THIS PLAN HAS
BEEN AMENDED
SEE INSIDE COVER

CONDOMINIUM OFFERING PLAN

THE 564-580 PARK PLAZA CONDOMINIUM

A PLAN FOR CONDOMINIUM OWNERSHIP

OF

PREMISES KNOWN AS

564 AND 580 WYTHE AVENUE
COUNTY OF KINGS, CITY OF NEW YORK
BROOKLYN, NEW YORK 11211

68 RESIDENTIAL UNITS } OFFERED
68 STORAGE UNITS } FOR SALE

4 STORAGE UNITS } NOT OFFERED
2 BUILDING MANAGEMENT UNITS } FOR SALE

TOTAL PURCHASE PRICE OF 136 UNITS OFFERED FOR SALE.....$22,090,000

SPONSOR AND SELLING AGENT:

K-R Residence Corp.
39 Heyward Street
Brooklyn, NY 11211

Date of Acceptance for Filing:

APRIL 9 2001

This Offering Plan may only be used for 12 months from this date unless extended by a duly filed amendment.

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 OF LAW OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

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SPECIAL RISKS

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

(A) A Purchaser has thirty (30) days to cure a default under his Purchase Agreement after being sent written notice. TIME IS OF THE ESSENCE to cure the default within such thirty (30) day period, failing which the Purchaser will lose his down payment. (See Section "Procedure to Purchase" for further details).

(B) The Purchase Agreement to purchase a unit is not contingent on the purchaser's obtaining financing. If the purchaser is unable to pay the purchase price required under the Purchase Agreement due to purchaser's inability to obtain financing or for any other reason, the purchaser may lose his entire down payment. Prospective purchasers who will need financing to purchase are advised to consult with a bank before execution of a Purchase Agreement to ascertain the likelihood of obtaining financing. The Sponsor may, however, at its sole option, consent to permit a mortgage contingency. See Section "Procedure to Purchase" for further details.

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

(D) Although usually Seller's expense, Purchaser shall pay the Real Property Transfer Tax due to the City of New York. This tax is in the amount of one percent (1%) of the total purchase price of the unit, if under $500,000.00; and 1.425% of the total purchase price of the unit if $500,000.00 or over. The Purchaser shall also pay for the New York State Deed Documentary stamps (currently $2.00 per $500.00 or a fractional portion thereof of the purchase price) imposed by statute on the transferors of the property. For purposes of calculating the transfer taxes to be paid, consideration includes the transfer taxes paid by the purchaser. See Section O - "Unit Closing Costs and Adjustments", for further details.

(E) The Sponsor is not providing a gas or electric range/oven, refrigerator, laundry appliances, blinds or shades to the Units. It will be the responsibility of each unit owner to provide them, at his or her own cost. The Sponsor is providing a kitchen sink, kitchen cabinets/countertops and hookups for a gas or electric range/oven, and accordingly, the units will be prepared so that a temporary Certificate of Occupancy may be issued prior to closing. See Section "Procedure To Purchase" and See Part II, "Description of Property" for further details.

(F) Pursuant to existing law and regulation, the Sponsor may declare the plan effective by entering into a contract to sell a minimum of fifteen percent (15%) of the units in the building. Even if the plan is declared effective with a minimum number of sales, it is possible that the sponsor may be able to convert the building with fewer than the minimum number of sales, if purchasers counted toward effectiveness do not ultimately purchase an apartment.

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 apartments in a building may 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 an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section entitled "Effective Date" for further details.

(G) Purchaser shall be obligated to pay a fee of $500.00 to N.C. Caller, P.C. for services rendered in connection with the recording of the Declaration of Condominium and the preparation of documents. See Section M - "Procedure to Purchase" for details.

In addition to the fee for services rendered in connection with the consummation of the Offering Plan, there shall be an additional fee of $500.00 payable to Sponsor, if Purchaser obtains fee title insurance from a title insurer other than Reliable Abstract Co., LLC, which represents payment for additional work involved and payment for the work done by Reliable Abstract Co., LLC in connection with the preparation of the offering plan. See Section O - "Unit Closing Costs and Adjustments" for further details.

(H) In addition to the Purchase Price for the unit and among other closing costs, each purchaser shall pay to the Sponsor the sum of $1,000.00 to defray the Sponsor's costs of creating the condominium, e.g, architectural costs, filing fees, legal fees and other costs incurred in creating the condominium. Purchaser will also be required to deposit with the Board of Managers four (4) months' estimated monthly common charges for his unit to be used as working capital. See Section O - "Unit Closing Costs and Adjustments" and Section X - "Working Capital Fund".

(I) As common charges do not include heating costs, each unit owner is responsible for the payment of the electricity and gas costs of his individual unit. See Schedules B and B-1 for further details.

(J) The Sponsor will maintain control of the Board of Managers of the Condominium for a minimum of three (3) years from the date of the first closing, as long as the Sponsor owns at least one (1) unit. During this period of Initial Control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be elected by all Unit Owners, other than the Sponsor. After the initial 3-year period, the Sponsor will maintain control of the Board of Managers as long as the Sponsor owns a majority of the units. See Section "Control By Sponsor" for further discussion.

(K) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers should note that such funds may be released from the escrow account by the escrow agent as long as the sponsor uses the funds for such upgrades or extras. As a result, in the event a purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras. See Section entitled "Procedure to Purchase" for details.

(L) For as long as Sponsor or its designee is the owner of one (1) or more Units in the entire condominium, the Declaration, By-Laws and Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or its designee without the prior written consent of every Unit Owner affected by such amendment. See Section "Rights and Obligations of Board of Managers, Summary of By-Laws" for details.

(M) The Sponsor makes no representation as to the availability of real estate tax exemption or

abatement benefits. The sale of units are not contingent on obtaining tax benefits and all purchasers are purchasing under the assumption that no tax benefits are available. A purchaser should consult with their adviser as to the availability of tax benefits and such purchaser shall request the Condominium Board to file for any tax benefits that may be available. The Sponsor will make all records available and will cooperate with Unit Owners in connection with obtaining benefits, if available. See Section entitled "Real Estate Taxes" for further details.

(N) No representation is made that the initial working capital fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the initial capital fund, it may be necessary for the board of managers to increase the charges.

(O) In order to resolve any dispute, controversy, claim or question arising with respect to the Condominium or the Purchase Agreement, or to break any deadlock in voting, any disputes involving the condominium shall be settled by consultation and arbitration. See Section "Procedure to Purchase for further details.

(P) The insurance coverage provided by the Condominium Board does not include claims for personal injury or property damage occurring within a Unit nor does it include coverage for the contents present in the Unit. Therefore, the Unit Owner should consider obtaining the following at his own cost: insurance covering the contents of the Unit, personal property, and liability for personal injury as a result of occurrences in the individual Unit. See sections "Footnotes to Schedule B" and "Rights and Obligations of Unit Owners" for details.

(Q) There are lot line windows which may be blocked in the future by the adjoining property owner. These windows are not considered as windows for the purpose of light and air requirements under the Building Code. If these windows are blocked, no action will need to be taken by the unit owner since it will not present an illegal condition.

(R) The escrow account in which down payments or advances made by purchasers will be placed is covered by federal bank deposit insurance to $100,000.00 per individual deposit. Any deposit in excess of $100,000.00 will not be insured in excess of $100,000.00. See Section "Procedure to Purchase" for further details.

(S) No bond or other security has been furnished to secure sponsor's obligations to complete construction. See Section "Rights and Obligations of Sponsor".

(T) The common interests of the units as shown in "Schedule A - Offering Prices and Related Information" are allocated equally among all of the residential units, even though there are differences in price, size, location, square footage, access to common or limited common elements, etc.

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A. INTRODUCTION

Purpose of the Offering Plan

The purpose of the Plan is to set forth all the material terms of the offer to sell these apartments as condominium units. The Plan may be amended from time to time to reflect changes which materially affect the offering. All amendments will be filed with the New York State Department of Law and will thereafter be served upon purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent, Unit Owners and any other person entitled to service pursuant to local law or regulation.

The Offer

The Sponsor presents this Offering Plan (the "Plan") for the establishment of condominium ownership of the Property pursuant to and in compliance with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The condominium shall be known as The 564-580 Park Plaza Condominium (the "Condominium").

This offering plan is the second being submitted as part of a project entitled "Park Plaza" containing three (3) separate condominiums, each consisting of two (2) buildings. (See the Plot Plan in Part II, Document No. 1 - "Description of Property", for a view of the entire project). The first plan, The 525-535 Park Plaza Condominium, has been filed previously. The third plan, The 570-576 Park Plaza Condominium, is being submitted simultaneously herewith.

This Plan encompasses the land, the structure and all appurtenances thereto at 564 Wythe Avenue and 580 Wythe Avenue, Brooklyn, New York (the "Buildings"). The Sponsor is K-R Residence Corp., a domestic corporation with an address at 39 Heyward Street, Brooklyn, New York, NY 11211, whose principals are Chaim Dushinsky and Isaac Rabinowitz (the "Sponsor"). The Sponsor is a contract vendee under a contract of sale to acquire the property from Kent-Rush Realty Corp. The buildings are new buildings which are being built under plans filed with and approved by the Department of Buildings of the City of New York. The Buildings and land are hereinafter collectively referred to as the "Property".

The Sponsor hereby offers thirty-four (34) residential units and thirty-four (34) storage units in each of the two (2) Buildings, for a total of sixty-eight (68) residential units and sixty-eight (68) storage units for sale under the Plan. One (1) building management unit and two (2) storage units in each building are not being offered for sale. Unit SC in the Subcellar of each building is being retained by the Sponsor for management of the Buildings and is not being offered for sale. Cellar Units 0C and 0D in each building are being retained by the Sponsor to provide rental storage spaces for owners and residents of the buildings and are not being offered for sale. The purchase prices and estimated Common Charges for each of the Units are listed in "Schedule A -- Offering Prices and Related Information." THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.

This Offering Plan including all Schedules and Parts A, B, C and D of the Exhibits constitute the entire Offer of the Sponsor, and copies of the Offering Plan and Parts A, B, C and D of the Exhibits will be available for inspection by prospective purchasers without charge at the Property Site whenever the on-

site office is open, and at the office of the selling agent or the Sponsor.

Basic Aspects of Condominium Ownership

The ownership of a condominium unit is similar in many respects to the ownership of a private home. Each purchaser owns his Unit outright, in fee simple absolute, and is entitled to exclusive possession of his Unit together with an interest in and right to use the Common Elements and the Limited Common Elements, if any. The Common Elements essentially consist of all parts of the Property other than the Units themselves, are owned by all of the Unit Owners as tenants in common, each having an undivided interest therein.

The Common Elements consist of all portions of the Condominium Property that are not designated as Units or parts thereof. The Common Elements include, generally, but without limitation, the Condominium Property including the portions on which the Buildings are erected.

Limited Common Elements

(a) Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units.

The Limited Common Elements in this Condominium are the balconies appended to each of the units on floors three, five, six, seven and eight of each building;

The cost of maintenance, repair and replacement of the Limited Common Elements shall be borne by the Unit Owner or Owners having the exclusive or shared use thereto.

The common elements are not subject to partition nor are they severable from the Units except in accordance with The Condominium Act (Article 9-B of the Real Property Law).

Common Charges

Each Unit Owner must pay Common Charges in accordance with the New York Condominium Act, Sections 339-i and 339-m. These charges are payable on a monthly basis. Common Charges have been estimated by the Sponsor and include fire insurance for the Units, and liability insurance for the Common Elements, and maintenance and operation of the Common Elements. For more information on Common Charges and how they are assessed, see Article VI of the By-Laws attached hereto as Document No. 7.

Other than as set forth herein, there is no restriction upon ownership of a Unit.

Any Unit Owner may sell or lease his or her Unit to anyone, without restriction or limitation, subject only to Civil Rights laws and the right of first refusal in favor of the Board of Managers of the Condominium (the "Condominium Board") or a third party produced by the Condominium Board to acquire or lease such Unit upon the same terms that were offered to the prospective buyer or tenant. Note that the following is merely a summary of conditions for the resale or lease of a Unit, and you are referred to Article 7 of the By-Laws attached hereto for detailed restrictions on sale, resale or leasing of Units. Any deed to a subsequent purchaser must provide that the acceptance thereof by the grantee constitutes an assumption of the

provisions of the Declaration, the By-Laws, and the rules and regulations of the Condominium as they may be amended from time to time.

No Unit Owner may convey or mortgage title to his Unit without including therein the appurtenant interest.

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

The Board of Managers has the power and responsibility for the operation of the Condominium. These responsibilities include, among other things, the care, upkeep and maintenance of the Common Areas, collection of Common Charges from the Unit Owners, employment of personnel, adoption and amendment of rules and regulations, maintenance of bank accounts, obtaining insurance, making repairs, additions, improvements or alterations to the Common Elements, repair, reconstruction and restoration of damage by fire or other casualty, and such other functions as may be required in connection with the operation and maintenance of the Property. The Board of Managers will elect a President, a Secretary and a Treasurer. No member of the Board nor any officer will receive any compensation for acting in such capacity. The Board may engage a manager or managing agent to perform any of its delegable duties as provided in the By-Laws of the Condominium, and may pay such manager or managing agent such compensation as the Board deems desirable.

Each Unit is entitled to vote as follows: all Unit Owners will be entitled to one (1) vote for each unit owned in all matters which require a vote of the Unit Owners, including Board elections. Where title to a Unit is held by two (2) persons, each such co-owner will be entitled to one-half (½) such vote. Except in those instances where the New York Condominium Act, the Declaration or the By-Laws provide otherwise, all matters to be decided by the vote of Unit Owners will be decided by a majority vote thereof.

Each Unit will be separately taxed for real estate tax purposes and, therefore, no Unit Owner is liable for the payment of real estate taxes on any Unit other than his own. No Unit is subject to the lien of a mortgage on any other Unit.

Fire and liability insurance covering the entire Condominium are included with other items as part of the Common Charges, but fire and liability insurance for the purchaser's personal effects in the interior of each Unit, including, but not limited to decorations, painting, furniture tor improvements made by the Unit Owner, should be carried out by the individual purchaser. Each Unit Owner desiring such coverage on his personal effects must purchase his own policy at his own cost and expense. All policies purchased by Unit Owners must contain waivers of subrogation and must contain provisions to the effect that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of the policy or policies carried by Unit Owners.

All painting and decorating of exterior portions of the Building and Common Elements as well as all repairs and replacements to the Common Elements shall be made by the Board of Managers through its officers, its manager or managing agent. No further approval of the Unit Owners shall be required for the foregoing, regardless of the cost, and such costs will be charged to the Unit Owners as Common Charges, except to the extent that the same may be charged to a particular Unit Owner if such costs are necessitated by his negligence or misuse.

Each Unit Owner may decorate the interior of his or her Unit in any manner that he or she desires, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing, painting and maintaining casualty and liability insurance on his or her Unit.

Limitations on Purchase of Units

There are no restrictions on who may purchase a Unit in the Condominium. However, the Sponsor hereby reserves the right at any time for any reason whatsoever to refuse to approve and execute (i) a Purchase Agreement for any Unit, and (ii) a Purchase Agreement or Agreements, as the case may be, for more than one (1) Unit to any one person or entity; provided, however, that neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, sex, color, disability, marital status or national origin.

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

Contents of Part II

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

The form of Unit Owner's Power of Attorney that each Unit Owner will be required to give to the Condominium Board and to Sponsor pursuant to the terms of the By-Laws and the form of deed that Sponsor will issue to purchasers of Units are set forth as Documents Numbers 4 and 5, respectively, in Part II. A detailed description of the physical condition of the Property is set forth in Part II as Document Number 1, entitled "Description of Property", which includes an architect's report describing the property, and should be reviewed carefully by prospective purchasers. Floor plans of the Units are set forth in Part II as part of Document Number 1.

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

Parts I and II constitute the entire offering and contain all the detailed terms of the offer. The exhibits submitted to the Department of Law in connection with the filing of the Plan contain additional supporting documentation. All of these are available for inspection and copying to prospective purchasers and their attorneys at the office of the attorneys for the Sponsor during regular business hours. There will be no charge for inspection. However, there will be a charge of forty cents ($0.40) per page for copying. The Plan and exhibits are also available for inspection and copying by appointment (at a current charge of $0.25 per page) at the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271. There is a $25.00 deposit required for each copy of the book, which will be refunded if it is returned to the Sponsor in good condition, normal wear and tear excepted.

B. DEFINITIONS

The following words as hereinafter referred to shall be defined as follows:

1. Sponsor: As used in New York State regulations pertaining to newly constructed and vacant condominium, the word "sponsor" means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty." The Sponsor of this offering plan is K-R Residence Corp.

Initial Control By Sponsor. Notwithstanding any other provision, regardless of the number of Units the Sponsor owns, the Sponsor shall designate a majority of the Board and shall exercise voting control of the Condominium Board for a period of three (3) years from the date of conveyance of title to the first Unit conveyed under this Plan.

2. New York Condominium Act: Article 9-B of the Real Property Law of the State of New York, as amended, which sets forth provisions governing the creation and operation of condominiums, and to which the Condominium is the subject of this Offering Plan, is submitted.

3. Declaration: The instruments by which the Building is submitted to the provisions of the New York Condominium Act and that instrument as from time to time amended, consistent with the provisions of the New York Condominium Act and the By-Laws of the Condominium.

4. Unit: Any unit designated as such in the Declaration of the Condominium and further described in the floor plans to be filed simultaneously with the Declaration.

5. Unit Owner: The person or persons owning a unit in fee simple absolute.

6. Common Elements: All that part of the Condominium Property or facilities servicing or benefitting all the Units comprising the Condominium, as defined in Section 339-e of the Condominium Act. The Common Elements include generally, and without limitation: (i) all parts of the building (other than the Units in the building) including but not limited to the foundation, roof and supports of the building; and (ii) all areas or facilities for the common use of all the Units of the building and Unit Owners. Common Elements consist of all portions of the Condominium Property which are not designated as Units or parts thereof.

7. Limited Common Elements: Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units. See page 5 for details on Limited Common Elements.

8. The Condominium The 564-580 Park Plaza Condominium, proposed to be created and organized as provided for in this Offering Plan, consisting of land, building, and appurtenances of the building.

9. Condominium Documents: This Offering Plan, and the Declaration, Floor Plans, By-Laws and rules and regulations of the Condominium and all Exhibits for the foregoing, as amended from time to time.

10. Board of Managers: The governing body of the Condominium, being the group selected, authorized and directed to manage and operate the Condominium individually as provided by the New York Condominium Act, the Declaration and the By-Laws. The Board of Managers will manage and operate the building as provided by the New York Condominium Act, the Declaration and the By-Laws.

11. Common Expenses: Expenses for which Unit Owners shall be proportionately liable, and includes the actual and estimated expenses of operating the property, assessments relating to repair, maintenance, replacements, management and operation of each individual Condominium, and reasonable reserves for such purposes as found and determined by the Board of Managers, and sums designated as Common Expenses by or pursuant to the Condominium Documents.

12. Common Charges: Assessments by the Board of Managers of the Condominium upon the Unit Owners, in proportion to their respective interests in the Common Elements for the purpose of paying common Expenses. NOTE: These charges are payable by the Unit Owners of its building on a monthly basis.

13. Common Interest: The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration of Condominium for that building.

14. Condominium Property or Property: The land described in the Declaration (see Document No. 6) which is subject to the Condominium Act by the Declaration, together with all improvements thereon and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

15. Floor Plans: shall mean the floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and By-Laws and the Floor Plans.

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

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This description of the property and improvements is intended to provide a general outline of the land, building and units, but shall not be interpreted as enlarging in any manner, directly or by reference, the obligations or liability of the Sponsor as set forth in this Plan. A more detailed description of the building and property, including the Engineer's Report and floor plans is set forth in the "Description of Property", Document No. 1 in Part II of the Plan.

The land is known by street address as 564 Wythe Avenue and 580 Wythe Avenue, Brooklyn, New York. It is situated at the intersection of Wythe Avenue and former Rush Street, in Brooklyn, New York.

The condominium is being constructed as part of a project entitled "Park Plaza" containing three (3) separate condominiums, each consisting of two (2) buildings. For a view of the entire project, see the Plot Plan annexed to the Description of Property in Part II of the Plan.

The buildings are new buildings presently under construction. When complete each will consist of eight stories, a cellar, subcellar and attic and each building will contain thirty-four (34) residential units and thirty-four (34) storage units. Three (3) units in each building are being retained by the Sponsor and are not being offered for sale. See Schedule A - Offering Prices and Related Information for additional information.

The property will be improved and the Units built in accordance with all applicable zoning and building laws, regulations, codes, and other government requirements. The proposed project is governed by New York City zoning laws and the Building Code.

The Units and Common Elements will be built substantially in accordance with this Plan and with the Plans and Specifications filed with the Department of Buildings as the same may be amended. The Units, when fully completed, will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. The Plans and Specifications will be available for inspection at the Sponsor's office on the Property.

The Dimensions of the Units shown on the Floor Plans reflect the approximate interior dimensions of each unit. Accordingly, they measure the approximate distance from the inner face of the masonry of the outer wall of the building to the inner face of the wall separating the unit from corridors, stairs, vestibules and other units.

No Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Any area and/or installation which is designated on the Floor Plans as part of a Unit shall be considered as part of said Unit.

The Sponsor reserves the right to amend or modify in any way such plans, specifications and description of property (including changes in area, floor plans and allocation of space, changes in materials, and other construction details) and substitute in place of any materials and other construction details set forth herein or in Document No. 1 in Part II of this Plan, materials and other construction details of substantially similar or better quality; provided only that the approval of any governmental authority having

jurisdiction thereover, if necessary, is first obtained. See Section "Changes in Prices and Units" for further details. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Buildings prepared by the Sponsor's Architects and Engineers as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this paragraph.

Water is provided by the City of New York and the units will be billed together for water consumption. Natural gas for cooking and heating is provided by the Brooklyn Union Gas Co. Each unit will be separately metered and billed. Telephone service is provided to each unit by Verizon. Electricity is provided by the Consolidated Edison Co. Each unit is metered and billed separately. Storm water is carried into the New York sewer system as is the entire sanitary waste from the Buildings.

Estimate of Completion

The Buildings are presently less than halfway complete. The Sponsor projects that the Buildings will be completed by July 1, 2001. However, Sponsor makes no warranty or guarantee that the Units will be completed by said date.

Estimate of Commencement
of Condominium Operations

The Sponsor projects that condominium operations shall commence by January 1, 2002. In the event that the actual or anticipated date of commencement of condominium operation is delayed by twelve (12) months or more from the anticipated date of closing, the Sponsor will amend the plan to offer all purchasers the right for fifteen (15) days following the presentation of such amendment within which to rescind their offer to purchase and to have their down payments refunded. If such right to rescind is exercised, the downpayment will be refunded within ten (10) days of the Sponsor's receipt of the notice of rescission.

D. LOCATION AND AREA INFORMATION

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

Location

The Buildings are located at, respectively, the intersection of Wythe Avenue and former Rush Street and the intersection of Wythe Avenue and former Morton Street in the Borough of Brooklyn, Kings County, City and State of New York. The buildings are known by the street address 564 Wythe Avenue and 580 Wythe Avenue, and are situated in the section of Brooklyn known as Williamsburg.

The major access road is the Brooklyn-Queens Expressway. The Williamsburg Bridge, Manhattan Bridge, Brooklyn Bridge, Triboro Bridge, Battery Tunnel, Prospect and Gowanus Expressways and the Belt Parkway are closely accessible via the Brooklyn-Queens Expressway.

The Condominium is located in a primarily residential neighborhood with convenient residential amenities. The immediate area consists of multi-occupancy housing with elementary schools within walking distance. Located nearby are public, private and parochial schools, religious institutions, day care centers and a senior citizen center. The nearest police station is the 90th Precinct, located at Union Avenue and Penn Street, approximately 13 blocks away. The Fire Department has a station house located on Hooper Street, approximately 7 blocks away. Woodhull Hospital is located on nearby Broadway approximately ½ mile away.

Many retail facilities such as supermarkets, fruit and vegetable stores, meat and fish stores and bakeries exist on the surrounding streets. Complete shopping needs and services are available on Lee Avenue. The Condominium is within walking distance of banks, restaurants, a hotel, parks and subway and bus transit.

The City of New York provides police, fire, sanitation, snow removal and road maintenance services.

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E. SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION

The 564-580 Park Plaza Condominium
Brooklyn, New York

Year Projected to Begin:
January 1, 2002

Unit No.	No. of Bedrooms/ Bathrooms (1)	Approx. Area (1)	Offering Price (2)*	Percent Common Interest (3)	Projected Common Charges (Monthly) (4)	Projected Common Charges (Annual) (4)	Projected Real Estate Taxes (Monthly) (5)	Projected Real Estate Taxes (Annual) (5)	Projected Carrying Charges (Monthly) (6)	Total Projected Tax Deduction (Annual) (7)
564 Wythe Avenue										
SC	----		Not for Sale	1.2810%	$ 172.96	$ 2,075.53		-----NOT FOR SALE------		
0A	3/2	1,270	$ 310,000.00	1.2840%	173.37	2,080.39	230.00	2,760.00	403.37	2,760.00
0B**	2/1	1,020	220,000.00	1.2840%	173.37	2,080.39	184.00	2,208.00	357.37	2,208.00
0C	----		Not for Sale	1.2820%	173.10	2,077.15		-----NOT FOR SALE------		
0D	----		Not for Sale	1.2820%	173.10	2,077.15		-----NOT FOR SALE------		
1A	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
1B	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
1C	2/2	1,040	260,000.00	1.2840%	173.37	2,080.39	197.00	2,364.00	370.37	2,364.00
1D	2/1	1,040	260,000.00	1.2840%	173.37	2,080.39	197.00	2,364.00	370.37	2,364.00
2A	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
2B	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
2C	3/2	1,240	320,000.00	1.2840%	173.37	2,080.39	236.00	2,832.00	409.37	2,832.00
2D	3/2	1,240	320,000.00	1.2840%	173.37	2,080.39	236.00	2,832.00	409.37	2,832.00
3A	3/2	1,330	330,000.00	1.2840%	173.37	2,080.39	248.00	2,976.00	421.37	2,976.00
3B	3/2	1,330	330,000.00	1.2840%	173.37	2,080.39	248.00	2,976.00	421.37	2,976.00
3C	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
3D	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
4A	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
4B	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
4C	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
4D	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
5A	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	246.00	2,952.00	419.37	2,952.00
5B	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	246.00	2,952.00	419.37	2,952.00
5C	3/2	1,290	320,000.00	1.2840%	173.37	2,080.39	242.00	2,904.00	415.37	2,904.00
5D	3/2	1,290	320,000.00	1.2840%	173.37	2,080.39	242.00	2,904.00	415.37	2,904.00
6A	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
6B	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
6C	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
6D	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
7A	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
7B	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
7C	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
7D	3/3	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
8A	3/2	1,260	300,000.00	1.2840%	173.37	2,080.39	224.00	2,688.00	397.37	2,688.00
8B	3/2	1,260	300,000.00	1.2840%	173.37	2,080.39	224.00	2,688.00	397.37	2,688.00
8C	3/2	1,240	300,000.00	1.2840%	173.37	2,080.39	221.00	2,652.00	394.37	2,652.00
8D	3/2	1,240	300,000.00	1.2840%	173.37	2,080.39	221.00	2,652.00	394.37	2,652.00

E. SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION

The 564-580 Park Plaza Condominium
Brooklyn, New York

Year Projected to Begin:
January 1, 2002

Unit No.	No. of Bedrooms/ Bathrooms (1)	Approx. Area (1)	Offering Price (2)*	Percent Common Interest (3)	Projected Common Charges (Monthly) (4)	Projected Common Charges (Annual) (4)	Projected Real Estate Taxes (Monthly) (5)	Projected Real Estate Taxes (Annual) (5)	Projected Carrying Charges (Monthly) (6)	Total Projected Tax Deduction (Annual) (7)
580 Wythe Avenue										
SC	----		Not for Sale	1.2810%	$ 172.96	$ 2,075.53		-----NOT FOR SALE------		
0A	3/2	1,270	$ 310,000.00	1.2840%	173.37	2,080.39	230.00	2,760.00	403.37	2,760.00
0B	2/1	1,020	250,000.00	1.2840%	173.37	2,080.39	184.00	2,208.00	357.37	2,208.00
0C	----		Not for Sale	1.2820%	173.10	2,077.15		-----NOT FOR SALE------		
0D	----		Not for Sale	1.2820%	173.10	2,077.15		-----NOT FOR SALE------		
1A	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
1B	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
1C	2/2	1,040	260,000.00	1.2840%	173.37	2,080.39	197.00	2,364.00	370.37	2,364.00
1D	2/1	1,040	260,000.00	1.2840%	173.37	2,080.39	197.00	2,364.00	370.37	2,364.00
2A	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
2B	3/2	1,260	320,000.00	1.2840%	173.37	2,080.39	240.00	2,880.00	413.37	2,880.00
2C	3/2	1,240	320,000.00	1.2840%	173.37	2,080.39	236.00	2,832.00	409.37	2,832.00
2D	3/2	1,240	320,000.00	1.2840%	173.37	2,080.39	236.00	2,832.00	409.37	2,832.00
3A	3/2	1,330	330,000.00	1.2840%	173.37	2,080.39	248.00	2,976.00	421.37	2,976.00
3B	3/2	1,330	330,000.00	1.2840%	173.37	2,080.39	248.00	2,976.00	421.37	2,976.00
3C	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
3D	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
4A	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
4B	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
4C	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
4D	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
5A	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	246.00	2,952.00	419.37	2,952.00
5B	3/2	1,310	330,000.00	1.2840%	173.37	2,080.39	246.00	2,952.00	419.37	2,952.00
5C	3/2	1,290	320,000.00	1.2840%	173.37	2,080.39	242.00	2,904.00	415.37	2,904.00
5D	3/2	1,290	320,000.00	1.2840%	173.37	2,080.39	242.00	2,904.00	415.37	2,904.00
6A	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
6B	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
6C	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
6D	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
7A	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
7B	3/2	1,300	330,000.00	1.2840%	173.37	2,080.39	245.00	2,940.00	418.37	2,940.00
7C	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
7D	3/2	1,280	320,000.00	1.2840%	173.37	2,080.39	241.00	2,892.00	414.37	2,892.00
8A	3/2	1,260	300,000.00	1.2840%	173.37	2,080.39	224.00	2,688.00	397.37	2,688.00
8B	3/2	1,260	300,000.00	1.2840%	173.37	2,080.39	224.00	2,688.00	397.37	2,688.00
8C	3/2	1,240	300,000.00	1.2840%	173.37	2,080.39	221.00	2,652.00	394.37	2,652.00
8D	3/2	1,240	300,000.00	1.2840%	173.37	2,080.39	221.00	2,652.00	394.37	2,652.00

E. SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION

The 564-580 Park Plaza Condominium
Brooklyn, New York

Year Projected to Begin:
January 1, 2002

Unit No.	No. of Bedrooms/ Bathrooms (1)	Approx. Area (1)	Offering Price (2)*	Percent Common Interest (3)	Projected Common Charges (Monthly) (4)	Projected Common Charges (Annual) (4)	Projected Real Estate Taxes (Monthly) (5)	Projected Real Estate Taxes (Annual) (5)	Projected Carrying Charges (Monthly) (6)	Total Projected Tax Deduction (Annual) (7)
STORAGE UNITS										
564 Wythe Avenue										
S1	----	50	$ 10,000.00	0.0735%	9.92	119.09	4.00	48.00	13.92	48.00
S2	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S3	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S4	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S5	----	50	10,000.00	0.0735%	9.92	119.09	4.00	48.00	13.92	48.00
S6	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S7	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S8	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S9	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S10	----	50	10,000.00	0.0735%	9.92	119.09	4.00	48.00	13.92	48.00
S11	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S12	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S13	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S14	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S15	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S16	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S17	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S18	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S19	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S20	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S21	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S22	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S23	----	60	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S24	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S25	----	80	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S26	----	60	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S27	----	60	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S28	----	60	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S29	----	60	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S30	----	90	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
S31	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S32	----	80	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
S33	----	80	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
S34	----	80	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
580 Wythe Avenue										
S1	----	70	$ 10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S2	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S3	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S4	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S5	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S6	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S7	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00

E. SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION

The 564-580 Park Plaza Condominium
Brooklyn, New York

Year Projected to Begin:
January 1, 2002

Unit No.	No. of Bedrooms/ Bathrooms (1)	Approx. Area (1)	Offering Price (2)*	Percent Common Interest (3)	Projected Common Charges (Monthly) (4)	Projected Common Charges (Annual) (4)	Projected Real Estate Taxes (Monthly) (5)	Projected Real Estate Taxes (Annual) (5)	Projected Carrying Charges (Monthly) (6)	Total Projected Tax Deduction (Annual) (7)
S8	----	50	$ 10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S9	----	50	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S10	----	50	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S11	----	60	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S12	----	70	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
S13	----	60	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S14	----	80	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S15	----	60	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
S16	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S17	----	80	10,000.00	0.0735%	9.92	119.09	8.00	96.00	17.92	96.00
S18	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S19	----	80	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S20	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S21	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S22	----	70	10,000.00	0.0735%	9.92	119.09	6.00	72.00	15.92	72.00
S23	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S24	----	70	10,000.00	0.0735%	9.92	119.09	7.00	84.00	16.92	84.00
S25	----	70	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S26	----	70	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S27	----	60	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S28	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S29	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S30	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S31	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S32	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S33	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
S34	----	50	10,000.00	0.0735%	9.92	119.09	5.00	60.00	14.92	60.00
68 Residential Units/ 70 Storage Units			$ 22,090,000	100.0000%	$ 13,502.00	$ 162,024.00	$ 16,430.00	$ 197,160.00	$ 28,893.70	$ 197,160.00

* At closing, each Purchaser shall pay $1,000.00 to defray Sponsor's costs of forming the condominium. See Section "Unit Closing Costs and Adjustments."

Note: Each of the Units on the Third Floor and on Floors Five through Eight are allocated a Balcony. See the Floor Plans for further details.

Note: At closing, each Purchaser shall deposit an Initial Capital Payment equal to four months' estimated monthly common charges for the unit. See Section "Working Capital Fund" for further details.

** Unit 0B in 564 Wythe Avenue is being designated as the Superintendent's apartment.

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

(1) Any floor plan or sketch shown to a prospective purchaser is only an approximation of the dimensions and layout of a Unit. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The number of rooms in each Unit is computed in accordance with the New York City Zoning Resolution. The areas shown are approximate square footages of the units. Actual areas may vary by up to 100 square feet. See the "Description of Property" set forth in Part II for a more detailed description of the Units and the rooms.

(2) Prices are negotiable. The Sponsor reserves the right to change the offering prices set forth in Schedule A. These offering prices, however, may only be changed by a duly filed amendment to this Plan when the change in price is an across the board change affecting one or more lines of Units or is to be advertised or is a price increase for an individual purchaser. However, the prices for the Units are negotiable and the Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices lower from those set forth in Schedule A. See Section Changes in Prices and Units. See Section "Unit Closing Cost and Adjustments" which discloses and explains the closing costs and adjustments that a purchaser has to pay.

Sponsor reserves the right to negotiate with purchasers all aspects of the purchase price of the unit, including but not limited to: renovations or improvements to the apartments or the fixtures or equipment contained therein or credits or allowances therefor; amount of down payment; financing contingency; extension of period to secure financing; default clause; application of the interim lease rental payment towards the purchase price; payment of all or part of purchaser's closing or financing costs such as closing costs, attorneys' fees, origination fees, commitment fees and waiver or reduction of the attorney's fees set forth in the offering plan; and any and all other costs relating to the cost of acquiring title to the unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

(3) In accordance with Section 339-i(1)(iii) of the New York State Condominium Act, the Common Interests of each of the Units have been allocated based on equal percentages within separate classifications of units.

(4) Common charges have been estimated by the Sponsor and include fire insurance for the Units and liability insurance for the Common Elements, and maintenance and operation of the Common Elements. Common Charges exclude repair or decoration to the inside of the units, electricity and gas for each Unit and insurance for personal effects. Common charges have been estimated by the Sponsor based on the estimated operating budgets annexed as Schedule B to this Plan.

(5) Real estate tax estimates are based on a letter dated February 6, 2001 from Carl Caller, Esq., a real estate expert using the projected tax rate of $12.00 per One Hundred Dollars ($100.00) of assessed valuation. The projected assessed valuations for January 1, 2002, the estimated date of commencement of condominium operations, are set forth in Exhibit 1.

Real estate tax assessments are estimated based on the values of the units. No assurances can be given that this method of apportionment of real estate taxes will be used by the taxing authorities.

After separate tax lots are apportioned, each unit will be taxed as a separate lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the non-payment of taxes on other units. See section "Real Estate Taxes" for further details.

The percentages of common interest were allocated in accordance with Section 339-i(1)(iii) of the New York State Condominium Act, which is based upon equal percentages of the units. Since the projected real estate assessments are based on the values of the units, the assessment for each unit may not be allocated in the same proportion as the percentages of common interest.

(6) All projected total carrying charges are for the projected first year of operation beginning January 1, 2002. NOTE: Sponsor has not obtained, nor is it offering, permanent financing commitments to purchasers. Therefore, if a purchaser obtains financing, debt service on such financing will be a monthly expense additional to the total charge listed. In addition, prospective purchasers will be required to pay at closing, among other things: (i) four (4) month's common charges to be used as working capital; (ii) New York City and State transfer taxes; (iii) $1,000.00 to defray Sponsor's costs of creating the condominium. See section entitled "Closing Costs and Adjustments" below.

(7) Since no mortgage financing is offered by Sponsor, the only deductible item is real estate taxes. If a Purchaser obtains a mortgage loan, interest on such loan is deductible under current law. The projected amount deductible may vary in future years due to changes in the assessed value, the tax rate or in the method of assessing real property which result in a change in real property taxes, or such other changes as may reasonably be expected to affect deductions.

The Internal Revenue Code of 1986, as amended, limits the deductions of mortgage interest to mortgages incurred in acquiring, constructing or substantially improving the first and second residences of a taxpayer. The deduction is also limited to interest paid on acquisition indebtedness not to exceed $1,000,000.00 and home equity indebtedness not to exceed $100,000.00.

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

EXHIBIT 1
ESTIMATED ANNUAL
ASSESSMENTS

564 Wythe Avenue		580 Wythe Avenue	
Unit	Estimated Annual Assessment	Unit	Estimated Annual Assessment
SC	$ 38,100	SC	$ 38,100
0A	23,000	0A	23,000
0B	18,400	0B	18,400
0C	11,800	0C	11,800
0D	11,800	0D	11,800
1A	24,000	1A	24,000
1B	24,000	1B	24,000
1C	19,700	1C	19,700
1D	19,700	1D	19,700
2A	24,000	2A	24,000
2B	24,000	2B	24,000
2C	23,600	2C	23,600
2D	23,600	2D	23,600
3A	24,800	3A	24,800
3B	24,800	3B	24,800
3C	24,500	3C	24,500
3D	24,500	3D	24,500
4A	24,500	4A	24,500
4B	24,500	4B	24,500
4C	24,100	4C	24,100
4D	24,100	4D	24,100
5A	24,600	5A	24,600
5B	24,600	5B	24,600
5C	24,200	5C	24,200
5D	24,200	5D	24,200
6A	24,500	6A	24,500
6B	24,500	6B	24,500
6C	24,100	6C	24,100
6D	24,100	6D	24,100
7A	24,500	7A	24,500
7B	24,500	7B	24,500
7C	24,100	7C	24,100
7D	24,100	7D	24,100
8A	22,400	8A	22,400
8B	22,400	8B	22,400
8C	22,100	8C	22,100
8D	22,100	8D	22,100

564 Wythe Avenue		580 Wythe Avenue	
Unit	Estimated Annual Assessment	Unit	Estimated Annual Assessment
S1	400	S1	700
S2	500	S2	600
S3	500	S3	600
S4	500	S4	700
S5	400	S5	700
S6	700	S6	500
S7	500	S7	500
S8	500	S8	500
S9	500	S9	600
S10	400	S10	600
S11	700	S11	600
S12	700	S12	800
S13	600	S13	600
S14	700	S14	700
S15	700	S15	800
S16	600	S16	600
S17	700	S17	800
S18	700	S18	700
S19	500	S19	600
S20	500	S20	700
S21	700	S21	700
S22	600	S22	600
S23	500	S23	700
S24	700	S24	700
S25	700	S25	500
S26	600	S26	500
S27	600	S27	500
S28	600	S28	500
S29	600	S29	500
S30	800	S30	500
S31	700	S31	500
S32	800	S32	500
S33	800	S33	500
S34	800	S34	500
TOTAL	883,300	TOTAL	883,100

G. SCHEDULE B

Budget for First Year of Condominium Operation

The 564-580 Park Plaza Condominium
Brooklyn, New York

Year Projected to Begin:
January 1, 2002

INCOME:

Common Charges:	$ 162,024

EXPENSES:

Salaries & Wages (1):	$ 32,024
Management (1):	39,600
Heating (2):	-
Electricity (3):	8,560
Franchise taxes (4):	750
Water & sewer (5):	37,840
Repairs, services & supplies (6)	19,400
Insurance (7):	16,280
Legal fees (8):	2,000
Audit fees (8):	2,500
Contingency (9):	3,070
	$ 162,024

H. NOTES TO SCHEDULE B

1. Salaries and Wages, Payroll Taxes and Benefits.

The buildings will be maintained by one superintendent who will purchase and reside in Unit 0B in 564 Wythe Avenue, and will be paid an estimated annual salary of $27,500.00. The budgeted figure incorporates the following:

Base annual salary:	$27,500.00
F.I.C.A. (7.65%)	2,103.75
Federal & State Unemployment Insurance (4.6%):	1,265.00
Disability & Workers' Compensation (4.2%):	1,155.00
	$32,023.75

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

The Sponsor reserves the right to designate a different apartment for the superintendent prior to closing.

2. Heating.

Each Unit will be individually heated. No common heat will be provided. Individual Unit heating costs are set forth in Schedule B-1.

3. Electricity.

This item includes the cost of electricity for lighting the common areas. This is based upon a survey and estimate by Maurice Brezel, R.A.,1462 52nd Street, Brooklyn, NY 11219, and includes estimated sales taxes and a 5% inflation factor:

Estimated usage in KWH:	36,000	
Cost per KWH:	$0.22	

Estimated total annual cost:		$8,560.00

Utility companies are forecasting a substantial increase in electricity rates over the next six months to a year. In the event rates are substantially increased, common charges will increase proportionately.

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

4. Franchise Taxes.

The budgeted item is for annual New York State Franchise Taxes payable by the Condominium.

5. Water and Sewer. The amount budgeted for this item is $37,840.00, which is based on estimated daily usage of 2,720 cubic feet for the building. The estimate is provided by Maurice Brezel, R.A., 1462 52nd Street, Brooklyn, NY 11219.

Estimated Consumption:		
Estimated daily usage	=	2,720 cubic feet
Estimated annual usage	=	992,800 cubic feet
Convert to hundred cubic feet (HCF) 992,800 / 100	=	9,928 HCF
Estimated water & sewer rates:		
Water charge: 1.40 per 100 CF	=	$1.40/HCF
Sewer charge: 159% of water charge	=	$2.23/HCF

	Usage		Rate per HCF		Cost
Water charges:	9928 HCF	x	$1.40/HCF	=	$ 13,900
Sewer charges:	9928 HCF	x	$2.23/HCF	=	22,139
Total:					$ 36,039

Estimated charges (including 5% inflation): $37,840

Recent New York legislation requires that all residential buildings be metered for water consumption, and it is expected that the building herein set forth will be so metered. Since charges will then be based on usage, the effect thereof is not readily determinable at this time.

NOTE: THE BUILDING WILL HAVE ONLY ONE WATER METER FOR ALL OF ITS UNITS. THE PLAN PROVIDES THAT THE BUDGET CHARGES (WHICH INCLUDE WATER AND SEWER CHARGES AS PART OF THE COMMON CHARGES) ARE TO BE DIVIDED AMONG THE UNITS IN THE BUILDING IN PROPORTION TO PERCENTAGE OF COMMON INTEREST, EVEN THOUGH THE UNITS MAY USE WATER IN A DIFFERENT PROPORTION. HOWEVER, THE SPONSOR RESERVES THE RIGHT TO INSTALL SUB-METERS TO MEASURE WATER USAGE BY EACH UNIT. IN SUCH EVENT, A PROFESSIONAL WILL READ THE SUB-METERS AND THE CONDOMINIUM BOARD WILL BILL EACH UNIT ACCORDINGLY. THE YEARLY CHARGE FOR WATER USAGE IN SUCH EVENT WOULD BE APPROXIMATELY $500.00 PER UNIT, BUT ACTUAL CHARGES MAY VARY FROM UNIT TO UNIT.

6. Repairs and Maintenance; Services and Supplies.

The projected amount does not include repairs, painting, maintenance, or supplies for the interior of the Units, all of which are the responsibility of the individual Unit Owners.

The budgeted figure is based upon an estimation of repairs to the interior of the Buildings, the roof, the exterior of the Buildings (including walls, foundations, windows, doors, and locks), the plumbing and electrical systems, and includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies), painting of common areas and maintenance of parking areas. Inasmuch as this is a new construction, repairs and maintenance should be minimal. However, the Sponsor does not warrant that this will be the case. In addition, no funds are being provided for future

capital improvements. If any additional services are needed the Contingency Fund may be used. The following is a breakdown of the repairs and maintenance:

Exterminating	$3,000
Plumbing	$2,000
Electrical	$2,000
Elevator maintenance	$8,400
Carpentry	$2,000
Services & Supplies	$2,000
TOTAL:	$19,400

Service Contracts. The Sponsor has entered into a contract with Dover Elevator Co., 59 Otis Street, West Babylon, NY 11704 for the maintenance of the elevator. The contract shall be for a minimum of three years at an annual cost of $8,400.00 as reflected above.

7. Insurance.

The following insurance is available for the Property for the first year of condominium operations as set forth in letters dated February 5, 2001 from I. Levine & Sons, Inc., a licensed insurance broker with an address at 115 East Stevens Avenue, Valhalla, NY 10595:

Items Covered	Coverage Limits
All-risk Perils, Building Replacement Cost, Stipulated Amount	$5,200,000 per building
Deductible:	$1,000
Commercial General Liability	$1,000,000 each occurrence $2,000,000 aggregate
Projected Annual Premium	**$ 8,140.00** per building or **$ 16,280.00** Total

The coverage limits for the building are based upon the current replacement cost for each Building (excluding excavation and foundation) estimated by a licensed insurance broker which in his opinion is adequate so that the insured shall not be a co-insurer. The following items are not included in the budget and may be available at extra cost: boiler and machinery; Board of Managers' liability; excess liability; auto liability. In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Buildings, the Board of Managers should periodically review the amount of casualty insurance for the Buildings to insure that the amount of coverage equals each Building's then replacement cost. The insurance coverage will meet the requirements of the Sponsor or any mortgage lender procured by the Sponsor.

The fire, casualty and general liability insurance will be on terms that provide: (1) that each Unit

Owner is an insured party; (2) that there will be no cancellation without notice to the Board of Managers and the Unit Owners; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) a waiver of *pro rata* reduction if Unit Owners obtain additional coverage.

This coverage does not include claims for personal injury or property damage resulting from occurrences in a Unit, nor does it include coverage of the furniture or personal property of Unit Owners. Therefore, each Unit Owner should consider the desirability of obtaining additional insurance at his or her own cost covering among other items (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) personal property, and (iii) liability for personal injury as a result of occurrences in the individual Unit. In the event of a loss, the claim is made payable to the named insured (the Board of Managers).

8. Legal Fees and Audit Fees

A portion ($2,500.00) of the budgeted item will be used for auditing fees in connection with the preparation of the first year's audited financial statements of the Condominium and its Federal, State and City income tax returns. The estimate for accounting fees is based on a letter dated February 6, 2001 from Ezra S. Nathan, P.C., 1311 Avenue O, Brooklyn, New York 11230. An allowance ($2,000.00) is provided for miscellaneous (but not major) legal services, in the event the Board of Managers decides to engage an attorney.

9. Contingency Fund

This item is to provide a fund for possible increases in one or more items of operating expense above the amounts projected or for unanticipated expenses. The budget may be modified from time to time prior to the commencement of, or during, condominium operation to add new items of expense or to increase one or more items of operating expense. The funds for such modifications may be provided by decreasing this budget item or by decreasing one or more items of expense, or both. This budget item does not include a reserve for capital replacements or repairs, for which no provision is made under this budget, since the building is being newly constructed. At this time, the Sponsor has no knowledge of any capital improvements that may have to be made during the first five years of condominium operation and no amount has been provided for such purpose.

IN THE OPINION OF *THE MORTGAGE EXPERTS, THE REAL ESTATE EXPERTS, 581 ROUTE 17M, MONROE, NEW YORK*, A LICENSED REAL ESTATE BROKER, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE BOARD OF MANAGERS' FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING JANUARY 1, 2002. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE BUILDING BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN SAID SCHEDULE AND IT IS LIKELY THAT THE ACTUAL ANNUAL COMMON CHARGES OR EXPENSES WILL VARY FROM THE ACTUAL AMOUNTS SHOWN IN THE SCHEDULE.

THE SPONSOR HAS RESERVED THE RIGHT TO MODIFY, RENEW AND REPLACE

EXISTING SERVICE, MAINTENANCE, EMPLOYMENT CONCESSIONAIRE AND OTHER AGREEMENTS AND INSURANCE POLICIES, AND TO ENTER INTO NEW AGREEMENTS AND POLICIES THAT WILL BE BINDING ON THE BOARD OF MANAGERS ON THE CLOSING DATE. ANY SUCH NEW AGREEMENT WHICH HAS THE EFFECT OF MATERIALLY INCREASING COMMON CHARGES OR IS BINDING ON THE BOARD OF MANAGERS FOR MORE THAN TWO YEARS WILL BE DISCLOSED BY A DULY FILED AMENDMENT TO THIS PLAN.

IN THE EVENT THAT THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION DIFFERS FROM THE BUDGET YEAR PROJECTED HEREIN BY MORE THAN SIX (6) MONTHS FROM THE ANTICIPATED DATE OF THE CLOSING OF THE FIRST UNIT, THIS PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET WHICH WILL DISCLOSE NEW PROJECTION. IF SUCH NEW PROJECTIONS EXCEED THE PROJECTIONS CONTAINED HEREIN BY TWENTY-FIVE PERCENT (25%) OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT FOR THIRTY (30) DAYS FOLLOWING THE PRESENTATION OF SUCH AMENDMENT WITHIN WHICH TO RESCIND THEIR OFFER TO PURCHASE AND HAVE THEIR DOWN PAYMENTS REFUNDED.

IN THE EVENT THAT THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS DELAYED BY TWELVE (12) MONTHS OR MORE FROM THE ANTICIPATED DATE OF CLOSING, THE SPONSOR WILL AMEND THE PLAN TO OFFER ALL PURCHASERS THE RIGHT FOR THIRTY (30) DAYS FOLLOWING THE PRESENTATION OF SUCH AMENDMENT WITHIN WHICH TO RESCIND THEIR OFFER TO PURCHASE AND TO HAVE THEIR DOWN PAYMENTS REFUNDED. IF SUCH RIGHT TO RESCIND IS EXERCISED, THE DOWNPAYMENT WILL BE REFUNDED WITHIN TEN (10) DAYS OF THE SPONSOR'S RECEIPT OF THE NOTICE OF RESCISSION.

I. SCHEDULE B-1

Utility Estimates

564 Wythe Avenue, Brooklyn & 580 Wythe Avenue, Brooklyn

Unit	Estimated electric usage (KWH)	Electric Cost (KWH)	Estimated Electric Per KWH	Estimated Electric Cost (Yr.)	Estimated Gas Usage Cost (Mo.)	Gas Cost Per (Therms)	Estimated Gas Cost (Yr.)	Estimated Gas Cost (Mo.)
SC	Not included in Survey							
0A	6,400	0.22	1,521.00	126.75	810	1.56	1,365.00	113.75
0B	5,200	0.22	1,236.00	103.00	650	1.56	1,095.00	91.25
0C	Not included in Survey							
0D	Not included in Survey							
1A	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
1B	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
1C	5,500	0.22	1,307.00	108.92	700	1.56	1,179.00	98.25
1D	5,500	0.22	1,307.00	108.92	700	1.56	1,179.00	98.25
2A	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
2B	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
2C	6,600	0.22	1,568.00	130.67	830	1.56	1,398.00	116.50
2D	6,600	0.22	1,568.00	130.67	830	1.56	1,398.00	116.50
3A	6,900	0.22	1,639.00	136.58	880	1.56	1,483.00	123.58
3B	6,900	0.22	1,639.00	136.58	880	1.56	1,483.00	123.58
3C	6,800	0.22	1,616.00	134.67	860	1.56	1,449.00	120.75
3D	6,800	0.22	1,616.00	134.67	860	1.56	1,449.00	120.75
4A	6,800	0.22	1,616.00	134.67	860	1.56	1,449.00	120.75
4B	6,800	0.22	1,616.00	134.67	860	1.56	1,449.00	120.75
4C	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
4D	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
5A	6,900	0.22	1,639.00	136.58	870	1.56	1,466.00	122.17
5B	6,900	0.22	1,639.00	136.58	870	1.56	1,466.00	122.17
5C	6,800	0.22	1,616.00	134.67	850	1.56	1,432.00	119.33
5D	6,800	0.22	1,616.00	134.67	850	1.56	1,432.00	119.33
6A	6,900	0.22	1,639.00	136.58	950	1.56	1,601.00	133.42
6B	6,900	0.22	1,639.00	136.58	860	1.56	1,449.00	120.75
6C	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
6D	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
7A	6,800	0.22	1,616.00	134.67	860	1.56	1,449.00	120.75
7B	6,800	0.22	1,616.00	134.67	860	1.56	1,449.00	120.75
7C	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
7D	6,700	0.22	1,592.00	132.67	850	1.56	1,432.00	119.33
8A	7,200	0.22	1,711.00	142.58	1,020	1.56	1,718.00	143.17
8B	7,200	0.22	1,711.00	142.58	1,020	1.56	1,718.00	143.17
8C	7,100	0.22	1,687.00	140.58	1,000	1.56	1,685.00	140.42
8D	7,100	0.22	1,687.00	140.58	1,000	1.56	1,685.00	140.42

NOTES TO SCHEDULE B-1

1. Each Unit Owner will be responsible for the cost of natural gas (heating, hot water, cooking) and electricity supplied to his Unit. The building contains gas and electric meters for each of the units and one electric meter for the common areas (common electric charges are set forth in Schedule B). Charges for each Unit will be payable directly to the utility company.

2. The figures are based upon a survey and estimate provided by Maurice Brezel, R.A., a registered architect with an address at 1462 52nd Street, Brooklyn, NY 11219. The building uses gas for cooking, heating and hot water, and electricity for all other power needs. Usage and costs vary based on location and area of the units. For example, the yearly electricity costs for Unit 3A are estimated based on current Con Edison rates of $0.22 per KWH and projected usage of 6,900 KWH per year, for approximately $1,639.00, inclusive of estimated sales taxes and a 5% inflation factor. Yearly gas costs for Unit 3A are estimated based on projected Keyspan Energy Delivery rates of $1.56 per therm and projected usage of 880 therms for approximately $1,483.00, inclusive of estimated sales taxes and a 5% inflation factor. This assumes thermostat settings of 70 degrees for 16 hours (day) and 60 degrees for 8 hours (night). The figures for all other units have been calculated accordingly.

3. The estimated costs are subject to change based on changes in Con Edison Rates and Keyspan Energy Delivery Rates.

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

LAW OFFICES OF
N. C. CALLER, P.C.

1481 42ND STREET
BROOKLYN, NEW YORK 11219

(718) 438-2525
FAX (718) 972-4154

J. COMPLIANCE WITH REAL PROPERTY LAW § 339-i

February 7, 2001

The 564-580 Park Plaza Condominium
564-580 Wythe Avenue
Brooklyn, New York

Re: 564-580 Wythe Avenue
Condominium Offering Plan
Compliance with Real Property Law § 339-i

To whom it may concern;

I am the attorney representing the Sponsor of this offering plan. I am not the selling agent or managing agent for this property. I am familiar with condominium units in the area. I have been involved in the preparation of many condominium offering plans in Brooklyn and I have consulted with and advised other sponsors as to the allocation of their interests in the common elements.

The method selected for calculating the percentage of common interests in the condominium is pursuant to New York State Real Property Law Section 339-i(1)(iii), which provides:

"(iii) the interest of each of the units shall be in equal percentages within separate classifications of units as of the date of filing the declaration..."

The common interests in this condominium have been allocated to the units in equal percentages in compliance with Real Property Law Section 339-i(1)(iii).

Very truly yours,

Carl Caller

K. CHANGES IN PRICES AND UNITS

Changes in Purchase Price

The Sponsor reserves the right at any time and from time to time prior and subsequent to the date of transfer of title to the first Unit, to increase or decrease the amount of the purchase price of one or more Units from the amounts shown in the Section entitled "Schedule A--Offering Prices and Other Financial Details for Each Unit."

The offering prices set forth in Schedule A of the offering plan may be changed only by a duly filed amendment to the Plan when the change in price is: (i) an across-the-board increase or decrease affecting one (1) or more lines of units or unit models; (ii) is to be advertised; (iii) is a price increase for an individual purchaser. However, the prices for the Units are negotiable and the Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices lower from those set forth in Schedule A.

No change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements, except by amendment to the plan, and, when applicable, to the Declaration.

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 the sponsor for that unit and the purchaser of that unit is not in default. Unless all purchasers consent, no material change will be made in the size or in the quality of common elements.

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

Changes in Size, Layout and Number of Units

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including, without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of the By-Laws. Subject to the terms of the last two (2) paragraphs of this section, such right may be exercised by Sponsor from time to time, both before and after the First Closing, and without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, or any mortgagee. However, Sponsor shall first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest of any Unit be changed, unless reflected in a duly recorded amendment to the Declaration. As more particularly provided in the Declaration, Sponsor or its designee, as the Owner of an Unsold Units, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior consent of all affected Unit Owners. In addition, no change will be made in the unit size, layout or Common Interest of any Unit for which a Purchase Agreement is in effect and the purchaser is not then in default without obtaining the prior written consent of the Purchaser thereof. Additionally, no material change will be made in the size or layout of the Common Elements unless all purchasers who have signed Purchase Agreements and are not then in default have consented thereto. Therefore, Sponsor must first obtain consent of all purchasers who have signed Purchase Agreements and are not then in default before amending the Declaration to reflect such change.

L. INTERIM LEASES TO PURCHASERS

The Sponsor-Seller reserves the right to rent or lease vacant units to purchasers and non-purchasers, but all units will be delivered vacant by the Sponsor unless the purchaser has entered into an interim lease. However, once a vacant unit is sold, and so long as the Purchase Agreement is in effect, it may only be leased to the purchaser of such unit. No purchaser shall have the right to occupy the unit purchased by him prior to the closing unless Sponsor-Seller agrees to permit such occupancy under an interim lease or other written rental agreement.

These units are not subject to and rent stabilization or rent protection laws. The term of such lease shall be subject to negotiation. The lease shall be prepared substantially in accordance with Blumberg Form T 186 which is applicable to apartments not under any rental protection laws. The term of such lease shall be subject to negotiation.

If Sponsor-Seller elects to lease an apartment, the lease will be for such rent and other terms as may be mutually agreed upon. Such lease will also provide that an uncured default by the purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor-Seller), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event the purchaser fails to cure a default under his lease within the applicable grace period (if any) and purchaser has vacated the apartment. 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. The interim lessee will have thirty (30) days to vacate the apartment after a default under the Purchase Agreement.

M. PROCEDURE TO PURCHASE

Procedure to Purchase

A person desiring to purchase a Unit will be required to execute, in triplicate, a Purchase Agreement in the form set forth as Document Number 2 in Part II of the Plan. Purchaser must deliver all of the above documents to the Selling Agent, together with a check for the downpayment payable to the order of "Carl N. Caller Attorney Escrow Account". The down payment shall be 15% of the purchase price and is subject to negotiation, however, in no event shall the down payment be less than $1,000.00. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed.

The Purchase Agreement is not conditioned on such prospective purchaser obtaining financing of his or her purchase price. Prospective purchasers who intend to obtain financing for the purpose of making full payment as required by the Purchase Agreement are advised that they must make their own arrangements in this regard and that in the event they fail to obtain such financing or otherwise raise sufficient funds in time to satisfy the requirements of the Purchase Agreement, they will not be relieved of their obligations thereunder and may, therefore, lose their deposit as provided in the Purchase Agreement.

A purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any). It is possible that a purchaser's financing commitment may expire prior to the Closing and purchaser will incur additional costs.

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

A Purchase Agreement submitted by any prospective purchaser will not be binding on the Sponsor until a fully executed duplicate original of such Purchase Agreement is returned to such prospective purchaser. If such duplicate Purchase Agreement is not returned to the prospective purchaser within twenty (20) days after it is received by the Selling Agent, it will be deemed rejected and all monies submitted with such Purchase Agreement will be promptly returned to such prospective purchaser, without interest. Sponsor may reject any Purchase Agreement without cause or explanation so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, or any other ground prohibited by law.

Notice of Closing: After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in The City of New York) for the transfer of title to his or her Unit. Such notice will be served in compliance with Section 20.1(d)(1) no less than thirty (30) days before the date set for the closing of the units. Purchaser at his option may waive this thirty (30) day notice provision.

At title closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement by his or her unendorsed certified personal check or by official cashier's check drawn on a New York bank, a member of the New York Clearing House Association, and execute a Unit Owner's Power of Attorney to the Board of Managers.

The Sponsor expects the first closing of a unit to occur on approximately July 1, 2001. If such closing is delayed twelve (12) months or more, the Plan shall be amended to offer purchasers a right to rescind.

Terms of Purchase Agreement

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

(a) Incorporation of the Plan. The Plan (including, without limitation, the Condominium Documents contained in Part II of the Plan) and any amendments thereto duly filed by Sponsor are incorporated into each Purchase Agreement by reference. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan (Parts I and II) and his or her agreement to abide and be bound by the terms of the same, as well as all amendments to the Plan duly filed by Sponsor. No Purchaser shall have the right to approve or consent to any such amendments, including, without limitation, any changes, modifications, or updating of the estimated Common Charges or estimated real estate taxes and assessments to be paid by the Purchaser on Schedule B -- "Budget for First Year of Condominium Operation" and no such amendment will excuse a purchaser from performing his or her obligations under a Purchase Agreement or entitle such purchaser to any credit or offset against the purchase price set forth therein. However, if an amendment materially adversely affects the rights, obligations, or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within thirty (30) days of presentation of such amendment and will receive a refund of their Down Payments, without interest (unless interest is earned), within thirty (30) days after Sponsor's receipt of Purchaser's election to rescind.

(b) Funds. All funds received from prospective purchasers by the Sponsor will be handled in accordance with the provisions of Sections 352-h and 352-e(2)(b) of the General Business Law and Section 71-a(3)(a) of the Lien Law and shall be used by the Sponsor only in connection with the consummation of the Plan. Section 71-a(3) of the Lien Law requires, at the purchaser's option, that the deposit funds be placed in an escrow account in a bank trust company, savings bank, or state or federal savings and loan association located in New York State. Said monies must be deposited within five (5) business days of the Sponsor's receiving them. The Sponsor must advise the purchaser in writing within ten (10) business days after the deposit has been made of the name of the depository where the funds have been placed.

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

(c) Secured Loan Condition Rider. Purchase Agreements are not contingent on obtaining a mortgage. In the event the Sponsor consents to permit a mortgage contingency, each purchaser who desires to obtain a loan to finance the purchase of an apartment will have the right to condition his Purchase Agreement upon obtaining a loan from an institutional lender doing business in New York of not more than

60% of the sales price. The Purchase Agreement of any purchaser who desires to condition his purchase upon obtaining the aforementioned financing will be modified by appending to same the Secured Loan Condition Rider set forth as Exhibit A to the Purchase Agreement in Part II of this Plan. Under the Secured Loan Condition Rider, the purchaser must complete, sign and submit a loan application (in the form provided by the lender), together with such other financial information as the lender may require, within five (5) business days after the Sponsor sends to purchaser a fully executed Purchase Agreement. Thereafter the purchaser must cooperate in good faith to obtain and close the loan. Purchasers should note that the financing commitment may expire or that the terms of the commitment may change prior to actual closing. The following are the terms of the Secured Loan Condition Rider:

A. The obligations of Purchaser are conditioned upon issuance on or before a date specified in the Purchase Agreement (the "Commitment Date") of a written commitment from any Institutional Lender (which shall include a mortgage banker and broker) pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of an amount specified in the Purchase Agreement or such lesser sum as Purchaser shall be willing to accept, at prevailing interest rates for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender.

B. Purchaser shall (a) make an application by a date specified in the Purchase Agreement to an Institutional Lender for such mortgage loan, (b) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (c) pay all fees, points and charges required in connection with such application and loan, (d) pursue such application with diligence, (e) cooperate in good faith with such Institutional Lender to obtain such commitment and (f) promptly give Notice to the Sponsor of the name and address of each Institutional Lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish the Sponsor with a copy thereof promptly after receipt thereof.

C. If such commitment is not issued before the Commitment Date or a rejection is received, Purchaser shall immediately notify the Sponsor of the failure to receive a commitment. At such time, the Sponsor, at its option, shall within fifteen (15) days, cause the Purchaser to submit an application together with the required fees to an Institutional Lender (which shall include a mortgage banker and broker and shall specifically include Granite Capital Funding, LLC) and Purchaser shall be required to accept the commitment under the same terms and conditions as stated above.

D. In the event that a commitment is not received within forty-five (45) days of such application, Purchaser may cancel the contract and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser.

A purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any).

In the event purchaser fails to exercise the right of termination within time periods set forth above or has failed to satisfy the conditions set forth in the Secured Loan Condition Rider, then, in either case, the Purchase Agreement shall remain in full force and effect.

Escrow and Trust Fund Requirements

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

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 in the offering plan or in a purchase or subscription 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 closing of each individual transaction, whether received before or after the date of consummation of the plan, will be placed, within five (5) business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Carl N. Caller, Esq., the Escrow Agent, whose address is 1481 42nd Street, Brooklyn, NY 11219. The signatory on this account authorized to withdraw funds is Carl N. Caller, Esq.

The name of the account is "Carl N. Caller Attorney Escrow Account", located at Chase Manhattan Bank, N.A., 4901 13th Avenue, Brooklyn, NY 11219. This bank is covered by federal bank deposit insurance to $100,000.00 per individual deposit. Any deposit in excess of $100,000.00 will not be insured in excess of $100,000.00.

The account will be interest-bearing and, unless the purchaser defaults, interest will be credited to the purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts, which currently is two percent (2%). Interest will begin to accrue within five (5) business days of tender of the down payment.

All instruments shall be made payable to or endorsed to the order of "Carl N. Caller Attorney Escrow Account" as escrow agent.

Within ten (10) business days after 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 and the initial interest rate. If the purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Rescission 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 to the purchaser in conformity with the Attorney General's regulations. In addition, in the event the purchaser does not receive notice of deposit within fifteen (15) business days after the tender of a down payment, the purchaser may also apply to the Attorney General for relief.

Since all contracts are contingent upon the plan's becoming effective, under no circumstances shall sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the plan.

The escrow agent will hold funds in escrow until otherwise directed in

(i) a writing signed by both sponsor and purchaser; or

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

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

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 sponsor unless the purchaser or subscriber 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 provisions.

The sponsor will not object to the release of the escrowed funds to

(i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan;

(ii) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

See Part II of the offering plan for a copy of the escrow agreement which incorporates the terms of the Attorney General's regulations.

Purchasers and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. The Sponsor shall avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of the Offering Plan. 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, the purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General.

The Escrow Agent shall maintain all records concerning the escrow account for seven years after the release of the funds. Upon the dissolution of any law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm and shall notify the Department of Law of 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.

Any provision of any contract or agreement, whether oral 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 this section of the regulations shall prevail over any conflicting or inconsistent provision in the offering plan or in a purchase agreement.

The Sponsor does not intend to avail itself of the available alternatives to the escrow account, which generally require that the Sponsor apply to the Attorney General to use security in the form of surety or a letter of credit in lieu of escrow of such funds for use in newly constructed or gut rehabilitated developments upon showing of adequate insurance of such funds to the satisfaction of the

Attorney General.

In the event that the Sponsor wishes to avail itself of the alternatives to the escrow account, it will submit an amendment setting forth the terms of such alternate security and the form of surety bond or letter of credit which will be used to secure the down payment funds. All of the provisions will comply with Section 71-a(3)(b) of the Lien Law, in accordance with the Regulations of the Attorney General.

The Sponsor will deposit all deposit monies in Chase Manhattan Bank, N.A., 4622 13th Avenue, Brooklyn, New York. All funds will be held as trust funds pursuant to Sections 352-e(2)(b) and 352-h of the General Business Law. The signature of Carl N. Caller, Esq. shall be required for withdrawals or drafts on such account. Such funds will be payable to the Sponsor upon the closing of title to the Units covered by the Purchase Agreement. Interest, if any, earned on such funds will be turned over or assigned to the purchaser at Closing.

(d) Events of Default. In the event that a Purchaser

(i) defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to his or her Unit; or

(ii) defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within fifteen (15) days after Sponsor sends written notice to such Purchaser specifying the nature of the default, the Sponsor's sole remedy is to cancel the Purchase Agreement by sending thirty (30) days' written notice to such Purchaser and, if such Purchaser shall fail to cure such default within the said thirty (30) day period, to retain, as and for liquidated damages the full amount of the down payment (the "Liquidated Sum") except that the actual cost incurred by Sponsor for any special work ordered by purchaser may also be retained as liquidated damages. Any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation.

If a Purchaser is or becomes a tenant or occupant of the Building and fails to pay rent or otherwise to comply with his or her lease obligations or vacates or abandons his or her Unit, then Sponsor may cancel his or her Purchase Agreement as set forth above whether or not such Purchaser is evicted from the Building by reason thereof. However, if such Purchaser is not evicted from the Building by reason of such default, vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under the Purchase Agreement, together with the interest earned thereon, if any.

In the event that a Purchase Agreement is canceled, both the Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under the Plan, and the Sponsor shall be free to sell the Unit to another as though such Purchase Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale.

(e) Fixtures and Appliances. Each Unit is to be sold unfurnished, without gas range, refrigerator, kitchen appliances, window blinds or shades. The Sponsor will prepare the unit so that a temporary certificate of occupancy may be obtained prior to closing and accordingly will provide a kitchen sink, hookups for a gas or electric range/oven and kitchen cabinets/countertops. A temporary certificate of occupancy may be issued before a gas or electric range is installed. Furniture, wall coverings, furnishings, decorations and the like in or about any model are not included in the sale. There will be no modifications or extras unless agreed to in writing by the parties.

(f) Fee to N.C. Caller, P.C. Purchaser shall be obligated to pay a fee of $500.00 to N.C.

Caller, P.C., 1481 42nd Street, Brooklyn, New York 11219 for services rendered in connection with preparing documents.

(g) Closing of Title. The closing of title to each Unit will be held at the office of the Sponsor's attorney, on such date and at such hour as the Sponsor shall designate to the Purchaser of such Unit on not less than thirty (30) days' prior written notice. The Purchaser may waive this notice provision. Sponsor has the right to postpone the closing date and to fix a new closing date. In such event, Sponsor shall give the Purchaser not less than ten (10) days' notice of the new date and time of closing. The closing shall take place only after or concurrently with the occurrence of the events set forth in Section "Unit Closing Costs and Adjustments". Purchasers desiring to arrange for such closing to take place at another location in New York City should promptly notify Counsel for Sponsor of that address and, in addition, will be responsible for the payment of an attendance fee to such Counsel. (See Section "Unit Closing Costs and Adjustments".)

The foregoing shall not act to extend Sponsor's time to declare the Plan effective as set forth in the Section entitled "Effective Date" and shall not affect the Sponsor's right to abandon or withdraw the Plan as set forth in such section. In the event that the Plan is so abandoned or withdrawn, the Purchase Agreement will be deemed cancelled and all monies paid by the Purchaser thereunder, together with interest earned thereon, if any, shall be disbursed as discussed in the subsection entitled "Trust Funds" of the Plan. After the funds are so disbursed, neither the Purchaser nor Sponsor shall have any claims against each other or against the Selling Agent in connection with the Purchase Agreement or the Plan, and all of the same shall be released and discharged from all liabilities under the Purchase Agreement and the Plan.

(h) Broker. The Purchaser will represent to Sponsor that he or she has not dealt with any broker other than the Selling Agent in connection with the acquisition of his or her Unit and will indemnify the Sponsor against the claims of any other broker.

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

(j) Non-Survival of Obligations. No provisions of the Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated therein or to be performed subsequent to the closing. However, all representations set forth in the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the Closing Date shall survive delivery of the deed.

(k) DAMAGE TO UNITS. IF THE PURCHASER BECOMES THE TENANT OR ACTUALLY OCCUPIES THE UNIT BEFORE THE CLOSING OF TITLE THERETO AND, BEFORE SUCH CLOSING, THE UNIT IS DAMAGED BY CASUALTY OR OTHERWISE, SUCH PURCHASER SHALL ASSUME THE RISK OF LOSS AND THE OBLIGATION TO REPAIR THE DAMAGE, UNLESS THE CAUSE THEREOF ORIGINATED OUTSIDE OF THE UNIT AND DID NOT RESULT FROM THE ACTS OF SUCH PURCHASER OR OTHER OCCUPANTS OF THE UNIT OR SUCH PURCHASER'S GUESTS, INVITEES, OR WORKMEN. No purchaser shall have the right to occupy a Unit purchased by him prior to the Closing of title unless Sponsor agrees to permit such occupancy under an interim lease or other written agreement.

(l) Purchaser's Remedy. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartments in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform his obligations under the offering plan) the sole remedy of the purchaser shall be

to rescind the Purchase Agreement and be refunded the entire down payment with interest plus the cost of title searches, if any.

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

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

Except as set forth above, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair the damage. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect. Thereafter, the purchaser will be refunded all purchase monies paid to Sponsor with any interest earned thereon. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and purchaser shall not be required to pay the balance of the purchase price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of the tenant to cure or that are caused by the act or omission of the tenant. (Sponsor will endeavor in good faith, and with reasonable diligence, to remove subsequent to Closing all violations of record it is obligated to correct.) The Purchase Agreement is not assignable without the consent of the Sponsor.

If there is any conflict between the Plan and the Purchase Agreement it will be resolved in favor of the Plan. The Purchase Agreement does not contain nor will it be modified to contain a provision waiving a purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law.

Arbitration. In order to resolve any dispute, controversy, claim or question arising with respect to the Condominium or the Purchase Agreement, or to break any deadlock in voting, the parties shall consult with an agreed-upon person who will be named in the Purchase Agreement in order to resolve the issue. In the event that after such consultation, the issue is still unresolved, then the parties shall submit such dispute or question to arbitration. If the parties cannot agree on the arbitrators, then such dispute or question shall be submitted to the American Arbitration Association, which will give any party the rights he is entitled to under New York law. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment. The fees, costs and expenses of the arbitrators shall be shared equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL.

N. EFFECTIVE DATE

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

1. The Plan may be declared effective (i) by amendment to the Plan or (ii) by personal service of

the notice of effectiveness on every purchaser or by commencement of service by mail addressed to the offeree at the last known residence of such offeree as required by the Regulations and submitting an amendment to the Department of Law within five (5) days confirming that the plan was declared effective on a specified date. No closing shall occur until the plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

2. The Plan may not be declared effective unless *bona fide* purchasers, including investors, have signed purchase agreements for at least fifteen percent (15%) of the units offered under the Plan.

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

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

(b) if the purchaser did not have three (3) business days to review the offering plan and all filed amendments prior to executing a purchase agreement; or

(c) with any purchaser who is the Sponsor, the Selling Agent, or the managing agent, or is a principal of the Sponsor, the Selling Agent, or the managing agent, or is related to the Sponsor, the Selling Agent or the managing agent or any principal of the Sponsor, the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser, other than a Sponsor or a principal of the Sponsor, may be included in the count if the Sponsor has submitted proof satisfactory to the Department of Law establishing that such purchaser is bona fide.

4. The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80% of the units under the Plan.

5. The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective. All monies paid by subscribers shall be refunded to them in full with interest earned, if any, within ten (10) days after abandonment. Sponsor shall promptly file an amendment together with a notice of abandonment on Form RS-3.

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

In no event, however, will Sponsor be obligated to engage in litigation or to expend monies with respect to defects in title or casualty losses to the Building, except to the extent of one-half of 1% of the total offering price to remove, cure, or comply with defects in title.

Subsequent to the First Closing, this Plan may not be withdrawn or abandoned unless at least eighty percent (80%) of the Unit Owners vote to terminate the Condominium. (See Section S, "Rights

and Obligations of Unit Owners" for further discussion.)

If this Plan is withdrawn or abandoned, all purchasers will be so notified in writing. Within ten (10) days thereafter, all down payments paid pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to purchasers. Within fifteen (15) days of abandonment of the Plan, the Sponsor will promptly submit an amendment to the Department of Law reflecting such abandonment and file a notice of abandonment on form RS-3 and such other form as the Department of Law may require and shall refund all moneys received from purchasers within ten (10) days after the acceptance of said amendment.

After this Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The first closing will be held no later than approximately one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor, but in no event sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective. If the first Closing occurs after July 1, 2002, the plan will be amended to offer purchasers a right of rescission. The Closing of title to each Unit will take place in accordance with the terms of the applicable Purchase Agreement. (See Section N, "Terms of Sale" for a more complete discussion of the events that will occur at each such closing of title.)

O. TERMS OF SALE

1. Deed and State of Title. Upon delivery to Sponsor of: (i) the balance of the Purchase Price, (ii) a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor and (iii) a transferee affidavit or a transfer tax return in the form required to be filed with The City of New York, each of which must be executed and acknowledged by the Purchaser, the Sponsor will execute, acknowledge and deliver to the Purchaser a Bargain and Sale Deed with covenant against grantor's acts, conveying title to such Unit to Purchaser subject only to the title conditions set forth in Exhibit A to the Purchase Agreement. The Unit Owner's Power of Attorney and Deed will be substantially in the forms set forth in Documents No. 4 and No. 5 in Part II of the Plan.

2. At any time after the execution of a purchase agreement, the Sponsor may give the Purchaser thirty (30) days Notice of Closing. However, the actual closing of title to each Unit shall take place only after, or concurrently with, the latest of the following events to occur:

(i) issuance of a temporary or permanent certificate of occupancy for the Property or a temporary or permanent certificate of occupancy covering the Unit being purchased.

(ii) the Plan has been declared effective;

(iii) the recording or filing, as required by law, of the Declaration, the By-Laws and the Floor Plans and such other documents as may be required by law;

(iv) the existing mortgagee at the time of the conveyance of the first unit and at the time of the conveyance of each unit will release its lien on the condominium unit being conveyed and its interest in the common elements.

(v) if the purchaser of such Unit so requests, the issuance of a title insurance

binder insuring fee title to such Unit in the purchaser, at purchaser's expense, subject only to the encumbrances set forth in such purchaser's Purchase Agreement (all other liens will be removed or insured against enforcement or collection out of the Unit by Purchaser's title company prior to or at closing), which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act. (See Section O, "Unit Closing Costs and Adjustments" for an estimate of the cost to the purchaser to obtain such title insurance);

(vi) purchaser being given the opportunity to inspect such Unit and other portions of the Property subject to the Declaration;

(vii) the assignment by Sponsor of any manufacturers' warranties with respect to equipment and appliances in the Unit to the Unit Owner and with respect to the equipment and appliances in the General Common Elements or Limited Common Elements, to the Condominium Board; and

(viii) firm, bona fide Purchase Agreements for not less than fifteen (15%) percent of the Units having been accepted by Sponsor from purchasers.

3. Damage to Units. If the Purchaser is or becomes the tenant or the occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacements.

4. Sponsor undertakes to convey title to each unit and its appurtenant interest in the common elements at the closing free and clear of all liens (including, but not limited to, the lien of the mortgage encumbering the property), encumbrances and title exceptions other than those described in the plan and the proposed unit deed.

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 of Condominium is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically excepted in the offering plan.

6. The Declaration of Condominium, By-Laws and floor plans for the condominium and such

other documents as required by law, will be recorded or filed prior to the first conveyance of title to a unit in accordance with the New York Condominium Act or applicable state and local law in the Office of the City Register of the County in which the Condominium is located.

P. UNIT CLOSING COSTS AND ADJUSTMENTS

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

2. Closing Costs. At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

(i) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered through Reliable Abstract Co., LLC, 1439 60th Street, Brooklyn, NY or similar title insurance companies, should be $714.00 for the first $100,000.00 of fee insurance plus $4.03 for each $1,000.00 or fraction thereof of additional fee insurance up to $500,000.00.

(ii) A fee for recording the deed and Unit Owner's Power of Attorney of $22.00 for each instrument plus $5.00 per page, together with a service charge to the title company for such recording of approximately $10.00 per instrument;

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;

(b) Purchasers will pay a portion of the mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax to the purchaser is 1.75% of the face amount of the mortgage for mortgages under $500,000.00). (Note: The Lending Bank pays an additional 0.25%);

(c) Purchasers will pay a premium through Reliable Abstract Co. for the mortgage title insurance policy. In addition, such Purchaser shall pay the costs of filing the UCC-1 Financing Statements (approximately $15.00), and will also pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

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

(iv) Although usually Seller's expense, purchaser shall pay the Real Property Transfer Tax due to The City of New York. This tax is in the amount of one percent (1%) of the total purchase price of the Unit. The Purchaser shall also pay for the New York State deed documentary stamps (currently $2.00 per $500.00, or fractional portion thereof of the purchase price) imposed by statute on transferors of property. For purposes of calculating the transfer taxes to be paid, consideration includes the transfer taxes paid by the purchaser. The sample calculation of taxes below include tax on the consideration.

(v) Purchaser will be required to deposit with the Board of Managers four (4) months' estimated monthly common charges for his unit.

(vi) Purchaser shall be obligated to pay a fee of $500.00 to the law firm of N.C. Caller, P.C. for services rendered in connection with recording the Declaration of Condominium and the preparation of documents. There shall be an additional fee of $250.00 if the closing takes place at any location other than Sponsor's attorney's office.

(vii) There shall be an additional fee of $500.00 payable to Sponsor if Purchaser obtains fee title insurance from a title insurer other than Reliable Abstract Co. representing payment for additional work involved and to pay for the work done by Reliable Abstract Co. in connection with the preparation of the offering plan.

(viii) At closing, each purchaser shall pay to the Sponsor the sum of $1,000.00 to defray the Sponsor's costs of creating the condominium, e.g, architectural costs, filing fees, legal fees and other costs incurred in creating the condominium.

All fees are cumulative to the extent applicable to an individual Purchaser. If, for example, a Unit has a purchase price of $300,000.00, a mortgage of $240,000.00 and title insurance from Reliable Abstract Co., the following closing costs are estimated:

Owner's policy:	$1,279.00
Loan policy:	322.50
Market value rider(optional):	123.00
Residential Endorsement:	25.00
Condominium Endorsement:	25.00
NY State transfer tax:	1,200.00
NYC Real Property transfer tax:	3,042.00
Mortgage Tax:	4,200.00
Legal fee to N.C. Caller:	500.00
Deed Recording:	85.00
Mortgage recording:	100.00
Filing of UCC-1:	15.00
4 months' est. comm. charges:	542.92
Paid to Sponsor for costs:	1,000.00
TOTAL:	$12,459.42

3. In the event that units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, the sponsor shall place in escrow in the name of the Board of Managers an amount equal to the real estate taxes which will be levied against the property for the six month period following the first closing and will collect at each unit closing the estimated amount of taxes attributable to such unit. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

In the event that the Unit has not been separately assessed for the then current fiscal tax year at the time of closing title, the apportionment of real estate taxes shall be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

Q. RIGHTS AND OBLIGATIONS OF SPONSOR

A. Construction Obligations.

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

1. Sponsor shall be obligated to defend any suits or proceedings arising out of sponsor's acts or omissions and to indemnify the board of managers and the unit owners.

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. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold units. Such obligations shall be funded through the rentals and sales of unsold units and from other funds of the Sponsor. No bond or other security has been posted to secure sponsor's obligations.

4. 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.

5. If the Purchaser is or becomes the tenant or the occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all

other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacements.

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

7. In the event of dissolution or liquidation of the sponsor or the transfer of twenty percent (20%) or more of the total number of units in the condominium, the principals of the sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the sponsor for those units under the offering plan, applicable laws or regulations and in the event of dissolution or liquidation, the principals of the sponsor shall guarantee the performance of such obligations.

8. The Sponsor has received a firm commitment for construction financing from the Community Preservation Corporation, 175 Remsen Street, Suite 1001, Brooklyn, New York 11201.

9. (a) Sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the plan and will, at its sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete the Building and its appurtenances substantially in accordance with the "plans and specifications" (as hereinafter defined) and with a quality of construction comparable to currently prevailing local standards.

All references in this Plan to "plans and specifications" shall mean the plans and specifications for the Building filed with the Department of Buildings and other appropriate governmental authorities (some of which are summarized in Document Number 1 of the Plan), as the same may be amended or changed from time to time in accordance with the provisions of the following sentence. Sponsor reserves the right to amend or modify from time to time said plans and specifications (including, without limitation, changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details) and to substitute materials, appliances, equipment and fixtures in place of those described in the plans and specifications, provided such substitutions are of

substantially similar or better quality and design. All the foregoing amendments, modifications and changes to the plans and specifications may be made without prior notice or amendment to this Plan. The Sponsor agrees to deliver a set of "as-built" plans to the Condominium Board.

Notwithstanding any other provision of the purchase agreement or offering plan, the Sponsor and Purchaser agree that the purchaser has the right to make selections of colors, fixtures and/or materials as set forth in the Offering Plan; which selections are to be made 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/or materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth.

The Sponsor reserves the right to make changes or substitutions of materials or construction for items as set forth in the Offering Plan or Building Plan, provided any such changes are of comparable value and quality, however, the Sponsor may not substitute equipment or materials of lesser quality or design.

(b) Sponsor will not be obligated to correct and will not be liable to any Unit purchaser as a result of: (i) any insubstantial variations from filed building plans or the description of the Building set forth in the Plan; or (ii) variations from filed building plans or the description of the Building set forth in the Plan which are neither in violation of applicable building codes nor require the approval of any governmental authority having jurisdiction or which are necessitated by site conditions or job requirements, or (iii) insubstantial variations in the dimensions or arrangement of rooms, walls or other areas within Units, provided (A) such variations are of equal or better quality and design than that originally set forth in said plans or description, and (B) such changes do not affect the common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect, unless all Unit Owners affected by such change consent in writing to such change and all contract vendees directly affected by such change are given the right to rescind their purchase agreements and have their down payments returned to them. The foregoing shall not change Sponsor's obligations to complete construction of the Building, including the Units, with materials of substantially equal or better quality and design than those set forth in the Plan.

10. Prior to closing the first unit Sponsor shall 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 unit within two (2) years after closing the first unit. Sponsor will obtain a permanent certificate of occupancy for the unit before the partial or temporary certificate of occupancy expires, unless extended.

11. If the first closing takes place prior to the issuance of a permanent certificate of occupancy for the unit, Sponsor will maintain all deposits and funds in the special escrow account required by GBL Section 352-e(2)(b) unless the sponsor's engineer, architect or other expert 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, the sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified.

12. The sponsor will do the following:

(a) Sponsor or authorized agents will make periodic visits to the Property at reasonable intervals, and, except as hereinafter provided, will correct or cause to be corrected any defects in the construction of the Building, including its electrical, mechanical, air conditioning, heating, ventilating, plumbing and other systems (hereinafter collectively called the "Building Systems"), due to improper workmanship or defective material or material substantially at variance with the plans and specifications, provided and on condition that (a) in the case of a unit, Sponsor is notified in writing by the Unit Owner (or lessee) of such defect(s) within one year from the closing of title to or first leasing of such Unit or (b) in the case of Limited (including Limited Common Elements) or Common Elements, Sponsor is notified in writing by the Board of Managers of such defect(s) within twelve months after the first Unit Closing. The quality of construction shall be comparable to construction standards customary in the particular trade and in accordance with the Plans and Specifications. Notwithstanding the foregoing, Sponsor will in no event be liable to correct or repair (i) any kitchen appliance which was acquired by the purchaser of a unit; (ii) any defective kitchen appliances for which assignable warranties or guaranties are transferred to the Unit purchaser; (iii) any other construction defects for which assignable warranties, guaranties, or bonds from contractors, subcontractors, or others are assigned to the Unit Owners and/or Condominium Board; (iv) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, including, without limitation, concrete cracks which do not impair the structural soundness of the Building; or (iv) any defects of an insubstantial nature, such as partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls and ceilings, lumber shrinkage, door and window sticking due to weather, door warpage of less than ½", bath tile grouting, slight separation in joints of kitchen floor tile, normal plumbing, heating and air-conditioning noises, carpet stretching or noises infiltrating from public halls.

(b) Subsequent to the date a Unit Owner is given possession to, or closing of title of, his Unit, Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or formica chips and scratches, mars, breaks, or other blemishes in the following: windows, sliding glass doors, screens, electric fixtures, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, saddles, wood flooring, appliances, woodwork and doors.

(c) Except as set forth in this paragraph 12, the Sponsor makes no undertaking or warranty and shall not be obligated to correct or repair any other defects or conditions in the Building, including (without limitation) the Units, the Common Elements and the Building systems, appliances and all other installations, apparatus, fixtures and appurtenances.

(d) Nothing contained in this paragraph 12 or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligation hereunder shall be to repair or replace (at Sponsor's option) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the plans and specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph 12 and elsewhere herein.

(e) The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to completion of construction and no other warranties or undertakings shall be implied. The construction obligations of the Sponsor under this section shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. The Sponsor shall not be liable for, or obligated to defend, any suits with respect to the Building or any Unit arising out of any occurrence taking

place after the Closing Date, except claims stemming from the acts or omissions of Sponsor. All construction and other obligations of the Sponsor shall be enforceable only by the Condominium Board and not by the individual Unit Owners unless the alleged construction defect relates to one (1) Unit only and is not a common defect affecting two (2) or more Units. In the event there is a dissolution or liquidation of the Sponsor, the individual principals of the Sponsor will bear the obligations of the Sponsor.

13. Prior to the closing of a unit, sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the unit to the unit owner and assign any warranties with respect to equipment and appliances installed in the common elements to the Board of Managers.

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

15. The sponsor will deliver a set of "as-built" plans to the Board of Managers.

16. No bond or other security has been furnished to secure sponsor's obligations to complete construction.

17. Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and its appurtenant Limited Common Elements and to all of the Common Elements and to all of the Common Elements for purposes of completing construction of the Building or performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan, provided (i) Sponsor repairs any resulting damage to the Unit and restores it to substantially the condition it was in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the Owner of the Unit to which access is required.

18. Housing Merchant Implied Warranty. The Housing Merchant Implied Warranty does not apply to this offering.

B. General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the deeds to the respective Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims 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 the leasing thereof to any purchaser or, with respect to the General Common Elements or Limited Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts or omissions of Sponsor or the representations made by Sponsor in this Plan.

Sponsor agrees to indemnify the Condominium Board and Unit Owners and hold them harmless from, and defend on their behalf, any suits or claims arising out of acts or omissions of Sponsor or the

representations made by Sponsor in this Plan (i) with respect to the General Common Elements or Limited Common Elements (prior to the First Closing) and (ii) with respect to any Unit (prior to the Closing Date for such Unit).

Obligations of Sponsor under this section with respect to the Condominium, the General Common Elements or the Limited Common Elements shall be enforceable only by the Condominium Board on behalf of all Unit Owners. In no event shall any obligations of Sponsor be enforceable by individual Unit Owners unless the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Condominium Board.

NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE THE PERFORMANCE OF THE SPONSOR'S OBLIGATIONS SET FORTH HEREIN. THE ABILITY OF SPONSOR TO PERFORM ITS OBLIGATIONS WILL DEPEND UPON ITS FINANCIAL CONDITION, WHEN AND IF IT IS CALLED UPON TO PERFORM. NO WARRANTY IS MADE THAT SPONSOR WILL BE FINANCIALLY ABLE TO PERFORM ANY OR ALL OF SUCH OBLIGATIONS.

R. CONTROL BY SPONSOR

Introduction:

The Sponsor will maintain control of the Board of Managers of the Condominium for a minimum of three (3) years from the date of the first closing, as long as the Sponsor owns at least one (1) unit. During this period of Initial Control, the Sponsor shall designate a majority of the Board Members which would be three (3) Members and the remaining two (2) Board Members shall be elected by all Unit Owners, other than the Sponsor. After the initial three (3) year period, the Sponsor shall have the same right to vote as all other Unit Owners and no additional voting rights. Within thirty (30) days of the expiration of the initial three (3) year period of control, the Sponsor will call a special meeting of the Unit Owners to elect a new Board of Managers who will be elected based on the plurality of the votes. Each and every Unit Owner, including the Sponsor shall have a right to cast one vote for each unit owned.

The following is a detailed discussion of the implementation of the above paragraph.

Under the Condominium By-Laws, set forth in Part II of the Plan, until the first sale of a Unit, the initial three (3) member Board of Managers shall be designated by the Sponsor. The names of the first three (3) anticipated Board Members are the Sponsor's principals Chaim Dushinsky and Isaac Rabinowitz, and the Sponsor's secretary Mindy Markowitz. Within four (4) months of the first closing, a meeting will be held to elect a new Condominium Board consisting of five (5) Board Members. At such time, the Sponsor shall designate three (3) of the five (5) Board Members, who shall serve for a period of three (3) years. The other two Board Members shall be elected by all Unit Owners, other than the Sponsor, for a term of one (1) year. Elections for these two seats on the Condominium Board shall be held annually.

After the initial period of control, the term of office of each of the members of the Condominium Board shall continue as long as the Unit Owner designating such Board Member shall continue to own his Unit. However, at any time, any Unit Owner may by written instrument replace such Board Member by designating another person as a Board Member representing its Unit.

After the initial period of control, upon sale or transfer of the Unit, the Board Member designated pursuant to the By-Laws by the Selling Unit Owner shall be deemed to have resigned his Board Membership effective on the transfer date of the Unit, and the succeeding Unit Owner shall designate the Board Member representing such Unit in accordance with Section 2.7 of the By-Laws.

At any regular or special meeting of Unit Owners after the initial three year control period of the Sponsor, 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, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board.

No members of the Board of Managers will receive any compensation from the Condominium for acting as such.

Sponsor does not have any veto power, including veto power over expenses described in Schedule B, 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.

S. RIGHTS & OBLIGATIONS OF BOARD OF MANAGERS, SUMMARY OF BYLAWS

A. The Board of Directors

1. Board Members

The affairs of the building of the Condominium shall be governed by the Condominium Board, which shall consist initially of members designated by the Sponsor. Each member of the Board shall have one (1) vote. As provided in the By-Laws, the Condominium Board shall consist of five (5) members, each of whom will have one (1) vote. Board elections shall take place annually. The term of office of each member of the Condominium Board shall continue for one (1) year. Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such. Notwithstanding anything to the contrary, however, each Condominium Board shall serve until a successor Board is elected and qualified.

There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

2. Officers of the Condominium

The officers of the Condominium shall consist of the President, the Secretary and the Treasurer, all of whom shall be elected by the Condominium Board which may also appoint additional officers. All officers shall serve without compensation from the Condominium. At least two (2) officers must be members of the Condominium Board and Unit Owners (or officers, directors, partners, employees, beneficiaries (or members of their family) of corporations, partnerships, fiduciaries, or mortgagees that are Unit Owners). Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

3. Liability of the Condominium Board and the Unit Owners

The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith or willful misconduct. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them at competitive rates without incurring any liability for self- dealing, provided however that the terms of the Management Agreement being entered into between the Sponsor and the Managing Agent are set forth in Section "Y - Management Agreement" and any additional contracts entered into with the Sponsor during the three year control period will require the consent of the two board members not affiliated with the Sponsor.

Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building, shall state (if obtainable) that (a) it is made only as agent for all Unit Owners, and the members of the Condominium Board or such officer, superintendent, or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) such Unit Owner's interest in his or her Unit and its appurtenant Common Interest, unless otherwise provided by law.

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

4. All members of the Condominium Board shall serve without compensation.

5. Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose. After the initial three (3) year period of Sponsor control, a Board member may be removed by a majority of the Unit Owners with or without cause.

6. Voting. When votes of the Unit Owners are required, each Unit Owner shall exercise his vote in the manner set forth in the By-Laws, which provides as follows: each Unit Owner (including

Sponsor or its designee, for so long as Sponsor or such designee shall own at least one (1) Unit) shall be entitled to cast one (1) vote for each unit owned.

The presence, in person or by proxy, of a majority of all Unit Owners shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, the decision of a majority of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners. However, each Unit Owner shall be entitled to designate one (1) member of the Condominium Board.

7. Amendments to the Condominium Documents

Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to or deleted by the affirmative vote of seventy-five percent (75%) of the Unit Owners, taken in accordance with the By-Laws. However, for so long as Sponsor or its designee is the owner of one (1) or more Units in the entire Condominium, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of every Unit Owner affected by such amendment.

B. Powers and Duties of the Condominium Board

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

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

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

(iii) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

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

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of a majority of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit (except as set forth in Real Property Law Section 339-jj); and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) [INTENTIONALLY OMITTED]

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

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

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

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

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

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, renovation, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or the By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the

same; and

(xxiii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and the By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

I. Meeting and Votes of the Unit Owners.

Under the Condominium by-Laws, as set forth in Part II of the Plan, until the first sale of a Unit, the initial Board of Managers of the building will consist of members designated by the Sponsor. Sponsor will call the first meeting of Unit Owners within approximately four (4) months after the conveyance of title to the first unit.

(a) Meeting. Except for the first meeting, the Unit Owners shall hold annual meetings on or about the anniversary of the first meeting and every anniversary thereafter, unless such date shall occur on a legal holiday, in which event the meeting shall be held on the succeeding business day. At each annual meeting, the Unit Owners shall conduct such business as may properly be conducted. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

(b) Quorum. The presence, in person or by proxy, of a majority of all Unit Owners shall constitute a quorum at meetings of Unit Owners.

(c) Voting. In votes of the Unit Owners, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote for each Unit owned. Unless otherwise provided, the affirmative majority vote of the Unit Owners at which a quorum is present shall be binding upon all of the Unit Owners.

(d) Designation of Board Members: Upon sale or transfer of a Unit, the Board Member previously designated by the Selling Unit Owner (or deemed to have been designated, as provided in the By-Laws) shall be deemed to have resigned his Board Membership effective on the date of conveyance of the Unit, and the succeeding Unit Owner shall designate (or deem to have designated) the Board Member representing such Unit in accordance with Section 2.7 of the By-Laws.

II. Condominium Board Meetings and Voting:

(a) After the initial period of Sponsor control, the Board of Managers will consist of five (5) Board Members.

(b) Quorum. A quorum for meetings of the Condominium Board consists of a majority of the members of the Board of Managers.

(c) Voting. All decisions or acts requiring a vote, resolution, approval, agreement or consent

of the Board of Managers must be made by the affirmative vote, approval, resolution, agreement, or consent of a majority of the Board Members at which a quorum is present.

Repairs, Alterations and
Improvements to Common Elements

All painting, decorating, maintenance, repairs and replacements to the Common Elements, whether located inside or outside of Units, shall be made by the Condominium Board, which need not obtain the approval of the Unit Owners or of mortgagees of Units (regardless of the cost thereof), and the cost of the same shall be a Common Expense (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof).

The cost of snow removal from Common Elements shall be a Common Expense. All maintenance and repairs to the Common Elements shall be performed by employees of the Condominium or by independent contractors.

Whenever, in the judgment of the Condominium Board, the Common Elements shall require additions, alterations, or improvements costing more than $25,000.00, in the aggregate, in any calendar year, such additions, alterations, or improvements shall not be made unless the same have been approved by unanimous vote of all the Unit Owners (including Sponsor, if it then owns any Unit) at a duly constituted Unit Owner's meeting and by the representatives of mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgage Representatives"). If approved, the Condominium Board may, in its discretion, assess each Unit Owner his or her pro rata share of the cost of such additions, alterations, or improvements according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing $25,000.00 or less, in the aggregate, in any calendar year may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of the Sponsor or its designees is first obtained (so long as Sponsor or its designee or both shall collectively own Units representing at least twenty-five (25%) percent or more in number or in Common Interests), unless same is required by law or is necessary for the health or safety (but not the general comfort or welfare) of the residents of the Building.

Insurance

The Condominium Board shall maintain fire insurance policies insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners), and covering the interests of the Condominium, the Condominium Board, a majority the Unit Owners and the holders of all Permitted Mortgages (the "Permitted Mortgagee"), as their replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear; subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee (hereinafter defined) as set forth below. The cost of all such insurance shall be paid by the

Condominium Board and shall be borne by the Unit Owners as part of the Common Charges.

The proceeds of all such policies of physical damage insurance shall be payable to the Condominium Board. Such proceeds shall be applied for the purpose of repairing, restoring or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his or her Unit unless, in accordance with the provisions of Section 5.5 of the By-Laws, there shall be a determination not to rebuild the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' written notice to all of the insured, including Unit Owners, the Board of Managers and Permitted Mortgagees. Each Unit Owner shall be named as an additional insured on all such policies. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Permitted Mortgagees ten (10) days prior to expiration of the then current policies, and Unit Owner shall receive a certificate of such insurance.

The Condominium Board shall also maintain, to the extent obtainable: (a) public liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, and the Managing Agent or manager (if any) and each of the Unit Owners; (b) rent insurance in an amount equal to the Common Charges for one (1) year; (c) workers' compensation and New York State disability benefits insurance; (d) elevator liability and collision insurance (if an elevator is present); (e) such other insurance as the Condominium Board may from time to time determine. Such public liability insurance will also cover cross-liability claims of one insurer against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his or her own Unit.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by all Unit Owners as part of the Common Charges.

Until the first meeting of the Condominium Board elected by the Unit Owners, the public liability insurance will be in an amount of $1,000,000.00 per occurrence or $2,000,000.00 aggregate covering all claims for personal injury or property damage in respect of any one occurrence, and the fire insurance will be at least in the amount set forth in Schedule B, the "Budget for the First Year of Condominium Operation". The Condominium Board shall review such limits annually.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance procured by the Condominium Board shall not be affected or diminished by reason of any Unit Owner's other insurance. A Unit Owner should consider maintaining, at his or her own expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) in his or her Unit, in such amount as will be adequate to insure against loss by reason of fire or other casualty; and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his or her Unit.

Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, in the event that the Building or any of the Common Elements thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof.

If the insurance proceeds are insufficient to cover the cost of repairs or restorations of the building or any Common Elements thereof, the Condominium Board may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to reduce unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

If a Unit is damaged by casualty and the proceeds of insurance obtained by the Condominium Board are not sufficient to cover the repair of the Unit, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Building will be an expense of the individual Unit Owner. In order to protect himself against the possibility of such an expense, the Unit Owner should obtain additional fire insurance coverage above and beyond that coverage maintained by the Condominium Board.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and if all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-i(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a unit owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee shall be held by the Condominium Board or its designee on behalf of all Unit Owners. Any rent, purchase price, closing costs and closing adjustments payable in connection therewith shall be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium Board or its designee shall carry voting rights.

Partition of Common Elements

The Condominium shall continue (unless terminated by casualty loss, condemnation, or eminent domain as provided by the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so by at least eighty percent (80%) of the vote, taken in accordance with the By-Laws. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in accordance with the value of each of the units. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. Before paying any of the proceeds to a unit owner, the shares of such proceeds payable to such unit owner shall first be applied to the payment of any liens on his or her Unit, in the order of priority of such liens.

Reports to Unit Owners

All Unit Owners will receive annually copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by a certified public accountant (as long as the Sponsor is in control of the Condominium Board), a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the Annual Unit Owners' meeting.

Review of Real Estate Assessments

The Board of Managers will be responsible for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the owners. Such owners shall execute any documents required for such filing.

After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

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.

T. RIGHTS AND OBLIGATIONS OF UNIT OWNERS & BOARD OF MANAGERS

Sales and Leases of Units

Each owner of a Unit (other than Sponsor or its designee with respect to Unsold Units) may sell or lease his or her Unit; provided, however, that such owner first gives the Condominium Board written notice of his or her intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee.

Right of First Refusal

The Condominium Board, on behalf of the remaining Unit Owners, shall have the exclusive right to purchase the Unit within fifteen business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. If the Condominium Board does not notify the Unit Owners of its election to purchase or lease the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice, failing which the Unit Owner will again be required to offer the same right of first refusal to the Condominium Board as provided above.

The Condominium Board may not exercise its option to purchase or lease any Unit unless those Unit Owners owning a majority of the aggregate Common Interests of all Units affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his or her Common Interests, an amount necessary to effectuate the purchase or lease. The Unit will be used for its legal use and the rent will be used to defray the operating expenses of the building. In the alternative, the majority of the Unit Owners present at a Special Meeting may designate one of the Unit Owners to purchase the Unit being offered for sale and it will be the responsibility of such Unit Owner to raise the funds to purchase the Unit. The Unit will be used in such manner as any other Unit may be used.

Notwithstanding the foregoing, any Unit Owner may sell or lease his or her Unit to his or her spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his or her Unit by gift, devise it by will, or have it pass by intestacy to the aforementioned persons, without complying with the restrictions described above; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, such restrictions.

The foregoing restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee 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 Condominium Board.

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 any other grounds prohibited by law.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) an undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth as Document Number 4 in Part II of the Plan, in accordance with Article 14 of the Declaration.

Mortgages of Units

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

(a) no Unit Owner shall be permitted to mortgage, pledge or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit;

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

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

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

Sponsor or its designee, as the owner of Unsold Units, shall have the right to mortgage the Unsold Units without any restriction or limitation, except that the Condominium Board is required to be notified in writing of the making of such mortgage and is to be given a copy thereof.

Capital Reserves

The Condominium Board has the power to accumulate reserve funds for capital replacements or other purposes to meet the needs of the Condominium in accordance with the Declaration and By-Laws, as set forth in Documents 6 and 7 in Part II of the Offering Plan. There are no restrictions on these powers.

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

The Condominium Board will commence to collect the Common Charges upon the closing of title to the first Unit. Furthermore the Condominium Board will prepare and distribute to all Unit Owners, at least annually, a budget setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium. Such Common Expenses will include, among other things:

(a) all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements;

(b) water charges and sewer rents in connection with the Building (unless the same are separately assessed to individual Units);

(c) real estate taxes and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and

(d) amounts for such other items as the Condominium Board may deem proper (such as amounts for reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium, or to purchase or lease Units).

Based upon such budget, the Condominium Board will promptly determine and advise each Unit Owner of the Common Charges payable by such Unit Owner during the ensuing fiscal year, which Common Charges shall represent a portion of the projected Common Expenses of the Condominium assessed to such Unit Owner pro rated according to the Common Interest of his or her Unit.

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

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

Any Unit Owner may, by conveying his or her unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself or herself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his or her Unit and such Unit being free and clear of all liens and encumbrances other than any statutory lien

for unpaid Common Charges. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing, unless:

(a) the aggregate Common Interests appertaining to the Unsold Units constitutes fifteen (15%) percent or less of the total Common Interests appertaining to all Units;

(b) at least five (5) years have elapsed since the First Closing; and

(c) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Units being conveyed multiplied by 24.

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

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

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

In accordance with Section 339-aa of the Real Property Law, while the Sponsor is in control of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien on units in which Sponsor is more than thirty (30) days in arrears of common charges.

Failure by Non-Occupying Owner
to Make Payments on its Unit

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

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

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period after they are due, the Condominium Board shall provide written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Condominium Board.

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

(d) When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 business days to the rental tenant and non-occupying owner; thereafter, all rental payments shall be made payable to the non-occupying owner or a designated agent.

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

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

(g) Payment by a rental tenant to the Condominium Board made in connection with Section 339-kk shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

Repair and Maintenance
Of Units and Common Elements

Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof or other part of the Property exposes to the elements) by the unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof and such Unit Owner or the Condominium Board, as the case

may be, shall promptly make or perform, or cause to be made or performed, all maintenance work that is necessary in connection therewith. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter his or her Unit to perform such acts as are necessary to cure such default. (See the subsection entitled "Rights of Access" for a further discussion).

Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, the Managing Agent and/or any other person authorized by any of the foregoing a right of access (to be exercised in a reasonable manner) to his or her Unit for the purposes of: making inspections, removing violations against the Common Elements or any part of the Property, making general repairs, curing defaults by the Unit Owner and for other purposes permitted by the By-Laws.

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary: (a) in or to any Unit (other than the Common Elements contained therein) shall be performed by the Owner of such Unit at his or her sole cost and expense; and (b) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

In connection with the foregoing, it should be noted that the exterior glass surfaces of all windows located in any Unit are to be washed and cleaned by the owner of such Unit, at such Unit Owner's sole cost and expense.

Notwithstanding the foregoing, however, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or non-extraordinary, that are necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by such Unit Owner at his or her sole cost and expense.

Alterations and Improvements
To Units

Each Unit Owner shall have the right to:

(i) make alterations, additions, or improvements in the interior of his unit;

(ii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his unit;

(iii) change the layout of his unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit

Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit.

Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made,
as set forth in the By-Laws.

Alterations and Improvements
To Common Elements:

(A) Generally, all alterations, additions, or improvements in or to the Common Elements will be made by the Condominium Board, and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

The structure is built in accordance with plans approved by the New York City Department of Buildings following the approval by the Board of Standards and Appeals. No change to this structure shall be made without prior approval by the authorities stated above.

(B) All alterations, additions, and improvements by Unit Owners shall be made in compliance with laws. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements.

Sponsor or its designee or the owners of the Units shall have the right, without the approval of the Condominium Board, the Selling Agent, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to:

(a) make alterations, additions, improvements, or repairs in or to any Unsold Unit or Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary; and

(b) subdivide, combine and change the boundary walls of Unsold Unit or

Units. (See Section Changes in Prices and Units" for further discussion.)

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

Insurance Coverage

If a Unit is damaged by casualty and the proceeds of insurance obtained by the Condominium Board are not sufficient to cover the repair of the Unit, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Building will be an expense of the individual Unit Owner. In order to protect himself against the possibility of such an expense, the Unit Owner should obtain additional fire insurance coverage above and beyond that coverage maintained by the Condominium Board. See subsection "Repair or Restoration After Fire or Other Casualty", under the Section entitled: "Rights and Obligations of the Board of Managers".

Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By-Laws, each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy.

Sponsor may, without obtaining the consent of the Condominium Board or the other Unit Owners, use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law.

A Unit owned or leased by an individual, corporation, partnership, fiduciary, or other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including officers, directors, stockholders, or employees or corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such entity, respectively, or by members of the immediate family or guests of any of the foregoing. However, the foregoing restriction shall not apply to Unsold Units.

No nuisance, or immoral, improper, offensive, or unlawful use, shall be allowed in the Building or any portion thereof. 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 Condominium Board, whoever shall have the obligation to maintain or repair such portion of the Property. The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Condominium Board, provided that copies of such amendments are furnished to each Unit Owner prior to the time that they become effective.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board, and the Managing Agent, superintendent and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes, among others, of making inspection of, or removing violations of governmental laws or regulations against any part of the Property, curing defaults committed by the owner of such Unit under the Condominium Documents, or correcting conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan.

Self-Help

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

Mechanic's Liens

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

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

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

U. REAL ESTATE TAXES

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 or non-payment of taxes on any other units, nor will his or her unit be subjected to any lien arising from the same. In the event that the units are not separately assessed at the time of the closing, the following procedure will be applicable:

1. To the extent that the taxes have been paid by the condominium for the initial period, there will be an adjustment made at the time of the closing in the amount of the prepaid taxes with respect to this unit. The adjustment will be based on the percentage common interest allocated to the unit.

2. The unit owner will be required to pay the entire amount of tax allocated to his unit at the time that the Board of Managers is required to make its real estate tax payment to the City of New York. The allocation for taxes will be based on the unit's percentage of common interest allocated to the unit.

Taxes are assessed by the Real Property Assessment Bureau of the Department of Finance of the City of New York. The tax assessments of condominium apartment buildings are governed by Section 581 of the Real Property Tax Law. This law requires the tax assessor to disregard the condominium form of ownership in valuing such properties and to value the building in the same manner as similar but non-condominium owned rental buildings.

The basis for the amount of real estate taxes payable by unit owners in the first year of condominium operation as set forth in Schedule A is in accordance with the values of the units.

The assessing authorities may not reach the same conclusion as to the assessed valuation as set forth in the Plan. Since actual figures are not currently available, the figures set forth in Schedule A are based on estimated data.

See Section "F - Notes to Schedule A" for the estimated annual assessments for the Units for the first year of condominium operation.

As of February, 2001, no tax certiorari proceedings are pending on the premises.

Review of Real Estate Assessments.

The Board of Managers will be responsible for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the owners. Such owners shall execute any documents required for such filing.

After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

THERE IS NO ASSURANCE THAT THE TAXING AUTHORITY WILL ASSESS THE MINIMUM TAX PAYABLE WITH RESPECT TO THE UNITS, IF ANY, IN PROPORTION TO EACH UNIT'S COMMON INTEREST (AND IF NOT SO ASSESSED, UNITS HAVING THE SAME COMMON INTEREST MAY PAY DIFFERENT REAL ESTATE TAXES).

Real Property Tax Benefits

The Sponsor makes no representation as to the availability of real estate tax exemption or abatement benefits. The sale of units are not contingent on obtaining tax benefits and all purchasers are purchasing under the assumption that no tax benefits are available. A purchaser should consult with their adviser as to the availability of tax benefits and such purchaser shall request the Condominium Board to file for any tax benefits that may be available. The Sponsor will make all records available and will cooperate with Unit Owners in connection with obtaining benefits, if available.

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V. COUNSEL'S INCOME TAX OPINION

February 6, 2001

The 564-580 Park Plaza Condominium
564-580 Wythe Avenue
Brooklyn, New York

Re: Offering Plan ("Plan") for the
Condominium Ownership of the
Premises known as 564-580 Wythe Avenue
Brooklyn, NY (the "Property")

Gentlemen:

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

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

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

I. Tax Deductions for Unit Owners

Under the Plan:

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

(2) each Unit will be a separate tax lot for the purposes of The New York City real estate tax, and the Unit Owner will be directly liable to The City for the real estate tax

assessment with respect to his Unit, but not with respect to any other Unit;

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

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

Accordingly, it is our opinion that a Unit Owner who itemizes deductions will be entitled to deduct, for Federal income tax purposes, real estate taxes assessed against his Unit as well as interest on any mortgage indebtedness secured by his Unit.[1] See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1986, as amended (the "Code"); Revenue Ruling 64-31, 1964-1 (Part I) Cum. Bull. 300.[2] These expenses will be deductible when paid or accrued in accordance with the Unit Owner's method of accounting. In addition to the interest and real estate tax deductions discussed above, a Unit Owner who uses all or part of his Unit in the conduct of his trade or business or for the production of income may deduct a portion of common charges allocable to such use. Each such Unit Owner will be entitled to deduct cost recovery on his Unit (similar to depreciation), computed separately and based upon the cost of his Unit (see Code Section 1012). Such deduction may be determined under Code Section 168 by using the straight-line method or under ACRS tables which approximate the use of 175% declining balance method, switching to straight-line recovery in later years. The excess of accelerated cost recover deductions over deductions computed using the straight-line method is an item of tax preference and may result in Unit Owners incurring alternative minimum tax. The amount of permitted deductions have been modified by the Internal Revenue Code 1986. The deduction of Common Charges is limited to that portion which does not exceed the Unit Owners' share of expenses paid or incurred through the Condominium and which would constitute trade or business expenses under Code Section 162 or would constitute expenses for the production of income under Code Section 212, if they were paid directly by the Unit Owner. Common Charges may exceed the deductible amount to the extent that Common Charges are used by the Condominium Board to finance capital expenditures or reserves. The amount used to fund capital

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

2 The New York State and City tax laws incorporate by reference Federal itemized deductions in regard to resident individuals (see N.Y. Tax Law Section 615; N.Y.C. Admin. Code Section T46-115.0) and for corporations (see N.Y. Tax Law Section 208.9; N.Y.C. Admin. Code R46-2.0.8). Hence, all Federal authorities hereinafter referred to should, for the most part, apply under the New York State and/or City income tax statutes and to the extent that deductions are permitted for Federal tax purposes, they will be permitted for New York State and New York City tax purposes. It should be noted, however, that (i) for New York State and New York City income tax purposes, the interest and real estate tax deductions discussed herein may be reduced for a taxpayer who has certain specified items of tax preference (see N.Y. Tax Law Section 622; N.Y.C. Admin. Code Section T46-122.0); and (ii) for Federal income tax purposes, a Unit Owner may be liable for an alternative minimum tax based upon certain deductions taken (including interest on mortgages) (see Section 55 of the Internal Revenue Code). New York State also imposes a minimum tax based on certain Federal tax preference items including adjusted itemized deductions. See N.Y. Tax Law Sections 601-A and 622.

expenditures or reserves are not deductible and must be capitalized by Unit Owners, increasing the basis in the Unit and thus the cost recovery deduction available for that Unit.

II. Tax Treatment of Condominium and Board of Managers

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

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

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

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

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

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

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

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

To the extent that any portion of the Common Charge receipts is segregated and used to finance specified capital expenditures or reserves, said portion may be excluded from gross income of the Association. (See Rev. Rul. 74-563, 1974-2 Cum. Bull. 38; L.R.B. 1974-47.6; and Lake Petersburg Ass'n v. Commissioner, 33 CCH Tax Ct. Mem. 259 (1974)). In such event, the Unit Owners might be required to pay further Common Charges to fund the Federal income tax liability of the

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

Association. Any such Common Charges would probably be deemed to constitute additional gross income to the Association -- upon which further Federal tax would be owing. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929), and cf. Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

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

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

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

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

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

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

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

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

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

IN OUR OPINION, EACH UNIT OWNER WILL BE ENTITLED TO INCOME TAX DEDUCTIONS AS DESCRIBED ABOVE. HOWEVER, THIS OPINION IS NOT A GUARANTEE; IT IS BASED UPON EXISTING RULES OF LAW APPLIED TO THE FACTS AND DOCUMENTS REFERRED TO ABOVE. NO ASSURANCES CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASE THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING THIS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH COUNSEL RELIED WHICH CAUSE THE CONDOMINIUM TO CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR THE NEW YORK STATE TAX LAW, AS AMENDED.

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

Very truly yours,

N.C. Caller, P.C.

By: Carl Caller
Carl Caller

W. RESERVE FUND

No reserve fund is being established by the Sponsor.

X. WORKING CAPITAL FUND

The Sponsor, as agent of the Board of Managers, will collect from each original purchaser at the time of the Closing an "Initial Capital Payment" equal to four months' estimated common charges for each unit. The Sponsor will deliver the funds so collected to the Board of Managers to provide the necessary working capital for the Condominium. Such funds may be used for certain prepaid items, organizational costs, and for such other purposes as the Board of Managers may determine and may be replenished as the Board sees fit. While the Sponsor is in control of the Condominium Board, the Working Capital Fund shall not be used to reduce estimated Common Charges. NO REPRESENTATION IS MADE THAT THE INITIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THE INITIAL CAPITAL FUND, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE THE CHARGES.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE INITIAL WORKING CAPITAL FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

Y. MANAGEMENT AGREEMENT

On or about the closing of title to the first unit, the Condominium Board shall enter into an agreement to manage the property with Royal Development Corp., 39 Heyward Street, Brooklyn, NY 11211. The term of the agreement shall be three (3) years at an annual cost of $19,800.00 per building or $39,600.00 yearly for both buildings.

The managing agent's main duties, among others, will be: to bill and collect common charges and other charges; bookkeeping; to maintain the building as advised by the Condominium Board, to contract for necessary services, supplies, etc.; and to supervise, hire and discharges employees. The Board of Managers shall be obligated to reimburse the agent for expenses incurred and to indemnify the agent against liability for acts properly performed by it pursuant to the agreement. The management agreement is assignable to a competent managing agent and may be canceled by either party upon giving thirty (30) days' written notice.

Z. IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor and Selling Agent is K-R Residence Corp., a domestic corporation formed on December 28, 1998, with an address at 39 Heyward Street, Brooklyn, New York 11211. The principals of the Sponsor are Chaim Dushinsky and Isaac Rabinowitz, who are both in the real estate business. Neither the Sponsor nor its principals have any felony convictions, injunctions or judgments which are

material to the Offering Plan or an offering of securities generally. The Sponsor is also currently offering condominium units at 570-576 Wythe Avenue, Brooklyn, New York, which is the subject of a separate offering plan being submitted simultaneously herewith.

Prior Offerings:

(a) The Sponsor, K-R Residence Corp., has had the following prior offerings:

Condominium Plan	File No.:	Acceptance Date:
The 525-535 Park Plaza Condominium* 525-535 Kent Avenue, Brooklyn, NY	CD00-0125	1/18/01

(b) The principals, Chaim Dushinsky and Isaac Rabinowitz, have been principals of the sponsor in the following prior offerings:

Condominium Plan	File No.:	Acceptance Date:
The Getzil Berger Condominium Getzil Berger Boulevard, Monroe, NY	CD96-0098	1/27/97
The 39 Heyward Street Condominium 39 Heyward Street, Brooklyn, NY	CD98-0114	2/2/99
The 29 Heyward Street Condominium 29 Heyward Street, Brooklyn, NY	CD99-0023	4/1/99
The 35 Heyward Street Condominium 35 Heyward Street, Brooklyn, NY	CD99-0024	4/1/99
The 525-535 Park Plaza Condominium* 525-535 Kent Avenue, Brooklyn, NY	CD00-0125	1/18/01

* These units are being offered simultaneously herewith.

(c) The Sponsor and its principals own an interest of greater than 10% in The 525-535 Park Plaza Condominium and are current in their obligations to same. Neither the Sponsor nor its principals own an interest of greater than 10% in any other condominiums or cooperatives.

The contract vendor is Kent-Rush Realty Corp. a domestic corporation with an address at 385 Union Avenue, Brooklyn, NY 11211. The sole principal of Kent-Rush Realty Corp. is Herman Jacobs, who is in the wholesale cosmetics business. The contract vendor, under the terms of the contract is entitled to review the sales program and the progress of the sales of the condominium units of all of the buildings in the Project, and accordingly is assuming the obligations and responsibilities of a sponsor. Neither Kent-Rush Realty Corp. nor its principal have any felony convictions, injunctions or judgments which are material to the Offering Plan or an offering of securities generally. There is no relationship between Kent-Rush Realty Corp. and K-R Residence Corp. except that they are contract vendor and vendee, respectively.

Kent-Rush Realty Corp. and its principal have taken part in the following prior offering:

Condominium Plan	File No.:	Acceptance Date:
The 525-535 Park Plaza Condominium 525-535 Kent Avenue, Brooklyn, NY	CD00-0125	1/18/01

Neither Kent-Rush Realty Corp. nor its principal own an interest of greater than 10% in the above or in any other condominiums or cooperatives.

Attorneys

The Sponsor is represented by N.C. Caller, P.C., 1481 42nd Street, Brooklyn, New York 11219 in connection with this Offering Plan, the recording of the Declaration of Condominium, and in connection with the sales and closings of the units. The offering plan was prepared by Carl N. Caller, Esq.

The Condominium does not have independent legal counsel. IT IS SUGGESTED AND EXPECTED THAT EACH PURCHASER WILL CONSULT WITH AND BE REPRESENTED BY HIS/HER OWN COUNSEL IN CONNECTION WITH THIS OFFERING.

Managing Agent

The Managing Agent is Royal Development Corp., 39 Heyward Street, Brooklyn, NY 11211, which is an affiliate of the Sponsor. The Managing Agent has had no comparable experience in managing other properties. Neither the Managing Agent nor its principals have had any prior felony convictions or prior convictions, injunctions or judgments that may be material to the offering plan or an offering of securities generally that occurred within fifteen (15) years prior to the submission of this offering plan.

Engineer/Architect

Maurice Brezel, R.A., with an address at 1462 52nd Street, Brooklyn, New York, a Registered Architect, has rendered the Floor Plans of the Property and has rendered the report thereof as set forth in Part II. The architect has been involved in the planning and development of condominiums for over ten (10) years. The architect has no financial interest in the Property, the Sponsor, the Condominium or any other party interested in this transaction, except for its fee for services rendered in connection with such report.

AA. REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the condominium to give all units owners annually the following documentation:

(a) A financial statement of the condominium prepared by a certified public accountant or public accountant by June 30; such statement shall be certified while the sponsor is in control of the board of managers.

(b) Prior notice of the annual unit owners' meeting.

(c) A copy of the proposed annual budget of the condominium by ten (10) days prior to the date set for adoption thereof by the board of managers; such budget shall be certified while the sponsor is in control of the board of managers.

AB. DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits and documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the office of N.C. Caller, P.C., attorneys for the Sponsor, 1481 42nd Street, Brooklyn, New York 11219, during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from the First Closing. There will be a charge of forty cents ($0.40) per page for copying any documents. The Plan and all other exhibits and documents referred to herein shall also be available for inspection and copying by appointment (at a current charge of $0.25 per page) at the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271. In addition, a set of the floor plans showing the layout, locations, and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

AC. GENERAL

There are no lawsuits, administrative proceedings, or other proceedings the outcome of which may materially affect this offering, the purchasers of Units, the Property, Sponsor's capacity to perform all of their obligations under the Plan, the Condominium, or the operation thereof, except as may be further herein expressly set forth.

This property has not been the subject of any prior public offerings. No preliminary binding agreements have been entered into and no money has been collected from prospective purchasers.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground prescribed by law in the sale of the Units offered by the Sponsor pursuant to the Plan or in the leasing of any such Units or any other portion of the Building.

Purchasers have a right to rescind purchase agreements following material adverse amendments. The purchaser shall have a right to rescind by sending written notice to the Sponsor within thirty (30) days after being presented by the sponsor with a notice informing him of his right to rescind. Sponsor will return any deposit or down payment to purchasers who rescind within ten (10) days of the receipt of written notice of rescission. No deposit or down payment shall be returned to interim lessees prior to their

vacating of the apartment.

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which the Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations, and liabilities of Sponsor, purchasers, or prospective purchasers, without obtaining the consent of purchasers or others. However, the Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in the case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing purchasers or reducing the undertakings or obligations of Sponsor, such purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any. 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 the Sponsor for that Unit and the Purchaser is not in default. Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of common elements.

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

The Plan is offered only to persons eighteen (18) years of age or over and entities. Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine, or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

AD. SPONSOR'S STATEMENT OF BUILDING'S CONDITION

The Sponsor adopts the "Description of Property and Building Condition" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the property as set forth in the Description of Property and Building Condition.

The number and usage of the units shall be identical to the number and usage of the units as approved by the Building Department.

AE. ASBESTOS STATEMENT

There is no Asbestos Containing Material (ACM) present in insulating or fireproofing material anywhere in the building.

Dated: February, 2001

Sponsor:

K-R Residence Corp.
39 Heyward Street
Brooklyn, NY 11211

H:\PLAN\564-580 Wythe\a-1.wpd32

PART II

DOCUMENT NUMBER 1

DESCRIPTION OF PROPERTY

EXHIBIT A

Architectural report for the structure to be known as The 564-580 Park Plaza Condominium located at 564 and 580 Wythe Avenue in Borough of Brooklyn County of Kings City and State of New York. The plans have been filed with the Department of Building under application No. 301014408 and 300920877 and approved on May 31, 2000. The building will comply with Local Law 58/87 - handicap access requirements.

LOCATION AND USE OF PROPERTY

The condominium is located in block 2165 lots 102 and 105. Zoning district R7-X map 12d of the New York City Zoning Resolution dated 1961. The Zoning Resolutions permits residential use as of right.

STATUS OF CONSTRUCTION

The buildings under construction will comply with Section 27-296 of New York City Building Code for type 1 D (non-combustible) construction. Each building contains 34 residential units, 36 storage units and one management office.

THE SITE

The land for 564 Wythe Avenue is located on the South side of the former Rush Street and the land for 580 Wythe Avenue is located on the North side of former Morton Street. The former Rush and Morton Streets are owned by New York City Department of Park and will be maintained by the Department of Parks and Recreation. The pavement is composed of asphalt and the sidewalks and curbs are concrete. The sidewalks will slope away from the building providing positive drainage.

Street lighting is provided by New York City.

UTILITIES

Water is furnished by the City of New York Water Distribution System and is obligated to the condominium owners in common. One water meter is provided for the building. The sponsor reserves the right to install sub-meters and the condominium board will bill each unit accordingly.

Natural gas service is provided by Keyspan Energy Delivery. Natural gas service is metered to each unit for cooking purposes, domestic hot water and heating.

Electric service is provided by the Consolidated Edison Company of New York and is individually metered to each apartment unit. A separate electric meter is provided for common spaces.

Telephone service is provided on an individual basis to each unit by Verizon.

SUB-SOIL CONDITIONS

Foundation walls and spread footings have been designed to bear on soils whose bearing values have been determined by test borings. There is no evidence of ground water infiltration through the foundation walls and little, if any, potential flood damage due to the water table or from any other bodies of water. The ground surface area of the site is stable.

LANDSCAPING

The sponsor will provide landscaping and recreational area. Sidewalks will have trees planted every 25'- 0". Buildings are located on front lot lines. The common area easement will be constructed of newly paved concrete with 3'-0" wide shrubs to act as a buffer.

BUILDING SIZE

The buildings are rectangular in shape. The side facing former Rush Street is parallel with that street line and the building facing former Morton Street is parallel with that street line. The following are floor to ceiling heights:

Sub-cellar	9'-0"
Cellar	9'-0"
Ground Floor	9'-0"
Second Floor	9'-0"
Third Floor	9'-0"
Fourth Floor	9'-0"
Fifth Floor	9'-0"
Sixth Floor	9'-0"
Seventh Floor	9'-0"
Eighth Floor	9'-0"
Attic	7'-11"

STRUCTURAL SYSTEMS

The structure is of non-combustible construction. This type of structure has exterior walls of non-combustible materials and floors and roofs constructed of non-combustible materials and assemblies as specified by the Building Department requirements of the City of New York.

Foundation walls are supported on spread footings. Foundation walls are poured concrete. Bearing walls consists of solid brick and block bonded to each other. Floor construction consists of

steel joist with 2 1/2" poured concrete over metal decking.

All exterior walls are designed to be insulated with four inch batt insulation having an "R" factor of 16. The roof will be insulated 4" rigid batt tapered insulation having an average "R" factor of 19. Periodic inspections and reports as per Local Law 11 will be required.

Lintels over doors and windows supporting masonry walls are steel lintels; interior door lintels are metal. Window sills are precast stone on the exterior of the premises and finished with 5/8" thick sheet rock painted on interior of the premises.

WINDOWS

All windows to be double hung, or casement, aluminum clear anodized, 1" thermal barrier. The lot line windows are 3/4 hour fire rated by Busco Industries (MEA #7-79M). All windows and doors to be insulated glass as per minimum requirements of the New York State Energy Code.

All windows should use a quality silicone sealant for caulking to withstand adverse weather. To obtain optimum performance they must be properly installed and then maintained by the user. The window sills will be constructed of 3" thick precast concrete. All lintels will be of steel angel irons.

Window guaranties and warranties to comply with the requirement of NWWDA-IS-2-87 and NWWDA-IS-4 (NWWDA license No. 129) and if not satisfied with the construction or operation of their product due to manufacturing errors of defects, they will take steps to bring the product to customary standards of material and workmanship. Also, the windows have been guaranteed for (1) one year.

There are lot line windows which may be blocked in the future by the adjoining property owner. These windows will not be utilized for light or ventilation to any habitable space. If these windows are blocked, no action will need to be taken by the unit owner since it will not present an illegal condition.

PORCHES, BALCONIES AND ROOF TERRACES

There will be no porches. Balconies are provided as shown on plans. The balconies are constructed of concrete floors over cantilevered steel and over lower level roof terraces. Metal guard railing 3'-6" minimum height on all 3 sides. The doors leading to the balconies are aluminum having a clear anodized finish and 1" thermal barrier. Roof terraces are constructed of steel joist with 2 1/2" poured concrete over metal decking with tapered insulation and built up roofing.

EXTERIOR ENTRANCES

Front entrance doors and vestibules to be aluminum clear anodized 1 " thermal barrier with integral weather stripping. Doors to be fitted with an entry lock. Doors to comply with New York State Energy Code.

Two way buzzer system to be located in vestibules to contact each unit.
Mail boxes - Shall be U.S. Postal Service approved type (Superior Steel Door Co. Or equal), vertically recessed.

INTERIOR DOORS

Interior doors shall be as follows:

Apartment doors 3'- 0" x 7'-0" x 1-3/4" hollow metal 1-1/2 hr. F.P.S.C. with peep hole and chime self closing an STC equal to 35.
Fire stair doors - 3"-0" x 7'-0" x 1-3/4" hollow metal 1-1/2 hr. F.P.S.C. with 8"-12" wire glass vision panel. Bedroom doors - 2'-10" x 6'-8" x 1-3/4" solid core wood.
Bathroom doors - 2'-1 0" x 6'-8" x 1-3/4" solid core wood.
Closet doors - size varies from 2'-10" to 5'-0" x 6'-8" x 1-3/8" masonite core paneled doors. Laundry closet doors - 2-2'-8" x 6'-8" x 1-3/8" masonite paneled doors.
Refuse closets - 3'-0" x 7'-0" x 1-3/4 hollow metal 1-1/2 hr. F.P.S.C.
Mechanical room doors - 3'-0" x 7'-0" x 1- 3/4" hollow metal F.P.S.C.
Meter and gas room - 3"-4" x 7'-0" x 1-3/4" hollow metal 1-1/2hr. F.P.S.C.

Hardware shall be as follows:
Apartment doors - Mortise Lock
Bedroom doors - Privacy
Bathroom doors - Privacy
Closet doors - Passage

ROOF, ROOF TERRACES AND ROOF STRUCTURES

The high roof and roof terraces are constructed of steel joist with 2-1/2" poured concrete over metal decking with tapered insulation and built-up roofing. All roof penetrations (e.g. vent stacks, vents, structural framing for skylights and fans) will be flashed with aluminum cap or base flashing where necessary. All the roofs are pitched to permit storm water to flow towards the roof drains. Storm water will drain without ponding.

The sponsor warrants the roof surface for 1 year with respect to defects and failure of the roof surfacing performed in a skillful

manner. The warranty period with respect to material defects in the structural components of the roof shall be 6 years. The warrantee period shall begin on the date of conveyance of title to the first unit.

STAIRS

Stairs in public hall are to be metal pan stair construction with concrete filled treads with 1" noising.

Handrails for stair to be 2'-8" high constructed of metal. Stair No. 2 is provided with a 4" fire stand pipe and a hose rock on each floor.

RATED PARTITION

The portions between units are 1 hr. rated and between the units and public halls, stair, elevator compactor and duct spaces are two hour rated.

FLOOR CONSTRUCTION

Floor construction to be of steel joists at 16" o.c. Sub-cellar floor to be 4" concrete slab with welded wire mesh. Smooth finish to be provided. All other floors to be of 2-1/2" concrete slab over metal decking.

METAL WORK AT ROOF LEVELS

Metal work at tlle roof level consists of vents, fan housings, elevator, water tank, compactor and attic. All metal work will be weather protected and flashed at the roof penetration.

ELEVATOR

There is one elevator that will be operating within each building. The elevator will be located near the center of the building. This elevator will be common and will be available for all units. The elevator shall be capable of holding the approximately 6 persons in all. It shall be installed by Express Elevator Co., Inc. The elevator will be Selective Collective controlled with a maximum lifting capacity of 2,000 lbs. and a rated car speed of 100 feet per minute.

Shaft doors to be a set of 2 speed slide, all to be 1-1/2 hr. Fire rated hollow metal shaft doors, independently and irrespective of the position of the car.

The elevator will have automatic push button control to correspond to the floor served.

As part of the control system an IP8300 magnetic sensor floor

control system shall be installed, which will provide an accurate landing of the car and when required accurate slow down signal. A detector edge assembly will be provided, which will scan the elevator car entrance. This detector employs a static field cause the door closing sequence to stop. Upon leaving the static field, the door closing sequence continues.

A governor shall be installed. The governor will be factory calibrated, tagged and sealed. The governor will have an electrical switch, which will disconnect the power in the event of an over speed condition, and apply the safeties. The governor will be tested in the presence of the Elevator Inspector.

A set of hoist cables will be installed. The cables will be of sufficient size and number to insure long life of cables and drive sheaves. The cables will be identified with a metal tag showing the type, strength, number of strands and date of installation.

A governor cable will be installed. The size of the cable will be selected to function properly with the governor and safety. This cable will be identified with a metal tag showing the type, strength, number of strands and date of installation.

A safety will be mounted under the bottom members of the car frame. The safety, in the event of an over speed condition, will forcibly bring the car to a controlled stop.

Two speed doors will be provided with an approximate clear opening of 42" wide.

Heavy duty steel tracks will be installed over the door on the hoist way side. Hanger will be equipped with heavy duty ball bearings with sealed-in lubrication. Felt oilers are provided to keep the tracks clean and lubricated.

Mechanical door closets to assure self-closing of all 1-1/2 hour rated shaft doors, independently and irrespective of the position of the car.

ELITE CAB DESIGN #200

SPECIFICATIONS

WALLS — Constructed of 3/4" wood core backed on the hoist way side with 1/16" plastic laminate and fireproofed to meet code requirements.

DOORS — Single speed, two speed or center parting constructed of hollow metal faced with satin bronze. Doors to be drilled and tapped to accept appropriate door operator.

PANELS — Side, rear and front return walls faced with removable plastic laminate panels having satin clear anodized aluminum extrusions between them with black laminate inserts.

BASE — Black laminate.

CEILING — Constructed of wood core backed on the hoist way side with 1/16" plastic laminate and fireproofed to meet code requirements. Ceiling faced with white plastic laminate.

LIGHTING — Fluorescent light strips mounted above a suspended aluminum ceiling frame having removable translucent acrylic panels for light diffusers (as shows) - OR incandescent down light fixtures with chrome/glass lenses.

VENTILATION — Exhaust fan with ventilating grille.

YARDS AND OPEN SPACES

The yards and all other open spaces are going to be part of the common areas and used as a recreation area.

REFUSE DISPOSAL

Refuse will be disposed by a refuse chute. The refuse is collected and compacted in the sub-cellar and manually removed to be collected by the Sanitation Department as per their schedule. A sprinkler is provided at the refuse chute as required by the N.Y.C. Building Code. The Compactors are made by Royal-Pak Systems, Inc., 206 Park Street, Hackensack, N.J. Model Econo-Krusher, 3 HP 1800 r.p.m. motor, capacity 37,000 lbs./24 hrs., cycle time 35 seconds.

SMOKE DETECTOR

Smoke detectors to be provided for each dwelling unit are to be hard wired and to be installed as per Local Law 62/81 and R.S. 17 of the New York City Building Code. All detectors to be approved by the Board of Standards and Appeals. Smoke detectors shall be located on or near the ceiling, and within fifteen feet of all bedrooms. If ceiling mounted, the closest edge of the detector-shall be a minimum of four inches from any wall. If wall mounted, the closest edge of the detector shall be a minimum of four inches and a maximum of twelve inches from the ceiling.

BATHROOM AND KITCHEN MATERIAL AND FIXTURES

Bathroom wainscot walls (with sheet rock backing), floors and 6" bases are to be of ceramic tile finishes. The remaining walls and ceilings are to be of sheet rock with a painted finish (as per architect's specification). The following are the bathroom fixture types to be included in each unit:

Bath Tubs:

1. Manufactured by Kohler or app'd. equal
   Style: Mendota
   Model No. K-505L
   Material: Cast iron enamel
   Color: Almond
   Size: 60" x 32" x 16"

2. Manufactured by Kohler or app'd. equal
   Style: Mendota
   Model No. K-506R
   Material: Cast iron enamel
   Color: Almond
   Size: 60" x 32" x 16"

Bath Tub Hardware:

1. Item: Trip lever waste
   Model No. 41-818
   Manufactured by: Gerber or app'd. equal

2. Item: Shower body 3 valve Model No. 48-031
   Manufactured by: Gerber or app'd. equal

Shower Bases:

Manufactured by: Kohler or app'd. equal
Style:Neo angle (with. drain seal)
Size: 38" x 38"

Shower Hardware:

Item: Shower body 2 valve
Model No. 48-221
Manufactured by: Gerber or app'd. equal

Water Closet:

Manufactured by: Kohler or app'd. equal
Style: Wellworth Lite
Model No. K-3421
Material: Vitreous China
Color: Almond
Size: 12"rd c/c

Wash Basin:

Manufactured by: Kohler or app'd. equal
Style: Radiant
Model No. K-2916
Material: Cast Enamel Iron
Color: Almond
Size: 19"rd

Wash Basin Hardware:	Item: Faucet Style: 4" center set with pop-up Model No. 43-431 Manufactured by: Gerber or app'd. equal
Kitchen	The sponsor will provide base and wall cabinets made of plastic laminate. Gas ranges and refrigerators will not be provided. The following items will be provided.
Sink:	Manufactured by: Kohler or app'd. equal Style: Mayfield Model No. K-5965 Material - Cast Enamel Iron Color: Almond Size: 25" x 22"
Sink Hardware:	Item: Faucet Style: 8" deck Model No. 42-416 Manufactured by: Gerber or app'd. equal

The Sponsor reserves the right to provide equipment or fixtures which are equal or better than the above.

PLUMBING AND DRAINAGE

Water is provided by the New York City Water Supply System. To provide proper water pressure a water tank is provided. The water tank to be installed over the elevator machine room. The water tanks are constructed of wood, custom built, 12,000 gallon tank, 10'-0" high by 10'-0" diameter, 120,000 lbs. rating. Water is supplied by a single meter obligated to the owners in common, located in the sub-cellar. The sewage system carries both waste and sanitary sewage from each apartment unit as well as storm water from the roof. Sewage is carried by gravity to local city sewers. The roof storm drainage system is adequate to carry runoff without ponding. Water is disposed of by drains located in all paved areas, connected to a P.V.C. storm lines within the ground or if above grade and is exposed then it will be of cast iron.

Within the property line; soil, waste and vent stacks are made of cast iron. Domestic hot and cool water piping is copper tubing. Water distribution system piping will be copper tube above and/or below grade.

HEATING

All dwelling units will have their own gas-fired boiler. Heating system will be thermostatically controlled. A 75 gallon of domestic hot water heating will be supplied for each unit. Mechanical heating Units scheduled to be installed as follows:

Boilers	Manufactured by: Weil McLean Model No. LG-4 Input: 255,000 BTU Output: 85,000 BTU MEA No.: 93-70E
Hot Water Heaters	Manufactured by: A.O; Smith Model No. BC 399 Input: 399,000 BTU MEA No. 187-78E

Systems to be approved for use in New York City under a Material Equipment Acceptance or Board of Standards and Appeals approved number. The heating systems shall be capable of maintaining an inside temperature of 68 degrees Fahrenheit with an outside temperature of 0 degrees Fahrenheit with an allowance for 3 degree Fahrenheit swing. Every habitable spaces, bathrooms and lavatory shall contain base board radiator (SlantFin or equal). Radiator unit shall be located wherever possible under a window. All base board radiators shall have a metal cover. Unless radiator is located within exterior wall, provide reflected rigid insulation.

GAS SUPPLY

Mechanical Spaces.

The mechanical space in which all integrated hydraulic heating and hot water appliances are located, is constructed of a 2 (two) hour fire rated wall enclosure that consists of 5/8" nominal metal studs at 16 (sixteen) inches on center with 2 (two) layers of 5/8" thick sheet rock (F.C. #60) on both sides (B.S. & A. cal# 301-60SM). The ceiling shall also be made of (2) two hrs. fire rated construction which will be of 2 (two) layers of 5/8" thick sheet rock (F.C. #60). Also the enclosure is properly ventilated with a gravity operated fire damper with fusible links louver.

Natural gas for cooking, the burners and domestic hot water is supplied by Keyspan Energy Delivery. Natural gas is metered through individual meters for each residential unit. The meters are located in the sub-cellar. All gas piping is to be threaded black iron.

VENTILATION

All interior bathrooms, kitchenettes and laundry closets are ventilated by roof top exhaust fans through galvanized metal vent ducts.

ELECTRICAL SYSTEMS

The service to the building will be 1400 AMPS three phase 277/480 stepped down to 120/240 V for each apartment. Services to individual units: 60 amps, 3 wire, 208 volts with #6 copper cables. Each apartment unit is individually metered. A separate meter, obligated to the condominium owners in common services public spaces and utilities. Meters are located in the sub-cellar. Only copper wire shall be used. Switches are acceptable as per New York City code. Lighting circuits protected. Utility outlets protected by 20 amps breaker. No. 12 BX wire as per New York City code. Outside fixtures shall be waterproof type.

Each unit will have its own circuit breaker. Each apartment unit will also have about 12 circuits with 100 amp. rating. All units shall have 60 amp sub-feeder main breaker. Main circuit breaker for each meter shall be 100 amp. Intercoms and bell systems for apartment shall be of low voltage (24 volts). The electrical system is adequate for modern usage, including air conditioning.

Lighting for the units will consist of ceiling mounted incandescent fixtures in the bedrooms, bathrooms, hallways, kitchens, dining rooms, living rooms, laundry rooms, mechanical rooms and closets.

ASBESTOS MATERIAL

The entire building will contain only non asbestos material

PERMIT AND INSPECTION

Permits: -Before starting work, the builder obtained a work permit from the Department of Buildings, City of New York.

INSPECTIONS

Builder to retain the service of a Registered Architect or Professional Engineer for control inspections on borings, concrete, mechanical ventilation and fire stopping, all in accordance with the requirements of the New York City Building Code.

PUBLIC AREA LIGHTING

Under current "Approved Plans" the front entrances will be illuminated by a weatherproof incandescent light fixture, which shall give an illumination of at least two foot candles and shall be operated by a light sensor device or timer. Stair halls (common) will be illuminated with ceiling mounted incandescent fixtures and public corridor (common) will be illuminated with ceiling mounted incandescent fixtures, including meter rooms. All lighting, exterior lighting and night lighting in public parts of the building shall comply with the New York State Multiple Dwelling Law and New York City Housing and Maintenance Code.

FINISH SCHEDULE OF SPACES OTHER THAN UNITS

ROOM	FLOOR	BASE	WALLS AND CEILING
Vestibule	Vinyl Composite Tile Flooring	Rubber	G.W.B. Painted
Stair Halls	Vinyl Composite Tile Flooring	Rubber	G.W.B. Painted
Sub-cellar	Concrete	Rubber	G.W.B. Painted

FINISH SCHEDULE OF INTERIOR SPACES

ROOM	FLOOR	BASE	WALLS AND CEILING
Living/Dining	Concrete	Wood	G.W.B. Painted
Bedroom	Concrete	Wood	G.W.B. Painted
Kitchen	Vinyl Tile	Rubber	G.W.B. Painted
Bathroom	Ceramic Tile	Ceramic Tile	G.W.B. Painted
Laundry Room	Ceramic Tile	Tile	G.W.B. Painted
Mechanical Room	Concrete	G.W.B. Painted	G.W.B. Painted
Storage Room	Concrete	Wood	G.W.B. Painted
Stair Hall	Concrete	Metal	G.W.B. Painted

Note: G.W.B. = Gypsum Wall Board

UNIT INFORMATION	564 and 580 Wythe Avenue	
Unit SC	Management Office	-0-
Unit OA	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit OB	2 Bedroom Apartment	4 1/2 Rooms & 1 Bath
Unit OC	Storage	-0-
Unit OD	Storage	-0-
Unit 1A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 1B	3 Bedroom Apartment	5 1/2 Rooms & 2 Bath
Unit 1C	2 Bedroom Apartment	4 1/2 Rooms & 2 Baths
Unit 1D	2 Bedroom Apartment	4 1/2 Rooms & 1 Bath
Unit 2A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 2B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 2C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 2D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 3A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 3B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 3C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 3D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 4A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths

Unit 4B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 4C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 4D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 5A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 5B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 5C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 5D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 6A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 6B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 6C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 6D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 7A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 7B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 7C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 7D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 8A	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 8B	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths

Unit 8C	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths
Unit 8D	3 Bedroom Apartment	5 1/2 Rooms & 2 Baths

GENERAL INFORMATION

The buildings and site will be constructed in accordance with the New York City Building Code, the Multiple Dwelling Code, the New York City Zoning Resolution and all other applicable authorities and in accordance with the plans and applications on file with the Department of Buildings of the City of New York.

Dated: January 18, 2001

MAURICE BREZEL, R.A.



ADDENDUM TO ARCHITECT'S REPORT
FOR THE STRUCTURES
564 AND 580 WYTHE AVENUE, BROOKLYN, NEW YORK

The following items are hereby added to the Architect's Report for the above property:

1. The allowable use of the attic space is accessory use; storage units for the building is an allowable accessory use.

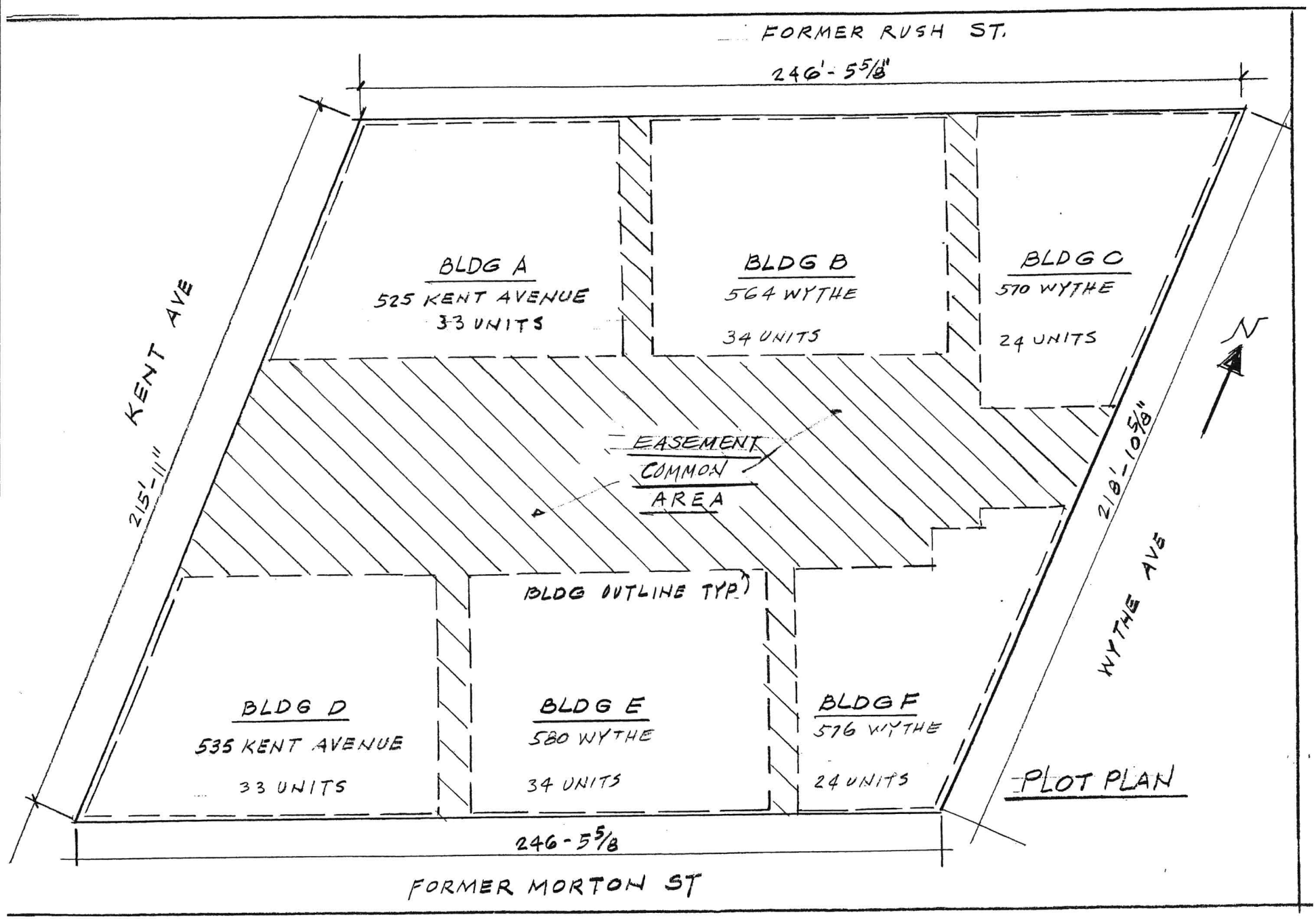
2. All units will have an easement through storage units S2, S8, S28 and S33 for access to the roof areas at the attic level.

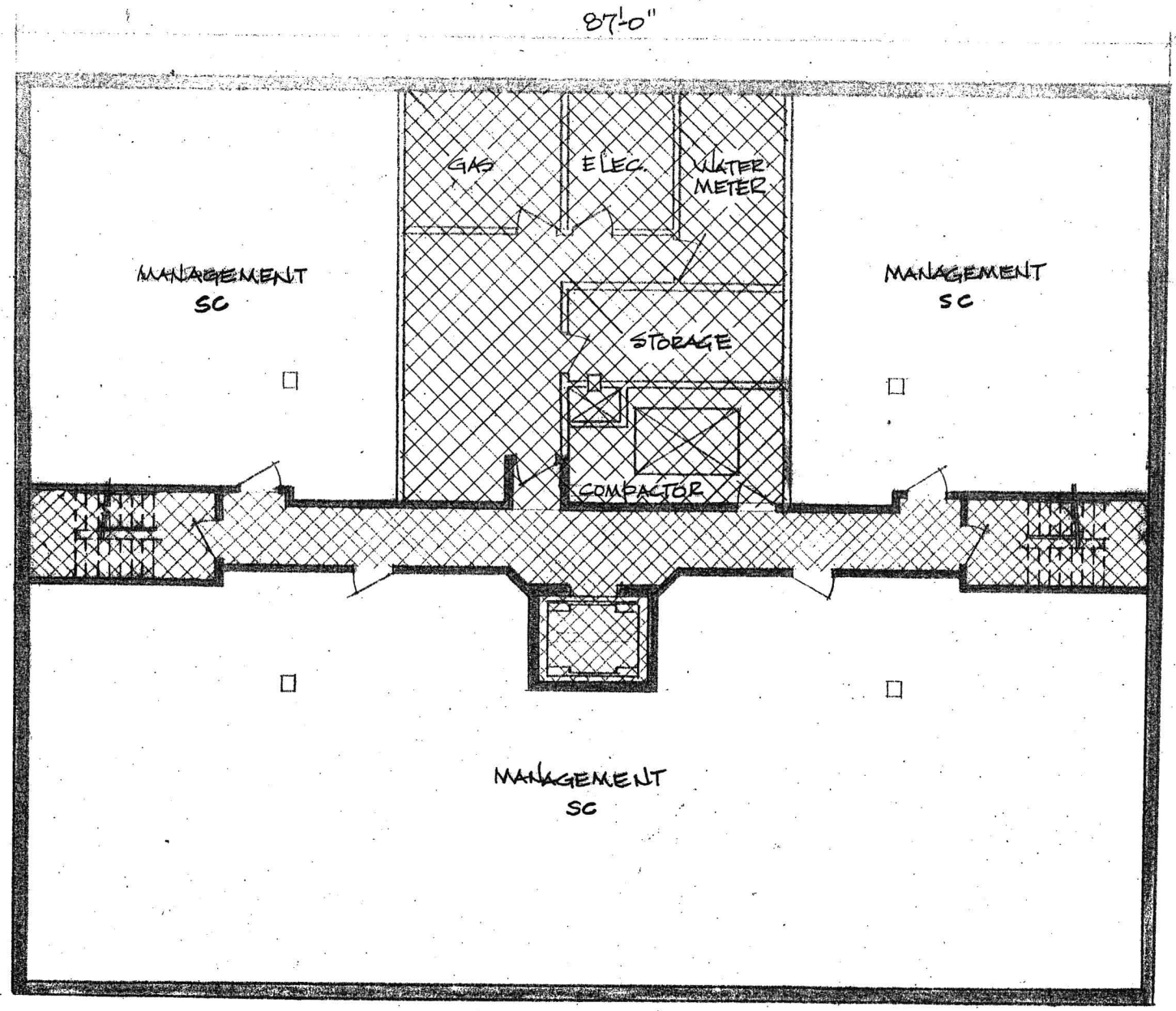
3. The parapets are 2'-8" in height constructed of 4" brick, 8" block covered by a precast concrete coping stone.

4. Each unit has its own 3" through-wall metal chimney providing required ventilation from the mechanical room.



maurice brezel/registered architect
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0783


FORMER RUSH ST.
246'-5 5/8"
KENT AVE
215'-11"
BLDG A
525 KENT AVENUE
33 UNITS
BLDG B
564 WYTHE
34 UNITS
BLDG C
570 WYTHE
24 UNITS
N
EASEMENT
COMMON
AREA
218'-10 5/8"
WYTHE AVE
BLDG OUTLINE TYP.
BLDG D
535 KENT AVENUE
33 UNITS
BLDG E
580 WYTHE
34 UNITS
BLDG F
576 WYTHE
24 UNITS
PLOT PLAN
246-5 5/8
FORMER MORTON ST



564 WYTHE AVE
SUB CELLAR

564 WYTHE AVE BKLYN

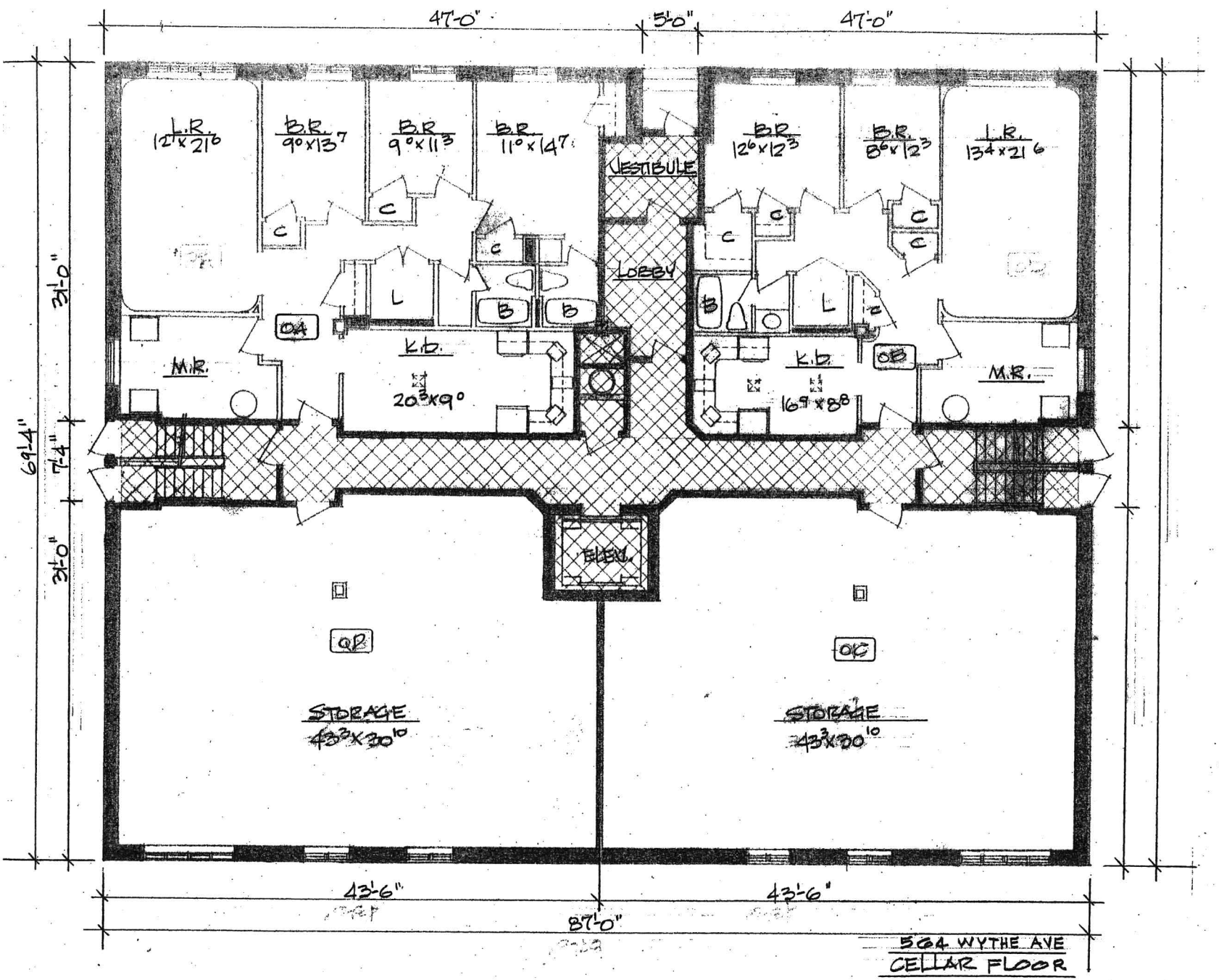
SUB CELLAR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breza
registered architect
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 435-09

BLDG B

date:	dwg # 2
job no.	



564 WYTHE AVE BKLYN

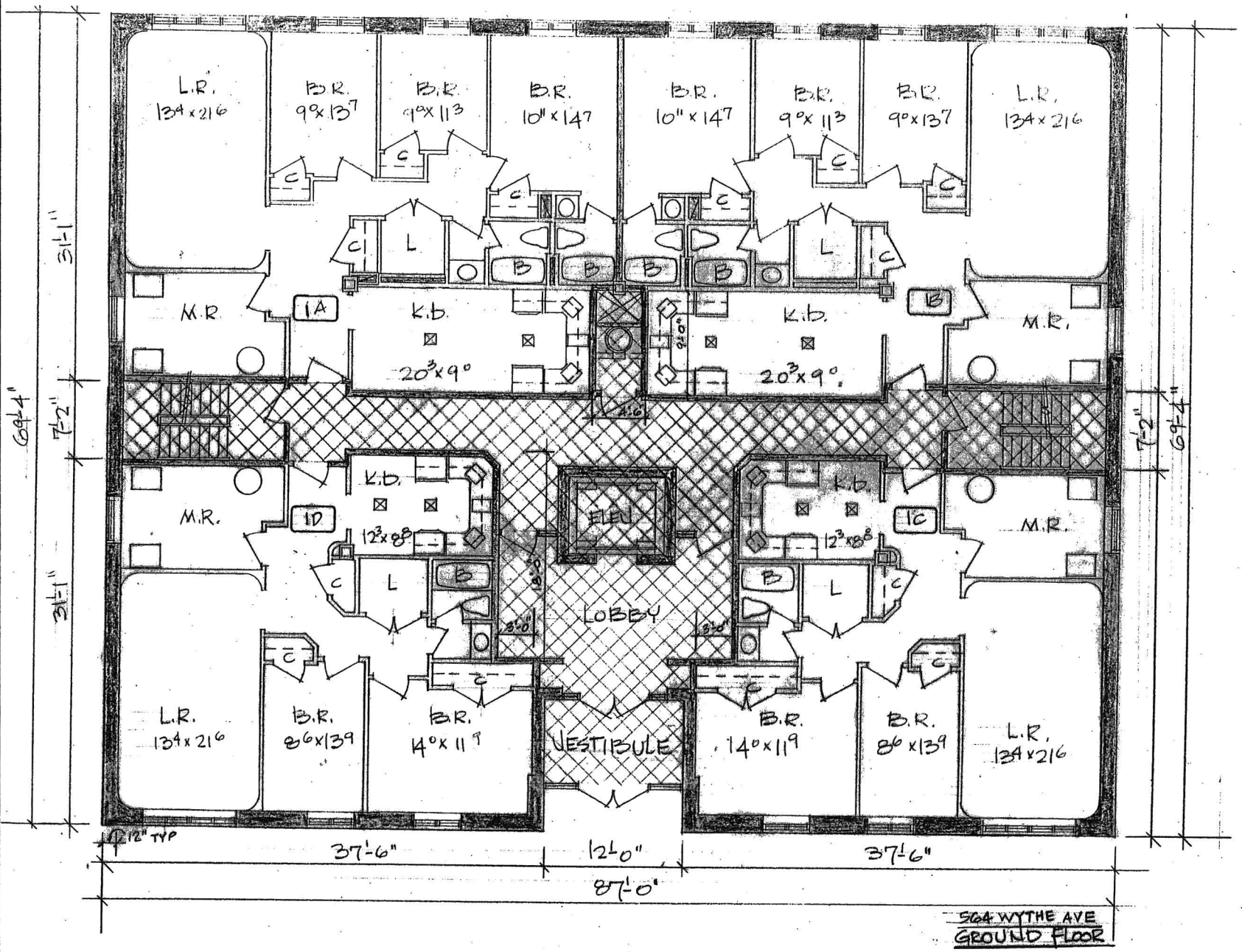
CELLAR

1 Architect has not been retained for inspections or supervision at the job site.
2 No plans shall be scaled
3 Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy

maurice brez
registered architec
1482 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 69

BLDG B

3



564 WYTHE AVE BKLYN

GROUND FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be sealed.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

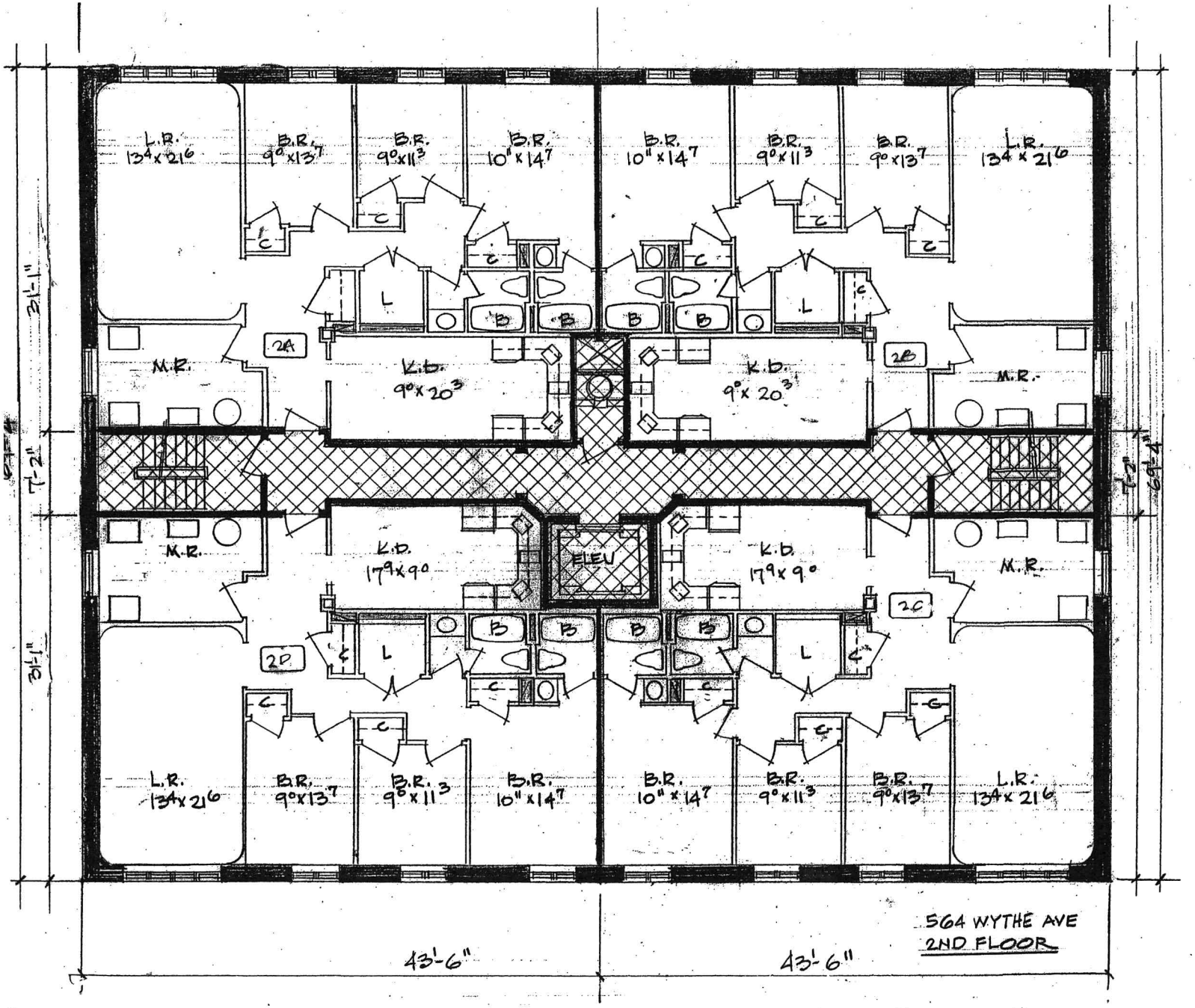
maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0

BLDG B

date:

job no.

dwg
4



564 WYTHE AVE, BKLYN

2ND FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0

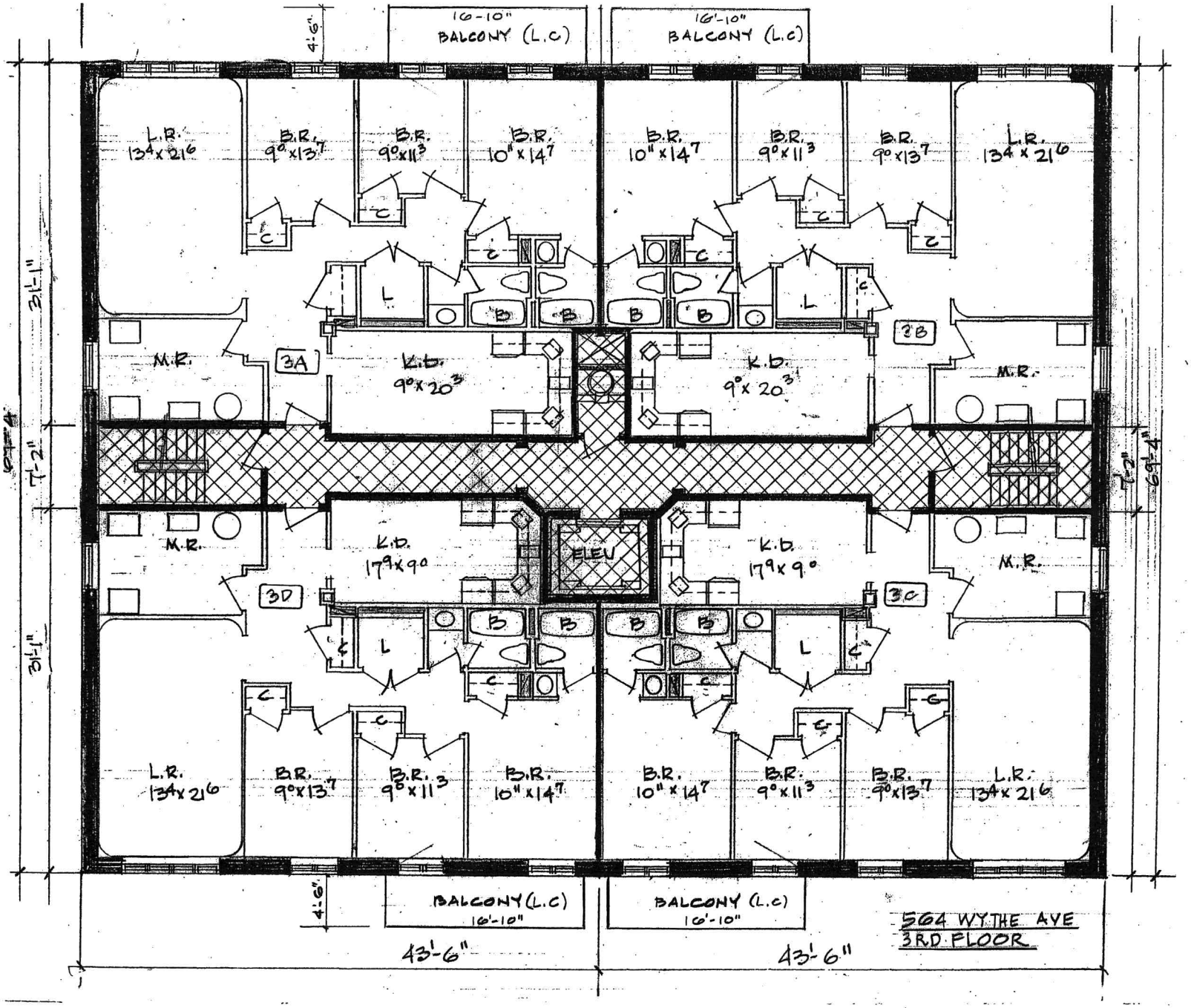
BLDG B

date:

job no.

dwg

5



564 WYTHE AVE BKLYN

3RD FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

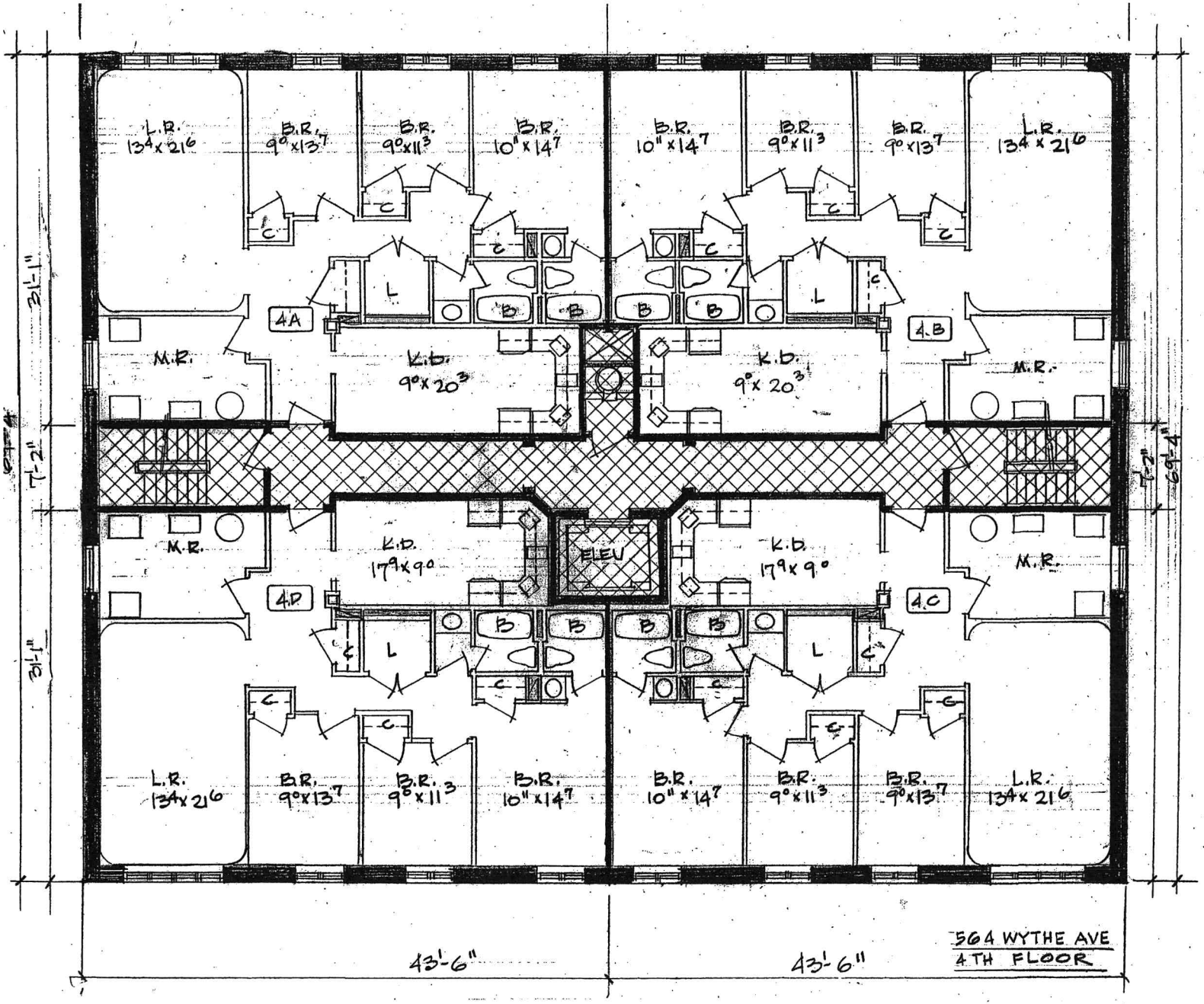
maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0

BLDG B

date:

job no.

dwg. 6



564 WYTHE AVE BKLYN

4TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

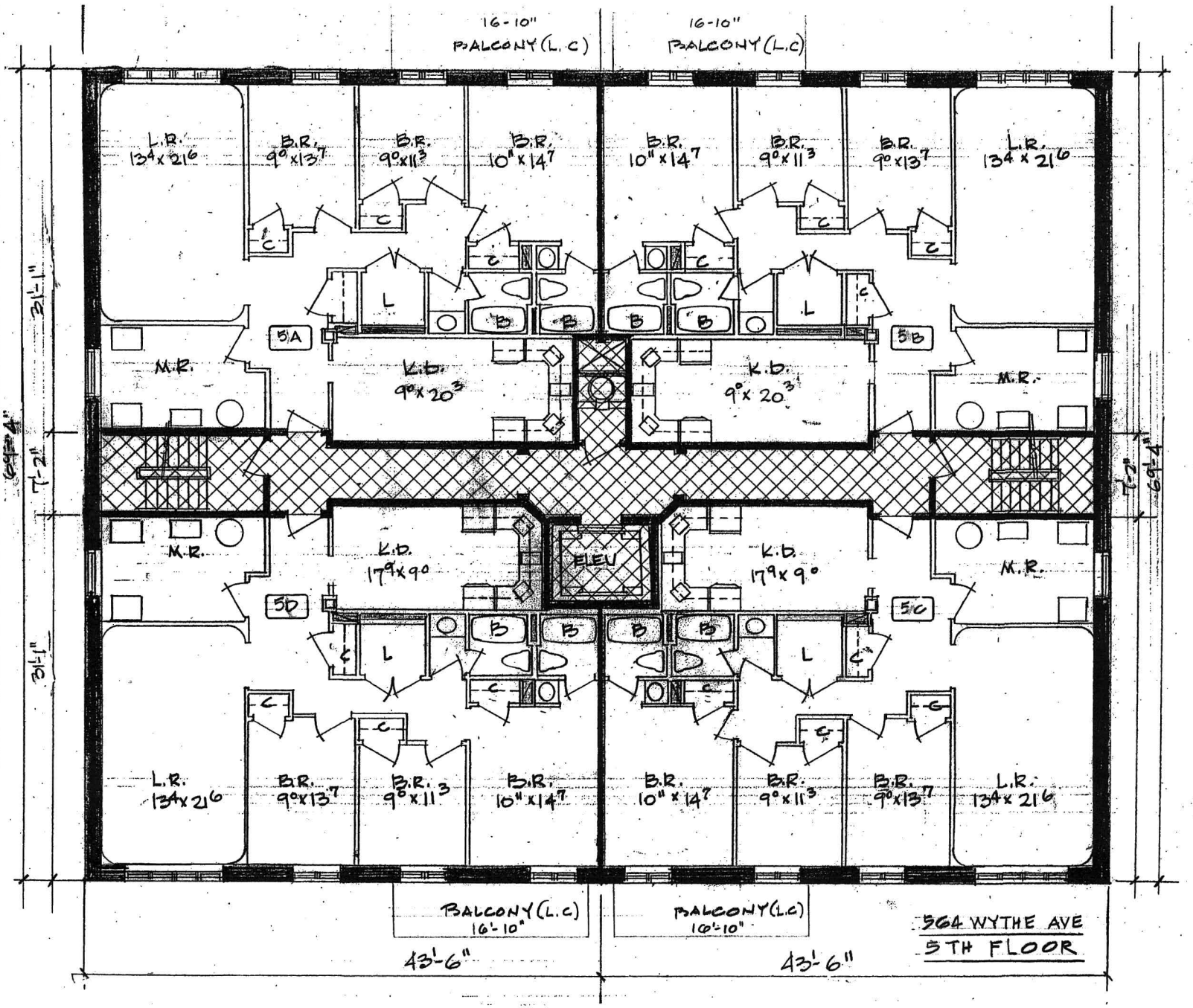
maurice breze
registered architec
1402 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0

BLDG B

date

job no.

dwg 7



564 WYTHE AVE BKLYN

5TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

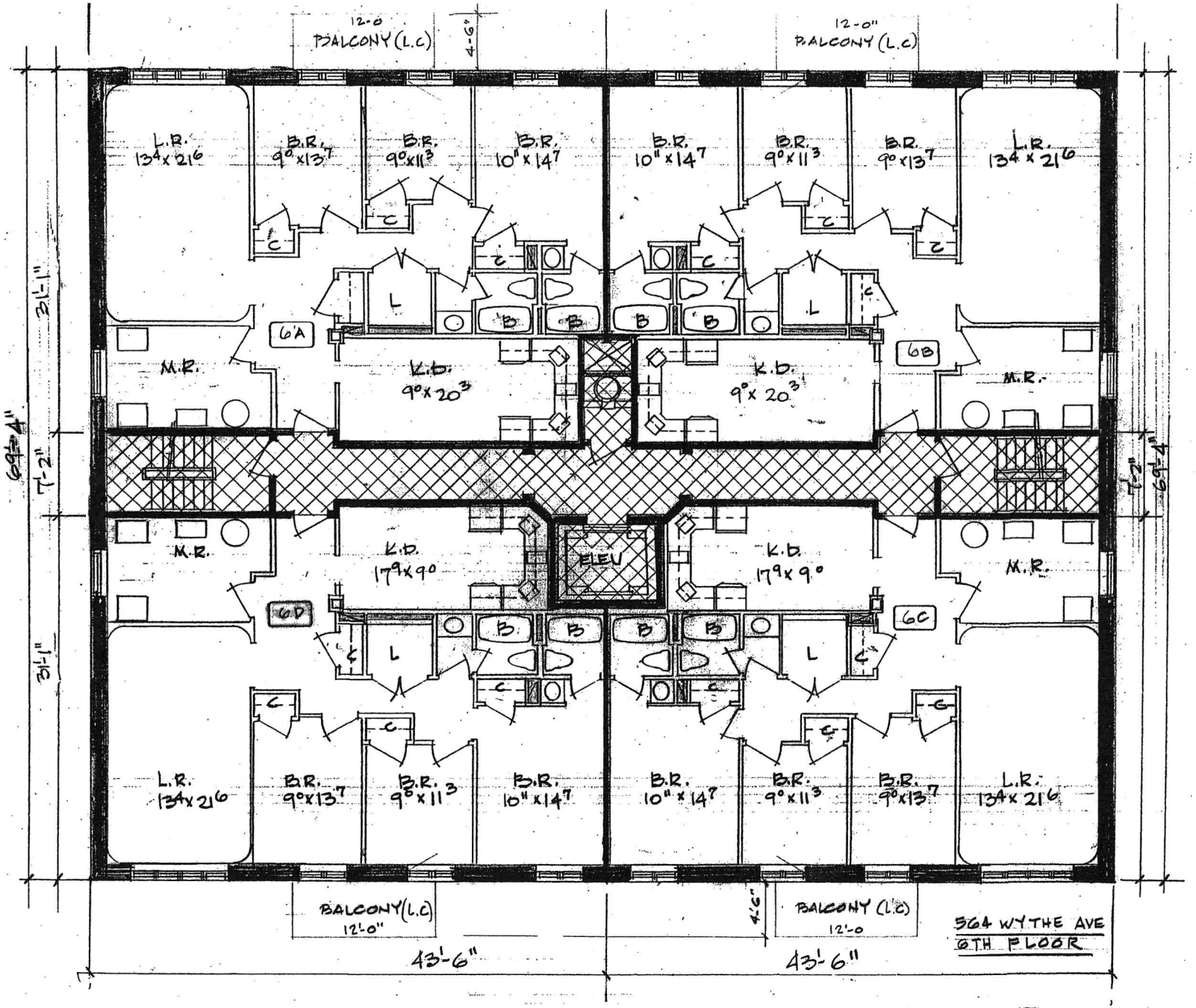
maurice breze
registered architec
1402 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-

BLDG B

date

job no.

dwg 8



564 WYTHE AVE BKLYN

6TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencin work at completion he shall obtain a certificate of occupancy.

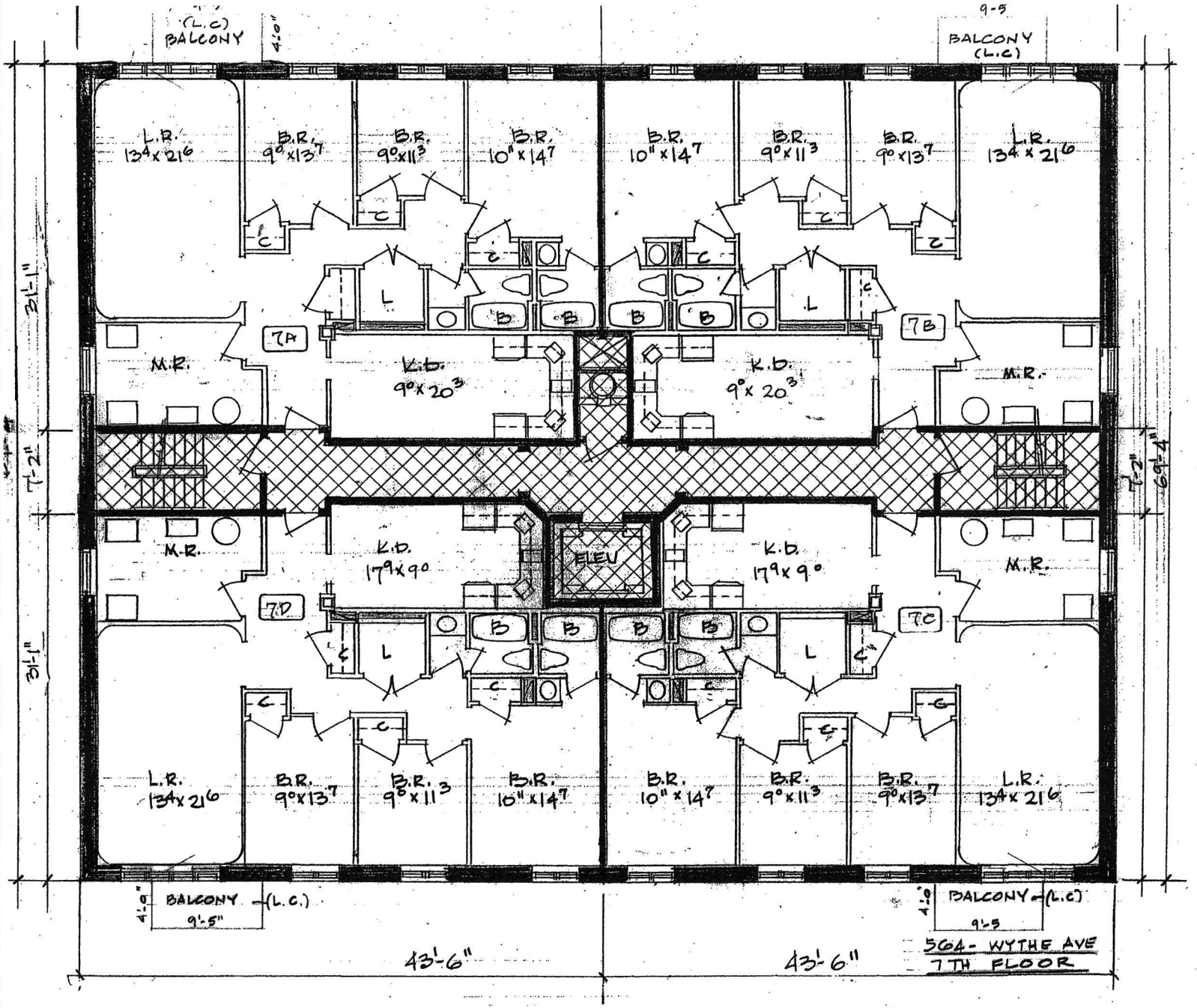
maurice brez
registered archite
1402 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633

BLDG B

date:

job no.

drwg



564 WYTHE AVE BKLYN

7TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

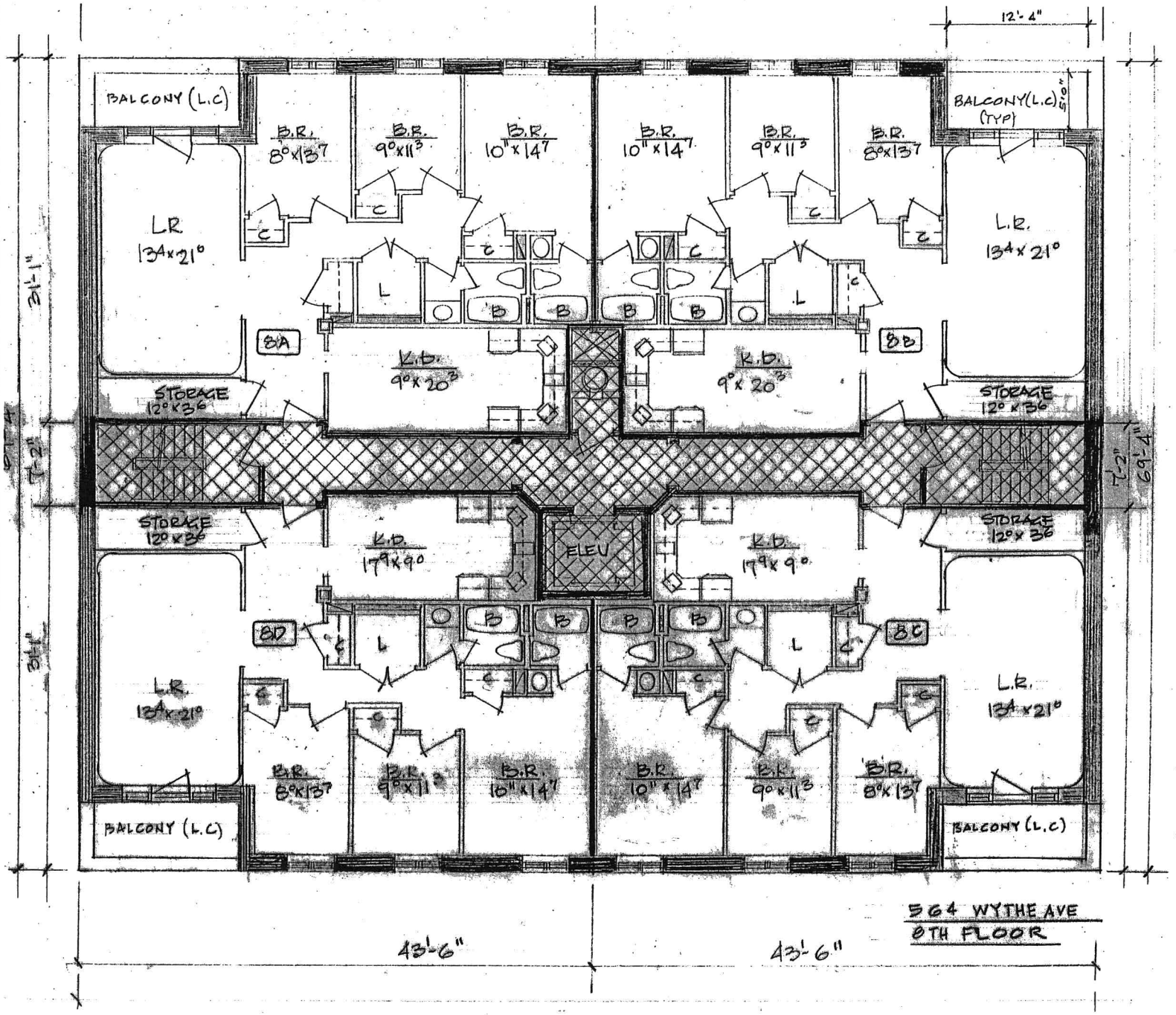
maurice breze
registered architec
1482 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-07

BLDG B

date

job no.

dwg 1C



564 WYTHE AVE BKLYN

8TH FLOOR

1. Architect has not been retained for inspections or supervision of the job site.
2. No plans shall be sealed.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1442 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-07

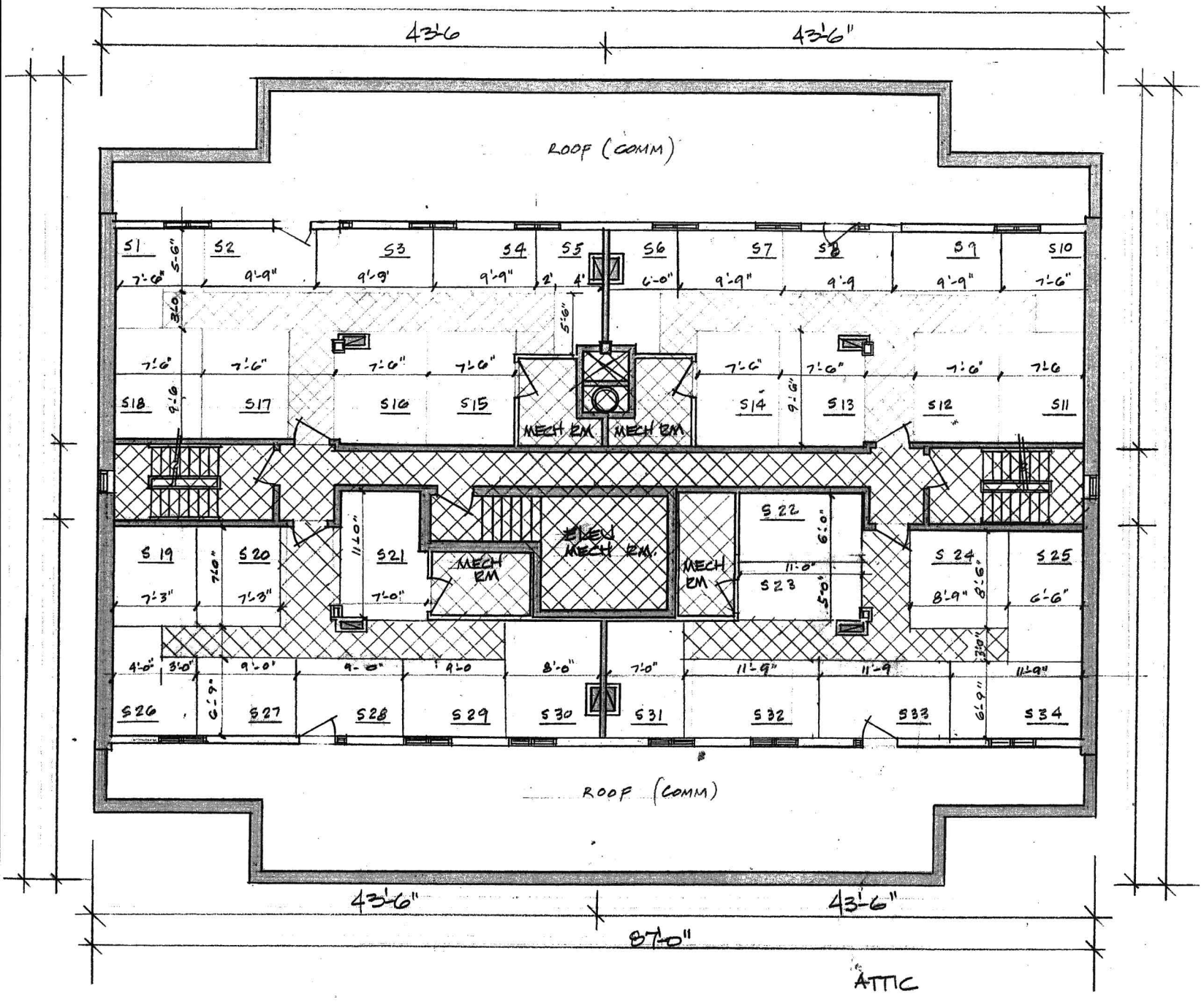
BLDG B

date

job no.

dwg no.

11



564 WYTHE AVE BKLYN

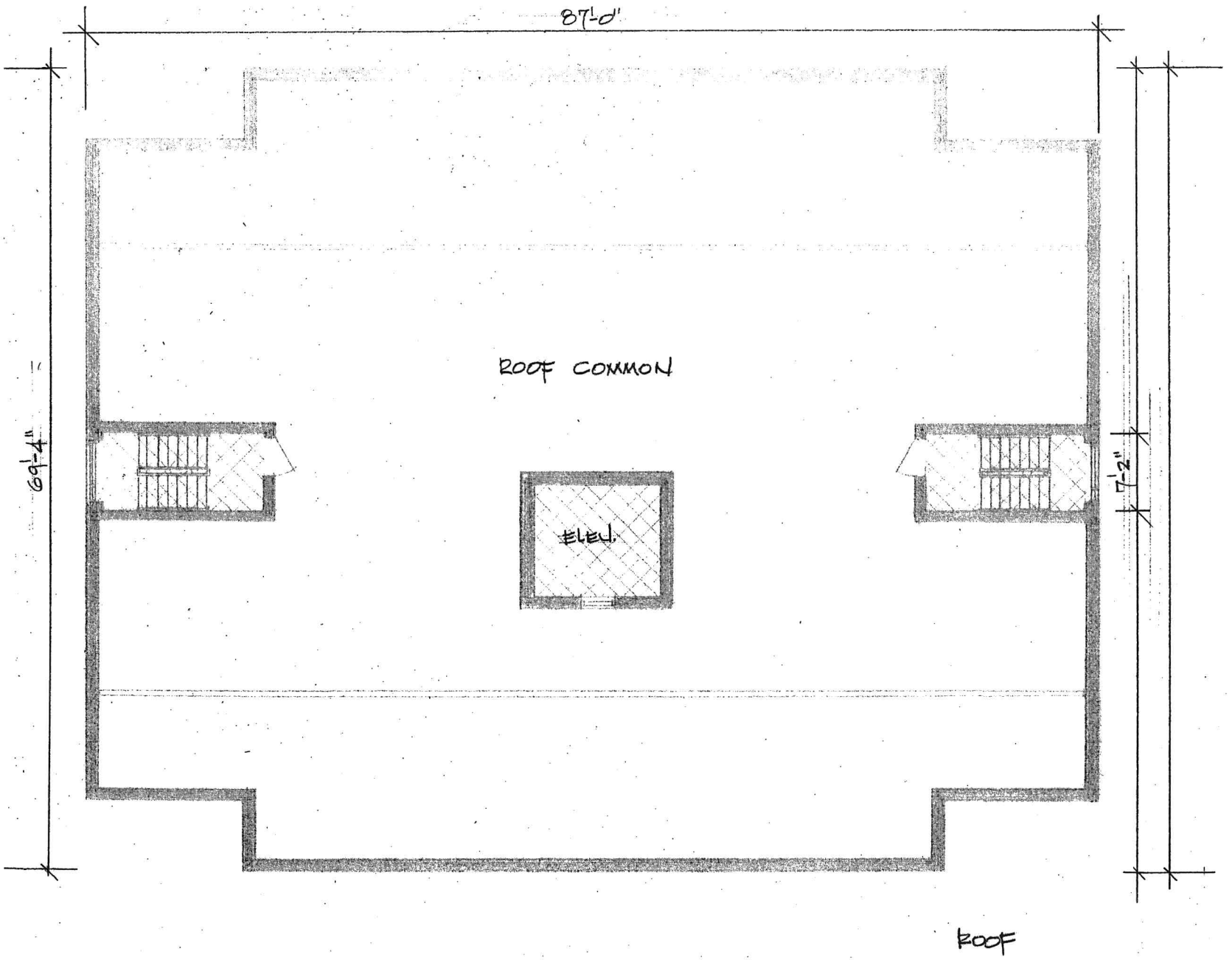
ATTIC

1. Architect has not been retained for inspection of work prior to the job site.
2. No guarantee of quality.
3. Contractor shall obtain all necessary permits prior to commencing work of installation. No work done in a workmanlike manner.

maurice brezel
registered architect

BLDG B

12



B64 WYTHE AVE BKLYN

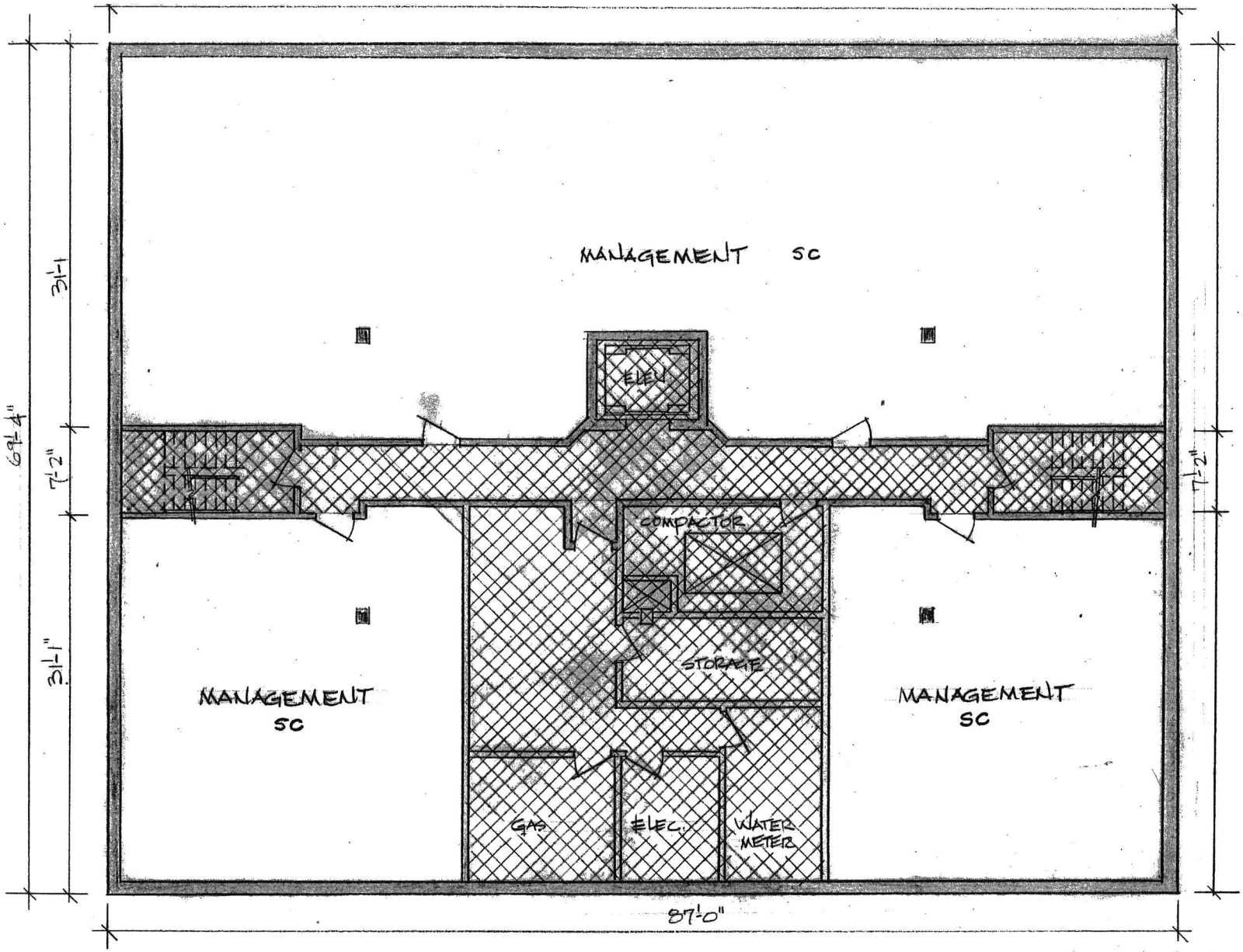
ROOF

1. Architect has not been retained for inspection of this job site.
2. No signs shall be posted.
3. Contractor shall obtain all necessary permits prior to commencing work & completion he shall obtain a certificate of occupancy.

maurice brezel
registered architect

BLDG B

13



580 WYTHE AVE
SUB CELLAR

580 WYTHE AVE BKLYN

SUB CELLAR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencin work at completion he shall obtain a certificate of occupancy.

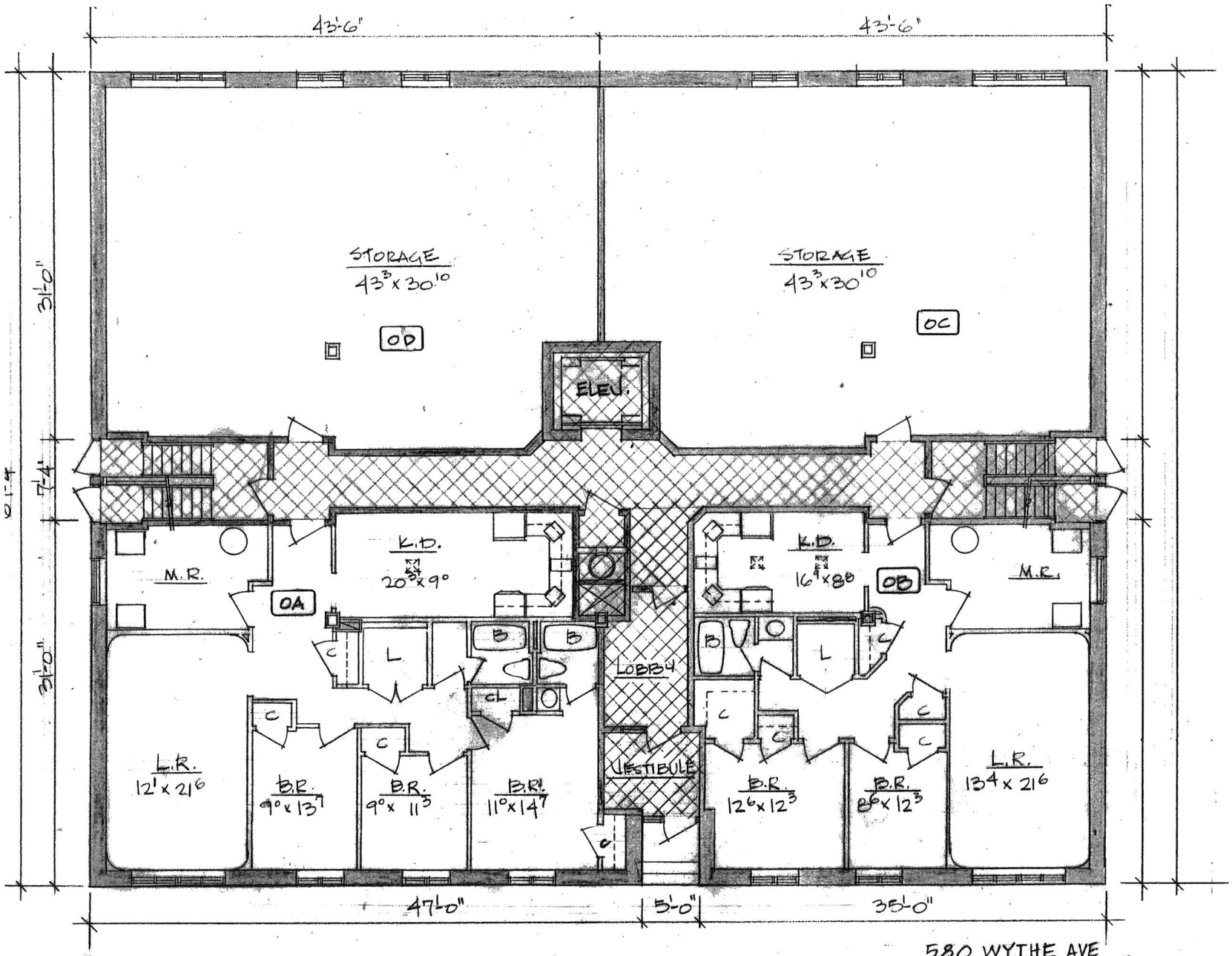
maurice brez
registered archite
1482 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633

BLDG E

date:

job no.

dwg



580 WYTHE AVE
CELLAR FLOOR

580 WYTHE AVE BKLYN

CELLAR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be sealed.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-078

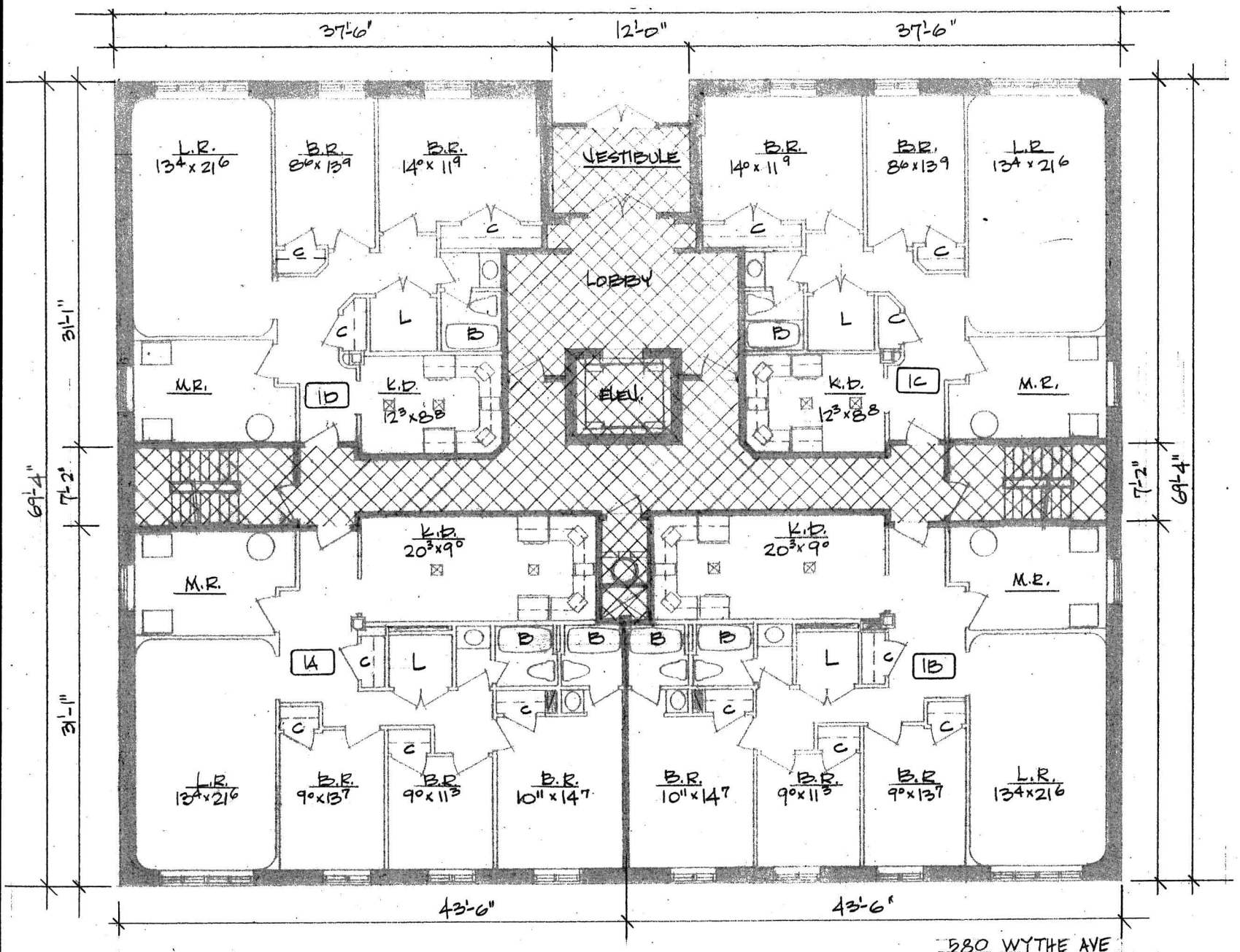
REGISTERED ARCHITECT MAURICE BREZER No. 013944 UNIVERSITY OF THE STATE OF NEW YORK

BLDG E

date

job no.

dwg no. 3



580 WYTHE AVE
GROUND FLOOR

580 WYTHE AVE BKLY

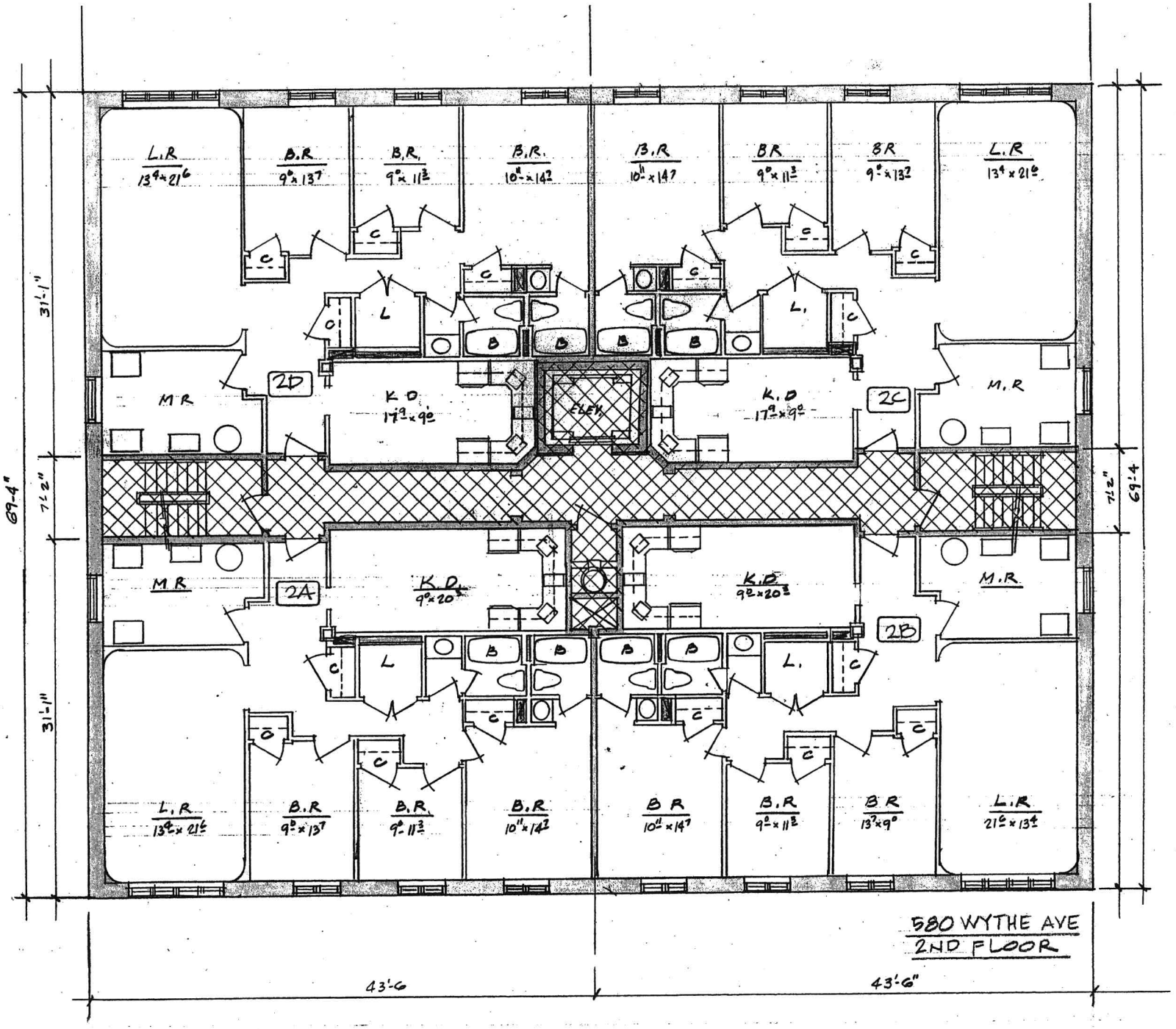
GROUND FLOOR

1 Architect has not been retained for inspections or supervision of the job site.
2 No plans shall be revised.
3 Contractor shall obtain all necessary permits prior to commencement of work or demolition he shall obtain a certificate of occupancy.

maurice brez
registered archite
1482 FIFTY SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 83

REGISTERED ARCHITECT MAURICE BREZE STATE OF NEW YORK

BLDG E



580 WYTHE AVE BKLYN

2ND FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-07

REGISTERED ARCHITECT MAURICE BREZEL No. 013844 UNIVERSITY OF THE STATE OF NEW YORK

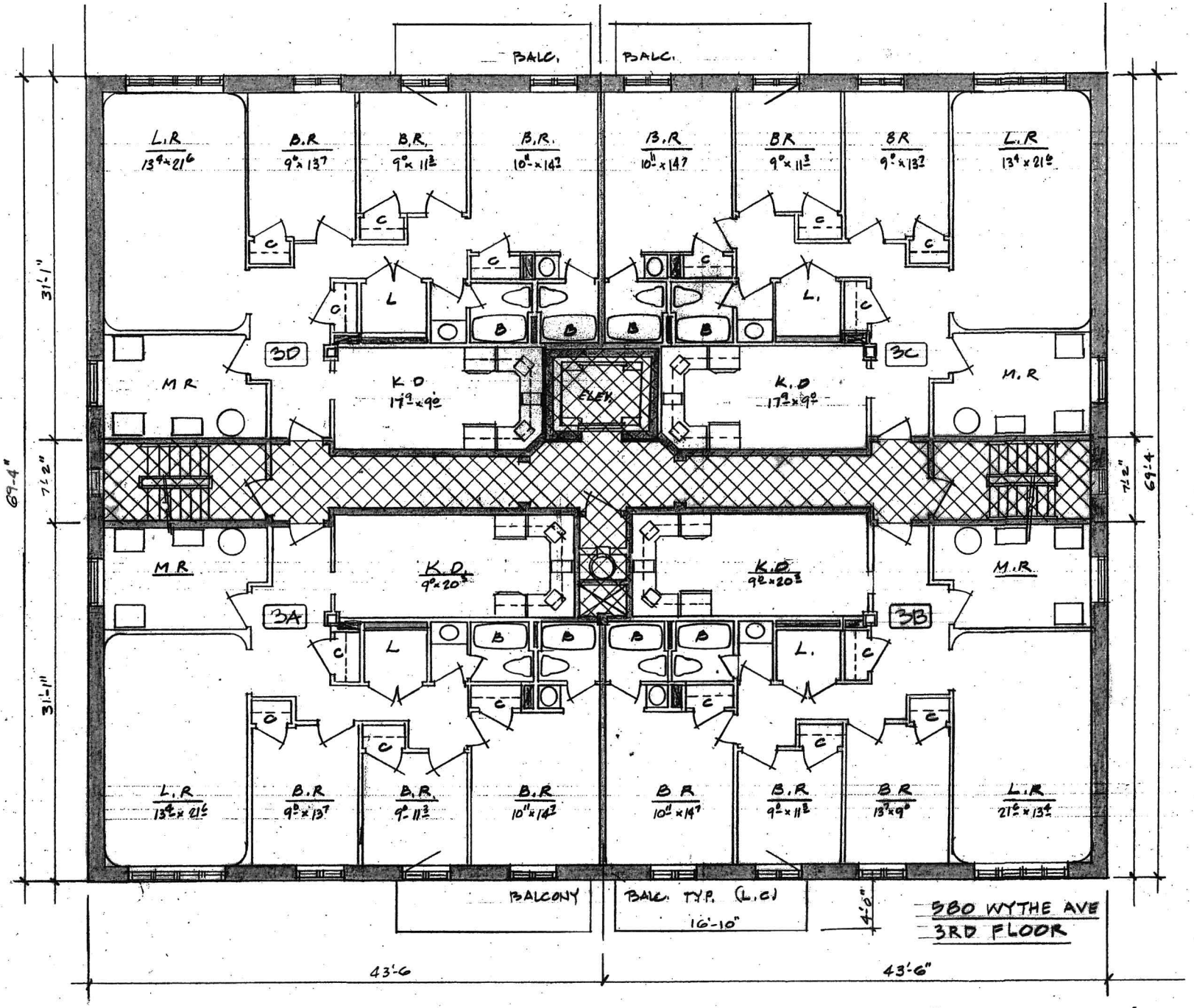
BLDG E

date:

job no.

dwg

5



580 WYTHE AVE BKLYN

3RD FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

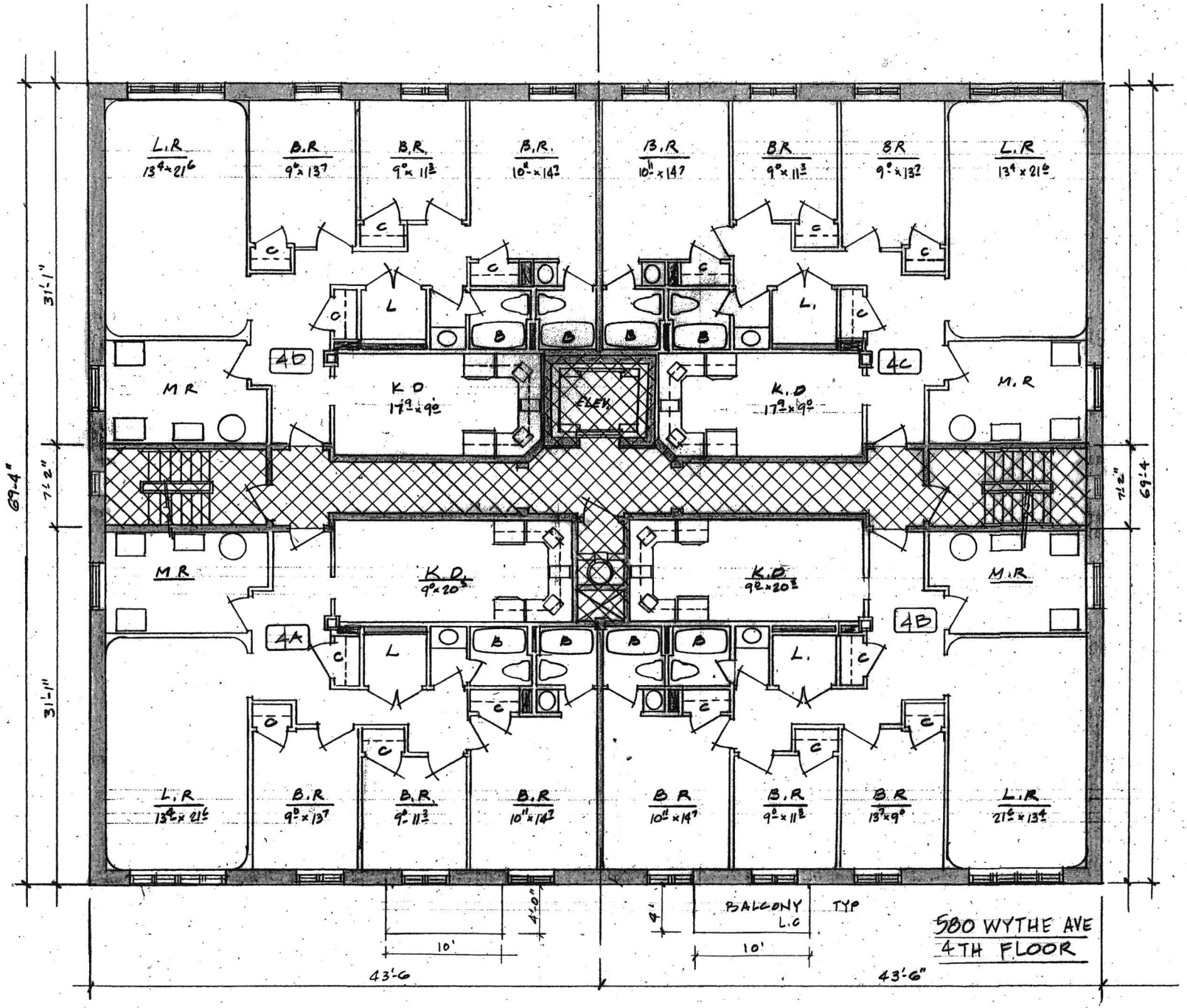
maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-

REGISTERED ARCHITECT MAURICE BREZIS No. 013964 UNIVERSITY OF THE STATE OF NEW YORK

BLDG E

date

job no.



580 WYTHE AVE
4TH FLOOR

580 WYTHE AVE BKLYN

4TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered archite
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-

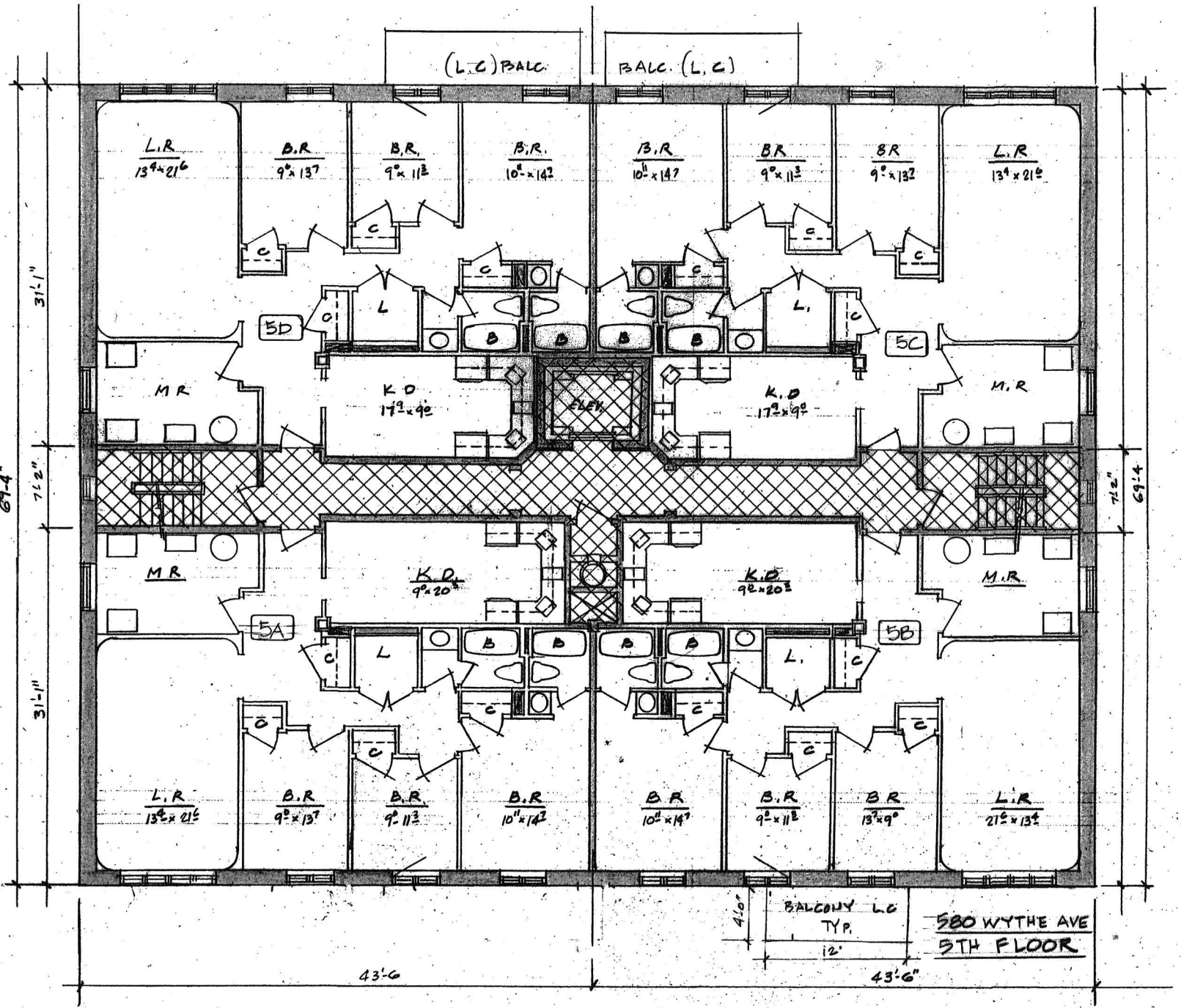
REGISTERED ARCHITECT
MAURICE BREZEL
No. 019644
UNIVERSITY OF THE STATE OF NEW YORK

BLDG E

date:

job no.

sheet 7



580 WYTHE AVE BKLYN

5TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-07

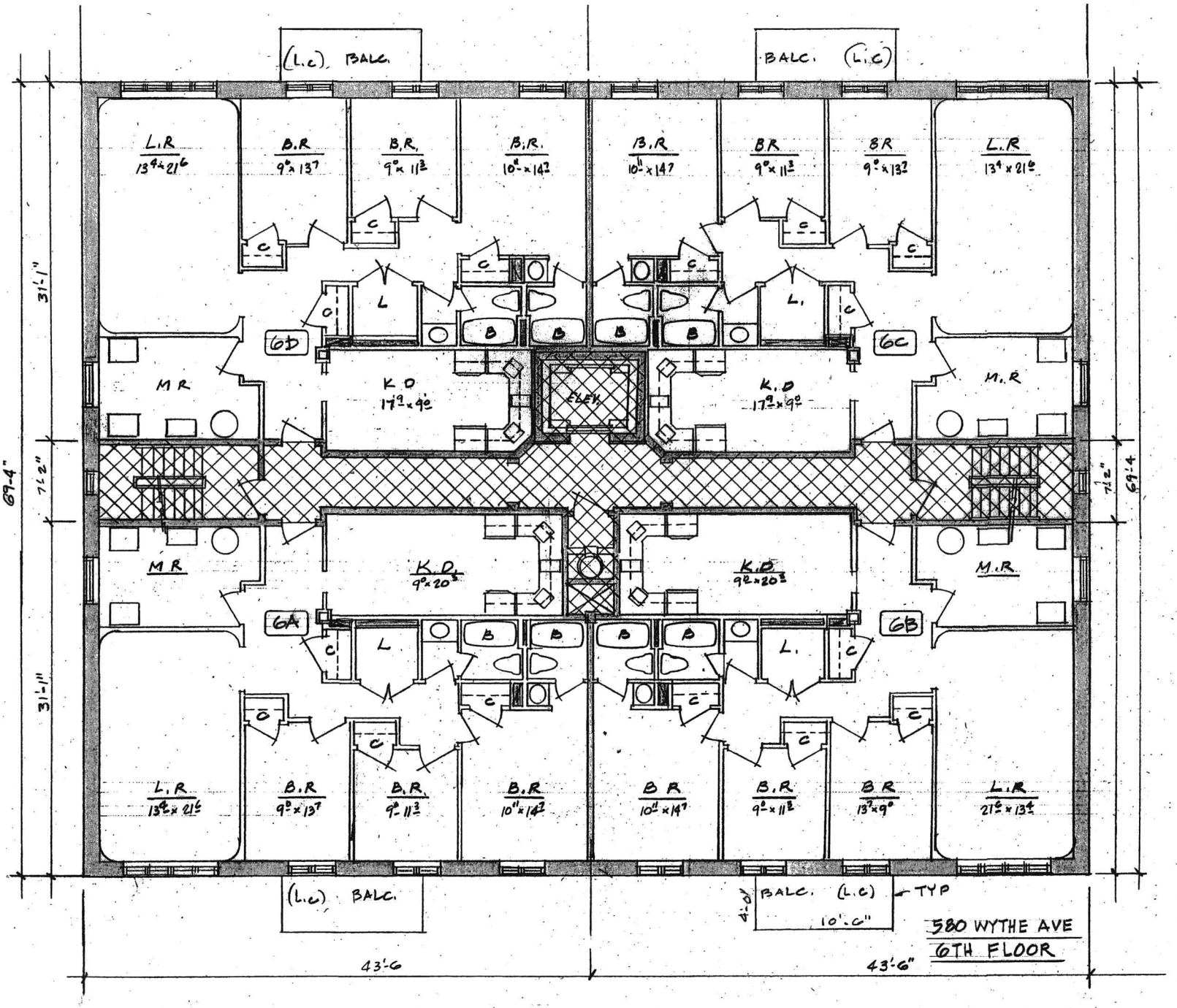
REGISTERED ARCHITECT MAURICE BREZEL No. 013644 UNIVERSITY OF THE STATE OF NEW YORK

BLDG E

date:

job no.

dwg 8



580 WYTHE AVE
6TH FLOOR

580 WYTHE AVE BROOKLY

6TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1482 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-07

REGISTERED ARCHITECT MAURICE BREZEL No. 013944 UNIVERSITY OF THE STATE OF NEW YORK

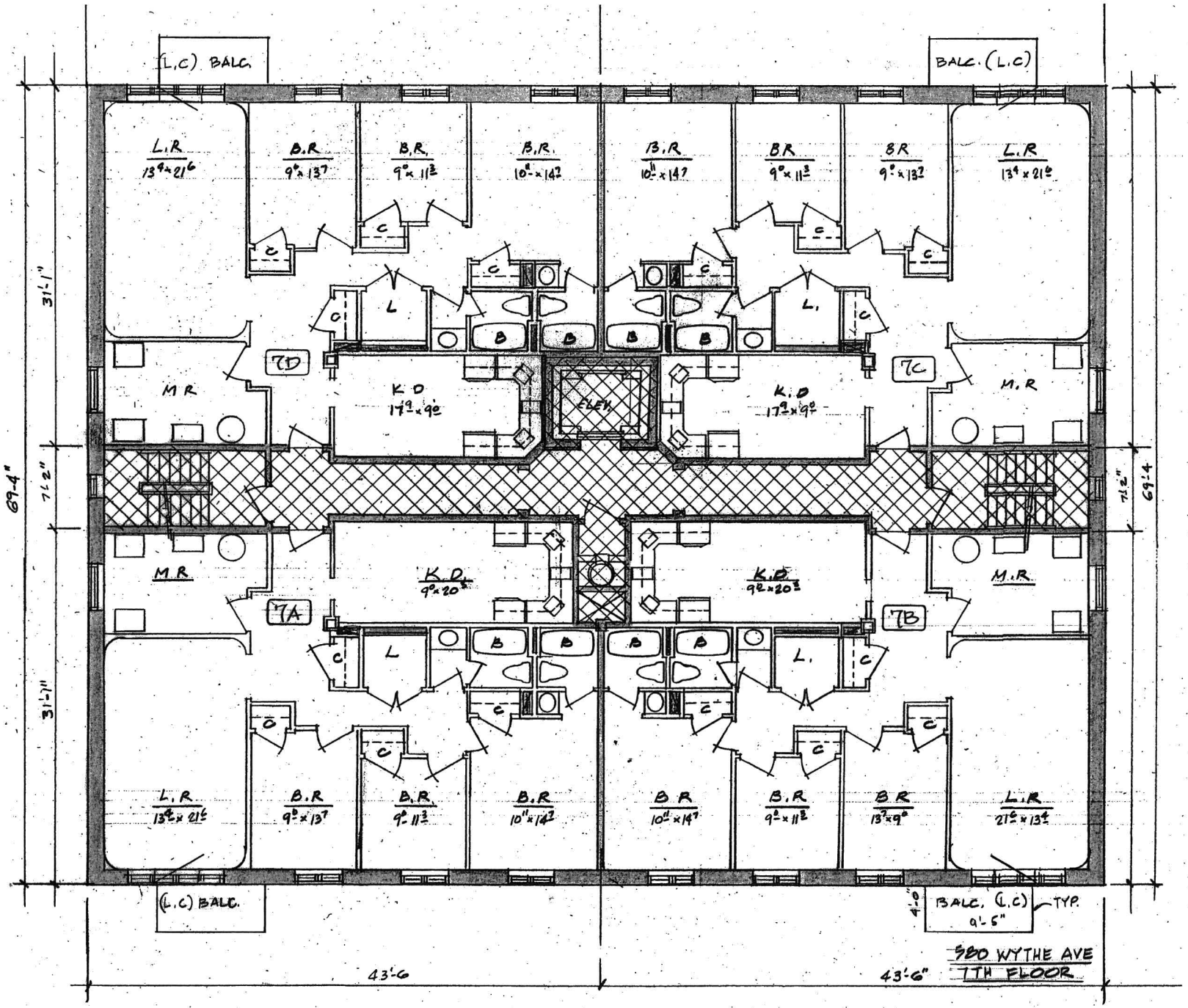
BLDG E

date:

job no.

dwg

9



580 WYTHE AVE BKLYN

7TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be sealed.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0

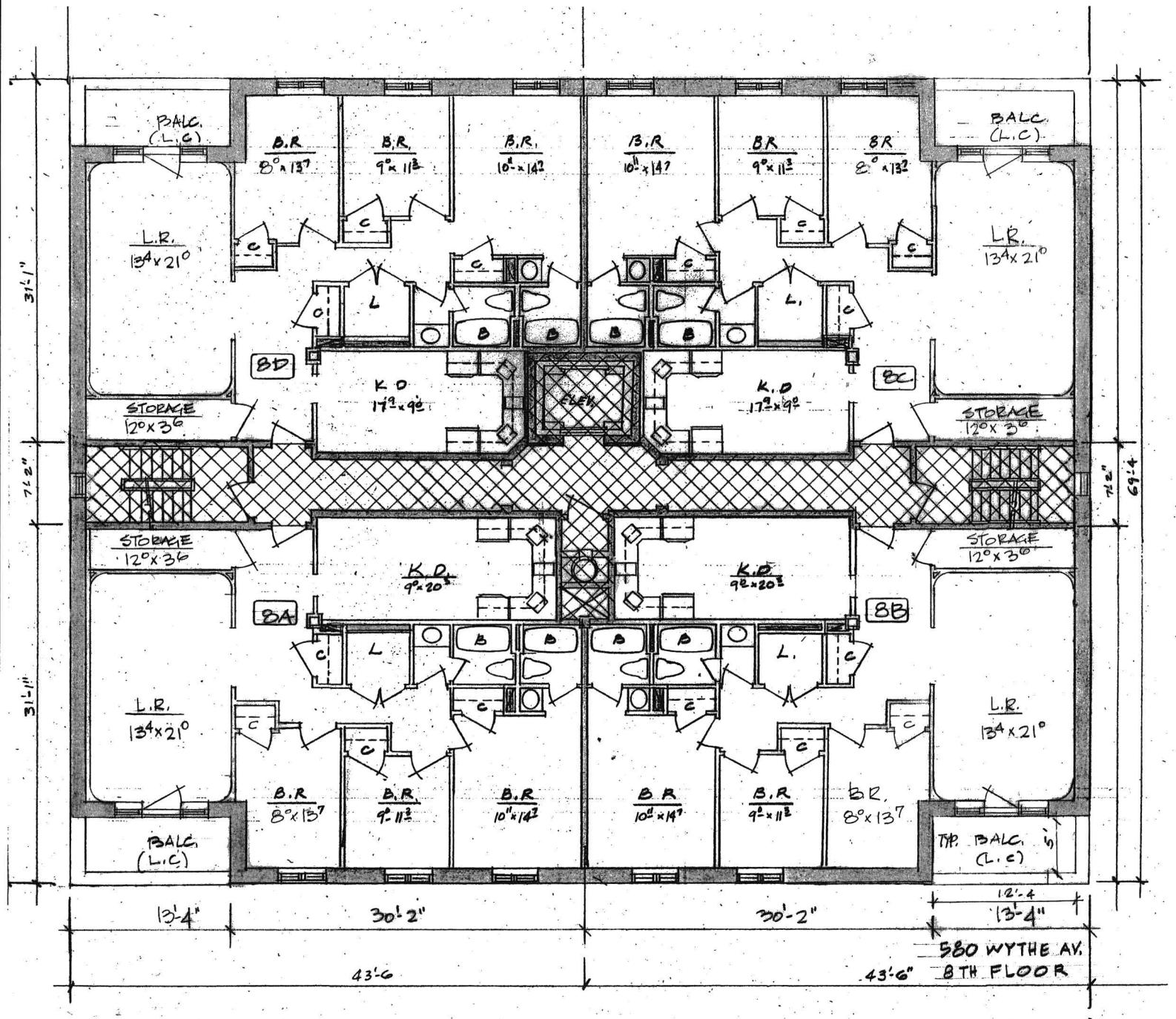
REGISTERED ARCHITECT MAURICE BREZER No. 013564 UNIVERSITY OF THE STATE OF NEW YORK

BLDG E

date:

job no.

dwg



580 WYTHE AV.
8TH FLOOR

580 WYTHE AVE BKLYN

8TH FLOOR

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be sealed.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

maurice brezel
registered architect
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0783

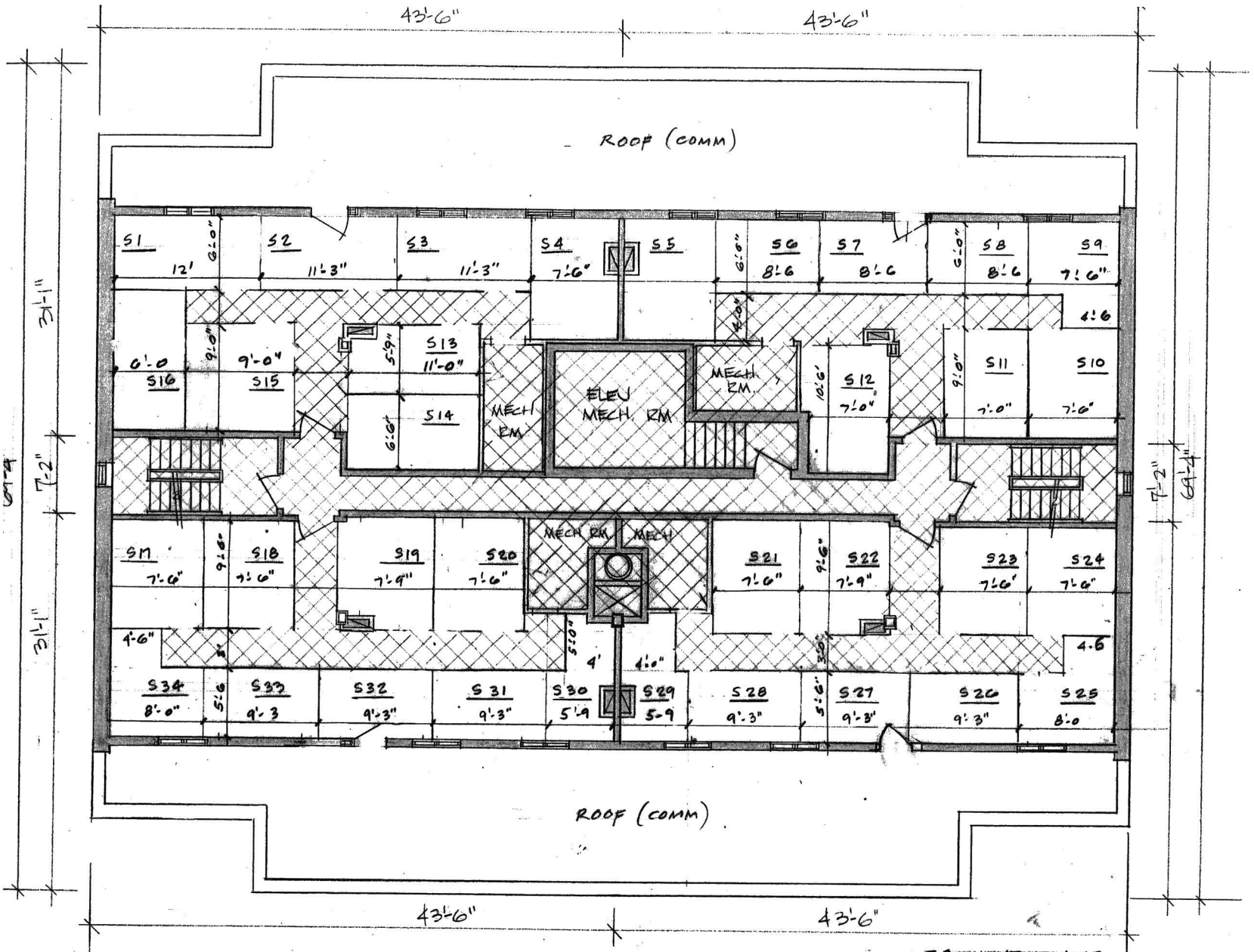
REGISTERED ARCHITECT MAURICE BREZEL No. 013544 UNIVERSITY OF THE STATE OF NEW YORK

BLDG E

date:

job no.

dwg no. 11



580 WYTHE AVE
ATTIC FLOOR

580 WYTHE AVE BKLYN

ATTIC

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work at completion he shall obtain a certificate of occupancy.

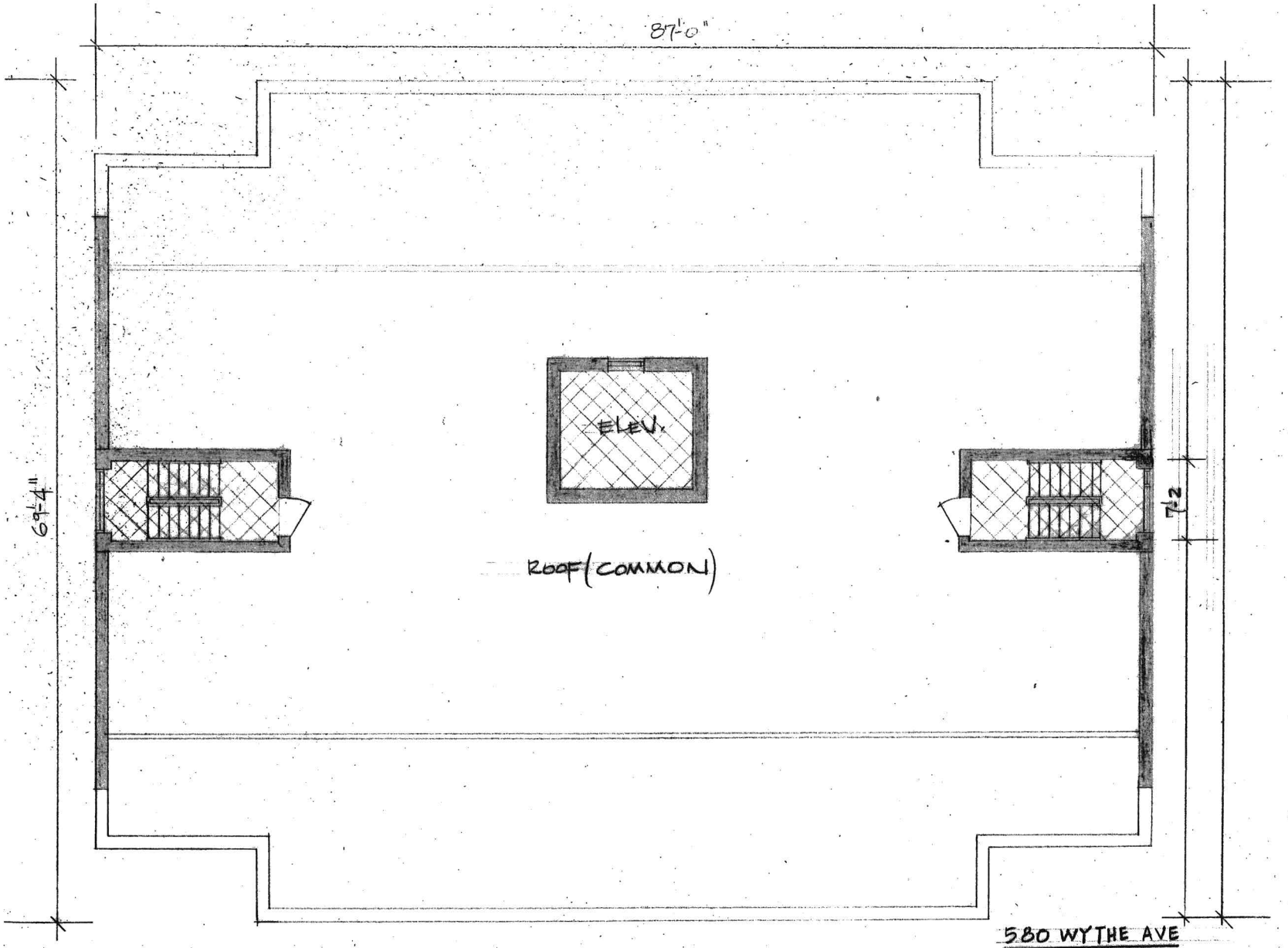
maurice breze
registered architec
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-07

BLDG E

date:

job no.

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580 WYTHE AVE
ROOF PLAN

580 WYTHE AVE BKLYN

ROOF

1. Architect has not been retained for inspections or supervision at the job site.
2. No plans shall be scaled.
3. Contractor shall obtain all necessary permits prior to commencing work or completion he shall obtain a certificate of occupancy.

maurice brezel
registered architect
1482 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0783

BLDG E

date:

job no.

dwg no
13

DOCUMENT NUMBER 2

PURCHASE AGREEMENT

N.C. CALLER, P.C.
1481 42nd Street
Brooklyn, New York 11219

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PURCHASE AGREEMENT

For Unit Number in
The 564-580 Park Plaza Condominium
Wythe Avenue
Brooklyn, New York

(Please execute in triplicate)

THIS AGREEMENT is made as of , 20 between K-R Residence Corp., (hereinafter called the "Sponsor"), having an address at 39 Heyward Street, Brooklyn, NY and

(hereinafter called the "Purchaser"), having an address at

W I T N E S S E T H:

1. Definitions.

The following terms shall have the meanings ascribed to them:

(i) "Building" shall mean the structures known as either 564 or 580 Wythe Avenue, Brooklyn, New York.

(ii) "Closing Date", "closing", "closing of title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of the Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in this Agreement.

(iii) "Condominium" shall mean The 564-580 Park Plaza Condominium.

(iv) "Declaration" shall mean the Declaration of The 564-580Park Plaza Condominium establishing ownership of the Property.

(v) "Plan" shall mean the Offering Plan to convert the Property to condominium ownership and any Amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

(vi) "Property" shall mean the Building and the land on which it is erected.

All other terms not defined elsewhere herein shall have the meanings ascribed to them in the Plan.

2. Plan

Purchaser acknowledges having received and read the Plan at least three (3) full business days prior to Purchaser's signing this Purchase Agreement. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor (including, without limitation, amendments involving any changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, or the "Schedule B--Budget for First Year of Condominium Operation" of The 564-580 Park Plaza Condominium. Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser, the unit designated as Unit Number _____ in _____ Wythe Avenue (hereinafter called the "Unit") in the Declaration, together with its undivided interest (hereinafter called the "Common Interest") in the Common Elements, on and subject to, the terms and conditions set forth herein.

4. Purchase Price

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is $ (hereinafter called the "Purchase Price"), which Purchaser agrees to pay to the Sponsor, as follows:

(i) $ (hereinafter called the "Down Payment") is due on Purchaser's signing and submitting of this Agreement and is to be paid by Purchaser's personal check, receipt of which (subject to collection) is hereby acknowledged by Sponsor;

(ii) $ (hereinafter called the "Balance"), constituting the balance of the Purchase Price, is due on the delivery to Purchaser of the deed to the Unit and must be paid by Purchaser's personal certified check or official cashier's check, in either event

drawn on a bank that is a member of the New York Clearing House Association.

B. The payment of the Balance and acceptance of deed to the Unit by Purchaser shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing.

C. Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with, or prior to, closing all the prerequisites set forth under "Closing and Terms of Sale" in Part I of the Plan are met.

THIS PURCHASE AGREEMENT IS NOT CONDITIONED UPON A PURCHASER SECURING SATISFACTORY FINANCING. THE SPONSOR MAY, AT ITS OPTION, CONDITION THE CONTRACT UPON FINANCING, PROVIDED THAT PURCHASER AND SPONSOR BOTH PROPERLY COMPLETE AND INITIAL A SECURED LOAN CONDITION RIDER , THE FORM OF WHICH IS ANNEXED HERETO AS EXHIBIT "B".

SPONSOR IS NOT OBLIGATED TO EXTEND OR ARRANGE FINANCING. NO REPRESENTATION IS MADE THAT BANK FINANCING WILL BE AVAILABLE TO PURCHASER OR AS TO THE AMOUNT, TERMS AND CONDITIONS UPON WHICH SUCH FINANCING MAY BE GRANTED OR THE COST TO OBTAIN SAME.

5. Purchase Monies Held in Trust

Sponsor will hold in trust any and monies received by it directly or through its agents, employees or Escrow Agent until the Unit is transferred to Purchaser or the Purchase Agreement is cancelled in accordance with its terms. All monies received hereunder will be deposited at Chase Manhattan Bank, N.A., 4901 13th Avenue, Brooklyn, New York 11219 in a segregated special escrow account entitled "Carl N. Caller Attorney Escrow Account". The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan. In the event the Plan is abandoned or withdrawn, such funds will be returned to purchaser without interest (unless interest is earned), except as otherwise provided in the next sentence. If at the time the Plan is abandoned or withdrawn the Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Down Payment (but in no event to exceed ten percent (10%) of the Purchase Price) plus any additional sums deposited on account of any special work in the Unit ordered by Purchaser, and any sums in excess thereof shall be returned to Purchaser within thirty (30) days after the date of such abandonment or withdrawal without interest (unless interest is earned). All funds received under this Purchase Agreement will be handled in accordance with

Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Offering Plan.

Until such time as completion of the sale and consummation of the Plan, funds deposited in trust as Down Payment or as the Purchase Price for Units, will be disbursed only upon the signature of Carl N. Caller, Esq., 1481 42nd Street, Brooklyn, New York 11219, to be used for purchase of the Unit if the Plan is declared effective and title closes, or returned to the Purchaser if the Plan is abandoned or withdrawn or if title does not close as herein provided or disbursed to Sponsor if Purchaser defaults.

6. Closing Contingent on Plan Being Declared Effective

A. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan (see the section in the Plan entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. The Sponsor shall notify Purchaser, in writing or by a duly filed Amendment to the Plan, when the Plan becomes effective or is abandoned.

B. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason on or before twenty-four (24) months from the date the Offering Plan is accepted for filing by the Department of Law, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder shall be disbursed in accordance with the provisions of Paragraph 6 above. After the funds are so disbursed, Purchaser and Sponsor shall have no claim against each other or the Selling Agent in connection with this Agreement or the Plan and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

7. Closing Date and Place

The closing of title shall occur on the date and at the time and place in The City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days' prior written notice of the new scheduled date and time for closing. Purchaser may waive this thirty (30) day provision by initialing below.

I hereby waive the provision requiring thirty (30) days Notice of Closing _____

8. The Deed

At closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenant against grantor's acts transferring to Purchaser full ownership (fee simple title) to the Unit. The deed shall be substantially in the form reproduced as Document Number 5 in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, to Purchaser or Purchaser's attorney).

9. State of Title

Legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit A to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

10. Title Company Approval

Sponsor shall give, and Purchaser shall accept, such title as any member of the New York Board of Title Underwriters, will approve and insure, provided only the liens, encumbrances and conditions affecting title shall be the Permitted Encumbrances. Sponsor shall not be obligated to satisfy any exceptions to title raised by any other title insurance company.

11. Sponsor's Inability to Convey Title

In the event Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of $5,000.00 to render title marketable or to remove, cure or comply with any violations of record issued prior to the First Closing, and in such case, Sponsor may abandon the Plan. In no event shall Sponsor be obligated to cure violations of record which are the obligations of tenants to cure or which result from the acts or omissions of tenants, or violations noted with respect to radio or television antennae.

12. Purchaser's Remedies

In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartments in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or

regulation, or a failure to perform Sponsor's obligations under the Offering Plan) the sole remedy of the purchaser shall be to rescind the Purchase Agreement and be refunded the entire down payment with interest plus the cost of title searches, if any.

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

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

13. Closing Adjustments

A. At closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the closing:

(i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;

(ii) Common Charges for the month in which title closes; and

(iii) rent and other charges, if any, pursuant to a lease for, or tenancy of, the Unit.

The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing.

D. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

14. Purchaser's Closing Costs

At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

(i) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered through Reliable Abstract Co., LLC, 1854 59th Street, Brooklyn, NY or similar title insurance companies, should be $714.00 for the first $100,000.00 of fee insurance plus $4.03 for each $1,000.00 or fraction thereof of additional fee insurance up to $500,000.00.

(ii) A fee for recording the deed and Unit Owner's Power of Attorney of $22.00 for each instrument plus $5.00 per page, together with a service charge to the title company for such recording of approximately $10.00 per instrument;

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;

(b) a mortgage recording tax in the amount provided for by law At the date of the Plan, the tax is 1.75% of the face amount of the mortgage for mortgages under $500,000.00 (Note: the Lending Bank pays an additional .25%).

(c) Purchasers will pay a premium through Reliable Abstract Co. for the mortgage title insurance policy. In addition, such Purchaser shall pay the costs of filing the UCC-1 Financing Statements (approximately $15.00), and will also pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

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

(iv) Although usually Seller's expense, Purchaser shall pay the Real

Property Transfer Tax due to The City of New York. This tax is in the amount of one percent (1%) of the total purchase price of the Unit. The Purchaser shall also pay for the New York State deed documentary stamps (currently $2.00 per $500.00, or fractional portion thereof of the purchase price) imposed by statute on transferors of property.

(v) Purchaser will be required to deposit with the Board of Managers four months' estimated monthly common charges for his unit.

(vi) Purchaser shall be obligated to pay a fee of $500.00 to the law firm of N.C. Caller, P.C. for services rendered in connection with the recording of the Declaration of the Condominium and the preparation of documents. In addition, purchaser shall be obligated to pay a fee of $250.00 to the sponsor's attorney in the event the closing takes place at any location other than sponsor's attorney's office.

(vii) There shall be an additional fee of $500.00 payable to Sponsor if Purchaser obtains fee title insurance from a title insurer other than Reliable Abstract Co. representing payment for additional work involved and to pay for the work done by Reliable Abstract Co. in connection with the preparation of the offering plan.

(viii) At closing, each purchaser shall pay to the Sponsor the sum of $1,000.00 to defray some of the Sponsor's costs of creating the condominium, e.g, architectural costs, filing fees, legal fees and other costs incurred in creating the condominium.

All fees are cumulative to the extent applicable to an individual Purchaser.

15. Rent Security Deposit

If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupancy will be transferred at closing to Purchaser, who will upon receipt sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

16. Power of Attorney to Board of Managers and Sponsor

At closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in the New York City Register's office of the County of New York, State of New York, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Document Number 4 in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Condominium Board.

17. Transfer Tax Return

At closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed with The City of New York. The transfer tax return shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Purchaser shall be responsible for payment of such tax (one percent (1%) of the gross purchase price).

18. Events of Default

A. The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor pursuant to paragraph 8 herein;

(ii) Purchaser's failure to duly sign, notarize and deliver at closing the power of attorney pursuant to paragraph 16 above or the New York City transfer tax return pursuant to Paragraph 17 above;

(iii) If Purchaser is or becomes a tenant of the Building, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, which results in Purchaser's eviction from Purchaser's Unit (either by voluntary removal or by court order); or

(iv) The failure to pay, perform or observe any of the Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

B. Upon the occurrence of an Event of Default, the Sponsor's sole remedy shall be to

cancel the Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which time Purchaser must cure the specified default. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment (but in no event to exceed ten percent (10%) of the Purchase Price of the it) plus the cost of any special work in the Unit ordered by Purchaser, (hereinafter called the "Liquidated Sum") and any sums in excess thereof (together with any interest earned thereon) shall be returned to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

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

D. Notwithstanding the occurrence of an Event of Default Sponsor may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from Purchaser's damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection).

E. If Purchaser is or becomes a tenant of the Building and Purchaser fails to pay rent or otherwise comply with Purchaser's lease or tenancy obligations, or Purchaser vacates or abandons the leased premises, then such failure, vacating or abandonment (as the case may be) shall constitute a default hereunder entitling Sponsor, at its sole option, to cancel this Agreement, even though Purchaser is not evicted from the leased premises as a result thereof. However, in the event Sponsor elects to so cancel, unless Purchaser is evicted, Sponsor shall refund to Purchaser all monies deposited hereunder together with any interest earned thereon. Upon such refund being made, Sponsor and Purchaser will be released and discharged of all further liability and obligations under this Agreement and the Plan. However, in no event shall Purchaser be

released or excused from paying and performing Purchaser's lease or tenancy obligations.

19. Appliances and Equipment

A. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described above and in the Plan. Furniture, wall coverings, furnishings, decorations, and the like in or about any model Unit are for display purposes only and are not included in this sale. Residential Units will be offered with their walls and ceiling primed and covered and with one coat of finished paint in a light, neutral color. Purchaser will be responsible for any repainting and touch-ups necessitated from moving in. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

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

20. Construction.

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

B. The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and "plans and specifications" as indicated in the Plan in subparagraph 2(b) of "Rights and Obligations of Sponsor--Construction Obligations" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in subparagraph 5 of "Rights and Obligations of Sponsor: Construction Obligations."

21. Inspection of Unit.

At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit C to this Agreement) and deliver same to the Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor -- Construction Obligations" as set forth in the offering plan.

22. Possession; Risk of Loss

A. Unless Purchaser now resides in the Unit, Purchaser shall not be entitled to occupy the Unit until the deed is delivered to Purchaser at closing. Sponsor may, in its discretion, grant Purchaser possession of the Unit prior to the closing under an interim lease, if the Unit is currently, or hereafter becomes, vacant.

B. If Purchaser is given possession of the Unit prior to Closing under an interim lease or otherwise, the Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its installations. However, until closing Sponsor will remain responsible to make those repairs required of it as a landlord under any existing or interim lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Documents.

C. If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, the Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit

against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

E. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 19 above.

23. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchaser the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 24 shall survive the closing of title.

24. Notices

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, addressed to the Sponsor,

Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch, station or depositary maintained by the U.S. Postal Service in the City and State of New York, except that a notice of a change of address shall be deemed given when actually received.

25. Broker

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 25 shall survive the closing.

26. No Lien; Agreement Subject to Mortgage

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

B. In furtherance and not in limitation of the provisions of the preceding subparagraph A, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not

constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at closing.

27. Entire Agreement

This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

28. Joint Purchasers

The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

29. Liability of Sponsor

A. Sponsor shall not have any liability to Purchaser or others with respect to any of Sponsor's obligations under this Agreement or the Plan or otherwise in excess of the net proceeds paid to Sponsor from the sale of all Unsold Units after payment of, or reserve for, any liabilities, costs or expenses of Sponsor arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the transactions contemplated in the Plan.

B. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of G-d, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

30. Further Assurances

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

31. Severability

If any provision of this Agreement or the Plan is invalid or unenforceable as against person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. Strict Compliance

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

33. Governing Law

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York.

34. Arbitration.

In order to resolve any dispute, controversy, claim or question arising with respect to this Agreement, the parties shall consult with _____ in order to resolve the issue. In the event that after such consultation, the issue is still unresolved, then the parties shall submit such dispute or question to arbitration. If the parties cannot agree on the arbitrators, then such dispute or question shall be submitted to the American Arbitration Association, which will give any party the rights he is entitled to under New York law. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment. The fees, costs and expenses of the arbitrators shall be shared equally by the parties. Each party shall also bear the fees and expenses of his or her counsel and expert witnesses. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL.

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. Gender

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

36. Certain References

The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraph, subparagraphs or other provisions of this Agreement.

37. Captions

The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provisions hereof.

38. Successors and Assigns

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

39. No Oral Changes

This Agreement cannot be changed nor any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

40. Acceptance of Purchase Agreement

A. On or prior to Purchaser's signing and delivering this Purchase Agreement, Purchaser agrees (if requested) to complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

B. The submission of such application or this Purchase Agreement to Purchaser

does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within twenty (20) days after the Selling Agent receives this Purchase Agreement signed by Purchaser, a duplicate of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status or other ground proscribed by law.

41. Purchase Agreement Not Conditioned on Financing.

Purchaser may partially finance the purchase of this unit by obtaining a mortgage loan for the purchase price. However, the obligations of purchaser under this Purchase Agreement are not conditional on the purchaser's obtaining financing.

42. Agreement Not Assignable; Binding Effect

This Purchase Agreement is not assignable without the consent of the Sponsor.

This Purchase Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Purchaser:

_____L.S.

_____L.S.

Purchaser's Address:

_____

Purchaser's Social Security Number:

_____

Accepted and Agreed to:

By:_____

Date Accepted:

_____

EXHIBIT A

Permitted Encumbrances

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

2. State of facts which an accurate survey or personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes.

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

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

5. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

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

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

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

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

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

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

12. Any lease covering the Unit.

13. Certificate of Occupancy to be issued covering the unit if required.

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

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

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EXHIBIT B
TERMS OF SECURED LOAN CONDITION RIDER

THE TERMS SET FORTH IN THIS SECURED LOAN CONDITION RIDER SHALL APPLY, AT SPONSOR'S SOLE OPTION, ONLY IF AGREED TO BY THE SPONSOR IN THE SPACE PROVIDED BELOW. PURCHASER'S SIGNATURE ALONE DOES NOT EFFECTUATE THIS SECURED LOAN CONDITION RIDER.

THIS RIDER IS ANNEXED TO AND FORMS A PART OF THE PURCHASE AGREEMENT, DATED , BETWEEN K-R RESIDENCE CORP. SPONSOR, AND AS PURCHASER, RELATIVE TO THE SALE OF UNIT _____ AT _____ WYTHE AVENUE, BROOKLYN, NEW YORK.

A. The obligations of Purchaser hereunder are conditioned upon issuance on or before , 20 of a written commitment from any Institutional Lender (which shall include a mortgage banker and broker) pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of $ or such lesser sum as Purchaser shall be willing to accept, at prevailing interest rates for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender.

B. Purchaser shall (a) make an application by , 20 to an Institutional Lender for such mortgage loan, (b) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (c) pay all fees, points and charges required in connection with such application and loan, (d) pursue such application with diligence, (e) cooperate in good faith with such Institutional Lender to obtain such commitment and (f) promptly give Notice to the Sponsor of the name and address of each Institutional Lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish the Sponsor with a copy thereof promptly after receipt thereof.

C. If such commitment is not issued before the Commitment Date or a rejection is received, Purchaser shall immediately notify the Sponsor of the failure to receive a commitment. At such time, the Sponsor, at its option, shall within fifteen (15) days, cause the Purchaser to submit an application together with the required fees to an Institutional Lender (which shall include a mortgage banker and broker and shall specifically include Granite Capital Funding, LLC) and Purchaser shall be required to accept the commitment under the same terms and conditions as stated above.

D. In the event that a commitment is not received within forty-five (45) days of such application, Purchaser may cancel the contract and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser.

SPONSOR:

By:_____

_____
Purchaser

_____
Purchaser

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DOCUMENT NUMBER 3

NEW YORK STATE AND NEW YORK CITY TAX FORMS

New York State
Real Estate Transfer Tax Return
Credit Line Mortgage Certificate (TP-584)

and

New York Department of Finance
Real Property Transfer Tax Return (RPT)

FINANCE NEW • YORK
THE CITY OF NEW YORK DEPARTMENT OF FINANCE

NYC RPT

NEW YORK CITY DEPARTMENT OF FINANCE

REAL PROPERTY TRANSFER TAX RETURN

(Pursuant to Title 11, Chapter 21, NYC Administrative Code)

TYPE OR PRINT LEGIBLY

If the transfer involves more than one grantor or grantee or a partnership, the names, addresses and Social Security Numbers or Employer Identification Numbers of all grantors or grantees and general partners must be provided on Schedule 3, page 3.

R

GRANTOR

● Name

● Grantor is a(n): (check one) ☐ individual ☐ partnership (must complete Schedule 3) ☐ corporation ☐ other _____ | Telephone Number

● Permanent mailing address after transfer (number and street)

● City and State | Zip Code

● EMPLOYER IDENTIFICATION NUMBER ☐☐-☐☐☐☐☐☐☐ OR ● SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

GRANTEE

● Name

● Grantee is a(n): (check one) ☐ individual ☐ partnership (must complete Schedule 3) ☐ corporation ☐ other _____ | Telephone Number

● Permanent mailing address after transfer (number and street)

● City and State | Zip Code

● EMPLOYER IDENTIFICATION NUMBER ☐☐-☐☐☐☐☐☐☐ OR ● SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

DO NOT WRITE IN THIS SPACE
FOR OFFICE USE ONLY

● RETURN NUMBER ▲

● DEED SERIAL NUMBER ▲

● NYS REAL ESTATE TRANSFER TAX PAID ▲

PROPERTY LOCATION

LIST EACH LOT SEPARATELY. ATTACH A RIDER IF ADDITIONAL SPACE IS REQUIRED

● Address (number and street)	Apt No.	Borough	Block	Lot	# of Floors	Square Feet	● Assessed Value of Property

● DATE OF TRANSFER TO GRANTEE: _____ ● PERCENTAGE OF INTEREST TRANSFERRED: _____ %

CONDITION OF TRANSFER ▼ See Instructions

● Check (✓) all of the conditions that apply and fill out the appropriate schedules on pages 5-11 of this return. Additionally, Schedules1 and 2 must be completed for all transfers.

a. ☐.....Arms length transfer
b. ☐.....Transfer in exercise of option to purchase
c. ☐.....Transfer from cooperative sponsor to cooperative corporation
d. ☐.....Transfer by referee or receiver (complete Schedule A, page 5)
e. ☐.....Transfer pursuant to marital settlement agreement or divorce decree
f. ☐.....Deed in lieu of foreclosure (complete Schedule C, page 6)
g. ☐.....Transfer pursuant to liquidation of an entity (complete Schedule D, page 6)
h. ☐.....Transfer from principal to agent, dummy, strawman or conduit or vice-versa (complete Schedule E, page 7)
i. ☐.....Transfer pursuant to trust agreement or will (attach a copy of trust agreement or will)
j. ☐.....Gift transfer not subject to indebtedness
k. ☐.....Gift transfer subject to indebtedness
l. ☐.....Transfer to a business entity in exchange for an interest in the business entity (complete Schedule F, page 7)
m. ☐.....Transfer to a governmental body
n. ☐.....Correction deed
o. ☐.....Transfer by or to a tax exempt organization (complete Schedule G, page 8).
p. ☐.....Transfer of property partly within and partly without NYC
q. ☐.....Transfer of successful bid pursuant to foreclosure
r. ☐.....Transfer by borrower solely as security for a debt or a transfer by lender solely to return such security
s. ☐.....Transfer wholly or partly exempt as a mere change of identity or form of ownership. Complete Schedule M, page 9)
t. ☐.....Transfer to a REIT or to a corporation or partnership controlled by a REIT. (Complete Schedule R, pages 10 and 11)
u. ☐.....Other transfer in connection with financing (describe): _____
v. ☐.....Other (describe): _____

TYPE OF PROPERTY (✓)

a. ☐ ..... 1-3 family house
b. ☐ ..... Individual residential condominium unit
c. ☐ ..... Individual cooperative apartment
d. ☐ ..... Commercial condominium unit
e. ☐ ..... Commercial cooperative
f. ☐ ..... Apartment building
g. ☐ ..... Office building
h. ☐ ..... Industrial building
i. ☐ ..... Utility
j. ☐ ..... OTHER. (describe): _____

TYPE OF INTEREST (✓)

Check box at LEFT if you intend to record a document related to this transfer. Check box at RIGHT if you do not intend to record a document related to this transfer.

REC.		NON REC.
a. ☐	Fee	☐
b. ☐	Leasehold Grant	☐
c. ☐	Leasehold Assignment or Surrender	☐
d. ☐	Easement	☐
e. ☐	Development Rights	☐
f. ☐	Stock	☐
g. ☐	Partnership Interest	☐
h. ☐	OTHER. (describe): _____	☐

SCHEDULE 1 - DETAILS OF CONSIDERATION

COMPLETE THIS SCHEDULE FOR ALL TRANSFERS AFTER COMPLETING THE APPROPRIATE SCHEDULES ON PAGES 5 THROUGH 11. ENTER "ZERO" ON LINE 11 IF THE TRANSFER REPORTED WAS WITHOUT CONSIDERATION.

1. Cash	1.	
2. Purchase money mortgage	2.	
3. Unpaid principal of pre-existing mortgage(s)	3.	
4. Accrued interest on pre-existing mortgage(s)	4.	
5. Accrued real estate taxes	5.	
6. Amounts of other liens on property	6.	
7. Value of shares of stock or of partnership interest received	7.	
8. Value of real or personal property received in exchange	8.	
9. Amount of Real Property Transfer Tax and/or other taxes or expenses of the grantor which are paid by the grantee	9.	
10. Other (describe): _____	10.	
11. TOTAL CONSIDERATION (add lines 1 through 10 - must equal amount entered on line 1 of Schedule 2) (see instructions)	11.	

See instructions for special rules relating to transfers of cooperative units, liquidations, marital settlements and transfers of property to a business entity in return for an interest in the entity.

SCHEDULE 2 - COMPUTATION OF TAX

			Payment Enclosed
A	Payment	Pay amount shown on line 14 - Make check payable to: *NYC Department of Finance*	

1	Total Consideration (from line 11, above)	1.	
2.	Excludable liens (see instructions)	2.	
3.	Consideration (Line 1 less line 2)	3.	
4.	Tax Rate (see instructions)	4.	%
5.	Percentage change in beneficial ownership *(see instructions)*	5.	%
6.	Taxable consideration (multiply line 3 by line 5)	6.	
7.	Tax (multiply line 6 by line 4)	7.	
8.	Credit (see instructions)	8.	
9.	Tax due (line 7 less line 8) (if the result is negative, enter zero)	9.	
10.	Interest (see instructions)	10.	
11.	Penalty (see instructions)	11.	
12.	Total tax due (add lines 9, 10 and 11)	12.	
13.	Filing Fee	13.	25 00
14.	Total Remittance Due (line 12 plus line 13)	14.	

SCHEDULE 3 - TRANSFERS INVOLVING MULTIPLE GRANTORS AND/OR GRANTEES OR A PARTNERSHIP

NOTE If additional space is needed, attach copies of this schedule or an addendum listing all of the information required below.

GRANTOR(S)/PARTNER(S)

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

GRANTEE(S)/PARTNER(S)

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

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CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

NAME

PERMANENT MAILING ADDRESS AFTER TRANSFER

CITY AND STATE | ZIP CODE

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

GRANTOR'S ATTORNEY

Name of Attorney | Telephone Number ( )

Address (number and street) | City and State | Zip Code

EMPLOYER IDENTIFICATION NUMBER ☐☐-☐☐☐☐☐☐☐ OR SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

GRANTEE'S ATTORNEY

Name of Attorney | Telephone Number ( )

Address (number and street) | City and State | Zip Code

EMPLOYER IDENTIFICATION NUMBER ☐☐-☐☐☐☐☐☐☐ OR SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

CERTIFICATION

I swear or affirm that this return, including any accompanying schedules, affidavits and attachments, has been examined by me and is, to the best of my knowledge, a true and complete return made in good faith, pursuant to Title 11, Chapter 21 of the Administrative Code and the regulations issued thereunder.

GRANTOR

Sworn to and subscribed to before me on this _____ day of _____, 19____.

Signature of Notary

Notary's stamp or seal

EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

Name of Grantor

Signature of Grantor

GRANTEE

Sworn to and subscribed to before me on this _____ day of _____, 19____.

Signature of Notary

Notary's stamp or seal

EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

Name of Grantee

Signature of Grantee

GRANTEE: To ensure that your property and water/sewer tax bills are sent to the proper address you must complete the Registration forms included in this packet. Owner's Registration Cards can also be obtained by calling the Department of Finance at (718) 935-6153.

FINANCE NEW • YORK
THE CITY OF NEW YORK
DEPARTMENT OF FINANCE

OWNER'S REGISTRATION CARD

NEW YORK CITY DEPARTMENT OF FINANCE CENTRAL REGISTRATION 25 ELM PLACE, 3RD FLOOR BROOKLYN, NY 11201

FOR OFFICE USE ONLY

ONLY ONE (1) PROPERTY (BLOCK AND LOT) MAY BE REGISTERED WITH THIS CARD. MAKE PHOTOCOPIES IF YOU ARE REGISTERING MORE THAN ONE PROPERTY.

Type or print in ink. Additional instructions appear on the reverse side of this card.

PROPERTY OWNER'S INFORMATION (FOR GENERAL CORRESPONDENCE)

1. Borough the property is in: _____ Block: ☐☐☐☐☐ Lot: ☐☐☐☐

Owner's name - Fill either 2a or 2b only ▼

2a. Individual Owner — FIRST — M. I. — LAST

2b. Business Owner

3. Owner's Residence or Company's Business Address

City — State — Zip Code

4. Property Address

City — State — Zip Code

5. If the property has more than one owner, check this box and see instructions ➡ ☐

6. Owner's Tax Identification Number:

SSN (If owner is an individual or trust) ☐☐☐-☐☐-☐☐☐☐ or EIN (If owner is a corporation or partnership) ☐☐-☐☐☐☐☐☐☐

7. Indicate owner's daytime telephone number: (_____) _____

BILLING INFORMATION - REAL ESTATE TAX BILLS

IF YOUR MORTGAGE PAYMENTS INCLUDE YOUR REAL ESTATE TAXES, FILL IN THE NAME AND ADDRESS OF YOUR BANK/LENDER IN THE SPACE PROVIDED IN 9 BELOW. IF NOT, FILL IN THE NAME AND ADDRESS TO WHICH YOU ARE CHOOSING TO HAVE REAL ESTATE TAX BILLS SENT.

8. Indicate to whom Real Estate Tax bills should be mailed (Check ✓ one) ▼

☐ Bank/Lender ☐ Owner ☐ Tenant ☐ Agent

If "TENANT" or "AGENT" is checked provide either Social Security Number or Employer Identification Number, whichever is applicable.

SSN → ☐☐☐-☐☐-☐☐☐☐ or EIN → ☐☐-☐☐☐☐☐☐☐

9. Name of Real Estate Tax Bill Recipient

Address

City — State — Zip Code

Have you recently paid off your mortgage? (✓) ☐ Yes ☐ No

BILLING INFORMATION - SPECIAL ASSESSMENT BILLS

INDICATE TO WHOM SPECIAL ASSESSMENT BILLS SHOULD BE MAILED. (SEE INSTRUCTIONS FOR LINE 10)

10. TYPE OF SPECIAL ASSESSMENT BILL:

Name of Recipient

Address

City — State — Zip Code

Relationship of addressee to property (Check ✓ one) ▼

Owner ☐ Tenant ☐ Agent ☐

If "TENANT" is checked provide either Social Security Number or Employer Identification Number, whichever is applicable.

SSN → ☐☐☐-☐☐-☐☐☐☐

EIN → ☐☐-☐☐☐☐☐☐☐

TYPE OF SPECIAL ASSESSMENT BILL:

Name of Recipient

Address

City — State — Zip Code

Relationship of addressee to property (Check ✓ one) ▼

Owner ☐ Tenant ☐ Agent ☐

If "TENANT" is checked provide either Social Security Number or Employer Identification Number, whichever is applicable.

SSN → ☐☐☐-☐☐-☐☐☐☐

EIN → ☐☐-☐☐☐☐☐☐☐

NOTE: Water and Sewer Charge registration requires a different form. Contact the Bureau of Water and Energy Conservation at (718) 595-7000.

11. Signature of owner or corporate officer (required by statute) _____

12. Date ____/____/____

If you need assistance in completing this form, please call Taxpayer Assistance at (718) 935-9500. Si usted necesita recibir asistencia en Español para llenar esto formulario, llame al (718) 935-9500 y solicite un Representante que hable Español.

AFFIDAVIT OF COMPLIANCE WITH SMOKE DETECTOR REQUIREMENT FOR ONE- AND TWO-FAMILY DWELLINGS

State of New York)
) SS.:
County of)

The undersigned, being duly sworn, depose and say under penalty of perjury that they are the grantor and

_____ , _____ ,
Street Address **Unit/Apt.**

_____ New York, _____ _____ (the "Premises");
Borough **Block** **Lot**

grantee of the real property or of the cooperative shares in a cooperative corporation owning real property located at

_____

That the Premises is a one or two family dwelling, or a cooperative apartment or condominium unit in a one- or two-family dwelling, and that installed in the Premises is an approved and operational smoke detecting device in compliance with the provisions of Article 6 of Subchapter 17 of Chapter 1 of Title 27 of the Administrative Code of the City of New York concerning smoke detecting devices;

That they make affidavit in compliance with New York City Administrative Code Section 11-2105 (g). (The signatures of at least one grantor and one grantee are required, and must be notarized).

_____	_____
Name of Grantor (Type or Print)	**Name of Grantee (Type or Print)**
_____	_____
Signature of Grantor	**Signature of Grantee**
Sworn to before me this _____date of _____ 19 ____	**Sworn to before me this _____date of _____ 19 ____**

These statements are made with the knowledge that a willfully false representation is unlawful and is punishable as a crime of perjury under Article 210 of the Penal Law.

NEW YORK CITY REAL PROPERTY TRANSFER TAX RETURNS FILED ON OR AFTER FEBRUARY 6th, 1990, WITH RESPECT TO THE CONVEYANCE OF A ONE- OR TWO-FAMILY DWELLING, OR A COOPERATIVE APARTMENT OR A CONDOMINIUM UNIT IN A ONE- OR TWO-FAMILY DWELLING, WILL NOT BE ACCEPTED FOR FILING UNLESS ACCOMPANIED BY THIS AFFIDAVIT.

TP-584 (10/96)

Recording Office Time Stamp

New York State Department of Taxation and Finance

Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A — Information Relating to Conveyance

Grantor ☐ Individual ☐ Corporation ☐ Partnership ☐ Other	Name *(if individual; last, first, middle initial)*	Social Security Number
	Mailing address	Social Security Number
	City State ZIP code	Federal employer ident. number
Grantee ☐ Individual ☐ Corporation ☐ Partnership ☐ Other	Name *(if individual; last, first, middle initial)*	Social Security Number
	Mailing address	Social Security Number
	City State ZIP code	Federal employer ident. number

Location and description of property conveyed

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				

Type of property conveyed *(check applicable box)*

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☐ Other _____

Date of conveyance ____ ____ ____ (month / day / year)

Percentage of real property conveyed which is residential real property _____ %
(see instructions)

Condition of conveyance *(check all that apply)*

a. – Conveyance of fee interest
b. – Acquisition of a controlling interest (state percentage acquired _____ %)
c. – Transfer of a controlling interest (state percentage transferred _____ %)
d. – Conveyance to cooperative housing corporation
e. – Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. – Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. – Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. – Conveyance of cooperative apartment(s)
i. – Syndication
j. – Conveyance of air rights or development rights
k. – Contract assignment
l. – Option assignment or surrender
m. – Leasehold assignment or surrender
n. – Leasehold grant
o. – Conveyance of an easement
p. – Conveyance for which exemption from transfer tax is claimed (complete Schedule B, Part III)
q. – Conveyance of property partly within and partly without the state
r. – Other *(describe)* _____

Schedule B — Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I – Computation of Tax Due

1	Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☐ Exemption claimed	1
2	Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2 ( )
3	Taxable consideration *(subtract line 2 from line 1)*	3
4	Tax: $2 for each $500, or fractional part thereof, of consideration on line 3	4
5	Amount of credit claimed *(see instructions and attach Form TP-584.1, Schedule G)*	5 ( )
6	Total tax due* *(subtract line 5 from line 4)*	6

Part II – Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

1	Enter amount of consideration for conveyance (from Part I, line 1)	1
2	Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property; see instructions)*	2
3	Total additional transfer tax due* *(1% of line 2)*	3

*Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance***. If no recording is required, send this return and your check(s) made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, TTTB-Transfer Tax, PO Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received Part I $ / Part II $	Date received	Transaction number

Schedule B — (continued)

Part III – Explanation of Exemption Claimed in Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal bankruptcy act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a 1-, 2-, or 3-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law *(attach documents supporting such claim)* ..... k ☐

l. Other *(attach explanation)* ..... l ☐

Schedule C — Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: *(check the appropriate box)*

1 ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:

☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.

☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).

☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.

☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more and the real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.

☐ Other (attach detailed explanation).

3 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:

☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.

☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4 ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the NYC Department of Finance.)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above return, including any certification, schedule or attachment, is to the best of his/her knowledge, true and complete.

Grantor	Title	Grantee	Title

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedule C? If you checked e, f or g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in New York City, to the *NYC Department of Finance*? If no recording is required, send your check(s), made payable to the *Department of Taxation and Finance*, directly to the NYS Tax Department, TTTB-Transfer Tax, PO Box 5045, Albany NY 12205-5045.

DOCUMENT NUMBER 4

UNIT OWNER'S POWER OF ATTORNEY

N.C. CALLER, P.C.
1481 42nd Street
Brooklyn, New York 11219

UNIT OWNER'S POWER OF ATTORNEY

THE 564-580 PARK PLAZA CONDOMINIUM

Any terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known as The 564-580 PARK PLAZA CONDOMINIUM and by the street number 564-580 WYTHE AVENUE, BROOKLYN, NEW YORK, under Article 9-B of the Real Property Law of the State of New York, dated , and recorded in the Kings County office of the Register in The City of New York (hereinafter referred to as "Declaration"), or (b) in the By-Laws of THE 564-580 PARK PLAZA CONDOMINIUM (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, , the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. _____ in The 564-580 Park Plaza Condominium, said Unit being designated as Tax Lot _____ in Block _____ of Section ___ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with any interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owner's respective Common Interests, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that

the Condominium Board deems necessary or appropriate.

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

IN WITNESS WHEREOF, the undersigned have executed this Unit Owner's Power of Attorney as of the day of , 20

_____

DOCUMENT NUMBER 5

CONDOMINIUM UNIT DEED

N.C. CALLER, P.C.
1481 42nd Street
Brooklyn, New York 11219

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the day of , 20 by and between with an address at
(hereinafter collectively referred to as the "Grantor"); and

with an address at
(hereinafter referred to as the "Grantee").

W I T N E S S E T H:

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

ALL OF THE PROPERTY DESCRIBED IN "SCHEDULE A"
ANNEXED HERETO, KNOWN AS CONDOMINIUM UNIT _____
AT _____ WYTHE AVENUE, IN
THE 564-580 PARK PLAZA CONDOMINIUM, BROOKLYN, NEW YORK
TAX BLOCK _____, F/K/A LOT _____, N/K/A LOT _____

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

Together with, and subject to, the rights, obligations, easements, restrictions, agreements and other provisions set forth in the Declaration and the By-Laws of THE 564-580 PARK PLAZA CONDOMINIUM, as the same may be amended from time to time (hereinafter referred to as the "By-Laws"), all of which shall constitute the covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Together with an easement for the continuance of all encroachments by the Unit on any adjoining units or Common Elements now existing as a result of construction of the Building, of which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or of the Unit, after damage or destruction by fire or other casualty, or any taking in condemnation or eminent domain proceeds, or by alteration or repair to the Common Elements made by or with the consent of the board of Managers, so that any such encroachment may remain as long as the units stand.

Subject also to such other liens, agreements, covenants, easements, amendments to declaration, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property").

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws).

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

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The Grantee has examined the Unit and is purchasing the same in its existing condition.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:

_____

_____

GRANTEE:

_____

DOCUMENT NUMBER 6

DECLARATION OF CONDOMINIUM

N.C. CALLER, P.C.
1481 42nd Street
Brooklyn, New York 11219

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BY-LAWS. . . . . *

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* Reproduced in full in as Exhibit D

DECLARATION

of

THE 564-580 PARK PLAZA CONDOMINIUM

Pursuant to Article 9-B of the Real
Property Law of the State of New York

, with an address at
, (the "Declarant"), hereby declares as follows:

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2

Submission of the Property

The Declarant hereby submits the land (the "Land") hereinafter described, together with the building and improvements thereon erected (the "Building") owned by the Declarant in fee simple absolute (the Land and Building being hereinafter referred to collectively as the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

Article 3

Description of the Land

The land is located in the Borough of Brooklyn, County of Kings, in the City and State of

New York, and is designated on the Tax Map of Kings County as Block formerly known as Lot and being designated herein as Lots through inclusive. See Exhibit A attached hereto for a metes and bounds description of the land.

Article 4

Description of the Building

The Condominium is comprised of two buildings, each consisting of eight (8) stories, a subcellar, cellar and attic and each containing thirty-four (34) residential units, thirty-six (36) storage units and one management office unit (hereinafter referred to as the "Units"). The principal materials of which the buildings are constructed are block, brick, wood and steel.

Article 5

Name of the Condominium

The Condominium shall be known as THE 564-580 PARK PLAZA CONDOMINIUM.

Article 6

The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location and areas of each Unit within the Building and all of the areas and installations which are included as part of the Units are shown on the Floor Plans of the Building, certified by the architect, intended to be filed in the Office of the City Register simultaneously with the recording of this Declaration and are made a part of this Declaration. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

(b) Statement of Dimensions. Dimensions indicated are approximate and are located approximately to the inside face of block work at the exterior walls of the building, approximately to the apartment side of the block work at walls and partitions dividing the apartments from: corridors, stairs, elevator and other mechanical spaces where block work divides apartments, and approximately to the inside face of the apartment side of the plaster partitions dividing apartments.

No Unit Owner shall be deemed to own the supporting columns, pipes, wires,

conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Any area and/or installation which is designated on the Floor Plans as part of a Unit shall be considered as part of said Unit. Vertically, each unit consists of the space between the upper face of the subfloor and the upper face of the dry wall ceiling.

(c) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit or of the Building.

Article 7

The Common Elements

A. Common Elements. The Common Elements generally consist of the Land and those rooms, areas and corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, and unless otherwise provided for in the Floor Plans, Common Elements include the following:

(i) The Land not specifically designated to any of the Condominium Units on the Floor Plans.

(ii) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs and ceilings in, on or under the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

(iii) all vestibules, stairs, elevators, mechanical and electrical equipment spaces, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

(iv) All central and appurtenant installations and facilities for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, ventilation, garbage disposal, and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of this

Declaration or the Floor Plans.

(v) All sewer and drainage pipes.

(vi) All other parts of the Property and all apparatus and installations existing in the Buildings or Premises for common use of the Unit Owners or which are, or may be necessary or convenient for the existence, maintenance or safety of the Buildings.

(vii) All yards and open spaces between and behind the buildings.

B. Limited Common Elements.

(i) Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units.

The Limited Common Elements in this Condominium are the balconies appended to each of the units on floors three, five, six, seven and eight of each building.

The cost of maintenance, repair and replacement of the Limited Common Elements shall be borne by the Unit Owner or Owners having the exclusive or shared use thereto.

(ii) The Unit Owner's or Owners' right to make alterations, additions or improvements to the Limited Common Elements shall be subject to the provisions of Article 9 of this Declaration, which shall also govern alterations, additions, or improvements allocated to the Units.

C. The Common Elements shall remain undivided and are not subject to partition nor are they severable from the Units except in accordance with The Condominium Act (Article 9-B of the Real Property Law), or as expressly permitted pursuant to the terms of Section 5.5 of the By-Laws.

Article 8

Determination of Common Interests

In accordance with Section 339-i(1)(iii) of the New York State Condominium Act, the Common Interests of each of the Units have been allocated based on equal percentages within separate classifications of units.

Article 9

Use of Units

(a) As more particularly set forth in the By-Laws, each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy, and not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests).

Article 10

Easements for the Enjoyment of Common Elements

Subject to the terms of the By-Laws and the Rules and Regulations, Sponsor, the Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

Article 11

Other Easements

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his or her Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, each Unit Owner shall have a reasonable right of access through any other Unit for the purpose of entry to any part

of his Unit where there is no other means of access to such part of his Unit or Limited Common Elements allocated to his Unit. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted only upon reasonable notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building. Each of the units may maintain or replace its porches or balconies.

(b) The Condominium Board shall have, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as the Condominium Board shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agent, shall have the right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(c) Each unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(d) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws, by, or with the consent of, the Condominium Board, or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

(e) In addition, a right of access is hereby granted to the unit owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such unit owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his Unit or as a Common Element. However, the right shall only be exercised in a reasonable manner.

(f) Each building will have an easement of trespass over all portions of the common yards and open spaces in between and in the rear of all of the buildings as set forth in the Floor Plans for the purpose of a recreation area to be shared by all of the buildings on the block.

(g) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 12

Alterations, Addition, Improvements and Changes to Units

(a) Units. Each Unit Owner shall have the right to:

(i) make alterations, additions, or improvements in the interior of his unit;

(ii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his unit;

(iii) change the layout of his unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote and the percentage of common interest allocated to the original unit. The Declarant has accepted the present use and construction of the building "as is".

Article 13

Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders his or her Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of Section 339-x of the Condominium Act or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, and to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 14

Power of Attorney to the Condominium Board

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(x) acquire or lease any Unit, together with its Appurtenant Interests, (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(y) convey, sell, lease, mortgage, or otherwise deal with (but not to exercise the vote appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(z) execute, acknowledge and deliver (1) any declaration or other

instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

(b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth in Exhibit E to this Declaration.

Article 15

Termination of Condominium

The Condominium shall continue until terminated by (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by at least eighty percent (80%) of the vote. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in accordance with the factors set out in The New York State Condominium Act Section 339-i(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availibility of common elements for exclusive or shared use, the overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens.

Article 16

Covenant of Further Assurances

(a) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action,

as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of the Managing Agent, then the Managing Agent is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

Article 17

Covenants to Run with the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights, in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall

be deemed and taken to be covenants running with the Land and shall bind any person having at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

This Declaration of Condominium is subject also to such other liens, covenants, easements, restrictions, consents, agreements, and other matters of record and any agreements as pertain to the Units, the Land and/or the Building.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 18

Amendments to this Declaration

(a) Any provision of this Declaration may be amended, modified, added to, or deleted by a 66 2/3% vote of the Unit Owners, taken in accordance with the provisions of the By-Laws, provided, however, that no amendment shall be made which limits or affects the rights of the

mortgagee against the mortgagor. No such amendment, modification, addition, or deletion shall be effective until recorded in the Kings County Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee or any Unsold Units, any such amendment, modification, addition, or deletion may be executed either (i) by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest as provided for in Article 12 hereof; or (ii) by the Unit Owner or Unit Owners whose Unit or Units are affected by such amendment, modification, addition or deletion.

(b) If the amendment requires the approval of a specified percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this Article above, the Condominium Board shall have the right to amend this Declaration and/or the Bylaws at any time, without the consent of the Unit Owners, to divide the Condominium Board into two separate and distinct Condominium Boards, each having full jurisdiction and authority over one of the buildings in the Condominium. Each of such Board of Managers shall be elected in accordance with and shall have all of the authority, rights, obligations, liabilities, powers and duties as set forth in Article 2 of the Bylaws.

Article 19

Consents of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 20

Person to Receive Service

The Secretary of State is designated as agent of the Condominium Board upon whom process against it may be served. The post office address within or without this state to which the secretary of state shall mail a copy of any process against the Condominium Board served upon him or her is: 564 WytheAvenue, Brooklyn, NY 11211 and 580 Wythe Avenue, Brooklyn, NY 11211.

Article 21

Incorporation by Reference

The terms, covenants, conditions, descriptions, and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Article 23

Severability

Subject to the provisions of paragraphs (b) and (c) of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the

Condominium Documents, shall be governed by the Condominium Act.

Article 24

Gender

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Article 25

Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day of , 200

Declarant:

By:_____

State of New York,

County of Kings

On the day of in the year before me, the undersigned, a notary public in and for said state, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) acted and executed the instrument.

_____

Notary Public

EXHIBIT A TO THE DECLARATION
OF THE 564-580 PARK PLAZA CONDOMINIUM

DESCRIPTION OF THE LAND

EXHIBIT B TO THE DECLARATION
OF THE 564-580 PARK PLAZA CONDOMINIUM
564-580 WYTHEAVENUE, BROOKLYN, NEW YORK

EXHIBIT C TO THE DECLARATION
OF THE 564-580 PARK PLAZA CONDOMINIUM

DEFINITIONS

(1) "Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designees, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Unit of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

(2) "Balcony", "terrace", "porch", or "patio" generally define an area adjoining a building at various levels of the building which is generally used by the adjoining Unit. The characterization of the above for the purposes of the Zoning Resolution is based on its location and description as set forth in the Floor Plans.

(3) "Building" shall mean the building situated on the Land which is described in Exhibit A hereto.

(4) "By-Laws" shall mean the by-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

(5) "Common Elements" shall mean those certain portions of the Land and the Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in Article 7 of the Declaration.

(6) "Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or the By-Laws), to meet the Common Expenses.

(7) "Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally,

the conduct of the affairs of the Condominium.

(8) "Common Interest" shall mean the undivided percentage interest of each Unit in the Common Elements.

(9) "Condominium" shall mean The 564-580 Park Plaza Condominium which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

(10) "Condominium Act" shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

(11) "Condominium Board" shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(12) "Condominium Documents" shall mean the Declaration, the By-Laws and Rules and Regulations.

(13) "Declaration" shall mean the declaration executed by Declarants for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership of the property.

(14) "Family Members" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(15) "Floor Plans" shall mean the floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

(16) "Institutional Lender" shall mean (i) a savings bank, savings and loan associations, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(17) "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

(18) "Insurance Trustee" shall mean an individual who is a resident of the State of New York, or a bank or trust company having an office in The City of New York, from time to time appointed to serve as such by the Condominium Board.

(19) "Land" shall mean all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of Kings, City and State of New York, as more particularly described in Exhibit A to the Declaration.

(20) "Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, in the particular County, and Borough governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

(21) "Limited Common Elements": Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units. An easement is granted to the owner(s) of the Unit(s) which they are designed to serve, or to which they are otherwise expressly allocated. The cost of maintenance, repair and replacement of Limited Common Elements shall be borne by the Unit Owner or Owners having the exclusive or shared use thereto.

(22) "Managing Agent" shall mean a Person employed by the Condominium Board pursuant to pursuant to paragraph (C) of Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.

(23) "Majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

(24) "Permitted First Mortgage" shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.

(25) "Permitted First Mortgagee" shall mean any holder of a Permitted First Mortgage.

(26) "Permitted Mortgage" shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.

(27) "Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

(28) "Person" shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

(29) "Plan" shall mean that certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

(30) "Property" shall mean the Land, the Building, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

(31) "Register's Office" shall mean the Office of the Register of the City of New York, Kings County.

(32) "Rules and Regulations" shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

(33) "Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(34) "Sponsor" As used in New York State regulations pertaining to newly constructed and vacant condominium, the word "sponsor" means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty."

(35) "Sponsor's Initial Control". The Sponsor will maintain control of the Board of Managers of the Condominium for a minimum of three (3) years from the date of the first closing, as long as the Sponsor owns at least one (1) unit. During this period of Initial Control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be elected by all Unit Owners. After the initial 3-year period, the Sponsor will maintain control of the Board of Managers as long as the Sponsor owns a majority of the units.

(36) "Unit" shall mean any of the "Units", as such term is defined in the Condominium Act, located in the Building, which units are more particularly described in Article 6 of, and Exhibit B to, the Declaration and in the Floor Plans.

(37) "Unit Owner" shall mean any Person who holds fee title, of record, to one or more Units at the time in question.

(38) "Unsold Units". This term shall only apply in the situation where there is a Sponsor that offers units for sale and shall mean any Unsold Unit owned by Sponsor or its designee at the time in question. It shall not apply to any unit occupied by the Sponsor or any member of his family.

DOCUMENT NUMBER 7

BY-LAWS

N.C. CALLER, P.C.
1481 42nd Street
Brooklyn, New York 11219

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BY-LAWS

of

THE 564-580 PARK PLAZA CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is described in Exhibit A to the Declaration of Condominium of THE 564-580 PARK PLAZA CONDOMINIUM; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.2. Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3. Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4. Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5. Principal Office of the Condominium. The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1. General. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By- Laws.

Section 2.2. Status of the Condominium Board. Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3. Principal Office of the Condominium Board. The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4. Powers and Duties of The Condominium Board. (A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

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

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

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

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of all of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of all of all Unit Owners shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit (except as set forth in Real Property Law Section 339-jj); and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) [INTENTIONALLY OMITTED]

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

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

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

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

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

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(xxiii) to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all units in the Condominium, unless written notice is received by the Condominium Board from any Unit Owner not to so on behalf of his or her condominium unit;

(xiv) unless and until real estate taxes, water charges and sewer rents are billed directly to the Unit Owners by the New York City Department of Finance and/or the Department of Environmental Protection, the Condominium Board shall promptly pay such taxes, charges and rents as a common expense;

and

(xxv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5. INTENTIONALLY OMITTED.

Section 2.6. Exercise and Delegation of Powers and Duties. (A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B)

of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7. Number, Election and Qualification of Members. The Sponsor will maintain control of the Board of Managers of the Condominium until the earlier of: three (3) years from the date of the first closing; or when Sponsor no longer owns any units. During this initial period of control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be elected by vote of all Unit Owners. After the initial period of control, the Sponsor will maintain control of the Board of Managers as long as the Sponsor owns a majority of the units.

Within approximately four (4) months after the conveyance of title to the first unit, the Sponsor will call the first meeting of Unit Owners. At such time, the Sponsor shall designate three (3) of the five (5) Board Members, who shall serve for a period of three (3) years. The other two Board Members shall be elected for a one-year term by all Unit Owners. In all votes of Unit Owners, each unit owner will be entitled to vote as follows: (a) each owner of a Residential Unit shall cast one (1) vote for each Unit Owned; Unit Owners shall be entitled to cumulate their votes and cast all of such votes for a single director or distribute them among the number to be voted for, or any two or more of them, as they may see fit. Following the initial three-year period of Sponsor control, the Board of Managers shall consist of five (5) Board Members. Board Members shall be elected by a majority of the votes cast at a meeting at which a quorum shall be present.

At all meetings of Unit Owners the Sponsor or its designee shall be able to vote and thus able to exercise its vote in Board elections. When the Sponsor or its designee no longer owns any Units neither Sponsor nor its designee shall have any further right to vote.

Furthermore, as long as the Sponsor or its designee shall own at least one (1) Unit, but in no event later than five (5) years after closing of title to the first Unit, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit 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 (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

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, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board may be removed by Sponsor or its designee for any reason and by a majority of the Unit Owners for cause. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board. Regardless of whether a Sponsor-appointee to the Board is removed by the Sponsor, its designee or the Unit Owners, only the Sponsor or its designee shall have the right to designate a replacement for such Sponsor-appointee.

No members of the Board of Managers will receive any compensation from the Condominium

for acting as such.

Section 2.8. Term of Office of Members. The term of office of the Members of the Condominium Board shall continue as long as the Unit Owner designating or deemed to have designated such Board Member shall continue to own his Unit. However, at any time, any Unit Owner may by written instrument replace such Board Member by designating another person as a Board Member representing its Unit.

Section 2.9. Resignation of Members. Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his or her membership effective as of the date upon which such qualification shall cease. Upon sale or transfer of the Unit, the Board Member designated (or deemed to have been designated) by the Unit Owner shall be deemed to have resigned his Board Membership effective on the date of conveyance of the Unit, and the succeeding Unit Owner shall designate (or deem to have designated) the Board Member representing such Unit in accordance with Section 2.7.

Section 2.10. Vacancies. (A) Any vacancy on the Condominium Board shall be filled by the Unit Owner who is no longer represented.

Section 2.11. INTENTIONALLY OMITTED.

Section 2.12. Regular Meetings of the Condominium Board. Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the members thereof, provided that at least one (1) such meetings shall be held during each fiscal year.

Section 2.13. Special Meetings of the Condominium Board. Any member of the Condominium Board may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable.

Section 2.14. Waiver of Notice of Meetings. Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him or her of notice of the time and place thereof.

Section 2.15. Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, the attendance of a majority of all Board Members thereof shall be required for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes.

Section 2.16. Conduct of Meetings. The minutes of the meetings of the Condominium Board shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order shall govern the conduct of meetings of the Condominium Board unless the

same shall be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

Section 2.17. Decision by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the affirmative vote of a majority of the members of the Condominium Board shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Condominium in the minutes of the Condominium Board. In the event of a deadlock in voting between the two units or in the Condominium Board, such deadlock shall be submitted to an arbitration board in accordance with Article 10, "Arbitration", below.

Section 2.18. Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19. Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by vote of the Condominium Board;

(y) the fact thereof is disclosed to, or known by the Unit Owners, and the Unit Owners authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the requisite attendance of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction.

Section 2.20. Liability of the Condominium Board. (A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his or her own bad faith or willful misconduct.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections

3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1. General. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. The Condominium Board may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. Where necessary, one individual may act as or hold the office of more than one office. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by the officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2. President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL", including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Condominium Board or by the President.

Section 3.4. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5. Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6. Election, Term of Office and Qualifications of Officers. Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. At least a majority of the officers shall be elected from amongst the members of the Condominium Board who are Unit Owners. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium.

Section 3.7. Removal and Resignation of Officers. Any officer of the Condominium may be removed from office with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her membership shall cease.

Section 3.8. Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9. Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10. Liability of the Officers of the Condominium. (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1. Annual Meetings of the Unit Owners. The first annual meeting of the Unit Owners shall be held approximately four (4) months after the First Closing, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held within sixty (60) days of the anniversary date of the first meeting. At each such subsequent meeting, the Unit Owners shall transact such business as may properly come before such meeting. In the event that any annual meeting of members is delayed, the existing Condominium Board shall continue to serve.

Section 4.2. Special Meetings of Unit Owners. The Condominium Board shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt of a petition calling for such a meeting signed by a Unit Owner. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place as may be designated by the Condominium Board.

Section 4.4. Notice of Meetings. (A) The Condominium Board shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, telephone or telegram not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his or her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Condominium Board not less than ten (10) days prior to the giving of notice of the applicable meeting.

Section 4.5. Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of a majority of all Unit Owners shall be required at all meetings of the Unit Owners.

Section 4.6. Conduct of Meetings. The minutes of all meetings of the Unit Owners shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat.

Section 4.7. Order of Business. The order of business at all annual meetings of the Unit Owners shall be as follows:

(i) Roll call;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Condominium;

(v) Reports of committees;

(vi) Reports of inspectors of election (when so required);

(vii) Election or designation of members of the Condominium Board (if there is a vacancy);

(viii) Unfinished business; and

(ix) New business.

Section 4.8. Voting at Meetings of Unit Owners. (A) Subject to the terms of Sections 2.7 and 4.9 hereof, at meetings of Unit Owners, each Unit Owner (including the Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote for each unit

owned.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to the vote appurtenant to any Unit owned by the Condominium Board or such designee. The vote of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the results of voting.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one Person amongst them the vote appurtenant to their Unit in a writing given to the Condominium Board, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually exercise the vote appurtenant to such unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Condominium Board at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Condominium Board; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Condominium Board.

Section 4.9. Election of Members of the Condominium Board. (A) After the three-year period of initial control by Sponsor, each Unit Owner shall be entitled to designate one member of the Condominium Board, who shall represent him. See Section 2.7 above.

Section 4.10. Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11. Title to Units. Title to any Unit may be taken by any Person or by any two (2) or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12. Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively), that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1. Maintenance. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, and replacements, whether structural or non-structural, ordinary or extraordinary,

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

However, if any work is necessitated by any condition or occurrence in the individual unit such Unit Owner shall be liable for such costs which are not paid by the insurance carrier. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect which the Condominium Board is responsible pursuant to the terms thereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition and order (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

Section 5.2. Alterations, Additions, or Improvements in and to Units. Each Unit Owner shall have the right to:

(i) make alterations, additions, or improvements in the interior of his unit;

(ii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his unit;

(iii) change the layout of his unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit.

Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done.

(B) All alterations, additions, and improvements by Unit Owners shall be made in

compliance with laws. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(C) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s)) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, and the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.3. Alterations, Additions, or Improvements to the Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $5,000.00 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by all of the Unit Owners at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $5,000.00 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

Section 5.4. Insurance. (A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance

Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit);

(ii) rent insurance (if applicable);

(iii) workmen's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance; and

(v) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant

to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $500,000.00 in the aggregate until the first regular meeting of the first Condominium Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board as a Common Expense.

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

Section 5.5. Casualty or Condemnation. (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable to the Condominium Board. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work" of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or

any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his or her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, and all proceeds of such Special Assessment shall become part of the Trust Funds. However, if the insurance proceeds are not sufficient to discharge the cost and expense of performing any work attributable to any part of the building which is not a "Common Element", such cost and expense must be paid by the owner or owners of the Units or Limited Common Element which were damaged and no special assessment may be levied against the Unit Owners. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to the Unit Owner of the damaged unit, except that no payment shall be made to a Unit Owner until there has first been paid, out of said excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

In the event that the damages is caused to both a Unit and Common Elements, the Condominium Board shall retain the services of an insurance adjuster to determine the amount of damages caused separately by the Unit and Common Element and all the underpayments and overpayments shall be subject to provisions in paragraph (C).

(D) If either 75% or more of a Building is destroyed or substantially damanged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of the Unit Owners of the Building shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) [INTENTIONALLY OMITTED].

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of

paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(G) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the Work is to be commenced not more than sixty (60) days after the date on which the Condominium Board has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date on which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharged the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6. Use of The Property. (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

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

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7. Use of the Units. (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7. Each Unit may be used in

accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy. Any Unit may be partially used as a professional office by the owner of such unit only.

(B) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family members or guests). Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein.

Section 5.8. Use of the Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. The lobbies, vestibules, public halls, stairways and shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

Use of the Limited Common Elements. The cost of maintenance, repair and replacement of Limited Common Elements shall be borne by the Unit Owner or Unit Owners having the exclusive or shared use thereto.

Section 5.9. Rights of Access. (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his or her Unit for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage

encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) For purposes of paragraph (A), each Unit Owner shall grant to the Condominium Board a right of access to his or her Unit and the Condominium Board shall grant rights of access to the Common Elements, provided that access thereto shall not be exercised with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

(C) A right of access is hereby granted to the unit owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such unit owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his Unit or as a Common Element. However, the right shall only be exercised in a reasonable manner.

(D) An easement and right of access is hereby granted to the owners of Units 2, 3, 4, 5 and 6 through the side yard area which is designated as Limited Common to Unit 1, for the purpose of gaining access only to the boiler room, mechanical areas, or any other area in the Cellar to which said units are entitled to a right of use. Such right shall only be exercised in a reasonable manner.

(E) An easement for inspection and repair is hereby granted to the Owner of Unit 2 for the purpose of gaining access to the Air Conditioning Units which are located in the side yard area adjacent to South 10th Street, which is designated as Limited Common for Unit 1. Such right shall only be exercised in a reasonable manner.

(F) An easement and right of way is hereby granted to the owner of Unit 2 over the side yard area adjacent to South 10th Street, for the purpose of a Balcony designated as part of Unit 2 which overhangs said yard area. Such right shall only be exercised in a reasonable manner

Section 5.10. Modification of the Rules and Regulations. The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by the vote of 75% of the Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

Section 5.11. Real Estate Taxes, Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. However, the Condominium Board shall have the right, exercisable in its sole discretion to require the installation of submeters to determine the consumption of water by each Unit. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

Section 5.12. INTENTIONALLY OMITTED.

Section 5.13. Gas and Electricity. Gas and electricity shall he supplied to each Unit through a separate meter for such Unit, and each (Unit Owner shall be required to pay all charges for gas and electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefor. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that gas and electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of gas and electricity in his or her Unit, as determined by submetering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and shall be payable either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

Section 5.14. Utilities Serving the Common Elements. The cost and expense of water, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.15. Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line shall be paid by the Condominium Board as a Common Expense.

Section 5.16. [INTENTIONALLY OMITTED.]

Section 5.17. Records and Audits. (A) The Condominium Board, or the Managing Agent, shall keep full, detailed and accurate records with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within (4) four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared by an independent accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

ARTICLE 6

COMMON CHARGES

Section 6.1. Determination of Common Expenses and Fixing of Common Charges. (A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt and budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the needs of the Condominium. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the

Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2. Payment of Common Charges. (A) All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Unit subsequent to a sale, transfer, or other conveyance by him or her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement

in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board to comply with Law.

Section 6.3. Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4. Default In Payment of Common Charges. (A) In the event that any party defaults in performing any act or making any payment which is that party's responsibility hereunder and said default is not cured within fifteen (15) days of written notice of said default, then the Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than thirty days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay a penalty charge equal to 10% of the outstanding charge, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred In connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1. General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his or her Unit except in compliance with, the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2. Right of First Refusal. (A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "Sale or lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall give fifteen (15) days written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his or her Unit, together with its Appurtenant Interests, or to lease his or her Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than fifteen business days after receipt of written notice in the event of a proposed sale and ten business days in the event of a proposed lease after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or

otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in Section 7.2 to purchase any Unit without the unanimous prior approval of the Unit Owners who are not offering their units for sale ("Remaining Unit Owners"). Accordingly, if one (1) unit owner offers his unit for sale, the Condominium Board may not exercise the option to purchase the unit unless the Remaining Unit Owners unanimously agree to purchase the unit. In the event that one of the Remaining Unit Owners does not vote in favor of purchasing the unit, the Condominium Board will not be able to exercise its right to purchase, and the Offeree Unit Owner may proceed in accordance with Section 7.4, which provides for the event that the Board fails to accept said offer.

(E) The Remaining Unit Owners may reach an agreement between themselves under which the right of first refusal shall be exercised by one (1) of the Remaining Unit Owners (the "Purchasing Unit Owner"), who will then be responsible for closing on such Unit and will be required to fulfill all the terms and conditions set forth in Section 7.3, "Acceptance of Offer". In such event, such title may be closed in the name of the Purchasing Unit Owner and the parties may agree between themselves as to the terms and conditions of the voting power, operation and maintenance of the property, repairs, and improvements, so as to take into account the voting power of each of the Unit Owners.

Section 7.3. Acceptance of Offer. (A) In the event that an Optionee shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests, to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Optionee shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase 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 such purchase, the Condominium Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale or Lease Agreement, the Condominium Board may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer rent, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the

Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) If Section 7.2, paragraphs (D), (E) and (F) (which pertain to the sale by one Unit Owner in a 3-unit condominium) are applicable, the Purchasing Unit Owner shall be responsible for all costs of purchasing the Unit offered for sale by the Offeree Unit Owner and such Offeree Unit Owner shall convey the Unit in the same manner as set forth in paragraph (B) of Section 7.3 to the Purchasing Unit Owner or his designee.

(D) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord. In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit owners, or if a remaining Unit Owner exercises the right to lease the apartment, such Unit Owner shall be responsible for any damages caused to the Unit by the occupant.

Section 7.4. Failure to Accept Offer. (A) In the event that the Sponsor of the Offering Plan and the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within sixty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such sixty-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his or her interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance;

(iii) the Condominium Board 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 (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5. Termination of, and Exceptions to, the Right of First Refusal. (A) A certificate executed and acknowledged by the Sponsor and Condominium Board or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Sponsor and Condominium Board and that, as a result thereof, the rights of the Sponsor and Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause.the Managing Agent to furnish, without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the Unit Owner thereof to any of his or her adult Family Members (which is limited to his spouse, children, grandchildren, parents, grandparents, brothers and sisters) to any combination of the same, or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than fifty percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interest thereof;

(ii) the Condominium Board.

provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, all of the terms and conditions of this Article 7.

Section 7.6. No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests. However, in no event shall any party which has use of the driveway be allowed to lease his interest in the driveway to a non-occupant of the property.

Section 7.7. Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.8. Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9. Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy to persons or entities set forth in Section 7.5(B)(i), without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to all the provisions of this Declaration and By-Laws.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1. General. Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a confirmed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units".

Section 8.2. Restrictions on Mortgaging. (A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

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

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non- institutional lender to make the mortgage loan or take an assignment thereof.

Section 8.3. Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his or her mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Condominium' Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4. Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5. Examination of Books. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1. Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his or her obligation to paint, decorate, maintain, repair, or replace his or her Unit pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2. Abatement and Enjoinment. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3. Remedies Cumulative. The remedies specifically granted to the Condominium Board in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or shall be immediately payable by such Unit Owner to the Condominium Board, which amount shall be paid within ten (10) days of receiving notice. In the event it is not paid within ten (10) days of receiving notice, a penalty charge equal to 10% of the outstanding charge shall be payable. All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1. Procedure. Any matter or issue that may be resolved by arbitration pursuant

to New York State law, or if there is a deadlock in any matter, must be submitted to arbitration. No party may commence a proceeding in any other forum other than to enforce these arbitration provision. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction. In the event there is a deadlock in voting between the units, such deadlock shall be submitted to an arbitration board. The arbitration board is hereby given the power to cast a deciding vote in order to break any deadlock; who shall render an arbitration decision in accordance with the best interests of the Condominium. The Condominium Board shall follow the directions of the Arbitrators.

Section 10.2. Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 10.3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 10.4. Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

NOTICES

Section 11.1. General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner, to such Unit Owner at his or her address at the Property; and,

(iii) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2. Waiver of Service of Notice. Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1. General. Any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of 75% of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1. General. Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for therein, and take such other action as such other Person may reasonable request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2. Failure to Deliver or Act. If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board or its Managing Agent, is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1. Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2. Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3. Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control. All provisions of the Declaration and By-Laws are subject to any written agreement among the owners of the Units.

Section 14.4. Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5. Gender. A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.6. Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ADDENDUM TO THE BY-LAWS OF

THE 564-580 PARK PLAZA CONDOMINIUM

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used in any manner to impede the ingress and egress to the units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

3. Nothing shall be hung or shaken from any doors, window, or open terraces or patios, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

4. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

5. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

6. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

7. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board. Porches, decks and backyards, if any, are designated for barbecuing.

8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises (except for noises made by children under the age of ten (10) years) or odors to be produced upon or to emanate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall

disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No phonograph, radio or television set may be operated on Saturday. The manner of dress of each unit owner, his family and guests and invitees shall be modest and inoffensive to the majority of the unit owners. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

9. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in the Building unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public area of the Building or in any of the public portions of the building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, patios, terraces, or other public portions of the building, or on the sidewalk or street adjacent to the Building.

10. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

11. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

12. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

13. The agents of the Condominium Board or the Managing Agent and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

14. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

15. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his or her agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as otherwise provided herein) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

16. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building.

17. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

18. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

19. In no event shall the sanctity of the Sabbath (Saturday) be violated by any Unit Owner or guest present in the Condominium. No automobile may enter the condominium driveway during the period from sundown on Friday to Saturday night. No television antennas, television cables or satellite dishes may be installed on any portion of the premises which is part of the Condominium, including the Buildings, the Condominium Units or the Common Elements.

20. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

DOCUMENT NUMBER 8

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

AGREEMENT made as of the 25th day of January, 2001 between:
K-R RESIDENCE CORP. ("SPONSOR") as sponsor of the offering plan and CARL N. CALLER, ESQ. ("ESCROW AGENT") as escrow agent.

WHEREAS, K-R RESIDENCE CORP. is the sponsor of an offering plan to convert to cooperative/condominium ownership the premises located at 564-580 Wythe Avenue, Brooklyn, NY (the "Offering Plan"); and

WHEREAS, CARL N. CALLER, ESQ. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits 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 or subscribers. The escrow account has been opened with Chase Manhattan Bank, NA at its branch located at 4901 13th Avenue, Brooklyn, New York 11219.

1.2 The name of the account is "Carl N. Caller Attorney Escrow Account"

1.3 Carl N. Caller, Esq. is the 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 is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT,

2.1 All funds received from prospective purchasers or subscribers 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 or subscriber to the order of "CARL N. CALLER ATTORNEY ESCROW ACCOUNT" as escrow agent for the 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 or subscriber 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 subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, 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 subscriber or 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. RECORD KEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor 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 its 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 shares or 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 the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that compensation owed by SPONSOR to ESCROW AGENT shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation owed by SPONSOR 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. INDEMNIFICATION.

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

13. ENTIRE AGREEMENT.

13.1 This Agreement, read together with GBL 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:
CARL N. CALLER

By:_____

SPONSOR:
K-R RESIDENCE CORP.

By:_____

H:\PLAN\564-580 Wythe\EXHIBITS.20.wpd

CHASE

Escrow and Client Funds Management Account Master Account Application

Date ____/____/____

☐ C Corporation ☐ S Corporation ☐ Partnership ☐ LLC ☐ Sole Proprietor ☐ Not for Profit ☐ Other

Master Account Number
For bank use only ☐☐☐-☐☐☐☐☐☐-☐-☐☐

Account Title (Master Account Name) _____

_____ ("Depositor")

Indicate "Attorney Trust Account" or "Client Funds" (whichever is applicable).

Address _____

City _____ State _____ Zip _____

Attention _____

Phone Number ( ) _____ Fax Number ( ) _____

Tax Identification Number _____

Business Banking Card Request

☐ Limited-Function Card (separate application required)

Depositor understands that this application is subject to approval by Chase.

In the payment of funds and in the transaction of all other business relative to this account, Depositor agrees that The Chase Manhattan Bank is authorized to rely upon the signature(s) and information which appear below. Depositor has received and agrees to the Terms and Conditions for Business Accounts and Services, and to the Escrow and Clients Funds Management Account Agreement currently in effect and as may be amended.

Under the penalty of perjury, the Depositor certifies (1) that the number shown on this form is its correct taxpayer identification number and (2) that the Depositor is not subject to backup withholding either because: (a) it is exempt from backup withholding, or (b) it has not been notified that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the Internal Revenue Service has notified it that the Depositor is no longer subject to backup withholding.

(If the Depositor has in fact been notified by the IRS that it is subject to backup withholding due to notified payee underreporting, please strike out the appropriate phrases within the certification.)

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

For law firms only: Please notify State Lawyers Fund for Client Protection of checks drawn on this account that are returned unpaid for insufficient or unavailable funds.

Authorized Signature X _____ Date _____
(To be signed by the Master Account Holder)

Authorized Signature X _____ Date _____
(To be signed by the Master Account Holder)

For Bank Use Only	
Selling Branch No.	
Representative	ECA No.

All copies must be returned
Part 1 (White) Branch copy
Part 2 (Yellow) Retail Systems Control

Member FDIC (11/97)

DOCUMENT NUMBER 9

FORM OF APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

ETF-1

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 GBL 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: _____

_____

DOCUMENT NUMBER 10

FORM OF LEASE AGREEMENT
BLUMBERG FORM T 186

LEASE AGREEMENT

The Landlord and Tenant agree to lease the Apartment at the Rent and for the Term stated on these terms:

LANDLORD:..... TENANT:.....

Address for Notices:..... .....

....

Apartment (and terrace, if any).....at.....

Lease date:	**Term**	**Yearly Rent** $.....
..... 19.....	**beginning**..... 19.....	**Monthly Rent** $.....
	ending ..... 19.....	**Security** $.....

Rider Additional terms on.....page(s) initialed at the end by the parties is attached and made a part of this Lease.

1. Use

The Apartment must be used only as a private Apartment to live in and for no other reason. Only a party signing this Lease and the spouse and children of that party may use the Apartment.

2. Failure to give possession

Landlord shall not be liable for failure to give Tenant possession of the Apartment on the beginning date of the Term. Rent shall be payable as of the beginning of the Term unless Landlord is unable to give possession. Rent shall then be payable as of the date possession is available. Landlord will notify Tenant as to the date possession is available. The ending date of the Term will not change.

3. Rent, added rent

The rent payment for each month must be paid on the first day of that month at Landlord's address. Landlord need not give notice to pay the rent. Rent must be paid in full and no amount subtracted from it. The first month's rent is to be paid when Tenant signs this Lease. Tenant may be required to pay other charges to Landlord under the terms of this Lease. They are to be called "added rent." This added rent is payable as rent, together with the next monthly rent due. If Tenant fails to pay the added rent on time, Landlord shall have the same rights against Tenant as if Tenant failed to pay rent. Payment of rent in installments is for Tenant's convenience only. If Tenant defaults, Landlord may give notice to Tenant that Tenant may no longer pay rent in installments. The entire rent for the remaining part of the Term will then be due and payable.

4. Security

Tenant has given Security to Landlord in the amount stated above. If Tenant fully complies with all of the terms of this Lease, Landlord will return the Security after the Term ends. If Tenant does not fully comply with the terms of this Lease, Landlord may use the Security to pay amounts owed by Tenant, including damages. If Landlord sells or leases the Building, Landlord may give the Security to the buyer or lessee. Tenant will look only to the buyer or lessee for the return of the Security.

5. Services

Landlord will supply: (a) heat as required by law, and (b) hot and cold water for bathroom and kitchen sink. Stopping or reducing of service(s) will not be reason for Tenant to stop paying rent, to make a money claim or to claim eviction. Damage to the equipment or appliances supplied by Landlord caused by Tenant's act or neglect, may be repaired by Landlord at Tenant's expense. The repair cost will be added rent.

Tenant must pay for all electric, gas, telephone and other utility services used in the Apartment and arrange for them with the public utility company.

Landlord may stop service of the plumbing, heating, elevator, air cooling or electrical systems, because of accident, emergency, repairs, or changes until the work is complete. If unable to supply any service because of labor trouble, Government order, lack of fuel supply or other cause not controlled by Landlord, Landlord is excused from supplying that service. Service shall resume when Landlord is able to supply it.

6. Repairs

Tenant must take good care of the Apartment and all equipment and fixtures in it. Tenant must, at Tenant's cost, make all repairs and replacements whenever the need results from Tenant's act or neglect. If Tenant fails to make a needed repair or replacement, Landlord may do it. Landlord's expense will be added rent.

7. Alterations

Tenant must obtain Landlord's prior written consent to install any panelling, flooring, "built in" decorations, partitions, railings or make alterations or to paint or wallpaper the apartment. Tenant must not change the plumbing, ventilating, air conditioning, electric or heating systems. If consent is given, the alterations and installations shall become the property of Landlord when completed and paid for, and shall remain with and as part of the Apartment at the end of the Term. Landlord has the right to demand that Tenant remove the alterations and installations before the end of the Term. The demand shall be by notice, given at least 15 days before the end of the Term. Landlord is not required to do or pay for any work unless stated in this Lease.

8. Fire, accident, defects, damage

Tenant must give Landlord prompt notice of fire, accident, damage or dangerous or defective condition. If the Apartment can not be used because of fire or other casualty, Tenant is not required to pay rent for the time the Apartment is unusable. If part of the Apartment can not be used, Tenant must pay rent for the usable part. Landlord shall have the right to decide which part of the Apartment is usable. Landlord need only repair the damaged structural parts of the Apartment. Landlord is not required to repair or replace any equipment, fixtures, furnishings or decorations unless originally installed by Landlord. Landlord is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Landlord's control.

If the fire or other casualty is caused by an act or neglect of Tenant or guest of Tenant, or at the time of the fire or casualty Tenant is in default in any term of this Lease, then all repairs will be made at Tenant's expense and Tenant must pay the full rent with no adjustment. The cost of the repairs will be added rent.

Landlord has the right to demolish or rebuild the Building if there is substantial damage by fire or other casualty. Even if the Apartment is not damaged, Landlord may cancel this Lease within 30 days after the fire or casualty by giving Tenant notice of Landlord's intention to demolish or rebuild. The Lease will end 30 days after Landlord's cancellation notice to Tenant. Tenant must deliver the Apartment to Landlord on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. If the Lease is cancelled Landlord is not required to repair the Apartment or Building.

Landlord is not liable for loss, expense, or damage to any person or property, unless due to Landlord's negligence. Tenant must pay for damages suffered and money spent by Landlord relating to any claim arising from any act or neglect of Tenant. Tenant is responsible for all acts of Tenant's family, employees, guests or invitees.

10. Landlord may enter

Landlord may at reasonable times, enter the Apartment to examine, to make repairs or alterations, and to show it to possible buyers, lenders or tenants.

11. Assignment and sublease

Tenant must not assign this Lease or sublet all or part of the Apartment or permit any other person to use the Apartment. If Tenant does, Landlord has the right to cancel the Lease as stated in the Default section.

12. Subordination

This Lease and Tenant's rights, are subject and subordinate to all present and future: (a) leases for the Building or the land on which it stands, (b) mortgages on the leases or the Building or land, (c) agreements securing money paid or to be paid by a lender, and (d) terms, conditions, renewals, changes of any kind and extensions of the mortgages or leases or Lender agreements. Tenant must promptly execute any certificate(s) that Landlord requests to show that this Lease is so subject and subordinate. Tenant authorizes Landlord to sign these certificate(s) for Tenant.

13. Condemnation

If all of the Apartment or Building is taken or condemned by a legal authority, the Term, and Tenant's rights shall end as of the date the authority takes title to the Apartment or Building. If any part of the Apartment or Building is taken, Landlord may cancel this Lease on notice to Tenant. The notice shall set a cancellation date not less than 30 days from the date of the notice. If the Lease is cancelled, Tenant must deliver the Apartment to Landlord on the cancellation date together with all rent due to that date. The entire award for any taking belongs to Landlord. Tenant gives Landlord any interest Tenant may have to any part of the award. Tenant shall make no claim for the value of the remaining part of the Term.

14. Tenant's duty to obey laws and regulations

Tenant must, at Tenant's expense, promptly comply with all laws, orders, rules, requests, and directions, of all governmental authorities, Landlord's insurers, Board of Fire Underwriters, or similar groups. Tenant may not do anything which may increase Landlord's insurance premiums. If Tenant does, Tenant must pay the increase as added rent.

15. Tenant's defaults and Landlord's remedies

A. Landlord may give 5 days written notice to Tenant to correct any of the following defaults:

1. Failure to pay rent or added rent on time.
2. Improper assignment of the Lease, improper subletting all or part of the Apartment.
3. Improper conduct by Tenant or other occupant of the Apartment.
4. Failure to fully perform any other term in the Lease.

B. If Tenant fails to correct the defaults in section A. within the 5 days, Landlord may cancel the Lease by giving Tenant a written 3 day notice stating the date the Term will end. On that date the Term and Tenant's rights in this Lease automatically end and Tenant must leave the Apartment and give Landlord the keys. Tenant continues to be responsible for rent, expenses, damages and losses.

C. If the Lease is cancelled, or rent or added rent is not paid on time, or Tenant vacates the Apartment, Landlord may in addition to other remedies take any of the following steps:

1. Enter the Apartment and remove Tenant and any person or property;
2. Use dispossess, eviction or other lawsuit method to take back the Apartment.

D. If the Lease is ended or Landlord takes back the Apartment, rent and added rent for the unexpired Term becomes due and payable. Landlord may re-rent the Apartment and any thing in it for any Term. Landlord may re-rent for a lower rent and give allowances to the new Tenant. Tenant shall be responsible for Landlord's cost of re-renting. Landlord's cost shall include the cost of repairs, decorations, broker's fees, attorney's fees, advertising and preparation for renting. Tenant shall continue to be responsible for rent, expenses, damages and losses. Any rent received from the re-renting shall be applied to the reduction of money Tenant owes. Tenant waives all rights to return to the Apartment after possession is given to the Landlord by a Court.

16. Waiver of jury, counterclaim, set off

Landlord and Tenant waive trial by a jury in any matter which comes up between the parties under or because of this Lease (except for a personal injury or property damage claim). In a proceeding to get possession of the Apartment, Tenant shall not have the right to make a counterclaim or set off.

17. Notices

Any bill, statement or notice must be in writing. If to Tenant, it must be delivered or mailed to the Tenant at the Apartment. If to Landlord it must be mailed to Landlord's address. It will be considered delivered on the day mailed or if not mailed, when left at the proper address. A notice must be sent by certified mail. Landlord must send a written notice to Tenant if Landlord's address is changed.

18. No waiver, illegality

Landlord's acceptance of rent or failure to enforce any term in this Lease is not a waiver of any of Landlord's rights. If a term in this Lease is illegal, the rest of this lease remains in full force.

19. Bankruptcy, insolvency

If (1) Tenant assigns property for the benefit of creditors, (2) Tenant files a voluntary petition or an involuntary petition is filed against Tenant under any bankruptcy or insolvency law, or (3) a trustee or receiver of Tenant or Tenant's property is appointed, Landlord may give Tenant 30 days notice of cancellation of the Term of this Lease. If any of the above is not fully dismissed within the 30 days, the Term shall end as of the date stated in the notice. Tenant must continue to pay rent, damages, losses and expenses without offset.

20. Rules

Tenant must comply with Landlord's Rules. Notice of Rules will be posted or given to Tenant. Landlord need not enforce Rules against other Tenants. Landlord is not liable to Tenant if another tenant violates the Rules. Tenant receives no rights under the Rules.

21. Representations

Tenant has read this Lease. All promises made by the Landlord are in this Lease. There are no others.

22. Landlord unable to perform

If due to labor trouble, government order, lack of supply, Tenant's act or neglect, or any other cause not fully within Landlord's reasonable control Landlord is delayed or unable to (a) carry out any of the Landlord's promises or agreements

22. Landlord unable to perform

If due to labor trouble, government order, lack of supply, Tenant's act or neglect, or any other cause not fully within Landlord's reasonable control Landlord is delayed or unable to (a) carry out any of the Landlord's promises or agreements, (b) supply any service to be supplied, (c) make any required repair or change in the Apartment or Building, or (d) supply any equipment or appliances, this Lease shall not be ended or Tenant's obligations affected.

23. End of term

At the end of the Term, Tenant must: leave the Apartment clean and in good condition, subject to ordinary wear and tear; remove all of Tenant's property and all Tenant's installations and decorations; repair all damages to the Apartment and Building caused by moving; and restore the Apartment to its condition at the beginning of the Term.

24. Space "as is"

Tenant has inspected the Apartment and Building. Tenant states they are in good order and repair and takes the Apartment "as is."

25. Quiet enjoyment and habitability

Subject to the terms of this Lease, as long as Tenant is not in default Tenant may peaceably and quietly have, hold, and enjoy the Apartment for the Term. Landlord states that the Apartment and Building are fit for human living and there is no condition dangerous to health, life or safety.

26. Landlord's consent

If Tenant requires Landlord's consent to any act and such consent is not given, Tenant's only right is to ask the Court to force Landlord to give consent. Tenant agrees not to make any claim against Landlord for money or subtract any sum from the rent because such consent was not given.

27. Legal Fees

The successful party in a legal action or proceeding between Landlord and Tenant for non-payment of rent or recovery of possession of the Apartment may recover reasonable legal fees and costs from the other party.

28. Lease binding on

This Lease is binding on Landlord and Tenant and those that lawfully succeed to their rights or take their place.

29. Landlord

Landlord means the owner, or the lessee of the Building, or a lender in possession. Landlord's obligations end when Landlord's interest in the Building is transferred. Any acts Landlord may do may be performed by Landlord's agent or employees.

30. Paragraph headings The Paragraph headings are for convenience only.

31. Changes This Lease may be changed only by an agreement in writing signed by and delivered to each party.

32. Effective date This Lease is effective when Landlord delivers to Tenant a copy signed by all parties.

Signatures Landlord and Tenant have signed this Lease as of the date at the top.

LANDLORD: ..... TENANT: .....

....

WITNESS: .....

CERTIFICATIONS

CERTIFICATION BY SPONSOR
AND SPONSOR'S PRINCIPALS

The Department of Law of
the State of New York
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Financing Bureau

Re: The 564-580 Park Plaza Condominium
564 and 580 Wythe Avenue
Brooklyn, New York

Sponsor: K-R Residence Corp.

Gentlemen:

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 Department of Law in Part 20 and such other laws and regulations as may be applicable.

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

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I/we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or statements made.

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

SPONSOR: K-R RESIDENCE CORP.

By: _____
Chaim Dushinsky

_____
Chaim Dushinsky

_____
Isaac Rabinowitz

Affirmed before me this
12th day of February, 2001

_____
Notary Public

CHERYL GELLER
NOTARY PUBLIC, State of New York
No. 01GE6030733
Qualified in Kings County
Commission Expires Sept. 20, 2001

Kent-Rush Realty Corp. hereby assumes responsibility for all of the representations and obligations set forth in this certification and in the Offering Plan.

Kent-Rush Realty Corp.

By: _____
Herman Jacobs

Affirmed before me this 8th day of February, 2001

_____
Notary Public

KATHLEEN A. CALVENTE
Notary Public State of New York
No 01CA4776837
Qualified in Suffolk County
Commission Expires July 31, 2002

CERTIFICATION BY SPONSOR'S ENGINEER/ARCHITECT PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

Department of Law of the State of New York
120 Broadway, 23rd Floor
New York, NY 10271

Attn.: Real Estate Financing Bureau

Re: 564 and 580 Wythe Avenue
Brooklyn, New York

The Sponsor of the Offering Plan to convert the captioned property to Condominium Ownership retained our firm to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by Gene Kaufman, R.A., dated July 7, 2000 and prepared the Report dated January 18, 2001, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the State in which the property is located. I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

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

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is

beyond reasonable expectation or unwarranted by existing circumstances;

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

Affirmed before me this
8th day of February, 2001

Notary Public

H:\PLAN\564-580 Wythe\EXHIBITS.20.wpd

CHERYL GELLER
NOTARY PUBLIC, State of New York
No. 01GE6030733
Qualified in Kings County
Commission Expires Sept. 20, 2001

REGISTERED ARCHITECT
MAURICE BREZEL
No. 013544
UNIVERSITY of the STATE OF NEW YORK

maurice brezel / registered architect
1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0783

P.O. BOX 743, MONROE, NEW YORK 10950

NYC - 800-422-2009 Upstate - 914-783-2900 - Fax:914-783-6808

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

The Department of Law of
the State of New York
120 Broadway, 23rd Floor
New York, New York 10271

Re: The 564-580 Park Plaza Condominium
564 and 580 Wythe Avenue
Brooklyn, New York
Condominium Offering Plan

To whom it may concern;

The sponsor of the condominium offering plan for the captioned property retained me to review Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation. I have been a licensed real estate broker since 1987, have been a registered mortgage broker since 1990 and have over 15 years' experience in real estate.

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 Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

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THE REAL ESTATE EXPERTS
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(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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

Shlome Torim

Affirmed before me this
day of Jan. 22, 2001

Notary Public

ELKY RUBIN
Notary Public, State of New York
No. 01RU6017326
Qualified in Orange County
Commission Expires December 14, 2001

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