority the tax assessments and any resulting proceedings and litigation;
- (e) to execute and acknowledge in the name of each Unit Owner for which it is acting as agent, as such Unit Owner's attorney-in-fact, all applications, certifications, petitions, complaints settlement agreements and other documents in furtherance of the foregoing; and
- (f) to retain legal counsel on behalf of the Unit Owners for which it is acting as agent to represent such Unit Owners in connection with the foregoing.

Any Unit Owner may withdraw the Condominium Board's authority to so act on his behalf in any year provided he sends written notice of such withdrawal to the Condominium Board and such notice is received before the Condominium Board has commenced the proceeding. In the event any Unit Owner seeks to have the assessed valuation of his Unit reduced by bringing a certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in, pursuing such reduction, provided that (a) such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees, resulting from such proceedings); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current in the payment of all Common Charges and assessments.

SECTION 2. Collection of Real Estate Taxes. Until such time as each Unit is separately assessed for purposes of real estate taxes, same shall be collected by the Condominium Board in addition to, and as part of, the Common Charges in proportion to the Unit Owner's Common Interest and forwarded to the appropriate taxing authority on behalf of the Unit Owners.

SCHEDULE A
RULES AND REGULATIONS

In addition to the other provisions of the By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Units and the conduct of all occupants thereof:

SECTION 1. Owners of a Unit, members of their families, their employees, guests, invitees and their pets shall not use or permit the use of the Units or the Property in any manner which would be illegal or disturbing or a nuisance to other Owners, or in such a way as to be injurious to the reputation of the Condominium.

SECTION 2. The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

SECTION 3. Every Unit Owner shall be liable for any and all damage to the Common Elements or the Property which shall be caused by said Unit Owner or by members of his family, his employees, guests, invitees or pets, or by any other person for whose conduct he is legally responsible.

SECTION 4. Every Unit Owner must perform promptly all maintenance and repair work to his own Unit and to the Limited Common Elements appurtenant thereto which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building, he being expressly responsible for the damages and liabilities that his failure to do so may engender. All the repairs to internal installations of the Unit located in and servicing only that Unit or its appurtenant Limited Common Elements, such as telephones and sanitary installations, shall be at the Unit Owner's expense.

SECTION 5. Each Unit Owner shall keep his Unit and its appurtenant Limited Common Elements in a good state of preservation, condition, repair and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, or windows thereof, any dirt or other substance.

SECTION 6.

- (a) No clothes, garments, rugs, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements or the Common Elements or shall be dried or aired on any terrace or balcony.

- (b) No Common Elements shall be used for storage purposes.
- (c) No exterior surfaces of the windows, walls or doors opening out of a Unit, and no balcony or terrace appurtenant to a Unit, shall be painted without the prior written consent of the Board of Managers.
- (d) No television or radio antenna shall be erected on the exterior of Units or the Common Elements without the prior written consent of the Board of Managers.
- (e) No landscaping in the Property shall be moved, removed or otherwise changed.

SECTION 7. No pet, bird, reptile or animal shall be permitted, kept or harbored in the Building or the Property unless the same in each instance be expressly permitted in writing by the Board of Managers and such consent, if given, shall be revocable by the Board of Managers at any time. In no event shall any pet, bird, reptile or animal be permitted in any of the public portions of the Building unless carried or on a leash.

SECTION 8. The Board of Managers or the Managing Agent shall be given a pass-key to each Unit. Upon the changing of any lock or the installation of a new lock in a Unit, a new pass-key shall immediately be given to the Board of Managers or the Managing Agent.

SECTION 9. No Unit Owner or any of his tenants, agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed to the Common Elements.

SECTION 10. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board.

SECTION 11. Unless expressly authorized by the Board of Managers in each instance, not less than eighty (80%) percent of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

SECTION 12. Plantings on any terrace or balcony, if any, of a Unit shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing

on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. The Owner of such Unit shall be responsible for maintaining the containers in good condition, and shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

SECTION 13. No Unit Owner shall engage any employee of the Condominium or the Managing Agent for any private business of the Unit Owner without the prior written consent of the Board of Managers.

SECTION 14. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

SECTION 15. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO SECTION 20.4 (b) OF
THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

New York State Department of Law
120 Broadway
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: 1062 Bergen Street, Brooklyn, N.Y.

We are the Sponsor and the principals of the Sponsor of the Condominium Offering Plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this Certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

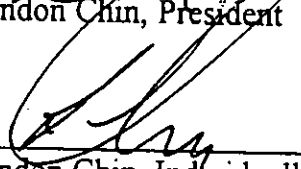
- (1) Set forth the detailed terms of the transaction and be complete, current and accurate.
- (2) Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment.
- (3) Not omit any material fact.
- (4) Not contain any untrue statement of a material fact.
- (5) Not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale.
- (6) Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.

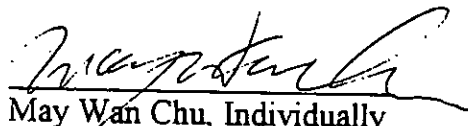
- (7) Not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

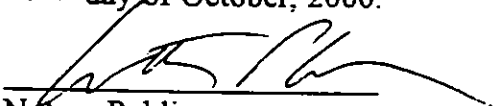
CTC GROUP INC.

By 
Lyndon Chin, President


Lyndon Chin, Individually


May Wan Chu, Individually

Sworn to before me this
17th day of October, 2000.


Notary Public

ANTHONY P. COLOMBINI
Notary Public, State of New York
No. 02C04688147
Qualified in Westchester County
Commission Expires June 30, 2001

CERTIFICATION OF SPONSOR'S ENGINEER OR
ARCHITECT PURSUANT TO SECTION 20.4(C)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED.

New York State Department of Law
120 Broadway
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: 1062 Bergen Street, Brooklyn, N.Y.

The Sponsor of the Offering Plan for condominium ownership of the captioned property retained me to prepare a report describing the renovation of the Property (the "Report"). I visually inspected existing portions of the renovated property on September 15, 2000, and I examined the building plans and specifications that were prepared by me dated June 20, 1999, and prepared the Report dated October 13, 2000, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

I am a licensed engineer in the State in which the Property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this Certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

1. Sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that I examined;

2. In my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that I examined;
3. Does not omit any material fact;
4. Does not contain any untrue statement of a material fact;
5. Does not contain any fraud, deception, concealment or suppression;
6. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Does not contain any representation or statement which is false, where I: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

This certification is made under penalty of perjury. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.




Melvin Lindner, P.E.

Sworn to before me this
13th day of October, 2000.


Notary Public

ANTHONY E. COLOMBINI
Notary Public, State of New York
No. 02C04688147
Qualified in Westchester County
Commission Expires June 30, 2001



New Golden Age Realty, Inc.
6 Chatham Square, 2nd Floor
New York, New York 10038
Business (212) 693-2828

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 20.4 (d) OF
THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

New York State Department of Law
120 Broadway
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: 1062 Bergen Street, Brooklyn, N.Y.

We have been licensed Real Estate Brokers for over 7 years. As part of our experience, our affiliate management company has served as the managing agent for buildings similar to the building being converted in this Plan. Our affiliate management company has managed over 6 properties.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

We certify that the projections in Schedule B 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.

We certify that the Schedule:

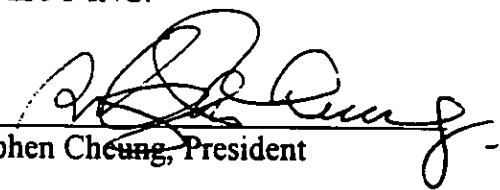
- (1) Sets forth in detail the projected income and expenses for the first year of condominium operation.

- (2) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation.
- (3) Does not omit any material fact.
- (4) Does not contain any untrue statement of a material fact.
- (5) Does not contain any fraud, deception, concealment or suppression.
- (6) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- (7) Does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

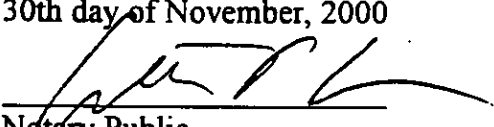
We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

CENTURY 21 NEW GOLDEN AGE
REALTY INC.

By 
Stephen Cheung, President

Sworn to before me this
30th day of November, 2000


Notary Public

ANTHONY P. COLOMBINI
Notary Public, State of New York
No. 02C0468E147
Qualified in Westchester County
Commission Expires June 30, 2001

ESCROW AGREEMENT

AGREEMENT made as of this 17th day of October, 2000, between CTC GROUP INC., a New York corporation with offices at 48 Hester Street, New York, N.Y. 10002 ("SPONSOR") as Sponsor of the Offering Plan and ANTHONY P. COLOMBINI, with offices c/o Chu & Partners, 233 Canal Street, New York, N.Y. 10013 ("ESCROW AGENT") as Escrow Agent.

WHEREAS, SPONSOR is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 162 Bergen Street, Brooklyn, N.Y., which premises are known as CROWN-BERGEN CONDOMINIUM; and

WHEREAS, ANTHONY P. COLOMBINI 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, ESCROW AGENT is the principal of the law firm of Chu & Partners, attorneys for the SPONSOR; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as Escrow Agent for deposits and payments by Purchasers and Subscribers, 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. The escrow account will be opened with Eastbank, N.A. at its branch located at 235 Canal Street, New York, N.Y. 10013. The account number will be established upon the opening of the account pursuant to the regulations of the Attorney General of the State of New York. Each deposit will have a separate sub-account under the master escrow account.
- 1.2 The name of the account will be "Chu & Partners Crown-Bergen Condominium Special Escrow Account".

- 1.3 ESCROW AGENT will be the sole signatory on the account.
- 1.4 The escrow account shall be an interest-bearing account as disclosed in the Offering Plan.
- 1.5 The escrow account will not be an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

- 2.1 All funds received from prospective Purchasers prior to closing, 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 Chu & Partners as ESCROW AGENT for the Crown-Bergen Condominium Offering Plan. 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, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.
- 2.2 Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the bank indicated in the Offering Plan and provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting Purchaser until after consummation of the Plan as defined in the Attorney General's regulations. Consummation of the Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both SPONSOR and Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORDKEEPING

- 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 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 shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges his fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR

- 6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.
- 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 cancelled, 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 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 with the Department of Law providing for a successor ESCROW AGENT; or
 - c. All units offered pursuant to the Plan have been sold and all sales transactions have been consummated.
- 7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

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 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 escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY

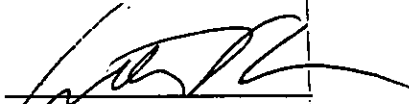
11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall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

12. 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.

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

ESCROW AGENT:


Anthony P. Colombini

SPONSOR:

CTC GROUP INC.

By 
Lyndon Chin, President

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the
subject plan.]

Re: _____
Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider
and determine the disposition of down payments held pursuant to GSA
Sections 352-e(2-b) and 352-h. The following information is
submitted in support of this application:

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for

- ☐ return of downpayment.
☐ forfeiture of downpayment.
☐ other: _____

5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).

6. The project is structured as
[] a cooperative.
[] a condominium.
[] a homeowners association.
[] a timeshare.

[] other: _____

7. Name and Address
of Sponsor: _____

8. Name and Address
of Escrow Agent: _____

9. If downpayments 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) _____

10. If downpayments 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:

11. If downpayments 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: _____

12. 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) Downpayments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. 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 downpayment(s): _____
- (d) Total amount of downpayment(s): _____
- (e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. 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: _____

