CONDOMINIUM OFFERING PLAN
FOR THE SALE OF UNITS
IN A CONDOMINIUM TO BE KNOWN AS

CARROLL GARDENS CONDOMINIUM

Located at

344 DeGraw Street
Brooklyn, New York 11231

TWENTY-SIX (26) UNITS	$ 14,861,000.00
EIGHTEEN (18) PARKING SPACES	$ 450,000.00
TOTAL OFFERING ...	$ 15,311,000.00

SPONSOR:

340 DeGraw Street Development Corp.
1365 72nd Street
Brooklyn, NY 11228

SPONSOR'S ATTORNEY:

Gary E. Miller, PLLC
261 Madison Avenue
New York, NY 10016

SPONSOR'S SELLING AGENT:

Cobble Heights Realty Inc.
206 Court Street
Brooklyn, NY 11201

THE APPROXIMATE DATE OF THE FIRST OFFERING TO THE PUBLIC IS **JULY 18, 2001.** THE OFFERING PLAN MAY NOT BE USED AFTER **JULY 17, 2002** UNLESS EXTENDED BY AMENDMENT.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGES 1, 2 AND 3.

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

FILE NO.: CD01-0065

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PART I

SPECIAL RISKS

1. The Sponsor will retain voting control of the Board of Managers of the Condominium until five (5) years from the date of the closing of title to the first Unit in the Condominium or until the closing of title to one-hundred (100%) percent of the Units in the Condominium, whichever shall first occur.

The number of Mangers which shall constitute the whole Board of Managers shall be not less than three (3) and no more than nine (9). The first board of Managers of the Condominium will consist of principals of the Sponsor. Within thirty (30) days after title to the last Unit is conveyed by the Sponsor, but in no event later than five (5) years after the conveyance of title to the first Unit, the Sponsor will call the first annual meeting of the Unit Owners at which time a new Board of Managers will be elected.

For a maximum of five (5) years from the date of the conveyance of title to the first Unit, so long as the Sponsor continues to own Units representing twenty-five (25%) percent or more in Common Interest, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations, or improvements to the Common Elements or to any Unit costing cumulatively more than twenty (20%) percent of the Condominium's prior year operating budget, the foregoing not to include necessary repairs and maintenance work; (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; (iii) hire any employee in addition to the employees referred to in the Plan; (iv) enter into any contracts not in existence on the date the Plan is declared effective; or (v) borrow money on behalf of the Condominium.

For further details, see Section XVI of the Plan.

2. The Sponsor or its designees shall have the right, by amendment to the Plan, and amendment to the Declaration, when applicable, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by the Sponsor; (ii) change the layout or number of rooms in a Unit owned by the Sponsor; (iii) change the size and/or number of a Unit owned by the Sponsor by subdividing a Unit, combining separate Units (including those resulting from such divisions or otherwise) into one or more Units, altering the boundary walls between units or otherwise; and (iv) reapportion among the Units owned by the Sponsor affected by such change their appurtenant interests in the Common Elements. In each instance, the Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. See Article Seventeenth of the Condominium Declaration and Article

VIII of the Condominium By-Laws, located in Part II, Exhibits "F" and "G," respectively, for further details.

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4. No bond or other security has been obtained by the Sponsor to guarantee its obligations with respect to Unsold Units. See Section XV the Plan for further details.

5. Purchasers of a Unit will be required to pay (i) the New York State Real Estate Transfer Tax ($2.00 for each $500.00 of consideration), (ii) the New York City Real Property Transfer Tax in the amount of one (1%) percent of the consideration paid by the Purchaser (under $500,000.00), (iii) a survey charge in the amount of $500.00, and (iv) a 421(a) Partial Real Estate Tax Abatement Fee in the amount of $500.00 plus 3/10 of 1% of the Purchase Price of a Unit. For the purpose of paying the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax, the consideration for a Unit shall be deemed to include the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax Paid for a Unit. If the Purchaser does not Close on the Closing date originally scheduled by the Sponsor For Closing, all adjustments will be as of the originally scheduled Closing date and Purchaser shall pay interest at the rate of sixteen (16%) per annum of the total Purchase Price for each day the Closing is adjourned. See Section XIV of the Plan for further details and a detailed listing of additional Closing costs payable by a Purchaser

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7. Effective March 1, 1989, a law went into effect which grants to each Purchaser of a Unit a Housing Merchant Implied Warranty. The full text of the law is annexed hereto as Exhibit L. Said law provides that, subject to certain conditions, the Housing Merchant Implied Warranty may be exclude or modified if a Purchaser is offered a limited warranty. The limited warranty provided by the Sponsor limits the Housing Merchant Limited Warranty in the following major areas; (i) the Warranty does not extend to subsequent owners of the Home other than the Purchaser, and (ii) the Builder's total liability to a Purchaser for deficiencies of the Home is limited to seventy-five (75%) percent of the Purchase Price of the Home. The Sponsor has elected to offer Purchasers a limited warranty in conformance with the terms of the above law. The terms of said limited warranty shall be substantially in the form of the limited warranty annexed hereto as Exhibit K. See Section XXIII of the Plan for further details.

8. Purchasers are advised that the Condominium Budget for the first year of operation set forth herein as Schedule "B" does not include an individual Unit Owner's gas and electricity costs for heat, hot water, cooking, dryer , air conditioning, lighting and other uses (See Schedule "B-1" of the Plan for an estimate of the above individual gas, heating, and electricity costs).

9. 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. See Section XI of the Plan and the Purchase Agreement set forth as Exhibit D in Part II of the Plan for further details.

10. Purchasers should be aware that their mortgage commitment may expire prior to closing. In the event that the lending institution, for any reason, cancels or does not extend an expired firm commitment prior to the closing of title, the purchaser will be required to comply with the terms of the Purchase Agreement and will not have a right to rescind the Purchase Agreement. See Section XI of the Plan and the Purchase Agreement set forth as Exhibit D in Part II of the Plan for further details.

11. Pursuant to existing law and regulations, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Units in the Project. It is possible that the Sponsor may be able to close title to Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase all. See Section XII of the Plan for further details.

Purchasers should note that in the current real estate market, banks and other lenders may impose various restrictions on loans. Such restrictions include requiring that a certain percentage, such as thirty-five (35%) percent or fifty (50%) percent of the Units in the Condominium 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 the Condominium where the percentage of Units purchased is lower than a lender's particular sales minimum. See Section XI of the Plan for further details.

12. The Sponsor has applied for a Preliminary Certification of Eligibility for Tax Exemption Benefits under Section 421(a) of the New York State Real Property Tax Law. Based upon the Consultant's Opinion Regarding Projected Real Estate Taxes and Eligibility for Section 421(a) Partial Real Estate Tax Exemption Benefits, annexed as Exhibit "R" to Part II of the Plan, the Condominium, as planned, will be eligible for fifteen (15) year Section 421(a) partial real estate tax exemption benefits. This section of the law, which is administered by the Department of Housing, Preservation and Development of the City of New York ("HPD"), provides for a fifteen (15) year partial tax exemption program applicable to multiple dwellings constructed in New York City under certain limiting conditions. A final exemption will be applied for by the Sponsor prior to the first taxable status date following the completion of construction. The Sponsor will in any event file all necessary papers to secure final approval. In the unlikely event that the above 421(a) benefits are not granted, the Sponsor will amend the Plan to reflect said fact, and each Unit Owner will be liable for the full real estate taxes without 421(a) benefits as set forth in Schedule A, Columns 6A and 6B herein. See Section XXIV of the Plan for further details.

13. The Sponsor is also providing eighteen (18) exterior parking spaces at the Property with twenty-four (24) hour valet parking services. The right to the use of the eighteen (18) parking spaces is being offered on a first come-first served basis to purchasers of a Unit. Only a purchaser of a Unit is being offered the right to the use of a parking space. A Purchaser who desires to purchase a parking space must indicate same at the time that the Purchaser executes a Purchase Agreement for the purchase of his Unit. No Purchaser shall be required to purchase a parking space.

The parking spaces will not be Units but each parking space will be a Limited Common Element, the use of which is irrevocably restricted to a Unit Owner. If a Unit purchaser elects to purchase the right to the use of a parking space, the price of his Unit will be increased by $25,000.00 and the percentage of common interest allocated to such Unit will be increased by the percentage of common interest for a parking space listed in Schedule A. If the right to the use of any parking spaces has not been sold on the date that the Declaration is recorded, the Sponsor will allocate such unsold spaces among the unsold Units and will amend the Plan to disclose how such unsold parking spaces have been allocated. The Sponsor will have the right to allocate more than one (1) unsold parking space to one (1) unsold Unit. The Sponsor will also have the right to reallocate unsold parking spaces among the unsold Units after the Declaration is recorded by amending the Plan and the Declaration without the consent of the Board of Managers, the Unit Owners or their mortgagees. The Sponsor reserves the right to reduce the number of parking spaces included in the Condominium. The Total Projected Expenses of the Condominium for the First Year of Operation do not include the costs and expenses associated with providing twenty-four (24) hour valet parking services, which costs and expenses are estimated by the Sponsor to be $75,000.00 for the First Year of Operation. Such costs and expenses are to be borne, solely, by the Unit Owners who have purchased the right to utilize a parking space(s) as follows:

> each purchaser of the right to use a parking space shall pay a portion of the costs and expenses associated with providing twenty-four (24) hour valet parking services, the numerator of which shall be the number of parking spaces to which the Purchaser has purchased the right to use, and the denominator of which shall be the total number of parking spaces to which the Sponsor has sold the right to use.

The monthly cost per parking space for valet parking services is estimated to be approximately $350.00, based upon the rights to use all eighteen (18) parking spaces having been sold. To the extent that the rights to use less than eighteen (18) parking spaces have been sold, the monthly cost per parking space for valet parking will increase accordingly. For example, if the right to use only one parking space is sold, the Purchaser of the right to use said parking space may be liable to pay up to the entire cost of $75,000.00 per annum. A Purchaser who does not purchase a parking space will not, in any event, be responsible for the costs and expenses associated with valet parking services.

14. Recreation Rooms which are located below grade level may not be used as Bedrooms. The use of Recreation Rooms which are located below grade level as Bedrooms may result in violations being posted against the Building. See Section III of the Plan for further details.

15. Title to the Unit will be subject to the following:

Survey, dated September 28, 2000 and updated November 22, 2000, made by Boro Land Surveying, P.C., shows a brick and block building (under construction) and shows no encroachments or variations with lot lines except for the following:

a. Variations between fences, fence on high brick wall, frame guard rail and record lines;

b. Shows on DeGraw Street: fence with gate 4 feet 7 inches on street;

c. Three story and basement on west encroaches up to ½ inch on west;

d. 2½ story and basement frame encroaches up to 1 inch on east.

See Section XIII of the Plan for further details.

16. In the event of an arbitration of a dispute between the Sponsor and a Purchaser as to the Sponsor's total limited liability under the Builder's Limited Warranty, the cost, if any, of said arbitration shall be borne entirely by the non-prevailing party. See Section XV of the Plan for further details.

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CARROLL GARDENS CONDOMINIUM
PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

340 DeGraw Street Development Corp., a New York corporation, maintaining an office at 1365 72nd Street, Brooklyn, NY 11228, (the "Sponsor" or "Developer"), pursuant to this Offering Plan, is offering for sale twenty-six (26) condominium units (the "Units") and eighteen (18) parking spaces, as depicted on the Site Plan annexed hereto as Exhibit A, as a condominium to be known as Carroll Gardens Condominium. The purpose of the Plan is to set forth all the terms of the offer for the benefit of prospective purchasers. The land and all improvements to be erected thereon are hereinafter referred to as the "Condominium" or the "Property".

The Condominium is located in Block 421, Lot 25, on DeGraw Street, west of Smith Street, in the Borough of Brooklyn, City and State of New York. The Property site consists of approximately 12,500 square feet in area.

No change in the size or layout of a Unit, its percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing an individual Unit will be made where a Purchase Agreement has been executed and delivered to the Sponsor for the Unit and where the purchaser is not in default under the terms of the agreement unless such purchaser consents to such change.

The Sponsor currently plans to construct twenty-six (26) Units in the Condominium to be contained within one (1) six story building. There will be one (1) passenger elevator in the building which will stop at the cellar level and at floors one (1) through six (6). The first floor will contain four (4) Units. Floors two, three, four and six of the building will each contain five (5) Units. The fifth floor will contain two (2) Units.

The Sponsor is also providing eighteen (18) exterior parking spaces at the Property with twenty-four (24) hour valet parking services. The right to the use of the eighteen (18) parking spaces is being offered on a first come-first served basis to purchasers of a Unit. Only a purchaser of a Unit is being offered the right to the use of a parking space. A Purchaser who desires to purchase a parking space must indicate same at the time that the Purchaser enters into a Purchase Agreement to Purchase his Unit. No Purchaser shall be required to purchase a parking space.

The parking spaces will not be Units but each parking space will be a Limited Common Element, the use of which is irrevocably restricted to a Unit Owner. If a Unit purchaser elects to purchase the right to the use of a parking space, the price of his Unit will be increased by $25,000.00 and the percentage of common interest allocated to such Unit will be increased by the percentage of common interest for a parking space listed in Schedule A. If the right to the use of any parking spaces has not been sold on the date that

the Declaration is recorded, the Sponsor will allocate such unsold spaces among the unsold Units and will amend the Plan to disclose how such unsold parking spaces have been allocated. The Sponsor will have the right to allocate more than one (1) unsold parking space to one (1) unsold Unit. The Sponsor will also have the right to reallocate unsold parking spaces among the unsold Units after the Declaration is recorded by amending the Plan and the Declaration without the consent of the Board of Managers, the Unit Owners or their mortgagees. The Sponsor reserves the right to reduce the number of parking spaces included in the Condominium. The Total Projected Expenses of the Condominium for the First Year of Operation do not include the costs and expenses associated with providing twenty-four (24) hour valet parking services, which costs and expenses are estimated by the Sponsor to be $75,000.00 for the First Year of Operation. Such costs and expenses are to be borne, solely, by the Unit Owners who have purchased the right to utilize a parking space(s) as follows:

> each purchaser of the right to use a parking space shall pay a portion of the costs and expenses associated with providing twenty-four (24) hour valet parking services, the numerator of which shall be the number of parking spaces to which the Purchaser has purchased the right to use, and the denominator of which shall be the total number of parking spaces to which the Sponsor has sold the right to use.

The monthly cost per parking space for valet parking services is estimated to be approximately $350.00, based upon the rights to use all eighteen (18) parking spaces having been sold. To the extent that the rights to use less than eighteen (18) parking spaces have been sold, the monthly cost per parking space for valet parking will increase accordingly. For example, if the right to use only one parking space is sold, the Purchaser of the right to use said parking space may be liable to pay up to the entire cost of $75,000.00 per annum. A Purchaser who does not purchase a parking space will not, in any event, be responsible for the costs and expenses associated with valet parking services.

While the Sponsor reserves the right to place mortgages on the Property, the Sponsor will be obligated to satisfy or release a Unit and its appurtenant interest in the Common Elements from all mortgage liens, other than any purchase money mortgage taken by the purchaser, before closing of title to the Unit.

A Declaration submitting the Property to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and By-Laws of the Condominium will be recorded prior to conveyance of title to the first Unit by the Sponsor. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect a purchaser. This Offering Plan and the accompanying documentation should be carefully studied by prospective purchasers and their attorneys prior to the purchase of a Unit.

The prices for the Units are set forth in Schedule "A". THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW.

Parts I and II of the Offering Plan (the "Plan") together with Parts A, B, and C of the Exhibits together constitute the entire offering by the Sponsor. Copies of the Plan and Parts A, B, and C of the Exhibits will be available for inspection by prospective purchasers without charge at the office of the Sponsor during regular business hours.

As in the ownership of a private one-family home, the purchaser of a Unit (the "Unit Owner") owns its Unit in fee simple absolute and is entitled to exclusive possession of his Unit. Each purchaser will also own an undivided interest in and right to use the Common Elements and an exclusive right to use the Limited Common Elements that pertain to its Unit. See Article Fifth of the Declaration as to what constitutes the Limited Common Elements. All Unit Owners will own in common all exterior walls, roofs and all of the land and improvements located outside of the Units.

A Unit basically includes the sheetrock and air space between the sheetrock of the Unit. For a detailed description of the Unit to be conveyed see Article Third of the Declaration.

The firm of Friedman, P.E., 3 Langeris Drive, Monsey, New York 10952 is the architect/engineer for the Condominium. The Building is being built under plans filed with the Brooklyn office of the New York City Buildings Department under application number 301016273. Construction of the Building has commenced and is expected to be completed on or about July, 2001. Once the Sponsor has entered into a Purchase Agreement to sell a Unit, the plans for said Unit will not be changed so as to materially adversely affect a purchaser. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

The Common Elements include, without limitation, the elevator, a recreation room at the cellar level of the building, the external walls, space between floors and roof of the Building as well as all of the land, yard areas, walks and exterior steps. For a detailed description of the Common Elements, see Articles Fourth and Fifth of the Declaration.

A Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339 (i) and (m) of the Condominium Act. Common Charges are levied in proportion to the interest in the Common Elements appurtenant to each Unit. Percentage of common interest is based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all the Units, pursuant to Real Property Law Section 339(i)(1)(ii). Common Charges have been estimated by Advanced Management Services, 26 Court Street, Brooklyn, NY 11242, and include fire and liability insurance for the Building and Common Elements, and maintenance and operation of the Common Elements. Common Charges exclude repair and decoration to the inside of a Unit, gas, electricity and water for

each Unit, and insurance for personal belongings and individual heating and air conditioning systems.

Other than as set forth herein, there are no restrictions upon ownership of a Unit. Occupancy of a Unit, however, may only be for residential purposes, as permitted by law. All Units may be sold by a Unit Owner, provided that he is not in arrears in the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the grantee or provided for out of the proceeds of the sale). The sale or lease of a Unit is **not** subject to a right of first refusal in favor of the Board of Managers. A purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by will, or to have it pass by intestacy without any restriction. No Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements appurtenant to such Unit.

A Unit Owner may mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage loan can only be taken from a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender. Any Unit Owner may, however, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

The foregoing restrictions upon the sale and lease of Units shall not apply to the Sponsor with respect to any unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Unit Owners. See Article III of the By-Laws for further details. For information concerning the Sponsor's initial control of the Board of Managers, see Section XVI of the Plan.

Each Unit Owner, upon obtaining title, will automatically have one vote at all meetings of the Unit Owners for each of the Units owned by him.

The Units may be purchased for all cash, or may be purchased partly for cash and the balance of the purchase price financed by mortgage loan. The Sponsor makes no representation as to the availability or cost of any financing that may be required by a purchaser, and the Sponsor will provide none. If a purchaser of a Unit requires mortgage financing, the Purchase Agreement will be conditional upon such purchaser obtaining a commitment from a lending institution designated or approved by the Sponsor. See Section IX of the Plan for details regarding the financing contingency. Any mortgage lien given by a purchaser to a lender will be governed by the Condominium Act. No Unit is subject to the lien of a mortgage on any other Unit.

Each Unit will be taxed separately for real estate tax purposes and, therefore, no Unit Owner is liable for the payment of real estate taxes on any other Unit. In the opinion of Counsel, a Unit Owner is presently entitled, under most circumstances, to deductions for income tax purposes for his payments for real estate taxes and interest on the mortgage of his Unit. See Section XIX of the Plan for certain restrictions regarding the deductibility of mortgage interest. Fire and liability insurance covering the Common Elements and water and sewer charges covering the entire Condominium, are included with other items as part of Common Charges, but fire and liability insurance for the purchaser's personal effects and the interior of the Unit should be carried by the individual purchaser. Each Unit Owner is responsible for the cost of his or her own interior repairs and the decoration of his Unit after closing.

Effective March 1, 1989, a law went into effect which grants to each Purchaser of a Unit a Housing Merchant Implied Warranty. The full text of the law is included as Exhibit L. Said law provides that, subject to certain conditions, the Housing Merchant Implied Warranty may be excluded or modified if a purchaser is offered a limited warranty. The limited warranty provided by the Sponsor limits the Housing Merchant Limited Warranty in the following major areas; (i) the Warranty does not extend to subsequent owners of the Home other that the Purchaser, and (ii) the Builder's total liability to a Purchaser for deficiencies of the Home is limited to seventy-five (75%) percent of the Purchase Price of the home. The Sponsor has elected to offer Purchasers a limited warranty in conformance with the terms of the above law, as modified as noted above. The terms of said limited warranty shall be substantially in the form of the limited warranty included in this Offered Plan as Exhibit K

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

II. DEFINITIONS

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

A. "Board of Managers" or "Board" - The governing body of the Condominium responsible for its affairs.

B. "Building" - A number of Units all of which are constructed under a continuous roof.

C. "Common Charges" - Each Unit's proportionate share of the common expenses in accordance with its common interest.

D. "Common Elements" - The Common Elements of the Condominium will consist of all of the Condominium except the Units, including, but without limitation, outside walls and the roof of the Building, the land, Building and improvements (other than the Units) comprising the Condominium (including the land under the Units and under the improvements), all utility or other pipes and material located outside of the Units, cellar or basement areas (including a public recreation room, refuse room, janitor's room, laundry and meter rooms), yard areas, grass areas, walks, and parking areas, as applicable.

E. "Common Expense" - (a) Expenses of operation of the Condominium, and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

F. "Common Interest" - The proportionate, undivided interest each Unit Owner has in the Common Elements.

G. "Condominium" - Carroll Gardens Condominium, which is composed of the Unit Owners. The term "Condominium" as used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

H. "Declaration" - The instrument by which the Condominium is submitted to the provisions of the Condominium Act, and such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.

I. "Limited Common Elements" - The portions of the Common Elements that are irrevocably restricted in use to specified Unit Owners.

J. "Property" - The approximately 12,500 square feet in area located at Block 421, Lot 25, in the Borough of Brooklyn, City and State of New York.

K. "Units" - As used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law.

L. "Unit Owner" - The owner of each Unit in the Condominium.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Condominium will consist of a total of twenty-six (26) Units to be contained within one (1) six story elevator Building with a penthouse level. The first floor and cellar level will contain four (4) Units. Floors two, three, four and six of the Building will each contain five (5) Units. The fifth floor will contain two (2) Units.

Unit 1A is a duplex apartment and will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet.

Unit 1B is a duplex apartment and will consist of:

Dining Room, Main Bathroom, Bedroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet.

Unit 1C is a duplex apartment and will consist of:

Foyer, Dining Room, Main Bathroom, Bedroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet.

Unit 1D is a duplex apartment and will consist of:

Foyer, Dining Room, Main Bathroom, Bedroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet.

Units 2A, 2B, 2C and 2D will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Unit 2E will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Two Balconies.

Units 3A, 3B, 3C and 3D will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Unit 3E will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Two Balconies.

Units 4A and 4B will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Units 4C and 4D are duplex apartments and will consist of:

Foyer, Dining Room, Kitchen, Two Main Bathrooms, Master Bedroom with Master Bath, Two Bedrooms, Study Room with walk in closet, Mechanical Closet and Two Balconies.

Unit 4E is a duplex apartment and will consist of:

Foyer, Dining Room, Kitchen, Two Main Bathrooms, Master Bedroom with Master Bath, Two Bedrooms, Study Room with walk in closet, Mechanical Closet and Four Balconies.

Units 5A and 5B will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Units 6A, 6B, 6C and 6D are duplex apartments and will consist of:

Dining Room, Kitchenette, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Mechanical Closet, Balcony, Penthouse area with Half Bath and Rooftop Terrace.

Unit 6E will consist of:

Foyer, Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Two Balconies.

Recreation Rooms which are located below grade level may not be used as Bedrooms. The use of Recreation Rooms which are located below grade level as Bedrooms could result in violations being posted against the Building.

The Building Plans for the Condominium were approved by the City of New York Buildings Department and are available for inspection at the Sponsor's Office.

The Units, Building and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied

and will comply with all applicable laws, rules, and regulations and other governmental requirements pertaining thereto. Before the closing of title to a Unit, a temporary or permanent Certificate of Occupancy will be issued for such Unit or the Building.

A. Legal Description of Unit

The Unit Owner will obtain fee title to the Unit. The Unit basically includes the following area: Each Unit shall consist of the following area: horizontally; from the exterior side of the exterior walls (perimeter steel columns and perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the exterior side of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and vertically; each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab. For a detailed description of the Unit to be conveyed, see Article Third of the Declaration.

B. Legal Description of the Common Elements

The Common Elements include, without limitation, the elevator, the external walls and roof of the Building as well as all of the land, parking areas, walks and yard areas, which walks and yard areas are for the use of all Unit Owners subject to any rules and regulations adopted by the Condominium. In the event that a Purchaser elects to purchase the right to the use of a parking space(s) each such parking space(s) will be deemed a Limited Common Element of said Purchaser's Unit. For a detailed description of the Common Elements see Articles Fourth and Fifth of the Declaration.

C. Construction Data for Units and Common Elements

The Units and Common Elements will be constructed substantially in the manner set forth in the Building Plans, and any amendments thereto, and will be filed with the appropriate governmental authorities having jurisdiction, which Building Plans will not be changed so as to materially adversely affect the Unit Owners. The Sponsor reserves the right to make field changes to the plans for the Common Elements. For a detailed description of the Property see Schedule "B" in Part II of the Plan.

D. Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of

condemnation or eminent domain proceeding, or by reason of an alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Managers, its agents and employees shall have a reasonable right of access to the Units and the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit. In addition, the Board of Managers may grant such other permits, licenses or easements over the Common Elements for utilities, roads and other purposes necessary for the proper operation of the Condominium.

E. Allocation of Common Interest

The Common Interest of the Condominium establishes the Unit Owner's percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Unit Owner has the percentage of common interest in the Condominium set forth on Schedule "A". Such allocation has been made by the Sponsor pursuant to Real Property Law Section 339(i)(1)(ii) and is based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all the Units.

IV. LOCATION AND AREA INFORMATION

The property is located at 344 DeGraw Street, Brooklyn, New York in the Carroll Gardens section of the Borough of Brooklyn.

There is easy access to transportation via the "F" and "G" subway and buses, which run along Atlantic Avenue, Smith Street and Court Street, and to shopping along Court Street, Smith Street and Montague Street, schools and religious institutions. The 84th police precinct is approximately 10 blocks from the Condominium. The City of New York provides sanitation snow removal and road maintenance services. The property is zoned R6 which permits elevator apartment dwellings. The new Certificate of Occupancy will be for twenty-six (26) Units.

A. The Neighborhood

The property proposed for this project falls within the Brooklyn neighborhood known as Carroll Gardens, a small but quaint area south of Atlantic Avenue from Brooklyn Heights. In addition to its DeGraw Street border on the north, Columbia Street borders Carroll Gardens on the west, by Smith Street and the neighborhood of Boerum Hill on the east, and by Hamilton Avenue on the south. Carroll Gardens primary commercial artery, Court Street, bisects the neighborhood in the north-south direction.

During the past five years Carroll Gardens has been experiencing a renaissance, which has included a rapid but "tasteful" development of Court Street. New

coffee shops and retail outlets, "green grocers" and new restaurants have sprung up throughout the area, adding to an already diverse offering of services. The neighborhood has its own newly refurnished five-plex theater (two blocks from the proposed development site), and its own branch of the Brooklyn public library (three blocks away). It also has a Montessori School (six short blocks away), and a public elementary school, P.S. 29, which is located only three blocks from the project in question. The local health clubs are New York Sports and For Your Body Only. Everything in this small neighborhood is within short walking distances, including the services and amenities of Brooklyn Heights.

There are two subway lines servicing the area, the F and G, and the stop for both is on the corner of Warren and Smith (four blocks from proposed development). On the F train, Manhattan is three stops away, allowing typical commute times to the downtown area and to the Village to be as little as fifteen minutes. The G train is the primary north-south line for all of Brooklyn and Queens. In addition to the Bergen Street F/G stop, the Borough Hall station lies only twelve short blocks to the north and gives access to the 2, 3, 4, 5, N, R, and Q lines. The A and C lines are offered at Jay Street which is also a connection with the F train. All of this basically means that at most a short walk separates the proposed development site from every major north-south Manhattan subway line.

With regards to automobile travel, the Atlantic Avenue "BQE" entrance ramp is approximately ten blocks away from the property, and entrances onto both the Brooklyn and Manhattan Bridges are about a mile and a half away. The Verrazano Bridge is also very accessible for points south. The parking situation in Carroll Gardens, unlike that in Brooklyn Heights or most of Manhattan, is surprisingly user-friendly with a lower saturation of vehicles, and many street closed to parking only three hours on one day per week.

B. Medical, Educational and Religious Facilities

The Property is within close proximity to several medical facilities. The closest hospital is Long Island College (within 6 blocks); New York Methodist Hospital is within 1-1/2 miles from the Property.

The Property is also within several blocks of public, private and parochial schools (namely Packer, St. Annes, St. Charles Borrameo and P.S. 29).

There are various houses of worship of most major denominations in the vicinity of the Condominium. Kane Street Synagogue is within 3 blocks, and various Catholic and Protestant churches are within less than a mile of the site.

C. Municipal Services

The Condominium will be protected by the New York City Police and Fire Departments. The 84th Precinct is approximately 10 blocks from the Property. A Fire Department Station is located within two (2) blocks of the Property.

D. Water and Sewage

Water and sewer service will be supplied by New York City and will be a Common Expense of the Condominium.

E. Refuse Removal

There will be a chute to the cellar refuse room from each floor. The refuse room will have a trash compactor. Refuse will be collected by the New York City Department of Sanitation.

F. Recreational Facilities

Among the many recreational facilities located in the area are Carroll Gardens Park, Prospect Park, Brooklyn Botanical Gardens, The Brooklyn Museum and The Brooklyn Public Library.

G. Zoning of the Condominium

The Property is presently within the R-6 Residential Zone, which permits construction of the Units as of right.

V. SCHEDULE "A"

CARROLL GARDENS CONDOMINIUM
OFFERING PRICES AND RELATED INFORMATION

UNIT DESIGNATION	NO. OF BEDROOMS	(1) APPROX. SQUARE FOOTAGE	(2) PERCENTAGE OF COMMON INTEREST	(3) PURCHASE PRICE*	(4) ESTIMATED MONTHLY COMMON CHARGES**	(5A) ESTIMATED MONTHLY REAL ESTATE TAXES WITH 421(a) PARTIALTAX EXEMPTION BENEFITS	(5B) ESTIMATED ANNUAL REAL ESTATE TAXES WITH 421(a) PARTIAL TAX EXEMPTION BENEFITS	(6A) ESTIMATED MONTHLY REAL ESTATE TAXES WITHOUT 421(a) PARTIAL TAX EXEMPTION BENEFITS	(6B) ESTIMATED ANNUAL REAL ESTATE TAXES WITHOUT 421(a) TAX EXEMPTION BENEFITS	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES
UNIT 1A	1	1306	4.302%	$ 550,000.00	$ 485.61	$ 65.62	$ 787.45	$ 500.29	$ 6,003.53	$ 551.23
UNIT 1B	2	1311	4.313%	$ 550,000.00	$ 486.85	$ 65.79	$ 789.46	$ 501.57	$ 6,018.88	$ 552.64
UNIT 1C	2	1592	4.737%	$ 650,000.00	$ 534.71	$ 72.26	$ 867.08	$ 550.88	$ 6,611.88	$ 606.97
UNIT 1D	2	1600	4.764%	$ 650,000.00	$ 537.76	$ 72.67	$ 872.02	$ 554.02	$ 6,648.26	$ 610.43
UNIT 2A B	2	871	2.865%	$ 399,500.00	$ 323.40	$ 43.70	$ 524.42	$ 333.18	$ 3,998.17	$ 367.10
UNIT 2B B	2	847	2.786%	$ 399,500.00	$ 314.48	$ 42.50	$ 509.96	$ 323.99	$ 3,887.92	$ 356.98
UNIT 2C B	2	815	2.681%	$ 399,500.00	$ 302.63	$ 40.89	$ 490.74	$ 311.78	$ 3,741.40	$ 343.52
UNIT 2D B	2	815	2.681%	$ 399,500.00	$ 302.63	$ 40.89	$ 490.74	$ 311.78	$ 3,741.40	$ 343.52
UNIT 2E BB	2	858	2.822%	$ 395,500.00	$ 318.55	$ 43.05	$ 516.55	$ 328.18	$ 3,938.16	$ 361.60
UNIT 3A B	2	871	2.865%	$ 399,500.00	$ 323.40	$ 43.70	$ 524.42	$ 333.18	$ 3,998.17	$ 367.10
UNIT 3B B	2	847	2.786%	$ 399,500.00	$ 314.48	$ 42.50	$ 509.96	$ 323.99	$ 3,887.92	$ 356.98
UNIT 3C B	2	815	2.681%	$ 399,500.00	$ 302.63	$ 40.89	$ 490.74	$ 311.78	$ 3,741.40	$ 343.52
UNIT 3D B	2	815	2.681%	$ 399,500.00	$ 302.63	$ 40.89	$ 490.74	$ 311.78	$ 3,741.40	$ 343.52
UNIT 3E BB	2	858	2.822%	$ 395,500.00	$ 318.55	$ 43.05	$ 516.55	$ 328.18	$ 3,938.16	$ 361.60
UNIT 4A B	2	871	2.865%	$ 439,500.00	$ 323.40	$ 43.70	$ 524.42	$ 333.18	$ 3,998.17	$ 367.10
UNIT 4B B	2	876	2.881%	$ 439,500.00	$ 325.21	$ 43.95	$ 527.35	$ 335.04	$ 4,020.50	$ 369.16

* The Sponsor reserves the right to negotiate prices on individual sales.
** All projected common charges are based upon a projected first year of condominium operation commencing July 1, 2001.
B Denotes 1 Balcony
BB Denotes 2 Balconies
BBBB Denotes 4 Balconies
RT Denotes Rooftop Terrace

SCHEDULE "A"
CARROLL GARDENS CONDOMINIUM
OFFERING PRICES AND RELATED INFORMATION

UNIT DESIGNATION	NO. OF BEDROOMS	(1) APPROX. SQUARE FOOTAGE	(2) PERCENTAGE OF COMMON INTEREST	(3) PURCHASE PRICE*	(4) ESTIMATED MONTHLY COMMON CHARGES**	(5A) ESTIMATED MONTHLY REAL ESTATE TAXES WITH 421(a) PARTIALTAX EXEMPTION BENEFITS	(5B) ESTIMATED ANNUAL REAL ESTATE TAXES WITH 421(a) PARTIAL TAX EXEMPTION BENEFITS	(6A) ESTIMATED MONTHLY REAL ESTATE TAXES WITHOUT 421(a) PARTIAL TAX EXEMPTION BENEFITS	(6B) ESTIMATED ANNUAL REAL ESTATE TAXES WITHOUT 421(a) TAX EXEMPTION BENEFITS	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES
UNIT 4C BB	3	1680	5.027%	$ 799,500.00	$ 567.45	$ 76.68	$ 920.16	$ 584.07	$ 7,015.28	$ 644.13
UNIT 4D BB	3	1680	5.027%	$ 799,500.00	$ 567.45	$ 76.68	$ 920.16	$ 584.07	$ 7,015.28	$ 644.13
UNIT 4E BBBB	3	1770	5.323%	$ 799,500.00	$ 600.86	$ 81.19	$ 974.34	$ 619.03	$ 7,428.36	$ 682.05
UNIT 5A B	2	871	2.865%	$ 439,500.00	$ 323.40	$ 43.70	$ 524.42	$ 331.18	$ 3,998.17	$ 367.10
UNIT 5B B	2	876	2.882%	$ 439,500.00	$ 325.32	$ 43.96	$ 527.53	$ 335.16	$ 4,021.89	$ 369.28
UNIT 6A B RT	2	1681	5.030%	$ 859,500.00	$ 567.79	$ 76.73	$ 920.71	$ 584.96	$ 7,019.47	$ 644.52
UNIT 6B B RT	2	1686	5.047%	$ 899,500.00	$ 569.71	$ 76.98	$ 923.82	$ 586.93	$ 7,043.19	$ 646.69
UNIT 6C B RT	2	1650	4.928%	$ 899,500.00	$ 556.27	$ 75.17	$ 902.04	$ 573.09	$ 6,877.13	$ 631.44
UNIT 6D B RT	2	1650	4.928%	$ 899,500.00	$ 556.27	$ 75.17	$ 902.04	$ 573.09	$ 6,877.13	$ 631.44
UNIT 6E BB	2	885	2.911%	$ 759,500.00	$ 328.57	$ 44.40	$ 532.84	$ 338.53	$ 4,062.36	$ 372.97
PARK SP1		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP2		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP3		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP4		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP5		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88

* The Sponsor reserves the right to negotiate prices on individual sales.
** All projected common charges are based upon a projected first year of condominium operation commencing July 1, 2001.
B Denotes 1 Balcony
BB Denotes 2 Balconies
BBBB Denotes 4 Balconies
RT Denotes Rooftop Terrace

SCHEDULE "A"
CARROLL GARDENS CONDOMINIUM
OFFERING PRICES AND RELATED INFORMATION

UNIT DESIGNATION	NO. OF BEDRCOMS	(1) APPROX. SQUARE FOOTAGE	(2) PERCENTAGE OF COMMON INTEREST	(3) PURCHASE PRICE*	(4) ESTIMATED MONTHLY COMMON CHARGES**	(5A) ESTIMATED MONTHLY REAL ESTATE TAXES WITH 421(a) PARTIALTAX EXEMPTION BENEFITS	(5B) ESTIMATED ANNUAL REAL ESTATE TAXES WITH 421(a) PARTIAL TAX EXEMPTION BENEFITS	(6A) ESTIMATED MONTHLY REAL ESTATE TAXES WITHOUT 421(a) PARTIAL TAX EXEMPTION BENEFITS	(6B) ESTIMATED ANNUAL REAL ESTATE TAXES WITHOUT 421(a) TAX EXEMPTION BENEFITS	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES
PARK SP6		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP7		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP8		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP9		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP10		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP11		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP12		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP13		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP14		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP15		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP16		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP17		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
PARK SP18		153	0.25%	$ 25,000.00	$ 28.22	$ 3.81		$ 45.76	$ 29.07	$ 348.88
	TOTALS:	33151	100.00%	$15,311,000.00	$ 11,287.97	$ 1,525.29		$ 18,304.34	$ 11,626.17	$ 139,553.42

* The Sponsor reserves the right to negotiate prices on individual sales.
** All projected common charges are based upon a projected first year of condominium operation commencing July 1, 2001.
*** The Total Projected Expenses of the Condominium for the First Year of Operation do not include the costs and expenses associated with providing twenty-four (24) hour valet parking services, which costs and expenses are estimated by the Sponsor to be $75,000 for the First Year of Operation. Such costs and expenses are to be borne, pro rata, based on the number of spaces allocated to the applicable Unit, only by owners of Units who have also purchased parking spaces as Limited Common Elements and owners of Units to which parking spaces have been allocated as Limited Common Elements. The monthly cost for parking space for valet parking services is estimated to be approximately $350.00. A Purchaser who does not purchase a parking space will not in any event, be responsible for the costs and expenses associated with valet parking services.

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FOOTNOTES TO SCHEDULE "A"

1. The square footage has been calculated based upon the Unit Description set forth in Exhibit "C" to Part II of the Plan and includes any balcony, terrace, deck or patio which is a Limited Common Element irrevocably restricted to the owner of the applicable Unit. The room count as set forth in the Description of Property and Improvements, as provided by Friedman, P.E., the Architectural Engineering Firm for the project, includes: Bedrooms, Dining Rooms, Kitchen/Dinettes, Recreation Rooms, Penthouses and Study Rooms. Kitchenettes and Bathrooms do not count as rooms.

2. Percentage of common interest has been calculated in accordance with Section 339(i)(1)(ii) of the Real Property Law.

3. No change in the Purchase Price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the Purchase Prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in Purchase Price does not constitute a general offering, but is rather the result of an individually negotiated purchase. At the closing, each Purchaser will contribute a sum equal to two (2) months common charges to the Working Capital Fund of the Condominium. See Section XIV of the Plan for estimated closing costs and adjustments which must be borne by purchasers in addition to the Purchase Price set forth herein.

4. Common charges are based upon the projected budget set forth in Schedule "B." Monthly mortgage payments payable by a purchaser to a lending institution where a purchaser elects to finance a portion of the purchase price are not included in the monthly carrying charges.

5. The estimates set forth herein are based upon the assumption that the Units will receive 421(a) Partial Tax Exemption Benefits. The estimate of monthly real estate taxes is based upon the 2000/2001 tax rate of $10.847 per $100.00 of assessed valuation. The projection is based upon the projected 2001/2002 assessed valuation for the Condominium set forth in the Consultant's Opinion Regarding Projected Real Estate Taxes, found as Exhibit "S" in Part II of the Plan, a $168,750.00 assessed value of the land, and a $1,117,800.00 assessed value of the Building, resulting in a total assessed value of $1,286,550.00. The foregoing projection is based upon the assumption that all the Units will be assessed in direct proportion to each Units percentage of common interest. The further assumption is made that the 421(a) Benefits will be distributed among the Units according to the proportion that the individual Unit's percentage of common interest bears to the aggregate percentage of common interest of all Units. No warranties are made that either the assessment of the individual Units or the distribution of the 421(a) Benefits will be arrived at in this manner. There can be no assurance that there will not be a further

increase in the assessed valuation of the Units comprising the Property or an increase in the tax rate for tax year 2001/2002 or subsequent years.

6. The estimates set forth herein are based upon the assumption that the Units will not receive 421(a) Partial Tax Exemption Benefits.

7. The figures listed in Column 7 reflect the total of expenses listed in Columns 4 and 5A an assume that 421(a) partial tax exemption benefits will be granted.

Real Estate taxes are deductible for income tax purposes for Unit Owners who itemize deductions in accordance with current Internal Revenue Services regulations. The deductible amount of real estate taxes may vary due to changes in 421 (a) Partial Tax Exemption Benefits, in assessed valuations of Units, in tax rates or in the method of assessing real property which may result in a change in real property taxes or such other changes as may reasonably be expected to affect tax deductions. The interest portion of monthly mortgage payments made by a Purchaser who obtains mortgage financing for his or her Unit and designates such Unit as a primary qualifying residence, is also deductible for tax purposes by a person who itemizes deductions in accordance with current Internal Revenue Service regulations. The interest on mortgage and real estate taxes deductible for income tax purposes may vary in subsequent years due to financing related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage or the allocation of constant debt service payments between interest and principal.

VI. SCHEDULE "B"

CARROLL GARDENS CONDOMINIUM

PROJECTED BUDGET FOR THE FIRST YEAR OF OPERATION COMMENCING JULY 1, 2001

INCOME

1.	Common Charges (Note A)	$ 135,448.00
2.	Laundry Room Income (Note B)	$ 4,500.00
	TOTAL INCOME	$ 139,948.00

EXPENSES

1.	Electricity and Gas	$ 10,590.00
2.	Water & Sewer	$ 9,500.00
3.	Repairs and Maintenance	$ 6,000.00
4.	Labor	$ 78,325.00
5.	Service Contracts	$ 5,430.00
6.	Supplies	$ 3,000.00
7.	Insurance	$ 9,628.00
8.	Legal	$ 1,000.00
9.	Accounting	$ 2,000.00
10.	Corporate and Franchise Taxes	$ 455.00
11.	Management	$ 12,000.00
12.	Contingencies	$ 1,200.00
13.	Reserves for Maintenance and Replacement:	
	a. Roof Replacement	$ 800.00
	b. Hot Water Heater and Boiler	$ 20.00
	TOTAL PROJECTED EXPENSES*	$ 139,948.00

*The Total Projected Expenses of the Condominium for the First Year of Operation do not include the costs and expenses associated with providing twenty-four (24) hour valet parking services, which costs and expenses are estimated by the Sponsor to be $75,000 for the First Year of Operation. Such costs and expenses are to be borne, pro rata, based on the number of spaces allocated to the applicable Unit, only by owners of Units who have also purchased the right to use parking spaces. The monthly cost per parking space for valet parking services is estimated to be approximately $350.00. A Purchaser who does not purchase a parking space will not in any event, be responsible for the costs and expenses associated with valet parking services.

FOOTNOTES TO SCHEDULE B

The estimate of operating expenses and income has been prepared by the Sponsor's expert, Advanced Management Services, 26 Court Street, Suite 804, Brooklyn, NY 11242, based on operation of comparable developments. It cannot be constructed as an assurance of the final expenses and is merely based upon information available at this time.

1. Common Charges: This figure represents the total Common Charges to be levied against the Units during the projected first year of Condominium Operation, which will be collected from the Unit Owners. The Common Charges will be used to defray the expenses of the Condominium.

The estimates of the Common Charges to be collected from the Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the year from July 1, 2001 to June 30, 2002. The actual first year of operation may begin earlier or later.

In the event the estimated first year differs from the actual commencement of the budget year by six (6) months or more, the Sponsor will amend the Plan to include a revised budget. If the amended budget exceeds this budget by twenty-five (25%) percent or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their deposits returned, together with interest, if any.

2. Laundry Room Income: This figure is based on an estimate from Advanced Management Services, 26 Court Street, Suite 804, Brooklyn, New York 11242, dated March 8, 2001 and is further based on data provided by Mac Gray Industries, 266 Prestige Park, East Hartford, Connecticut 06108, and is intended to generate a fixed income for the Condominium for operation of the Laundry Room. There will be no cost to the Condominium for the operation of the laundry machines, and the above estimate is based upon a base number of two washers and two dryers. The laundry room will be operated by a third-party vendor who will enter into an agreement directly with the Board of Managers.

3. Electricity and Gas for Common Areas: The cost of electricity and gas for the Common Elements of the Condominium is based on an estimate of energy calculations prepared by Klein, Levin Associates, Construction Consultants, 1839 Ocean Parkway, Brooklyn, New York 11223, dated February 12, 2001.

The cost of gas was estimated as follows:

a. **Heating Cost:**
120MHH/hr x 10hr/day x 30 days/month x 7 months = 2520 therms/yr
100MBH/therm
2520 therms/yr x $.90/therm = $2,268.00 yr.

b. **Domestic Hot Water for Laundry Use:**
100MBH x 6hr/day x 30days/month x 12 months = 2160 therms/yr
2160 therms/hr x $.90/therm = $1,944.00

c. **Gas Dryers: (2)**
70MBH/hr x 8hrs/day x 30days/month x 12months = 2016 therms/yr
100MBH/therm
2016 therms/hr x $.90/therm = $1,814.40 yr.

The cost of electricity was estimated as follows:

a. **Lighting Cost:**
4,500 kw/yr @ $.15/kw = $675.00 per year.

b. **Washing Machines: (2)**
3kw x 8hrs/day x 30days/month x 12months = 8640kw/yr
8640kw/hr x $.15/kw = $1,296.00

c. **Elevator: 12.5 HP**
12kw x 16hrs x 30 days x .25 x 12 months = 17,280kw/year
17,280kw x $.15/kw = $2,592.00 per year.

4. Water and Sewer: This figure is based on an estimate from Advanced Management Services, dated March 8, 2001 at current rates of $3.49 per 100 cubic feet. Per Advanced Management Services, sales tax is not applied to water and sewer charges and no inflation factor is required.

5. Repairs and Maintenance: This figure is based on an estimate from Advanced Management Services, dated March 8, 2001.

6. Labor: This figure is based on an estimate from Advanced Management Services, dated March 8, 2001 and includes hiring one (1) non-resident superintendent at a yearly salary of $35,000.00 and one (1) doorman, working one (1) ten (10) hour shift, five (5) days per week at $11.00 per hour, for a yearly salary for the doorman of $28,600.00. The projected labor cost also includes the following payroll and related benefits: (1) Payroll Taxes of $6,275.00 based on per person cost of FICA (Gross x

7.65%), FUI ($7,000 x 8%) and SUI ($8,500 x 1.7%); (2) Fringe Benefits of $8,450.00 including (a) a single health plan for each staff member, and (b) two (2) weeks vacation.

7. Service Contracts: The estimated cost of Service Contracts to the Condominium is as follows:

Service	Vendor	Annual Cost
Elevator	Action Elevator, Inc. 963 Van Dozer St., Staten Island, NY 10304	$2,700.00
Exterminator	Star Exterminating, Inc. P.O. Box 340-409 Ryder Station, Brooklyn, NY 11234-0009	$1,880.00
Fire/Sprinkler System	Capitol Sprinkler Service Corp. 51-51 59th Place Woodside, NY 11377	$ 850.00

8. Supplies: This figure is based on an estimate from Advanced Management Services, dated March 8, 2001.

9. Insurance: The figure of $9,628.00 is based on an estimate provided by Serres, Visone & Rice, Inc., 108 Greenwich Street, New York New York 10006, dated July 11, 2000. The proposal provides coverage for an agreed amount which waives the co-insurance provision. The policy will provide that each Unit Owner is an additional insured. The estimate provides for the following type(s) of insurance:

a. Property:

(i) Building: $3,000,000 "All Risks" Agreed Amount Replacement;
(ii) Cost: $1,000 Deductible;
(iii) Maintenance Fees: "All Risks" Actual Loss Sustained;
(iv) Flood: $250,000 Limit [$1,000 Deductible];
(v) Back Up of Sewers & Drains: $250,000 Limit [$1,000 Deductible]; and,
(vi) Earthquake-$250,000 Limit [$5,000 Deductible].

b. Comprehensive General Liability:

(i) $1,000,000 Bodily Injury & Property Damage;
(ii) $1,000,000 Products Aggregate;
(iii) $250,000 Water Damage Legal;
(iv) $1,000,000 Auto Non Ownership Liability & Hired Car;
(v) $25,000 Elevator Collison;
(vi) $1,000,000 Directors & Officers Liability (Claims Made) [$1,000 Deductible];
(vii) $25,000 Employees Dishonesty ($1,000 Deductible); and,
(viii) Annual Premium: $7,388.28.

c. United States Fire Insurance Company, Umbrella Liability:

(i) $5,000,000 Limit of Liability; and,
(ii) Annual Premium-$1,590.00.

d. Hartford Steam Boiler:

(i) Boiler & Machinery (Equipment Breakdown);
(ii) Property Damage Limit $3,000,000;
(iii) Business Income $150,000;
(iv) Combined Deductible $1,000; and,
(v) Annual Premium: $650.00.

The property coverage does not include the Unit Owner's property, such as furnishings, personal effects, or additions and alterations. Unit Owners are advise to obtain their own property and liability coverage.

10. Legal: $1,000.00 per year is based upon an estimate received from Gary E. Miller, PLLC, 261 Madison Avenue, New York, NY 10016, dated March 22, 2001 and provides for minor miscellaneous legal services.

11. Accounting: $2,000.00 per year is based upon an estimate received from Person & Company, Certified Public Accountants, 6 East 39th Street, New York, NY 10016, dated October 25, 2000. This sum includes preparation of all required income tax returns for the Condominium and an annual examination of the financial statements of the Condominium in conformity with generally accepted accounting principles. The examination will be made in accordance with generally accepted auditing standards and such other auditing procedures as considered necessary.

12. Corporate and Franchise Taxes. This figure is based on the minimum taxes due with projects of this kind.

13. Management. This figure is based on a bid from Advanced Management Services, 26 Court Street, Suite 804, Brooklyn, New York 11242 to manage the Condominium.

14. Contingencies. This figure is based on the Sponsor's familiarity with projects of this kind. The Contingency Fund is for unanticipated expenses and is to be used at the discretion of the Board of Managers. No representation is made by Sponsor that this amount will be adequate to cover all such expenses.

15. Reserves for Maintenance and Replacement. These figures are based on the Sponsor's familiarity with projects of this kind.

THE FOREGOING "SCHEDULE B" IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE INITIAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, OR THAT THE FIRST YEAR OF THE CONDOMINIUM'S OPERATIONS WILL COMMENCE ON THE PROJECTED DATE.

VII. SCHEDULE "B-1"

KLEIN, LEVIN ASSOCIATES

Construction Consultants

1839 Ocean Parkway, Brooklyn, N.Y. 11223
(718) 339-9116 Fax (718) 998-6362
E-MAIL: BKLEINENG@AOL.COM

February 12, 2001

344 Degraw Street
Brooklyn, New York

It is not possible to predict how closely the estimated figures will reflect the actual expenses for gas and electricity during the first year's operation since such expenses will vary with the occupancy rate, temperature setpoints in individual units, or fluctuations in fuel cost adjustments, State and City Surcharges and variation in annual climactic conditions. No adjustments have been made for inflation.

The attached are estimations of the energy calculation based on electric utility, heating and domestic water, cooking, sewer and air conditioning. The following parameters were used to determine same.

1. Indoor design temperature - 72 degrees F.
2. Winter outdoor design temperature - 15 degrees F.
3. Ground temperature - 50 degrees F.
4. Normal heating season of 5000 degrees day per year.
5. The efficiencies of gas fired boiler and hot water heater - 75%.
6. Insulation factors:
   a. Roof "R" value = 19
   b. Exterior Wall "R" value = 18
   c. Glass "R" value = 1.7
7. Each apartment unit will have its own gas meter.
8. Each apartment unit will have its own electric meter for lighting, appliances, etc.
9. Common site electric meter is for the vestibule, outside lighting, stair lighting, cell hall, boiler room, and misc. common electric power.

Energy rate structure for gas is based on a Firm Rate (3), information supplied to our office by Keyspan Energy.

Energy rate structure for electricity use is based on Rate EL1 Residential.

ELECTRICAL USAGE

Typical calculation for apartments:
Units: 2A, 2B,2C,2D,2E,3A,3B,3C,3D,3E,4A,4B,5A,5B,6E
660-691 sq.ft.

Lighting - 3kw x 2hr/day x 30days = 180 kw/month

A/C Units - 3kw x 8hr/day x 30days = 720 kw/month
(central)

Refrigerator - 1.5kw x 24hr/day x 30days x ¼ = 270 kw/month

SUMMER: 1170KW/MONTH x 5 MONTHS = 5850 KW
WINTER: 450KW/MONTH x 7 MONTHS = 3150 KW
9,000KW/hr per year.

WINTER:
2240KW/HR x 13.7c/100 = $306.88
910KW/HR x 13.0c/100 = $118.30
$425.18

SUMMER:
1250KW/HR x 15.5c/100 = $193.75
4600KW/HR x 16.1c/100 = $740.60
$934.35

TOTAL WINTER AND SUMMER: $1,359.53

Sales tax @ 4.00% = $ 54.38
TOTAL YEARLY COST: $1,413.91

*** These costs may vary based on occupancy and use.**

GAS USAGE

Typical calculation for apartment:
Units: 1C,1D,4C,4D,4E
1360-1380 sq.ft.

HEATING COST:
80MBH/hr x 10hr/day x 30days/months x 7months = 1680 therms/yr
100MBH/therm

1680therms/yr x $.90/therm = $1,512.00 yr.

DOMESTIC HOT WATER COST:

50MBH/hr x 3hr/day x 30days/month x 12months = 540 therms/yr
100MBH/therm

540therms/yr x $.90/therm = $486.00 yr.

COOKING COST:

65MBH/hr x 2hr/day x 30days/months x 12months = 468 therms/hr
100MBH/therm

468therms/yr x $.90/therms = $421.20 yr.

TOTAL GAS USAGE FOR THE YEAR: $2,419.20

*** These costs may vary based on occupancy and use.**

ELECTRICAL USAGE

Typical calculation for apartment:
Units: 1C,1D,4C,4D,4E
1360-1380 sq.ft.

Lighting - 5kw x 2hr/day x 30days = 300 kw/month

A/C Unit - 5.5kw x 8hr/day x 30days = 1320 kw/month
(central)

Refrigerator - 1.5kw x 24hr/day x 30days x ¼ = 270 kw/month

SUMMER: 1890KW/MONTH x 5 MONTHS = 9450 KW
WINTER: 570KW/MONTH x 7 MONTHS = 3990 KW
13,440KW/hr per year.

WINTER:
2240KW/HR x 13.7c/100 = $306.88
1750KW/HR x 13.0c/100 = $227.50
$534.38

SUMMER:
1250KW/HR x 15.5c/100 = $ 193.75
8200KW/HR x 16.1c/100 = $1320.20
$1513.95

TOTAL WINTER AND SUMMER: $2048.33

Sales tax @ 4.00% = $ 81.93
TOTAL YEARLY COST: $2130.26

*** These costs may vary based on occupancy and use.**

GAS USAGE

Typical calculation for apartments:
Units: 2A, 2B,2C,2D,2E,3A,3B,3C,3D,3E,4A,4B,5A,5B,6E
660-691 sq.ft.

HEATING COST:

40MBH/hr x 10hr/day x 30days/months x 7months = 840 therms/yr
100MBH/therm

840therms/yr x $.90/therm = $756.00 yr.

DOMESTIC HOT WATER COST:

40MBH/hr x 3hr/day x 30days/month x 12months = 432 therms/yr
100MBH/therm

432therms/yr x $.90/therm = $388.80 yr.

COOKING COST:

65MBH/hr x 2hr/day x 30days/months x 12months = 468 therms/hr
100MBH/therm

468therms/yr x $.90/therms = $421.20 yr.

TOTAL GAS USAGE FOR THE YEAR: $1,566.00

* These costs may vary based on occupancy and use.

GAS USAGE

Typical calculation for apartments:
Units: 1A &1B
1,095 sq.ft.

HEATING COST:
60MBH/hr x 10hr/day x 30days/months x 7months = 1260 therms/yr
100MBH/therm

1260therms/yr x $.90/therm = $1,134.00 yr.

DOMESTIC HOT WATER COST:

50MBH/hr x 3hr/day x 30days/month x 12months = 540 therms/yr
100MBH/therm

540therms/yr x $.90/therm = $486.00 yr.

COOKING COST:

65MBH/hr x 2hr/day x 30days/months x 12months = 468 therms/hr
100MBH/therm

468therms/yr x $.90/therms = $421.20 yr.

TOTAL GAS USAGE FOR THE YEAR: $2,050.10

*** These costs may vary based on occupancy and use.**

ELECTRICAL USAGE

Typical calculation for apartments:
Units: 1A &1B
1,095 sq.ft.

Lighting - 5kw x 2hr/day x 30days = 300 kw/month

A/C Units - 3kw x 8hr/day x 30days = 720 kw/month
(central)

Refrigerator - 1.5kw x 24hr/day x 30days x ¼ = 270 kw/month

SUMMER: 1290KW/MONTH x 5 MONTHS = 6450 KW
WINTER: 570KW/MONTH x 7 MONTHS = 3990 KW
10,440KW/hr per year.

WINTER:
2240KW/HR x 13.7c/100 = $306.88
1750KR/HR x 13.0c/100 = $227.50
$534.38

SUMMER:
1250KW/HR x 15.5c/100 = $193.75
5200KW/HR x 16.1c/100 = $837.20
$1030.95

TOTAL WINTER AND SUMMER: $1565.33

Sales tax @ 4.00% = $ 62.61
TOTAL YEARLY COST: $1627.91

*** These costs may vary based on occupancy and use.**

GAS USAGE

Typical calculation for apartments:
Units: 6B,6C,6D,
829-859 sq.ft.

HEATING COST:
50MBH/hr x 10hr/day x 30days/months x 7months = 1050 therms/yr
100MBH/therm

1050therms/yr x $.90/therm = $945.00 yr.

DOMESTIC HOT WATER COST:

40MBH/hr x 3hr/day x 30days/month x 12months = 432 therms/yr
100MBH/therm

432therms/yr x $.90/therm = $388.80 yr.

COOKING COST:

65MBH/hr x 2hr/day x 30days/months x 12months = 468 therms/hr
100MBH/therm

468therms/yr x $.90/therms = $421.20 yr.

TOTAL GAS USAGE FOR THE YEAR: $1,755.10

* These costs may vary based on occupancy and use.

ELECTRICAL USAGE

Typical calculation for apartments:
Units: 6B,6C,6D,
829-859 sq.ft.

Lighting - 3kw x 2hr/day x 30days = 180 kw/month

A/C Units - 3kw x 8hr/day x 30days = 720 kw/month
(central)

Refrigerator - 1.5kw x 24hr/day x 30days x ¼ = 270 kw/month

SUMMER: 1170KW/MONTH x 5 MONTHS = 5850 KW
WINTER: 450KW/MONTH x 7 MONTHS = 3150 KW
9,000KW/hr per year.

WINTER:
2240KW/HR x 13.7c/100 = $306.88
910KW/HR x 13.0c/100 = $118.30
$425.18

SUMMER:
1250KW/HR x 15.5c/100 = $193.75
4600KW/HR x 16.1c/100 = $740.60
$934.35

TOTAL WINTER AND SUMMER: $1,359.53

Sales tax @ 4.00% = $ 54.38
TOTAL YEARLY COST: $1,413.91

* These costs may vary based on occupancy and use.

VIII. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(I)

AMS

ADVANCED MANAGEMENT SERVICES

26 Court Street, Suite 804
Brooklyn, New York 11242
Phone: (718) 852-5310
Facsimile: (718) 852-5312

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

RE: Carroll Gardens: 344 DeGraw Street, Brooklyn, New York
Condominium Offering Plan

To Whom It May Concern:

I am the Vice President of Advanced Management Services LTD., a real estate management firm which has been engaged in real estate management for in excess of twelve (12) years. Principals of the firm have been involved with the operation and management of residential real estate buildings in New York for more than twenty-five (25) years. See Exhibit I attached hereto for a list of the 10 buildings managed over the last 12 years.

The Sponsor of the Condominium Offering Plan for the above captioned property retained us to prepare the opinion concerning compliance of the referenced Condominium Offering Plan under Section 339-(i) of the New York Real Property Law.

The method selected for calculating the percentage of common interests in the Condominium is in accordance with the Real Property Law Section 339-i(1)(ii), which provides as follows:

"the Common Interests of each of the Units have been allocated based upon the approximate proportion that the floor area at the date of the declaration bears to the then aggregate floor area of all the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements"

The common interests in this Condominium have been allocated to the units in accordance with the factors in compliance with Real Law Section 339-(i)(1)(ii).

I further certify that I am not owned or controlled by the Sponsor. While Advanced Management Services LTD. does not have any beneficial interest in the Sponsor, or the profitability of the Sponsor, Advanced Management Services LTD. will be the Managing Agent for the Condominium.

Notary Public NOELLA ARTMAN
NOTARY PUBLIC, State of New York
No. 01AR6023552
Qualified in Queens County
Commission Expires April 25, 2003

Robert Alper, Vice President

AMS

ADVANCED MANAGEMENT SERVICES

26 Court Street, Suite 804
Brooklyn, New York 11242
Phone: (718) 852-5310
Facsimile: (718) 852-5312

EXHIBIT 1

In the past 12 years, AMS was involved in the management of the following buildings, all of which are in Brooklyn, NY:

142 Joralemon Street
60 Plaza Street
50 Plaza Street
45 Plaza Street
25 Plaza Street
1 Plaza Street
60 Pineapple Street
59 Pineapple Street
225 Lincoln Place
125 Eastern Parkway

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IX. CONSTRUCTION AND PERMANENT FINANCING PROCURED BY THE SPONSOR

The Property is presently encumbered by a mortgage held by SI Bank & Trust, 260 Christopher Lane, Staten Island, NY 10314. The Sponsor reserves the right to have additional mortgages placed upon the Condominium. The Sponsor is obligated to satisfy or release a Unit from any mortgage encumbering the Condominium before the closing of title to such Unit. The Sponsor has not secured a commitment from any lending institution for permanent financing. A purchaser who requires permanent financing may apply to a lending institution of their choice for financing.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO THE AVAILABILITY OR COST OF SUCH PERMANENT FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF HIS APPLICATION FOR FINANCING IS NOT ACCEPTED, EXCEPT TO RETURN THE DOWN PAYMENT WITH INTEREST, IF ANY, PROVIDED THE PURCHASE AGREEMENT WAS CONDITIONED UPON OBTAINING SUCH FINANCING. The closing of title to a Unit where the purchaser has obtained financing will take place simultaneously with the closing of the mortgage loan and the proceeds will be applied toward the then balance of the purchase price.

X. CHANGES IN PRICES OF UNITS

The Sponsor will not make any change in the size or number of Units, their respective percentage of Common Interest or in the amount or quality or Common Elements except by duly filed amendment to the Plan, provided, however, that the Sponsor reserves the right to make field changes to the plans for the Common Elements. Furthermore, if the Declaration of Condominium was filed prior to such change, it will be amended to reflect such change provided all Unit Owners directly affected by such change consent to said amendment.

No change in the size or layout of a Unit, its percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit will be made where a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and where the purchaser is not in default under the terms of the agreement unless such purchaser consents to such change.

The prices for Units may be changed from those set forth in this Offering Plan so that purchasers may pay different prices for similar Units. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales prices does not

constitute a general offering but is rather the result of an individually negotiated Unit purchase.

Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality for any of those set forth provided they are in accordance with the requirements of governmental authorities having jurisdiction.

XI. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Units to be constructed in the Condominium in accordance with applicable municipal zoning regulations. Occupancy of a Unit or a portion of a Unit by a lessee or lessees of the Unit Owner for the purposes set forth in this paragraph shall be deemed in accordance with residential occupancy.

The sales prices at which the Units are being offered are shown in detail in Schedule "A." The Sponsor reserves the right to change the sales prices. Any such change will not affect the Common Interest of the Unit. However, some Purchasers may pay less or more for the same model Unit.

A prospective purchaser may offer to purchase a Unit, and the right to use a parking space, if applicable, by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Unit in the Condominium described in the Declaration creating such Condominium. Purchasers will be afforded at the Sponsor's sole option either (i) a minimum of three (3) days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement or (ii) a period of seven (7) days subsequent to the execution of the Purchase Agreement to rescind the Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan, and the terms of the Plan will survive closing of title to a Unit. Upon signing the Purchase Agreement the purchaser shall make a down payment of ten (10%) percent of the total price of his Unit and its parking space, and if applicable, plus the cost of special work ordered by the purchaser. At the closing, upon full payment of the purchase price in cash or by mortgage, the purchaser will receive a bargain and sale deed with covenants against grantor's acts containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey (i) good and marketable title of fee ownership in the Unit, and (ii) such percentage of Common Interest in the Common Elements as is set forth on Schedule "A", free and clear of all liens and encumbrances other than those set forth in Section XIII of the Plan. The Purchase Agreement may be modified with the consent of the purchaser and the Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan.

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 Plan or in the Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances which are paid on account of the purchase price of the premises, which shall exclude, among other things, pre-closing use and occupancy fees or mortgage related application fees paid by Purchasers prior to closing, whether received before or after the date or recording of the declaration for the Condominium, will be placed, within five business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Gary E. Miller, PLLC, Escrow Agent. Mr. Miller maintains an office at 261 Madison Avenue, 16th Floor, New York, NY 10016, telephone number (212) 953-2082. The attorney on this account authorized to withdraw funds is Gary E. Miller, Esq.

The name of the account is Carroll Gardens Condominium Escrow Account, located in Citibank, N.A., 330 Madison Avenue, New York, NY 10017. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit.

The account will be an Interest-On-Laywer's-Account ("IOLA") pursuant to Section 497 of the New York Judiciary Law. A Purchaser will not, in any event, be entitled to receive interest on the deposit, which interest will be credited to the IOLA fund. All instruments shall be made payable to or endorsed to the order of Gary E. Miller, PLLC, as Escrow Agent.

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.

Within ten (10) business days after tender of the deposit submitted with a Contract of Sale which has been executed by the Purchaser, 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 submitted with the Contract of Sale which has been executed by the Purchaser, 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. In the event that the Purchaser shall mail the executed Contract

of Sale and deposit to the Sponsor, same shall be deemed to have been tendered to the Sponsor five (5) business days from the date of mailing. 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.

Under no circumstances shall the Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after the recording of the declaration for the Condominium.

The Escrow Agent will hold funds in escrow until otherwise directed in:

(i) a writing signed by both Sponsor and Purchaser; or,

(ii) 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; or,

(iv) accordance with the regulations of the Attorney General.

The closing of title and the act of delivery of the deed to the Purchaser shall be deemed to constitute written authorization by the Purchaser to the Escrow Agent to pay the escrowed funds to the Sponsor at the time of closing in conformity with the terms of the Contract of Sale.

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 less than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made an 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 escrow 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.

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 must avail itself of this procedure if there is a dispute which needs to be resolved. Annexed hereto as Exhibit P is a form of application to the Attorney General for a Determination on the Disposition of Down Payments. 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, Purchaser, and the Escrow Agent shall abide by any interim directive issued by the Attorney General.

Annexed hereto as Exhibit Q is a copy of the form of escrow agreement between the Sponsor and the Escrow Agent which incorporates the terms of the Attorney General's regulations.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of all funds from the escrow account.

A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement upon at least thirty (30) days written notice to the purchaser. Said notice will also include notice of the purchaser's obligation to pay the balance of the purchase price and the date when the first month's common charges are due.

The risk of loss or damage to the Unit by fire or any other cause until the delivery of the deed or until the purchaser takes actual possession of the Unit pursuant to written agreement is assumed by the Sponsor. The Purchase Agreement may be contingent upon the purchaser obtaining adequate financing from a lending institution approved or designated by the Sponsor. The Purchase Agreement requires the purchaser to furnish, deliver and/or execute all required documents to obtain such financing. Failure to comply with this requirement will be considered a material breach of the Purchase Agreement. The purchaser must notify the Sponsor within ten (10) days of his inability to obtain financing. If, after having complied with this requirement, the purchaser is unable to obtain the approval of the lending institution within forty-five (45) days from the date of acceptance of the Purchase Agreement by the Sponsor, the Purchase Agreement shall be deemed canceled and all monies previously deposited shall be returned to the purchaser. Thereafter, both the Sponsor and purchaser will be released from any liability. 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.

Purchasers should be aware that their mortgage commitment may expire prior to closing. In the event that the lending institution, for any reason, cancels or does not extend

an expired firm commitment prior to the closing of title, the purchaser will be required to comply with the terms of the Purchase Agreement and will not have a right to rescind the Purchase Agreement.

Purchasers should note that in the current real estate market, banks, and other lenders may impose various restrictions on loans. Such restrictions include requiring that a certain percentage, such as thirty-five (35%) percent or fifty (50%) percent of the Units in the Condominium 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 the Condominium where the percentage of Units purchased is lower that a lender's particular sales minimum.

Sponsors anticipates the first Unit Closing to occur on or about July 1, 2001. In the event the first Unit Closing is delayed twelve(12) months or more beyond July 1, 2001, then all Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect will be given the right to rescind their Purchase Agreements.

XII. EFFECTIVE DATE OF THE PLAN

The Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and no closing to a Unit will be held until the Plan is declared effective. This Offering Plan will become effective on the date determined by the Sponsor by the giving of written notice of such effectiveness to purchasers. The Sponsor will within three (3) business days of said notice disclose the Plan's effectiveness by filing an amendment to this Plan together with an affidavit of service of the notice on all purchasers.

The Sponsor will not record the Declaration until it has accepted Purchase Agreements for at least four (4) Units representing a minimum of fifteen (15%) percent in number of all the Units. Further, the Sponsor has the option not to close title to any Unit if (i) less than eighty (80%) percent in number of Units offered hereby, twenty-one (21) Units, have been sold within eighteen (18) months after the date of this Offering Plan, (ii) the Sponsor has not declared the Plan effective, and (iii) the Declaration has not yet been recorded. In the event that the Sponsor exercises such option, it shall forthwith return to each purchaser all monies paid within twenty (20) days of the abandonment of the Plan.

When Purchase Agreements for eighty (80%) percent of the Units (20 Units) have been accepted, the Sponsor must declare the Plan effective. Once the Sponsor has declared the Plan effective, the Sponsor reserves the right to abandon the Plan at any time prior to the first closing of title to a Unit (i) for any defect in title which cannot be cured without litigation or cannot be cured for less than one-half (½) of one (1%) percent of the Total Offering, or (ii) work orders of a mortgagee or violations which cannot be cured for less than one-half (½) of one (1%) percent of the Total Offering, or (iii) for substantial damage or destruction of the Building by fire or other casualty which cannot be repaired for less

than one-half (½) of one (1%) percent of the Total Offering (as estimated by an insurance adjuster retained by the Sponsor) or (iv) the taking of any material portion of the Property by condemnation or eminent domain. There will be no obligation on the part of the Sponsor to incur expenses in excess of one-half (½) of one (1%) percent of the Total Offering or engage in litigation to cure title defects. The Sponsor will declare the Plan effective prior to the closing of title to the first Unit. In the event that the Sponsor abandons the Plan, it shall promptly file an amendment to the Plan confirming the abandonment or file a notice of abandonment on a form required by the Department of Law.

XIII. CLOSING OF TITLE TO UNITS

After the Plan has been declared effective, a date of the closing of title will be set by the Sponsor in accordance with the Purchase Agreement upon at least thirty (30) days written notice to the purchaser. Said notice will also include notice of obligation to pay the balance of the purchase price and the date when the purchaser will be required to commence payment of the first month's Common Charges. On the closing date fee title to the Unit will be conveyed to the purchaser together with the Unit's undivided interest in the Common Elements. The closings of title to the first Units are expected to commence in Summer, 2001. Such closings, however, will only take place after or simultaneously with the happening of the following events:

A. The substantial completion of the Unit or Building.

B. The Declaration, By-Laws, floor plans and engineer's and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law.

C. The Unit and its undivided interest in the Common Elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage requested by the purchaser at the time of closing representing a purchase money mortgage or mortgages taken by the purchaser.

D. The purchaser having received at least thirty (30) days written notice of the closing and having had an opportunity to inspect the Unit and other property subject to the Declaration.

E. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective pursuant to the terms of Section X of the Plan and that the Units to be closed have been constructed in accordance with the plans and specifications filed with the Office of the City Register of the County of Kings, and that the Sponsor has or will promptly comply with the requirements of paragraphs 1 through 7 hereof.

F. The delivery to the Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts in the form set forth herein as Exhibit E.

G. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Unit and the Sponsor shall assign any warranties with respect to equipment and appliances installed in Common Elements to the Board of Managers.

H. The purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as its attorneys in fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws.

I. If so requested by the purchaser, First American Title Insurance Company of New York, a title insurance company licensed to do business in New York State, or such other title company that is licensed to do business in New York State, shall agree to insure that such purchaser has good and marketable fee title in the Unit, free and clear of all liens and encumbrances except those set forth in this Section, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

J. Title to the Unit will be subject to the following:

1. Survey, dated September 28, 2000 and updated November 22, 2000, made by Boro Land Surveying, PC. shows a brick and block building (under construction) and shows no encroachments or variations with lot lines except for the following:

   a. Variations between fences, fence on high brick wall, frame guard rail and record lines.
   b. Shows on DeGraw Street: fence with gate 4 feet 7 inches on street.
   c. Three story and basement on west encroaches up to ½ inch on west.
   d. 2½ story and basement frame encroaches up to 1 inch on east.

2. Any state of facts which an updated accurate survey and/or a personal inspection of the Property would show provided such state of facts would not render title unmarketable;

3. $1.00 Award Clause in Liber 8875 page 200.

K. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter, including, but not limited to, the following easements of record: NONE

L. All of the terms, covenants and conditions of the Declaration, the By-Laws, and the Building Plans as they are subsequently filed or recorded and the Offering Plan and any amendment thereto:

1. All easements set forth in the Condominium Declaration and By-Laws as they are subsequently recorded and in the Offering Plan and Purchase Agreement including;

2. Easements in favor of the Owners of other Units to use the pipes, wires, conduits, cable television, and public utility lines located in the Common Elements or in the Unit itself servicing such other Units and/or the Common Elements;

3. Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit and to the Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television systems servicing any of the Units or to make repairs to any other Unit;

4. Easements in favor of those Units having restricted use to portions of the Common Elements; and,

5. Easements for the continuance of encroachments on the Unit and on the Common Elements by other Units or portions of the Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such other Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand.

The Sponsor has been advised by its counsel that in counsel's opinion, none of the exceptions to title hereinabove set forth are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use and enjoyment of the purchaser's Unit

as represented in this Offering Plan. However, the underlying documents concerning the exceptions will be available to a purchaser's attorney for inspection at the office of the attorney for the Sponsor both prior to and following the execution of the Purchase Agreement.

XIV. CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs and expenses to be borne by each purchaser are as follows:

A. Fee title insurance charges: If Purchaser elects to obtain fee title and/or mortgage title insurance, Purchaser will be responsible for the payment of the title premium. Sponsor suggests that Purchaser order of any such insurance through Home Abstract Corp., 147 Remsen Street, Brooklyn, NY 11201, Telephone No. (718) 875-7100, as agent for First American Title Insurance Company of New York. If Purchaser elects to obtain title insurance, a title report issued through other than Home Abstract Corp. shall be recognized by Sponsor provided Purchaser pays Sponsor's attorney an additional legal fee of $350.00 for additional services required in clearing title pursuant to the terms of this Offering Plan. The current schedule of title insurance rates is $371.00 for the first $35,000.00 of the fee title insurance, plus $6.16 for each additional $1,000.00 or part thereof, up to $50,000.00, and thereafter $5.02 per $1,000.00 up to $100,000.00, $4.03 per $1,000.00 up to $500,000.00, and $3.68 per $1,000.00 in excess of $500,000.00 up to $1,000,000.00.

B. Each purchaser shall contribute a sum equal to two (2) months Common Charges on the closing date as initial working capital, to be used by the Board of Managers of the Condominium. These contributions are fixed fees which will not be affected by any increase or decrease in the Condominium budget. The initial amount for Working Capital Fund will be used to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. While the Sponsor is in control of the Board of Managers of the Condominium, the Working Capital Fund will not be used to reduce the Common Charges.

To insure that the Board of Managers will eventually collect the initial Working Capital contributions on all Units in the Condominium, at the time the Sponsor turns over control of the Board of Managers, it will deposit the contributions discussed in the previous paragraph for each remaining Unit which has not closed title with Sponsor in an escrow account which will specifically indicate that the funds are being held for the benefit of the Board of Managers. As the Sponsor conveys titles to the remaining unsold Units, it will collect a sum equal to two (2) months Common Charges as an initial Working Capital contribution from the purchasers of such Units. Upon turning over such

contributions to the respective Board of Managers, the Sponsor will be entitled to withdraw comparable sums from the escrow account.

C. All real estate taxes and any Common Charges assessed during the month in which title closes or established as a reserve shall be adjusted as of the closing date based upon the last bill rendered for such taxes or charges. If a Unit has not been separately assessed on the closing date for the then current fiscal tax year, the apportionment of taxes shall be based upon the assessment of the Condominium and the percentage interest in the Common Elements appurtenant to the Unit. In such event, the Sponsor will place in escrow an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing or until the Units are separately assessed, whichever is shorter. The Sponsor will pay the real estate taxes from the escrow account when taxes are due and payable and is entitled to reimbursement from Unit Owners.

D. New York State Real Estate Transfer Tax in the amount of $2.00 for each $500.00 of consideration paid by a purchaser. For the purpose of paying this tax, consideration shall also include the amount of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax paid by Purchaser

E. New York City Real Property Transfer Tax in the amount of one (1%) percent of the consideration paid by the Purchaser (under $500,000.00). For the purposes of paying this tax, consideration shall also include the amount of the New York City Real estate Property Transfer Tax and the New York State Real Estate Transfer Tax paid by Purchaser.

F. Survey charge in the amount of $500.00.

G. 421(a) Partial Real Estate Tax Abatement Fee in the amount of $500.00 plus 3/10 of 1% of the Purchase Price of a Unit.

H. In addition, should the Purchaser elect to obtain a purchase money mortgage, the Purchaser will be responsible for the payment of a mortgage recording tax. For Units with mortgages in the amount of $499,999 or less, the mortgage recording tax is 2% of the mortgage amount, less $25 and for Units with mortgages over $500,000, the mortgage recording tax is 2.125% of the mortgage amount, less $25. Institutional Lenders, however, are required to pay a portion of the mortgage recording tax equal to one quarter of one percent of the mortgage amount, thereby reducing the aforementioned amounts to 1.75% and 1.875%, respectively.

I. Legal fee of Sponsor's attorney in the amount of $750.00 per Unit, payable to Gary E. Miller, PLLC, provided that an additional fee of $350.00 per closing shall be due for closings which do not occur at the Sponsor's attorney's office.

J. If the purchase does not close on the Closing date originally scheduled by the Sponsor, all adjustments will be as of the originally scheduled closing date and Purchaser shall pay interest at the rate of sixteen (16%) percent per annum on the total Purchase Price for each of the day the losing is adjourned.

Additionally, a legal fee of $250.00 shall be payable to Sponsor's attorney for the work involved in processing any assignment of a purchase agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of Sponsor. A legal fee of $250.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Offering Plan.

A portion of the mortgage recording tax payable by a purchaser in connection with his Unit mortgage will be reimbursed to the Sponsor in accordance with Section 339-ee of the Real Property Law of the State of New York in an amount equal to the purchaser's percentage of interest in the Common Elements appurtenant to his Unit multiplied by the amount of any mortgage tax paid by the Sponsor on any construction loan mortgages covering the Condominium.

In the event that a purchaser elects to secure mortgage financing, a purchaser will be required to pay for mortgage title insurance which rates are currently in the amount of $318.00 for the first $35,000.00 of the mortgage title insurance plus $5.13 for each additional $1,000.00 or part thereof up to $50,000.00, and thereafter $4.19 per $1,000.00 up to $100,000.00, $3.36 per $1,000.00 up to $500,000.00, and $3.06 per $1,000.00 in excess of $500,000.00 up to $1,000,000.00. In addition, the purchaser may be required by the lending institution to deposit monthly with the lending institution commencing with the closing date a reserve for the payment of real estate taxes. The amount of the deposit is usually a multiple of the estimated monthly real estate taxes and will vary in accordance with the date of closing of title to a particular Unit. Each purchaser shall be responsible for the payment of fees of his own attorney.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to Units will be real estate taxes, electric charges, if any, water and sewer charges, if any, and Common Charges, if they have been declared due and payable by the Board of Managers of the Condominium. The adjustments will be made as of 11:59 P.M. on the day preceding the closing date. In the event there are any other items which are to be apportioned at closing, the Sponsor will advise the purchaser in writing of such items at least thirty (30) days before the closing. The Sponsor will advise the purchaser of the closing date by giving him written notice at least thirty (30) days prior to the closing date.

XV. RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor will fund its obligations with respect to unsold Units and to the Condominium from projected Unit sales proceeds. If there are less sales proceeds than projected, the Sponsor represents that it has sufficient net worth to comply with the above obligations. No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. During the time the principals of the Sponsor control the Board of Managers, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements and, therefore, the Sponsor agrees that during such period it will in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding the Sponsor, at a special meeting of the Unit Owners called for such purpose. Upon the conveyance of title to the first Unit, the Sponsor will be obligated to perform the following:

A. The Sponsor will be obligated to pay off and otherwise comply with the terms of any building loan mortgage on the entire Condominium. In addition, before the closing of title to the first Unit, all liens affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.

B. Until title to all Units is passed to bona fide purchasers, the Sponsor will pay such common charges and assessments as are assessed by the Board of Managers on Units to which title has not yet passed.

C. The Sponsor will obtain a temporary or permanent Certificate of Occupancy and any other certificate or permit required by law for the Unit or the Building and will, at its own cost, perform any work and supply any materials necessary to obtain a permanent Certificate of Occupancy. At the time of the issuance of the temporary or permanent Certificate of Occupancy there will be no violations of record against the Building. The Sponsor will obtain a permanent Certificate of Occupancy covering each Unit within two (2) years of closing of title to the Unit.

In the event an institutional lending institution which is making a mortgage loan on an individual Unit requires monies to be deposited with it in escrow to insure that a permanent Certificate of Occupancy covering the Unit is issued, the Sponsor's escrow agent is authorized to turn over such escrow deposit to such lending institution.

D. The Sponsor will pay all contractors, subcontractors and materialmen and all others involved in the construction of the Condominium for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium and

will cause all mechanic's liens arising out of the construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged promptly after the liens are filed.

E. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Condominium substantially in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of "as built" plans filed with the recording of the Declaration or any amendment thereto. The Sponsor reserves the right to make field changes to the plans for the Common Elements. The delivery of filed floor plans will take place upon the completion of construction of the Condominium or upon the turnover of the Board of Managers to Unit Owners independent of the Sponsor, whichever occurs later.

Notwithstanding the foregoing, the Sponsor reserves the right to change the size, number, interior layout and location of any Unit and other improvements or Common Elements, provided such changes do not change or adversely affect the value or percentage of Common Interest of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such a change and all affected purchasers are given the right to rescind their Purchase Agreement and to receive the return of their down payments together with interest thereon, if any. No such change will be made other than pursuant to a duly filed amendment to the Offering Plan and to the Declaration in the event the Declaration was recorded prior to such change.

F. The Sponsor has no obligation to defend any suits arising out of any acts or omissions occurring prior to the recording of the Declaration except claims arising out of the acts, omissions or representations of the Sponsor.

G. Purchaser's Warranty Coverage - Annexed hereto as Exhibit K is a "Limited Warranty" setting forth the warranty coverage extended by the Sponsor to each Purchaser. Any and all capitalized terms utilized in this Paragraph 7 and the following Paragraph 8 shall have the meaning as set forth in the Limited Warranty. The Sponsor will extend to each Purchaser Coverage A, B and C warranty coverage for the Home. The Purchaser shall be responsible for notifying the Sponsor with respect to any warranty claims relating to the above coverage. The above warranty coverage shall commence as of the date that the Purchaser of a Home or a member of Purchaser's Family takes title to the Unit, or the date on which any Person begins residential occupancy of a Home, whichever date is earlier.

The Sponsor's limit of total liability to a Purchaser for deficiencies of the Home shall be seventy-five (75%) percent of the purchase price of the Home and the Warranty does not extend to subsequent owners of the Home other than the Purchaser.

In the event that there shall be a dispute between the Sponsor and Purchaser(s) as to the Builder's limit of total liability hereunder, the Sponsor shall have the right to submit said dispute of behalf of the Sponsor and Purchaser for settlement by arbitration in accordance with the Rules and Procedures for the Conciliation and Arbitration of Home Warranty Disputes of the National Academy of Conciliators, or if said arbitration service shall not be available, such similar nationally recognized arbitration service to be selected by the Sponsor. The cost, if any, of said arbitration, shall be borne entirely by the non-prevailing party. Nothing herein shall be deemed to limit any and all rights that the Purchaser may have under applicable law and under this Limited Warranty to challenge an arbitrator's determination as to the Sponsor's limit of total liability hereunder.

The Purchaser of a Unit agrees and understands that the Purchaser will allow access to, on, through, or within the Unit and appurtenant Limited Common Elements during normal business hours, Monday through Friday, after receiving notice from the Sponsor, so that inspections or repairs may be made to purchaser's or any adjoining or adjacent Unit or the Common Elements.

H. The Sponsor will deliver to the Purchaser upon the closing of its Home, all Coverage A, B and C manufacturers' and subcontractors' warranties relating to the purchaser's Home to the extent made by such manufacturers and subcontractors and to the extent such warranties are assignable.

I. No bond or other security has been posted to secure the Sponsor's obligations, but until (i) eleven (11) months after the transfer of control of the Board of Managers, or (ii) eleven (11) months after the closing of title to the last Unit, whichever is sooner, provided the Condominium is completed, the Sponsor will not voluntarily assign, transfer or sell its interest in the real estate, comprising the Condominium which is the subject of this offering, except in accordance with this Offering Plan, and the principals of the Sponsor will not voluntarily reduce by more than forty-nine (49%) percent of their ownership interests or their voting rights in the Sponsor. Further, during such period the principals of the Sponsor shall not voluntarily liquidate or dissolve the Sponsor or make any distribution of assets of the Sponsor except for the payment of all costs (including, without limitation, salaries, fees, payments to lenders and repayment or reduction of the obligations of the Sponsor) pertaining directly or indirectly to this Offering. The above provision will not preclude the sale by the Sponsor of its unsold Units. However, the principals of the Sponsor may freely transfer their interests in the Sponsor and the Sponsor may be liquidated at any time after completion of the Condominium and may distribute any of its assets at any time thereafter.

This paragraph 9 shall in no way be deemed as a limitation of any of the Sponsor's liabilities or of any of the rights and remedies of the Unit Owners pursuant to law.

J. In accordance with Section 399-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of the Building.

K. The Sponsor will procure, on behalf of and at the expense of the Condominium, the insurance policy or policies set forth in the footnotes to Schedule B of the Offering Plan.

All of Sponsor's 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 for individual units.

In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty (20%) percent 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.

The Sponsor reserves and grants to the Sponsor the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Condominium, for the purpose of completing its work and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Condominium, for the installation, maintenance and inspection of lines and appurtenances for public and private water, sewer, drainage, cable television, gas and other utilities and for any other materials or services necessary for the completion of the work.

The Sponsor also reserves and grants to the Sponsor, its successors and assigns, the right to connect with and make use of all wires, pipes or conduits which may from time to time be in or along the streets, roads or other areas of the Condominium, including, but not limited to, public or private utility lines, water mains, cable television lines, sanitary/storm sewer lines (hereinafter collectively referred to as "utility lines"). The Sponsor, its successors and assigns, is hereby designated as the attorney in fact of the Board of Managers of the Condominium (the "Board"), coupled with an interest and with the power of substitution, to execute and record on behalf of the Board any and all instruments

which may be required to effectuate the above grant. Said power of attorney shall include, but not be limited to, the right of the Sponsor to execute on behalf of the Board any and all documents that may be required by any governmental agency for the purpose of making connections to utility lines. The Sponsor shall have the right to assign any and all rights granted pursuant to this section to a third party without the consent of the Board.

XVI. CONTROL BY THE SPONSOR

The Sponsor, as owner of unsold Units, will have voting control of the Board of Managers until five (5) years from the date of the closing of title to the first Unit or until the date of conveyance of title to one-hundred (100%) percent of the Units, whichever is sooner. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including the Sponsor and the enforcement of the Sponsor's obligations. However, during such control period, the Sponsor will not increase or decrease the services set forth in the Projected Budget for First Year of Condominium Operation (Schedule B) and this Offering Plan without the consent of a majority of all Unit Owners (other than the Sponsor voting as a Unit Owner) present at a duly called meeting of the Unit Owners.

For a maximum of five (5) years from the date of the conveyance of title to the first Unit, so long as the Sponsor continues to own Units representing twenty-five (25%) percent or more in Common Interest, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the Common Elements or to any Unit costing cumulatively more than twenty (20%) percent of the Condominium's prior year operating budget, the foregoing not to include necessary repairs and maintenance work; (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; (iii) hire any employee in addition to the employees referred to in the Plan; (iv) enter into any contracts not in existence on the date the Plan is declared effective; or (v) borrow money on behalf of the Condominium.

The number of Managers which shall constitute the whole Board of Managers shall be not less than three (3) and no more than nine (9). The first Board of Managers of the Condominium will consist of principals of the Sponsor.

Within thirty (30) days after title to the last Unit is conveyed by the Sponsor, but in no event later than five (5) years after the conveyance of title to the first Unit, the Sponsor will call the first annual meeting of the Unit Owners at which time a new five (5) member Board of Managers will be elected. Upon the election of the new Board of Managers, the members of the first Board of Managers will resign. Notwithstanding the foregoing, the Sponsor will have the right to designate at least one-third (⅓) of the Board of Managers

so long as it owns more than thirty-five (35%) percent of the Units in number, one-fifth (1/5) of the Board of Managers as long as it owns less than thirty-five (35%) percent but more than ten (10%) percent of the Units in number and one (1) member of the Board of Managers so long as it owns at least one Unit.

The detailed provisions for the management of the Condominium are set forth in the By-Laws which may be found at Part II of the Plan. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate committees or a Managing Agent to carry out such functions.

Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. The Sponsor represents that for as long as it or any of its designees are members of the Board of Managers neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

XVII. RIGHTS AND OBLIGATIONS OF UNIT OWNERS

A. Sale or Lease of Units

Units can be sold or leased by a Unit Owner, provided that he is not in arrears in the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the grantee or provided for out of the proceeds of the sale). The Board of Managers shall not have the right of first refusal with respect to the sale or lease of a Unit.

All leases or rental agreements affecting a Unit must be expressly subject to the requirements of the Condominium Offering Plan, Declaration and By-Laws.

A purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by will, or to have it pass by intestacy without any restriction, provided, however, that such new Unit Owners shall be bound by and his Unit shall be subject to the foregoing restrictions.

The Sponsor may rent a Unit to the purchaser of said Unit if the purchaser so desires prior to the conveyance of title to said Unit. No Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

B. Restrictions on Occupancy and Use

Occupancy of a Unit may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium. Notwithstanding the foregoing, the Sponsor may, without permission of the Board of Managers, retain ownership of one or more Units for use as models or sales and/or promotional offices in connection with the sale or rental of Units.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and pets shall not use or permit the use of the Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Unit Owners. Except for the Sponsor, no resident shall put any advertisement or poster of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the Buildings or to string clothes lines on or over the Common Elements or to use any of the Common Elements for storage. No Unit Owners shall paint the exterior surfaces of the windows, walls or doors opening out of his Unit.

C. Mortgage of Units by Unit Owners

A Unit Owner may mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender. Any Unit Owner may, however, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all arrears for Common Charges, if any, are paid at the closing of the mortgage.

The Declaration provides that the Board of Managers shall give the holder, insurer, or guarantor of the mortgage on any Unit in the Condominium the right to timely written notice of:

1. any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage;

2. any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;

3. a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Board of Managers; and,

4. any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

To be entitled to receive this information, the mortgage holder, insurer, or guarantor must send a written request to the Board of Managers, stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guarantees) a mortgage.

D. Common Charges - Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their interest in the Common Elements. Any special assessments will be charged to the Unit Owners in accordance with their interest in the Common Elements. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, management charges, if any, charges for water consumed in the Common Elements, gas and electricity consumed in the Common Elements and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, Working Capital and other sums necessary to carry on the affairs of the Condominium.

The estimates of Condominium expenditures in Schedule "B" were made by Advanced Management Services, 26 Court Street, Brooklyn, NY 11242. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Buildings and the Common Elements, public liability and property damage insurance, maintenance of the Common Elements and operations of the Condominium. The Common Charges do not include maintenance, repairs or decoration on the interior of the Units or portions thereof, payments required pursuant to the terms of Unit Owners' mortgages or real estate taxes covering the individual Units.

The Common Charges which will be collected monthly by the Board of Managers and other costs of maintenance of the Units are set forth on Schedule "A".

However, additional services which the Unit Owners may desire or other factors can increase these Common Charges. The Board of Managers will commence the collection of Common Charges upon the closing of title to the first Unit in an amount no greater than as set forth herein and only in such amount as will be necessary to carry out the duties of the Board of Managers as set forth in this Offering Plan and such Common Charges shall be paid by the Unit Owners and the Sponsor as owner of the unsold Units in accordance with the Common Interest set forth herein. The Common Charges will be placed in an account in the name of the Board of Managers in a bank designated by the Board of Managers.

Where a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a common charge to all Unit Owners. In order to protect the Unit Owners against the possibility of such Common Charges, the Board of Managers shall determine the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and review the amount of such coverage annually.

Until title to all Units is passed to bona fide purchasers, the Sponsor will pay such common charges, real estate taxes, and special assessments on Units to which title has not yet passed.

The Sponsor is also providing eighteen (18) exterior parking spaces at the Property with twenty-four (24) hour valet parking services. The right to the use of the eighteen (18) parking spaces is being offered on a first-come first served basis to purchasers of a Unit. Only a Purchaser of a Unit is being offered the right to the use of a parking space. A Purchaser who desires to purchase a parking space must indicate same at the time that the Purchaser executes a Purchase Agreement for the purchase of this Unit. No Purchaser shall be required to purchase a parking space.

The parking spaces will not be Units but each parking space will be a Limited Common Element, the use of which is irrevocably restricted to a Unit Owner. If a Unit purchaser elects to purchase the right to the use of a parking space, the price of his Unit will be increased by $25,000.00 and the percentage of common interest allocated to such Unit will be increased by the percentage of common interest for a parking space listed in Schedule A. If the right to the use of any parking spaces has not been sold on the date that the Declaration is recorded, the Sponsor will allocate such unsold spaces among the unsold Units and will amend the Plan to disclose how such unsold parking spaces have been allocated. The Sponsor will have the right to allocate more than one (1) unsold parking space to one (1) unsold Unit. The Sponsor will also have the right to reallocate unsold parking spaces among the unsold Units after the Declaration is recorded by amending the Plan and the Declaration without the consent of the Board of Managers, the Unit Owners

or their mortgagees. The Sponsor reserves the right to reduce the number of parking spaces included in the Condominium. The Total Projected Expenses of the Condominium for the First Year of Operation do not include the costs and expenses associated with providing twenty-four (24) hour valet parking services, which costs and expenses are estimated by the Sponsor to be $75,000.00 for the First Year of Operation. Such costs and expenses are to be borne, solely, by the Unit Owners who have purchased the right to utilize a parking space(s) as follows:

> each purchaser of the right to use a parking space shall pay a portion of the costs and expenses associated with providing twenty-four (24) hour valet parking services, the numerator of which shall be the number of parking spaces to which the Purchaser has purchased the right to use, and the denominator of which shall be the total number of parking spaces to which the Sponsor has sold the right to use.

The monthly cost per parking space for valet parking services is estimated to be approximately $350.00, based upon the rights to use all eighteen (18) parking spaces having been sold. To the extent that the rights to use less than eighteen (18) parking spaces have been sold, the monthly cost per parking space for valet parking will increase accordingly. For example, if the right to use only one parking space is sold, the Purchaser of the right to use said parking space may be liable to pay up to the entire cost of $75,000.00 per annum. A Purchaser who does not purchase a parking space will not, in any event, be responsible for the costs and expenses associated with valet parking services.

E. Liens for the Non-Payment of Common Charges

Pursuant to Section 339-z of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, will be subordinate to liens for taxes on the Units and as provided for by statute, any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after the filing of a notice thereof in the office of the Kings County Register's Office and until all sums secured thereby, with interest at the highest legal rate thereon, are fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever is sooner. Such lien may be foreclosed by a suit brought in the name of the Board of Managers, acting on behalf of the Unit Owners, in like manner as a mortgage of real property, as provided in Section 339-aa of the Real Property Law. Unit Owners against whom proceedings are brought to collect unpaid Common Charges with interest thereon, will also be responsible to pay for the expenses of the proceeding, including attorney's fees. The above lien shall continue in force even after resale of a Unit. The Board of Managers may foreclose the lien

in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorneys' fees. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event he shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However, a Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. Upon a resale, the purchaser of a Unit, including a mortgagee which takes title to a Unit or other purchaser of a Unit in a foreclosure sale, shall be liable for the payment of unpaid Common Charges assessed against such Unit prior to the acquisition of such Unit by the purchaser.

While the Sponsor is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor is in arrears of Common Charges for more than thirty (30) days.

F. Repairs, Alterations and Improvements to Units

The Unit Owner may make any interior alterations or improvements to the Unit he desires without obtaining the consent of the Board of Managers so long as such alterations or improvements do not affect the Building or any other Common Element. Repairs to Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense. In the event such alternations or improvements affect the structural soundness of the Building, the Unit Owner must first obtain the written consent of the Board of Managers.

All maintenance to the Units including electrical repairs, plumbing stoppages, window cleaning, painting, repairs and replacements to the Units, including windows and doors abutting a Unit and repairs to pipes, wires and conduits located within and servicing the same Unit shall be made by the respective Unit Owners at their own expense. Each Unit Owner will also be responsible for the maintenance of portions of the Common Elements irrevocably restricted to his use if any, except for structural repairs thereto.

In the event that the Unit Owner fails to make any repair or creates any condition which affects the Building, the Common Elements or any other Unit, the Board of Managers may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Unit Owner for the cost of such service. In the event it becomes necessary for the Board of Managers to bring any lawsuit

or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorneys' fees in connection with such suit or proceeding.

G. Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance on the Buildings - special form subject to policy exclusions and terms, water damage, vandalism and malicious mischief endorsements insuring the Buildings, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, (but not including furniture, furnishings or other personal property supplied by or installed by Unit Owners) together with all heating and air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and each Unit Owner as an additionally insured party and their mortgagees, as such interest may appear, in an amount equal to one hundred (100%) percent of the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

The insurance coverage does not include any coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited Common Element or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element appurtenant to a particular Unit. Unit Owners should consult their insurance agent as to the availability of this insurance and any additional coverage which might be recommended.

The proceeds of all policies of physical damage insurance carried by the Board of Managers shall be payable to the Board of Managers in the event of a loss amounting to $50,000.00 or less, and to the Insurance Trustee if the loss shall amount to more than $50,000.00 to be applied for the purpose of repairing, restoring or rebuilding the Building(s) unless otherwise determined by the Unit Owners, as hereinafter set forth.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by the Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insures, including all mortgagees of Units. Duplicate originals of all policies of physical

damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the Condominium upon the transfer of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in no less than the amount set forth in the Budget then in effect upon transfer of title to all of the Units. The Board of Managers shall review the amount of fire insurance annually.

A New York bank or trust company shall be the Insurance Trustee unless or until replaced by a bank or trust company in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the state of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; (2) Workers' Compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and each Unit Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

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

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE UNIT. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

The Board of Managers will arrange for repair of the Units in the event of a casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair of reconstruction of Units, after fire of casualty and condemnation provisions see Articles VII and XII of the By-Laws. In the event

of a casualty loss, the Unit Owner will continue to pay the Common Charges of his Unit. See Schedule B for the estimated insurance cost of the Condominium.

H. Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws. In addition, the Board of Managers will have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes necessary for the proposed operation of the project.

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

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the Declaration and By-Laws can be found in Part II of the Plan Exhibit F, Article Seventeenth and Exhibit G, Article VIII. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith.

The provision of the Declaration and By-Laws that requires written consent of the Board of Managers prior to a Unit Owner making an alteration that would impair the structural soundness of the Building does not apply to the Sponsor.

The provision of the By-Laws which requires members of the Board of Managers to be Unit Owners will not apply to the first Board of Managers or any member appointed by the Sponsor.

J. Other Liens

At the time of the closing of a Unit, there will be no other liens of encumbrances on the Unit or Common Elements other than the lien for non-payment of Common Charges, the lien of a first mortgage which arises if the purchaser obtains a first mortgage on his Unit, and the liens and encumbrances set forth in Section XII of the Plan.

XVIII. RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS; SUMMARY OF DECLARATION AND BY-LAWS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II as Schedules "G" and "F".

The following is a summary of certain provisions of the By-Laws and Declaration.

A. Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Managers designated by the Sponsor. At the first annual meeting of Unit Owners, five (5) Managers shall be elected by the Unit Owners for staggered terms. See Schedule "G", Article III.

Every Unit Owner shall be entitled to cast one vote on each ballot for each Unit he owns. All Managers other than those elected at the first annual meeting of Unit Owners and designees or nominees of the Sponsor shall be Unit Owners. See Schedule "G", Article III, Section 1 as to the Sponsor's initial control of the Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. Elections are to be held annually. See Article III Section 4 of the By-Laws which sets forth details relating to the Sponsor's rights to designate Managers.

B. Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. Notwithstanding the above, Managers designated or elected by the Sponsor, may only be removed by the Sponsor, and the Sponsor shall have the sole right to designate a replacement Manager. No Manager other than a member of the first Board of Managers or the designees or nominees of the Sponsor shall continue to serve on the Board of Managers if, during his term of office, he shall cease to be a Unit Owner.

C. Powers and Duties of Board of Managers

The property and business of the Condominium shall be managed by its Board of Managers. The powers of the Board of Managers include, but are not limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance;

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Units, Buildings, and other Common Elements;

3. To make repairs, restore or alter any Unit or the Common Elements after damage of destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

4. To enter into and upon the Units when necessary and at as little inconvenience to the Units Owners as possible in order to maintain, care and preserve the Property;

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

6. To insure and keep insured the Common Elements and Units;

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the Property for violations of the house rules or rules and regulations herein referred to;

8. To make reasonable rules and regulations;

9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a Manager in connection with the matters hereinabove set forth;

10. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation;

11. To acquire Units in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

12. To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners;

13. To make additions, alterations, or improvements to the Common Elements of the Condominium, the cost of which addition, alteration, or improvement does not exceed $5,000.00. The Board of Managers may make

additions, alterations or improvements to the Common Elements costing in excess of $5,000.00 only with the approval of a majority of the Unit Owners. While the Sponsor is in control of the Board of Managers, the Board of Managers may make additions, alterations, or improvements to the Common Elements costing in excess of $5,000.00 or enter into service or maintenance contracts the duration of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. In addition, the Sponsor must give its written approval pursuant to the requirements contained in Section XVI of the Plan. See Section XVI of the Plan as to the length of the Sponsor's control. Nothing contained herein shall limit the right of the Board of Managers to repair or replace the Common Elements as necessary;

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least sixty-six and two-thirds (66⅔%) percent in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $5,000.00 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner of said Unit;

15. Since each Unit is separately assessed for real estate tax purposes, each Unit Owner must institute his own proceeding to review real estate tax assessments against such Unit. However, the Board of Managers may, but is not required to, institute such proceeding on their behalf with the consent of all Unit Owners. The cost of such proceeding(s) shall not be a Common Expense, but shall be borne solely by the affected Unit Owners;

16. To institute legal proceedings to enforce compliance with the terms of the Declaration and By-Laws as well as the rules and regulations established therewith.

D. Liability of Board of Managers, Officers, and Unit Owners

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers or the officers of the Condominium shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or officer of the Condominium or individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common

Elements bears to the total liability under such commitment. The Board of Managers and officers of the Condominium shall have no personal liability to the Condominium or the Unit Owners for any breach of duty as an officer or manager except for liability caused by willful misconduct or bad faith. The Unit Owners shall severally indemnify all officers and members of the Board of Managers against any liabilities or claims arising from acts taken by an officer or member of the Board of Managers in accordance with the provisions of Article III of the By-Laws. Such several liability of a Unit Owner shall, however, be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the members of the Board of Managers, or officers of the Condominium.

E. Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Unit Owners or members of the Board of Managers. One person may hold not more than two offices at the same time, except that the president and secretary shall not be the same person.

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board of Managers are carried into effect.

The Vice President shall take the place of the President and perform his duties whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers. The Treasurer shall disburse the funds of the Condominium, and shall keep detailed financial records and books of account of the Condominium. Such books of account shall include a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

F. Repairs, Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the Common Elements of the Property, including, but not limited to exterior walls of the Building(s), roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense. All routine (non-structural) maintenance of Limited Common Elements located in the Building is the responsibility of the Unit Owner to whom such Common Element is limited in use. All repairs to the exterior of any door, fence, building, open area or other generally visible portion of the Condominium must conform with the style and colors initially installed by the Sponsor. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. The Board of Managers shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium.

G. Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Buildings as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not resolve to proceed with repair or restoration, the property comprising the Condominium shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common. In such event, the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

H. Insurance

As described in detail in Section XVII of the Plan, the Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance on the Building(s) - special form subject to policy exclusions and terms, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor (but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear in an amount equal to one hundred (100%) percent of the full replacement value of the Buildings. The Board of Managers shall maintain hazard and flood insurance, liability insurance and fidelity bond coverage in conformance with the requirements of the Federal National Mortgage Association. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

I. Reports to Unit Owners

All Unit Owners will receive within three (3) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement verified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners, and a notice of the holding of the annual Unit Owners meeting. All Unit Owners shall be entitled to examine at the office of the Condominium the books and records of the Condominium on reasonable notice to the Board of Managers but not more often than once a month. These books and records shall also be available for inspection by holders, insurers and guarantors of first mortgages that are secured by Units in the project. Generally, these documents should be available during normal business hours or under other reasonable circumstances. In addition, if requested in writing, the Condominium shall allow every mortgage holder to have an annual audited financial statement prepared at the mortgage holder's expense. During the period while Sponsor is in control of the Board of Managers, the above financial statement will be certified by an independent public accountant.

J. Amendments

The Declaration may be amended upon a vote of eighty (80%) percent of the Unit Owners in number held at a duly called meeting of the Unit Owners, provided however, that:

1. No amendment shall alter the percentage interest in the Common Elements appurtenant to any Unit or alter any rights or obligations respecting portions of the Common Elements irrevocably restricted in use to any Unit Owners without the consent of one hundred (100%) percent of the affected Unit Owners and the first mortgagees, if any, of the same Units, which consents shall be expressed on the instrument of amendment.

2. No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless eighty (80%) percent of the Unit Owners in number and Common Interest and the first mortgagees, if any, of each of these same Units agree to such change on the instrument of amendment.

3. No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

4. The Sponsor shall have the right to amend the Declaration to reallocate unsold parking spaces among unsold Units without the consent of the Board of Managers, Unit Owners or their mortgagees.

The By-Laws may be amended at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by eighty (80%) percent of the Unit Owners in number and Common Interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owners' interest and the interests of holders of a mortgage encumbering a Unit or Units.

Notwithstanding anything above to the contrary, the Sponsor or its designee shall have the right, without vote or consent or other Unit Owners or the Board of Managers or the holders of Unit mortgages, to execute or (on its request) to require the Board of Managers to execute and record in the Office of the King's County Register and elsewhere if required by law, an amendment or amendments to the Declaration, or the By-Laws made a part hereof, (together with such other documents, plans and maps as may be required to effectuate the same) a) to reflect any changes in Units and the reapportionment of the Common Elements resulting therefrom made by the Sponsor or his designee in accordance with subparagraph (c) of Paragraph Seventeenth the Declaration, or (b) for a

period of five (5) years from the date of the closing of the last Unit, which may be required or necessary to carry out the provisions of the Offering Plan or which may be required or necessary by any governmental or quasi-governmental agency, institutional leader or title company designated by the Sponsor to complete development of the Units and/or the Condominium or otherwise in furtherance of the purposes of the Declaration. All expenses in connection with the preparation, recordation and filing of any such amendment shall be paid by the Sponsor or his designee, as the case may be.

K. Right of First Refusal

The Board of Managers has no right of first refusal to purchase or lease a Unit.

L. Units Acquired by the Board of Managers

All Units which are acquired by the Board of Managers, or its designee, shall be held by it on behalf of all Unit Owners whose respective interests shall be in proportion to the Common Interest to such Unit Owners and the votes appurtenant to such Units shall be cast by the Board of Managers or its designee at all meetings of the Unit Owners, except that the Board of Managers will not vote in any election of members of the Board of Managers.

M. Termination of Condominium

This Property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least eighty (80%) percent of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of these same Units agree to the withdrawal of this Property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty (80%) percent of the Unit Owners other than Sponsor so vote.

N. 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.

O. Reserves

The Condominium shall be required to maintain adequate reserves for capital replacements of the Common Elements. The Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income includes interest earned on reserve or other invested funds.

P. Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit of any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Managers, its agents and employees shall have a right of access to the Units and to the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or any pipe, wire, conduit therein or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Q. Allocation of Common Interests

The Common Interest of the Condominium establishes the Unit Owner's percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Unit Owner has the percentage of Common Interest in the Condominium set forth on Schedule "A". Such allocation has been based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all the Units, pursuant to Real Property Law Section 339(i)(1)(ii).

The percentage of the undivided interest in the Common Elements shall not be changed except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to the Declaration.

Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

R. Section 339kk of the Real Property Law.

Section 339kk of the Real Property Law provides additional financial protection for a condominium association if a non-occupant unit owner of a dwelling unit fails to make payments for common charges, assessments or late fees due in connection with such non-occupant owner's units. In such event, the Board may require, upon notice to the tenant and the non-occupying unit owner, that the tenant of such units make rental payments directly to the condominium.

S. Management Agreement and Other Contractual Agreements

The budget for the first year of operation of the Condominium provides for professional management of the Condominium. The Condominium will be managed by Advanced Management Services, 26 Court Street, Suite 804, Brooklyn, New York 11242. The following are among the customary duties and services to be rendered by a professional Managing Agent:

1. Bill and collect Common Charges, and if authorized by the Board of Managers, to demand and sue for any Common Charges that may be outstanding by a Unit Owner.

2. Cause the Condominium to be maintained, repaired or altered as may be advisable or necessary.

3. Engage and pay all help or employees which the Managing Agent may deem necessary to operate and maintain the premises.

4. Purchase all supplies and equipment, provide all services necessary to operate the Condominium, obtain and pay for insurance etc., all as the Board of Managers may direct.

5. Maintain the Condominium books and prepare an annual report of the Condominium, including a balance sheet and profit and loss statement verified by an independent certified accountant.

All expenses incurred by the Managing Agent in performance of its duties shall be paid by the Unit Owners as a Common Expense.

The Managing Agent's responsibility for supervising repairs and alterations to the Common Elements is limited to those routine repairs and incidental alterations required in the course of the ordinary maintenance and care of the Common Elements. Non-emergency repairs and alterations involving an expenditure in excess of $1,000.00 for any item will be made only with the prior approval of the Board of Managers.

XIX. TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by Gary E. Miller, PLLC, its Counsel, that a Unit Owner will, for Federal income tax purposes, be entitled, under most circumstances, to a deduction for interest paid or accrued with respect to any mortgage indebtedness encumbering the Unit and, under most circumstances, for real estate taxes paid or accrued with respect to the Unit. It is also the opinion of Sponsor's Tax Counsel that each Unit

Owner will, for New York State and New York City income tax purposes, be entitled to a deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year.

Specific exemptions from real estate taxes may be available for veterans. Purchasers are advised to consult their attorneys to determine if this or any other exemption may be available to them.

Each Unit Owner's proportionate share of the income received by the Board of Managers, including, but not limited to, income, if any, from the sale or leasing of Units owned by the Board of Managers or its designee on behalf of all Unit Owners (or from similar sources), will either be included by the Unit Owner as taxable income for Federal, New York State and New York City, income tax purposes, or taxed on the Condominium itself. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge. In such event this additional Common Charge may also be subject to tax.

No warranties are made that either the United States Treasury Department or the New York State Department of Taxation and Finance, or the New York City Department of Finance will allow or continue to allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners. The Sponsor, Selling Agent, and Gary E. Miller, PLLC, shall in no event be liable, if, due to changes in the law or the factual assumptions on which the opinion of counsel is based, it shall be held that the Unit Owners are not entitled to such income tax deductions for real estate taxes and/or mortgage interest.

A condominium regime meeting the requirements of Section 528 of the Internal 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 the opinion of Sponsor's Tax Counsel 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.

GARY E. MILLER, PLLC IS COUNSEL TO THE SPONSOR AND NOT TO THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP.

Please consult "Counsel's Tax Opinion", annexed as Exhibit J to the Plan for further details.

XX. WORKING CAPITAL FUND AND RESERVE FUND

At closing of title, each purchaser of Unit will contribute a sum equal to two (2) months Common Charges to the Working Capital Fund of the Condominium. While the Sponsor is in control of the Board of Managers the Working Capital Fund will not be used to reduce the Common Charges.

The budget includes a line item entitled "Contingencies" in the amount of $1,200.00 to be collected out of the Common Charges paid by the Unit Owners. Said amount is to be used for the unanticipated expenses of the Condominium. In addition, the budget includes a line item entitled "Reserves for Maintenance and Replacement" in the amount of $820.00 for the replacement of the roof and the hot water heater and boiler.

No representation is made that the budgeted amounts for "Contingencies" and "Reserves for Maintenance and Replacement" will be adequate to cover current or future repairs and replacements of Common Elements. If additional funds are required over and above these funds, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the working capital fund, "Contingencies" line item or "Reserves for Maintenance and Replacement" line item.

XXI. IDENTITY OF PARTIES

A. Sponsor

The Sponsor, 340 DeGraw Street Development Corp., is a New York corporation that maintains an office at 1365 72nd Street, Brooklyn, NY 11228. The sole principals of the Sponsor are Paolo Bennici, Joseph Chirico and Carmine Gargano, who also maintain an office at 1365 72nd Street, Brooklyn, NY 11228. Mr. Chirico has been involved in the restaurant business for approximately thirty (30) years and Mr. Bennici and Mr. Gargano have been involved in the construction business for approximately forty (40) years. Neither the Sponsor nor any principal of the Sponsor has previously taken part of or been a principal of any cooperative, condominium, planned unit development homes, or time share projects offered in the State of New York.

B. Selling Agent

The Selling Agent is Cobble Heights Realty Inc., maintaining an office at 206 Court Street, Brooklyn, NY 11201. Cobble Heights Realty Inc., a licensed real estate broker, has extensive experience in selling residential real estate throughout the New York metropolitan area.

C. Counsel to Sponsor

Gary E. Miller, PLLC, 261 Madison Avenue, New York, NY 10016 is the attorney who has assisted the Sponsor in the preparation of this Offering Plan and will represent the Sponsor in connection with Unit closings. Mr. Miller, is also the Sponsor's Tax Counsel. The Condominium may retain separate counsel following the closing of the first Unit.

D. Architect/Engineer

Friedman, P.E., maintaining an office at 3 Langeris Drive, Monsey, New York 10952 is the Architectural Engineering Firm for this project.

E. Managing Agent

The Managing Agent for the Condominium will be Advanced Management Services, 26 Court Street, Suite 804, Brooklyn, New York 11242. Principals of Advanced Management Services have been involved with the operation and management of residential real estate buildings in New York for more than twenty-five (25) years.

XXII. GENERAL

A. Pending Litigation

At the date of this Offering Plan, there are no litigation or administration proceedings against the Condominium or the Sponsor or any other party which would affect their ability to perform their obligations relating to this offering, or which would in any way affect this offering.

B. Prior Offerings

This Property has not been the subject of any prior public offerings. However, the New York State Department of Law has filed an Application to Test the Market submitted by the Sponsor pursuant to Cooperative Policy Statement No. 1 (File No. CP01-0014).

C. Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, color, disability, marital status, national origin or ancestry in the sale of Units under this Plan.

D. Amendment of Plan

The Plan may be amended at any time from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects purchasers, then any purchaser who has theretofore executed a Purchase Agreement shall be given not less than fifteen (15) days after a copy of the duly filed amendment is mailed or otherwise delivered to said purchaser by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith together with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

E. Plan as Fair Summary

This Plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of a material fact relating to the offering. Any information or representation made not contained in this Offering Plan must not be relied upon.

XXIII. NEW HOME WARRANTY

Effective March 1, 1989, a law went into effect which grants to each Purchaser of a Unit a Housing Merchant Implied Warranty. The full text of the law is annexed hereto as Exhibit L. Said law provides that, subject to certain conditions, the Housing Merchant Implied Warranty may be excluded or modified if a Purchaser is offered a limited warranty. The limited warranty provided by the Sponsor limits the Housing Merchant Limited Warranty in the following major areas; (i) the Warranty does not extend to subsequent owners of the Home other than the Purchaser, and (ii) the Builder's total liability to a Purchaser for deficiencies of the Home is limited to seventy-five (75%) of the Purchase Price of the Home. The Sponsor has elected to offer Purchasers a limited warranty in conformance with the terms of the above law. The Sponsor shall give the Board of Managers of the Condominium a limited warranty relating solely to the Common Elements. The terms of said limited warranty shall be substantially in the form of the limited warranty annexed hereto as part of Exhibit D. Any and all capitalized terms utilized in this Section XXIII shall have the meaning as set forth in the Limited Warranty.

The limited warranty shall be given by the Sponsor or its designee (the "Builder"). The limited warranty shall not extend to subsequent owners of the Home or the Common Elements, tenants or mortgagees in possession of the Home or the Common Elements, any person who may succeed to the rights of the Purchaser, the Board of Managers, or to any other person. The following is a brief summary of certain provisions of the limited warranty to be provided to purchasers at closing. The purpose of this summary is merely to highlight certain provisions of the limited warranty. Purchasers are advised to read the full text of the limited warranty prior to their execution of the Purchase Agreement.

A. Commencement of Coverage

Coverage for the Home under the limited warranty shall commence upon the earlier of (1) the date that the Purchaser of a member of Purchaser's family takes title to the Home, or (2) the date upon which any person begins residential occupancy (hereinafter referred to as the "Warranty Date").

B. Coverage

1. For one (1) year from the Warranty Date, (a) the Home must be free from defects caused by workmanship performed by the Builder or materials supplied by the Builder that are not in accordance with the specific standards of the applicable building code or do not comply with locally accepted building practices; (b) items sold in conjunction with the Home, such as stoves, refrigerators, air conditioners, etc., must be free from defects due solely to faulty installation by the Builder;

2. For two (2) years from the Warranty Date, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects due to installation by the Builder that is not in accordance with the specific standards of the applicable building code or does not comply with locally accepted building practices.

3. For six (6) years from the Warranty Date, the Home must be free from actual physical damage in its major structural elements (foundation, floor system, walls, roof framing systems) caused by faulty workmanship performed by the Builder or defective materials supplied by the Builder.

C. Purchaser's Warranty Coverage

The Builder shall extend to the Purchaser Coverage A, B and C warranty coverage for the Home. The Purchaser shall be responsible for notifying the Builder with respect to any warranty claims relating to the above coverage.

D. Not Covered

1. A defect caused by workmanship performed by any person other than the Builder;

2. A defect caused by defective materials supplied by any person other than the Builder;

3. A defect that would have apparent or ascertainable by the Purchaser upon a final inspection of the Home or by the Board of Managers prior to the closing of the Home;

E. Notice

A Purchaser or the Board of Managers must give written notice of any claim under the limited warranty to the Builder either (i) by hand, with a written acknowledgment receipt from the Builder, or (ii) by certified or registered mail, return receipt requested. Notice of any warranty claim must be actually received by the Builder no later than the tenth (10th) business day after warranty coverage on the applicable item expires.

XXIV. 421(A) PARTIAL REAL ESTATE TAX EXEMPTION BENEFITS

The Sponsor has applied for a Preliminary Certification of Eligibility for partial tax exemption benefits under Section 421(a) of the New York State Real Property Tax Law. Based upon the Consultant's Opinion Regarding Projected Real Estate Taxes and Eligibility for Section 421(a) Partial Real Estate Tax Exemption Benefits, annexed as Exhibit "R" to Part II of the Plan, the Condominium, as planned, will be eligible for fifteen (15) year Section 421(a) partial real estate tax exemption benefits. This section of the law, which is administered by the Department of Housing, Preservation and Development of the City of New York ("HPD"), provides for a fifteen (15) year partial tax exemption program applicable to multiple dwellings constructed in New York City under certain limiting conditions. A final exemption will be applied for by the Sponsor prior to the first taxable status date following the completion of construction. The Sponsor will in any event file all necessary papers to secure final approval.

The Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, the result of which can be either the reduction or revocation of benefits if proper documentation is not provided. Upon the turnover of control to the Board of Managers, the Sponsor will make all tax benefit documents available to the Board of Managers for

inspection and copying for the life of the benefits, and it will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

The Section 421(a) tax exemption program provides that while the taxes on the Property may not be less than those assessed in prior years, real estate taxes on Units in newly constructed residential buildings are exempted 100% for eleven (11) years (plus the period of construction), 80% for the next year, 60% for the next year, 40% for the next year, and 20% for the last year of a fifteen (15) year period. After the end of the fifteen (15) year period, the Units will be subject to regular real estate taxes in accordance with the rates then in effect in the City of New York.

The estimate of real estate taxes set forth in Schedule A is based upon the estimated assessed valuation of the Units upon completion of construction as set forth in the Consultant's Opinion Regarding Projected Real Estate Taxes and Eligibility for Section 421(a) Partial Real Estate Tax Exemption Benefits, annexed as Exhibit "R" to Part II of the Plan. The current tax rate for the Units is $10.847 per $100.00 of assessed valuation. The real estate taxes for each Unit were calculated by multiplying the estimated assessed valuation of each Unit by the projected tax rate of $10.847 per $100.00 of assessed valuation.

The estimate of real estate taxes in Schedule A assumes that one hundred (100%) percent of the value of the improvements to the Property will be exempt from taxation under Section 421(a) of the Real Property Tax Law. Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Unit is reasonable, there can be no assurance that final exemption will be granted or that this method of calculation of real estate taxes applicable to each Unit will be the final method used by the New York City taxing authority in establishing the real estate tax assessment for each Unit. Real estate taxes pursuant to Section 421(a) of the New York State Real Property Tax Law are based on the preconstruction assessed valuation of the Property.

The effect of the Section 421(a) tax exemption can be illustrated by the following example. Assuming that the City of New York assesses Unit 1A at $55,347.38 when fully constructed, the real estate taxes payable on the Unit for the full 2001/2002 fiscal tax year, without the benefit of tax exemption would amount to approximately $6,003.53 based upon the estimated tax rate of $10.847 per $100.00 assessed valuation. Under the tax exemption program, however, assuming the estimated $10.847 per $100.00 tax rate remained constant, the taxes would amount to approximately $787.45 during each of the first ten years when 100% abatement was available, approximately $1,043.00 during the eleventh year when 80% abatement was available, approximately $2,086.00 during the twelfth year when 60% abatement was available, approximately $3,129.00 during the thirteenth year when 40% abatement was available, and approximately $4,172.00 during the fourteenth year when 20% abatement was available. Prospective purchasers are cautioned that the foregoing example is offered solely to illustrate how the Section 421(a) tax program functions. The

Sponsor anticipates that the real estate tax rate will increase in future years rather than remain constant as assumed in the example. In addition, taxes must always be paid on the assessed value of the land, which if inflationary trends continue, will probably increase.

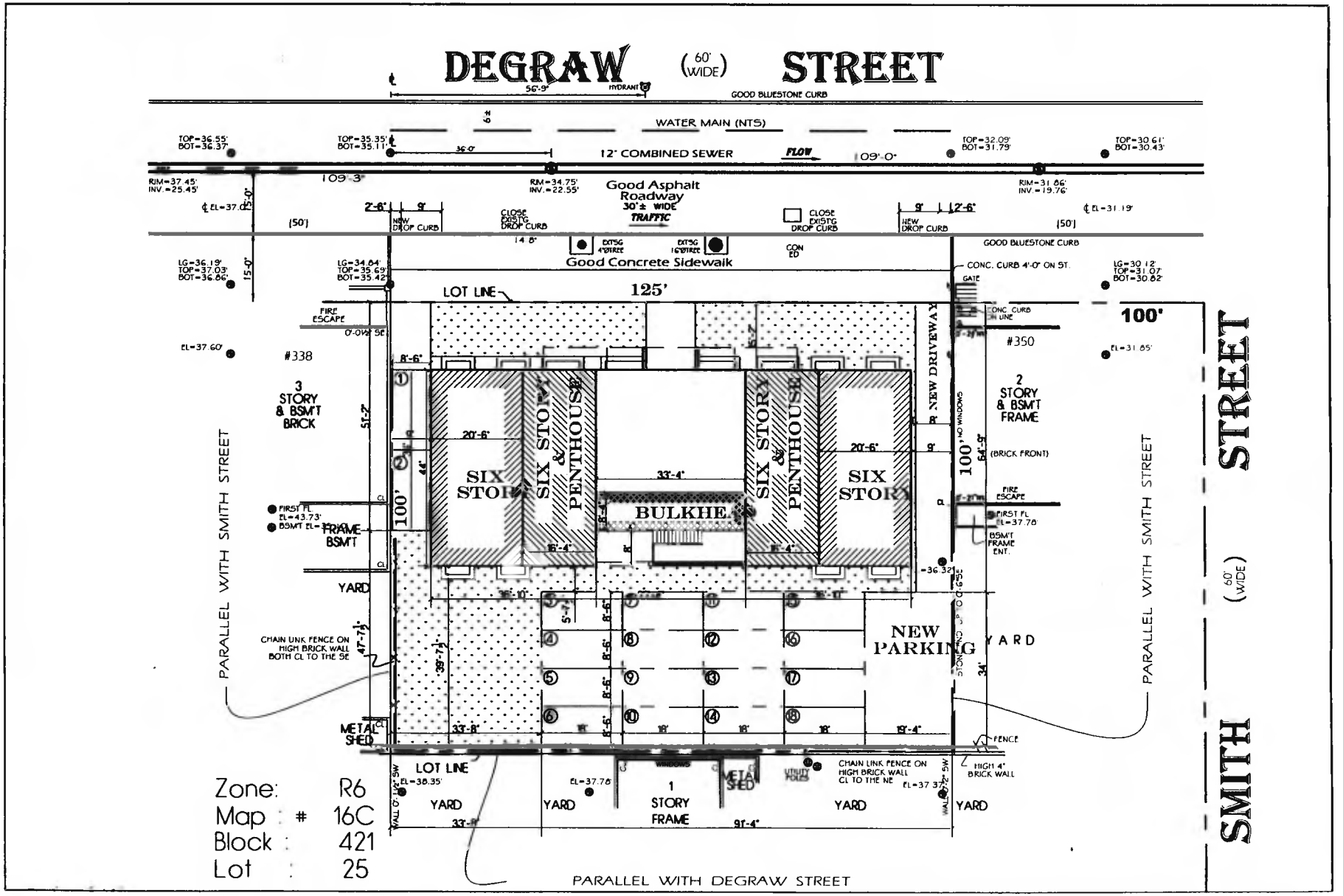
Since the New York State Condominium Act provides that real estate taxes will be separately assessed against each individual Unit Owner, the result of the tax exemption program will be to give each individual Unit Owner the full benefit of the tax exemption program. The Sponsor anticipates that the real estate tax rate will increase in future years. In addition, prospective purchasers are advised that the City of New York has not yet actually assessed the Units in the Condominium. The estimates of projected real estate taxes in this Plan have been prepared by the Sponsor's Consultant, Ben Rottenstein Associates, LLC, 54 Willoughby Street, Brooklyn, NY 11201, and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time.

Dated: July 18, 2001

340 DeGraw Street Development Corp.
Sponsor

PART II

EXHIBIT "A"


DEGRAW (60' WIDE) STREET
SMITH STREET (60' WIDE)
GOOD BLUESTONE CURB
WATER MAIN (NTS)
12" COMBINED SEWER
FLOW
Good Asphalt Roadway
30'± WIDE
TRAFFIC
Good Concrete Sidewalk
CONC. CURB 4'-0" ON ST.
LOT LINE
125'
100'
#338
#350
3 STORY & BSMT BRICK
2 STORY & BSMT FRAME
(BRICK FRONT)
NEW DRIVEWAY
SIX STORY
PENTHOUSE
BULKHE
FIRST FL EL=43.73'
BSMT EL=
FRAME BSMT
FIRST FL EL=37.78
BSMT FRAME ENT.
YARD
NEW PARKING YARD
PARALLEL WITH SMITH STREET
CHAIN LINK FENCE ON HIGH BRICK WALL BOTH CL TO THE SE
METAL SHED
LOT LINE
EL=38.35'
EL=37.78
1 STORY FRAME
CHAIN LINK FENCE ON HIGH BRICK WALL CL TO THE NE
HIGH 4' BRICK WALL
PARALLEL WITH DEGRAW STREET
Zone: R6
Map # 16C
Block : 421
Lot : 25

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EXHIBIT "B"

FRIEDMAN, P.E. *Architectural Engineering*

3 Langeris Dr. Monsey, NY 10952
Tel (845) 356-3999, (718) 382-1702
Fax (845) 356-3988, (718) 382-1745

May 30, 2001

Carroll Gardens Condominium
344 Degraw Street
Brooklyn, New York
Our file #1884

This report is based on records available at the Department of Buildings, the building owners, municipal agencies and the approved building plans. To the best of my knowledge and belief, this report contains an accurate description of the building as specified by the plans approved by the New York City Department of Buildings.

At the time this report was being prepared, the building was under construction. Except as specifically noted in this report, no representation is made to the legality of the various elements in the premises as constructed, as I do not inspect or supervise construction; all information is taken from the plans approved by the New York City Department of Buildings. The New York City Department of Buildings reviewed the plans prior to approval and found that they comply with LL58.

LOCATION AND USE OF PROPERTY

The address of the property is 344 Degraw Street. The parcel is identified as block 421, lot 25. The site is located in a R6 zone as designated on Map 16c of the 1961 Zoning Resolution (ZR), which map was last amended on September 30, 1997.

The R6 zone permits the construction of residential buildings. The proposed use of the property is to construct a new 6 story and penthouse residential building which fully complies with all applicable zoning requirements.

STATUS OF CONSTRUCTION

The building is being built under plans filed with the Brooklyn office of the Department of Buildings New Building, application #301016273. The construction classification of the proposed building will be the non-combustible class 1-c as established by the New York City Building Code. The issuance of a temporary or permanent Certificate of Occupancy will take place upon completion.

SITE

The site is located on the south side of Degraw Street. It is more particularly described as follows:

> **Beginning at a point on the south side of Degraw Street, distant 100.00 west of the corner formed by the intersection of Degraw Street & Smith Street; thence South 100.00-0"'; thence West 125'-0"" ; thence North 100'-0"; thence East 125'-0", to the point or place of beginning.**

The site has an area of approximately 12,500 square feet. There is to be one six story and penthouse residential building on this site, namely, the subject premises. Usage is to be residential.

Degraw Street is owned and maintained by The City of New York. It is paved with asphalt and the overall condition is generally fair. The catch basins consist of curb inlets, which conduct flow by gravity within storm drains located beneath the streets. Street lighting consists of high intensity luminaries with metal extension arms mounted on posts.

The building will have two driveways and parking spaces. All paving will be 3" base asphalt concrete over an 8" stone base, with a bluestone curb, according to specifications of the Highway Department of the City of New York. There will be a concrete sidewalk at the front of the building constructed of 4" concrete slab on stone base.

There are to be three (3) drywells at the rear yard and one combined sanitary/storm sewer, 6" extra heavy cast iron.

UTILITIES

Consolidated Edison will provide electricity. Gas will be provided by the Brooklyn Union Gas Company. The mains for gas are located underground at Degraw Street. Each unit will have its own gas and electric meters, with billing to be directly by the utility companies. An electric house meter is also provided.

Each dwelling unit will be connected to an internal sewage collection system, which in turn is connected to the New York City sewage system. The street storm and sanitary sewers are owned and maintained by The City of New York.

The water system is owned and maintained by The City of New York. Water taxes will be paid by meter.

Local telephone service will be provided on an individual basis to each unit by the New York Telephone Company. Each dwelling unit will have its own service line and be responsible for its own bill.

SUB SOIL CONDITIONS

Subsoil conditions were inspected prior to the construction of the foundation. No unusual water conditions such as flooding, ponding, or wetness were observed.

LANDSCAPING

There is to be a small garden at the front of the building. No other planting, garden walls, retaining or gabion walls, displays, pools, etc are being proposed for the condominium. Landscape design as per drawings of Pinner Associates. The front yard consisting of an area fifteen(15) feet wide by approximately one hundred five (105) feet long is to be improved with the following: An entrance path approximately twelve (12) feet wide is to be paved with brick paving stones in a color pattern leading up to the front entrance doors. . The path is to be flanked with curved stone bench one each side of the path. There is to be a "garden fence wall" three (3) feet high bordering the front yard along the entire sidewalk side of the yard. This wall is to be constructed of brick (matching the building) 20" high with a 16" high metal top railing. Entrance lighting is to be provided by two (2) gas light era electric lamp poles and two (2) gas light era electric wall sconces located either side of the main entrance doors. The front yard is to be seeded with grass and contain plantings consisting of four (4) 2 ½" caliper flowering fruit trees, and approximately one dozen evergreen shrubs along the building foundation wall.

BUILDING SIZE

The building is to be 6 stories high plus a penthouse. It will have a height of approximately 70 feet measured from the adjoining grade to the top of building. There is no crawl space in this structure, since the lowest level is a cellar. The cellar is to have recreation rooms, laundry and meter rooms and a janitor's room.

STRUCTURAL SYSTEM

The structural system for this building is classified as a steel and concrete construction composed of steel frame and curtain wall construction and assembly. The foundation consists of concrete footings on earth. The foundation walls will be 1' 4" poured concrete on 12" deep x 3' wide concrete footing with 4" concrete floor slab. All concrete shall be in accordance with Section RS 10-3 of the New York City Building Code. Concrete for footing and walls to be stone concrete with a minimum ultimate compressive strength of 2,500 psi at 28 days. Slab on grade to be stone concrete with a minimum ultimate compressible strength of 2,500 psi at 28 days.

All exterior walls are to be constructed of 12" masonry. The interior floors are made of concrete supported by steel joists resting on masonry bearing walls. The masonry bearing walls are, in turn, supported by resting on the concrete foundation walls.

Insulation in all exterior walls to be of the fiberglass type 3 ½" thick with a value of R-11, top floor ceiling insulation to be 6" thick with a value of R-19.

Floors are to be 4" thick poured concrete finished with plywood and hardwood finished floors. Kitchens and bathrooms are to have ceramic tile floors.

Interior dividing partitions at to be 2" x 4" metal studs spaced at 16" on center with (1) layer of gypsum board on each side of the partition.

EXTERIOR OF BUILDING

The exterior walls are to be of 12" masonry. The roof is to be a flat roof. The roof is to be a 4" concrete slab. The covering is to be Firestone 160 or equal rubber roof, 2 ply.

Local Law 10/80 "Periodic Inspection of Exterior Walls & Appurtenances" will be applicable to this proposed building. As the building is currently under construction, there have been no inspections as of this time.

WINDOWS

The windows in all units are to be Andersen windows, or equivalent. Windows are to be Andersen Vinyl Clad Tilt Wash Double Hung Windows.

Model numbers are:

Andersen Model #TW24210

Andersen Model # TW2452

Andersen Model #TW3852

Andersen Model #TW2852-2

Cellar is to have Vinyl Clad Awning Andersen windows, or equivalent Model#A41.

Glazing is to be double insulated glass. There are no lot line windows.

PARAPETS AND COPING

Parapets are to be masonry. Copings will be masonry with a wrought iron fence minimum 40" high.

CHIMNEYS AND CAPS

There are to be gas flue's present at the roof level for the heating systems. There will be one flue pipe for each apartment. Flues will be double wall galvanized steel.

PATIOS, BALCONIES AND TERRACES

There is to be one balcony in conjunction with unit's 2A, 2B, 2C, 2D, 3A, 3B, 3C, 3D, 4A, 4B, 5A, and 5B. There are to be two balconies in conjunction with unit's 2E, 3E, 4C, 4D, and 6E. There are to be four balconies in conjunction with unit 4E. Units 6A, 6B,

6C and 6D are to have one balcony and a rooftop terrace in conjunction with the penthouse portion of each unit. Balcony decks will be concrete. Balcony railing to be wrought iron. Balconies are to have Andersen sliding doors, or equivalent, and concrete soffits. The rooftop terraces in conjunction with the penthouses are to be finished with Carey-Tred panels, which are composed of non-skid, gray granule surface certified asphalt core reinforced sheets.

EXTERIOR ENTRANCES (EXCLUDES SERVICE ENTRANCES)

The main entrance to the building is at Degraw Street. There are three service entrances at the rear, two at the cellar level, one at the first floor level. The main entrance doors are metal & plate glass. Other exterior doors are to be hollow metal. Doors to be hung in a wood frame buck and jamb. Doors to be fitted with mortise locks.

SERVICE ENTRANCES

There are is one service entrance at the rear of the first floor level leading to the rear stairwell and main lobby. There are two service entrances at the cellar level, one leading to the refuse room and one leading to the rear stairwell and hallway. Doors are to be hollow metal. Doors to be hung in a wood frame buck and jamb. Doors to be fitted with mortise locks.

ROOF AND ROOF STRUCTURES

The roof is to be a flat roof. The roof is to be constructed of a 4" concrete slab. The covering is to be Firestone 160 or equal rubber roof, 2 ply. There is a bulkhead at the roof of the building with stairwell, elevator machine room and storage.

DRAINS

Roof runoff is to be conducted to 3 cast iron roof drains on the lower roof area and cast iron roof drains at the penthouse level. The system leads to outflow at centralized cast iron pipes, which is be connected to the municipal drainage system and 3 drywells at the rear.

SKYLIGHTS

There are no skylights proposed for the condominium.

BULKHEADS

There is a bulkhead at the roof of the building with stairwell, elevator machine room and storage. Bulkhead is to be masonry with precast coping.

METAL WORK AT ROOF LEVELS

There will be a wrought iron parapet fence minimum 36" high, plumbing stacks, double wall galvanized steel chimney flues & caps.

FIRE ESCAPES

There are to be fire escape/balconies at the front as per New York City Building Code. These are to be constructed of concrete with wrought iron fencing.

ROOF TOP FACILITIES

There are no roof top facilities.

YARDS AND COURTS

The rear yard is to be partially parking area with 18 attended parking spaces and partially grass. There is to be a 15' front yard area with grass.

INTERIOR STAIRS

There is one central stair core, which serves the building. These stairs are to be scissor type stairs, constructed of steel and concrete construction, fireproof as per New York City Building Code. Stair railings and balustrades will be painted metal. The stair enclosure will be concrete block, 2 hour rated.

INTERIOR DOORS AND FRAMES

All interior doors are to be hardboard faced, 6-panel colonial, hung in wood frames. All interior doors to have painted finish Stairwell doors are to be FPSC, as per NYC Building Code.

ELEVATORS

The elevator will be a passenger elevator, which will stop at the first through sixth floors. There will be a sliding type automatic door. The cab will be of wood and steel construction with a vinyl tile floor. The elevator will be a traction type with a 2000 lb capacity, operate at 150 feet per minute and have automatic controls. The elevator will be manufactured by Action Elevator Inc. The machine will be manufactured by the Hollister-Whitney Elevator Corporation and include a 208 volt, 3 phase motor located in the rooftop elevator machine room. The elevator will run in a fireproof masonry shaft. Elevator cab finishes are to be: Wood grain plastic laminate walls with light medium bronze trim and granite tile floor. The ceiling is to be in a metal finish containing low voltage recessed lights and one center decorative fixture. Door to elevator cab to be metal in a light medium bronze color on the cab interior side and painted metal on the hallway side.

AUXILIARY FACILITIES

There is to be a laundry room at the cellar with two coin operated washing machines, GE, model WCCB1030, or equivalent, two coin operated dryers GE, model DCCB330, or equivalent and a sink. The dryers will vent to the exterior. The laundry room is to have a window for ventilation and a floor drain.

REFUSE DISPOSAL

There will be a chute to the cellar refuse room from each floor. The refuse room will have a trash compactor. Refuse pickup will be supplied by the New York City Department of Sanitation.

PLUMBING AND DRAINAGE

Water is supplied to the units through connections from the building to the New York City water distribution system. One city main will deliver water to the building. Water pipes are to be copper type "L".

There are no water storage tanks proposed for the condominium.

Waste, vent & drain piping is to be cast iron. Drainage is conducted to the New York City sewer system into a combined sewer conduit located under the street.

Plumbing permits have been issued in conjunction with the construction permits for the building, New York City Department of Buildings plumbing permit # 301016276-PL was issued on 9/05/00 Sewer connection approvals have been obtained from the Department of Environmental Protection.

FIRE PROTECTION

Approved type smoke detectors will be installed in each dwelling unit in accordance with the New York City Department of Buildings regulations. The power supply is to be direct from the building wiring without switched in circuit so that the smoke detectors are in continuous operation.

There is a fire hydrant located on Degraw Street across from the subject premises.

There will be a sprinkler system in the building. Building is to be fully sprinklered. Sprinkler system to be concealed sprinkler Star Quasar, Model CP ½" orifice, temperature rating 155 degrees farenheit, New York City MEA# 395-91-M.

SANITARY SEWER SYSTEM

The sanitary waste is to be conveyed to the New York City sewer system. The pipes that convey the sewage are to be cast iron.

HEATING

Each dwelling will have it own gas-fired boiler. The heating system will consist of hot water baseboard radiators and will be thermostatically controlled with a single zone control. The space heating system is designed to adequately maintain comfortable interior conditions under anticipated ambient temperature conditions.

The sponsor will install the gas fired boilers as manufactured by Weil McLain Model # HE-II-4 with input of 100,000 BTU/HR and output of 82,000 BTU/HR, 1-B-R 71,000 BTU/HR with full troll system MEA#422-91-E. (or approved equal). All models will be provided with the same unit. Boilers for units are to be located in the mechanical room located in or adjacent to each unit.

The building's heating system will consist of hot water cast iron radiators, with heat provided by a gas fired boiler, Weil McLain Model# HE-II-6 with input of 167,000 BTU/HR and output of 137,000 BTU/HR, 1-B-R 1 19,000 BTU/HR with Fill Trol System. MEA#422-91-E. Heating system to be located within the meter room in the cellar.

DOMESTIC HOT WATER SUPPLY

Each dwelling unit will have its own gas fired hot water heater. Domestic hot water will be supplied with a gas fired hot water heater as manufactured by Weil McLain Model "Plus 40" or similar gas fired hot water heater with a 36 gallon capacity. All models will be supplied with the same unit or equal. Hot water heaters for units are to be located in the mechanical room in or adjacent to each unit.

Hot water for the building will be supplied by a gas fired hot water heater as manufactured by A.O.Smith –Conservationist Tank Type Hot Water Heater Model # BT-100, Input 75,000 BTU/HR 100 gallons MEA# 181-78-E. Hot water heater to be located within the meter room in the cellar.

GAS SUPPLY

Gas is supplied by Brooklyn Union Gas Company. There will be separate gas meters for each unit and one common gas meter. Gas piping is to be black steel SCH 40.

AIR CONDITIONING

There will be in the wall sleeves provided for room air conditioners in each of the units. Air conditioner sleeves are to be Fedders, model B, or equivalent, located in each bedroom and each living room.

VENTILATION

All windowless bathrooms and toilets will, as required, have mechanical ventilation vented to the outside as required by the Building Code of the City of New York.

ELECTRICAL SYSTEM

New main building service will provide 1200 amp, 3-phase 208-volt service which will be distributed to individual 100 amp disconnects in the Electric Meter Room located in the cellar.

Each dwelling unit is to have 110/220 volts, single phase, 100-ampere service, with G.E. or equal service and distribution. All dwelling units are made up of ten 110-volt circuits and one 220-volt circuit. Each dwelling unit will have its own electric meter and be responsible for its own electric consumption. There will be one common electric meter.

All circuits are provided with circuit breakers. All wiring will be copper BX cable and will be in accordance with the requirements of the New York Board of Fire Underwriters. All electrical wall outlets and duplex receptacles (convenience and appliance) will be installed in accordance with the requirements of the New York City Electrical Code.

LIGHTING AND RECEPTACLES

All electrical wall outlets, surface mounted ceiling light fixtures and duplex receptacles (convenience and appliance) will be installed in accordance with the requirements of the New York City Electrical Code.

INTERCOMMUNICIATION/DOOR SIGNAL SYSTEM

There will be an intercom system, Alpha APS004, or equivalent.

TELEVISION ANTENNA AND CABLE

Wiring is to be provided to each unit for Television and Cable reception. There is to be a TV/Cable jack in each living room and bedroom.

PUBLIC AREA LIGHTING

There will be public lighting in hallways and public areas as per New York City Multiple Dwelling Code. At the exterior of the main entrance there is to be a wall sconce: Hadco, model B1224, or equivalent. The driveways and rear yard will have 175 watt metal halide- model CWA, or equivalent. In the lobby the following light fixtures will be installed: Lightolier, model 40784 – Alabaster, or equivalent and recessed lighting: Lightolier, model Deep Alzack 5" reflector- specular gold, or equivalent. Public hallways, recreation room and laundry room will have four foot, 2 bulb fluorescent light fixtures.

GARAGE AND PARKING AREAS

There will be 18 attended parking spaces, two at the side of the building and sixteen at the rear of the building. The plans approved by the New York City Department of Buildings require 24 hour valet parking. The parking areas will have their own paved driveways. All paving will be 3" asphalt concrete over 6" stone base, according to the specifications of the Department of Highways of the City of New York. Storm water runoff will be drained into drywells.

RECREATION FACILITIES

There is a recreation room for the use of the tenants at the cellar level.

VIOLATIONS

As of November 14, 2000 there are no open violations listed at the Department of Buildings.

PEST CONTROL

There is no formal contract in force. Service intervals should be once a month.

UNITS

The building will have twenty six (26) residential units.

Unit 1A is a duplex apartment and will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet.

Unit 1B is a duplex apartment and will consist of:

Dining Room, Main Bathroom, Bedroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet.

Unit 1C is a duplex apartment and will consist of:

Foyer, Dining Room, Main Bathroom, Bedroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet

Unit 1D is a duplex apartment and will consist of:

Foyer, Dining Room, Main Bathroom, Bedroom, Master Bedroom with Master Bath, Kitchenette, Cellar Recreation Room with Half Bath, and Mechanical Closet

Units 2A ,2B, 2C, 2D will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Unit 2E will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Two Balconies.

Units 3A, 3B, 3C, 3D will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Unit 3E will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Two Balconies.

Units 4A, 4B, will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Units 4C and 4D are duplex apartments and will consist of:

Foyer, Dining Room, Kitchen, Two Main Bathrooms, Master Bedroom with Master Bath, Two Bedrooms, Study Room with walk in closet, Mechanical Closet and Two Balconies.

Unit 4E is a duplex apartment and will consist of:

Foyer, Dining Room, Kitchen, Two Main Bathrooms, Master Bedroom with Master Bath, Two Bedrooms, Study Room with walk in closet, Mechanical Closet and Four Balconies.

Units 5 A and 5B will consist of:

Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Balcony.

Units 6A, 6B, 6C, 6D are duplex apartments and will consist of:

Dining Room, Kitchenette, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Mechanical Closet, Balcony, Penthouse area with Half Bath and Rooftop Terrace.

Unit 6E will consist of:

Foyer, Dining Room, Main Bathroom, Master Bedroom with Master Bath, Bedroom, Kitchenette, Mechanical Closet and Two Balconies.

OCCUPANCY AND UNIT INFORMATION

The floor plan is only an approximation of the gross square foot area and layout of the Units. The square foot area and layout of the Units set forth in the floor plans and in this report are approximate and were obtained by using the method customarily used in New York City to measure rental and cooperative apartments. The Units were measured from the exterior side of the exterior walls (perimeter steel columns and perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the exterior side of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. The penthouse areas include some space that has no floor (penthouse air space) as well as some floor space. As is customary in New York City, these gross square foot areas exceed the useable floor area of each Unit.

Measured vertically, each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab. The clearance between the top of the floor and the bottom of the finished ceiling in the Units will generally be approximately 8' 8", but certain Units and certain areas within other Units (such as kitchens and bathrooms) may have clearance of less than 8' 8" to accommodate facilities located above the same or otherwise to respond to field conditions.

The condominium consists of 26 dwelling units located in one six story plus penthouse building.

Unit	Location	Number of Rooms	Approximate SQ. Ft.	Approximate SQ. Ft. Balcony/Terrace
1A	1st floor and cellar	4	1,306	-
1B	1st floor and cellar	4	1,311	-
1C	1st floor and cellar	5	1,592	-
1D	1st floor and cellar	5	1,600	-
2A	2nd floor	3	775	96
2B	2nd floor	3	751	96
2C	2nd floor	3	767	48
2D	2nd floor	3	767	48
2E	2nd floor	3	762	Two @ 48 =96
3A	3rd floor	3	775	96
3B	3rd floor	3	751	96
3C	3rd floor	3	767	48
3D	3rd floor	3	767	48
3E	3rd floor	3	762	Two @ 48 =96
4A	4th floor	3	775	96
4B	4th floor	3	780	96
4C	4th & 5th floors	6	1,584	Two @ 48 =96
4D	4th & 5th floors	6	1,584	Two @ 48=96
4E	4th & 5th floors	6	1,578	Four @ 48 =192
5A	5th floor	3	775	96
5B	5th floor	3	780	96
6A	6th fl & penthouse	4	1,134	Balcony-96 Terrace-451
6B	6th fl & penthouse	4	1,139	Balcony-96 Terrace-451
6C	6th fl & penthouse	4	1,151	Balcony-48 Terrace-451
6D	6th fl & penthouse	4	1,151	Balcony-48 Terrace-451
6E	6th floor	3	789	Two @ 48=96

Total number of units is 26

Room count includes: Bedrooms, Dining Rooms, Kitchen/Dinettes, Recreation Rooms, Penthouses, and Study Rooms. (Kitchenettes and bathrooms do not count as rooms).

FINISH MATERIALS

All apartments will be finished with hardwood floors, all partitions and ceilings will be covered with gypsum wallboard. All closets and interior walls and ceilings will have one coat of primer and one coat of finish paint. All interior doors are to be hardboard faced, 6-panel colonial, hung in wood frames. All interior doors to have painted finish Millwork trim will be provided at bases and door openings. Apartment doors are to be hollow metal with mortise lock.

Lighting will be as follows: Foyer and bedrooms: American, model FL3970-30, or equivalent. Living room and Dining room: Lumina, model 671318, or equivalent.

Kitchen floors will be ceramic tile. Kitchens to be supplied with prefinished wood cabinets with Formica countertops and stainless steel, American Standard or equal. A dishwasher, refrigerator, microwave and Magic Chef, or equal, gas range will be supplied with each unit. Dishwasher to be Magic Chef model DU2000W or equivalent. Refrigerator to be Frigidair, model FRT16CRHW, or equivalent. Gas range to be Magic Chef, model 31000PAW, or equivalent.

Bathrooms will have ceramic floor and wall tile. Bathrooms to have vanities with built in basins. Mirrored medicine cabinets to be provided. Accessories for all bathrooms to be one towel bar and one paper holder. Bathtub to be Lasco, Model ASCOT2, or equivalent. Shower to be Lasco, Model 36AC, or equivalent. Bowl is to be Gerber, Model 21712, or equivalent – sink – cultured marble top.

Finish materials of common areas are to be as follows:

Entrance Vestibule: Two pairs of aluminum and glass doors (color dark green). The interior doors will be controlled by a bell/buzzer intercom system to announce visitors. There are to be wood paneled walls approximately 3' 6" high with painted sheetrock above and a painted sheetrock ceiling. There is to be a recessed floor mat in the vestibule surrounded by granite floor tiles.

Main Lobby: The main lobby area is to contain a wood reception desk with a granite top and an area fro mailboxes surrounded by 42" high walls. The floor of the lobby is to be paved with granite floor tiles in a pattern, the walls will be wood paneled approximately 3' 6" high with the balance of the wall area painted sheet rock. The ceiling will contain recessed high hat fixtures set in a painted sheet rock ceiling.

Public Halls: Painted drywall and ceramic tile floors.

Stairwells: Painted masonry walls and ceramic tile floors.

Recreation Area: Painted drywall and ceramic tile floor.

Refuse room: Painted masonry block walls and concrete floor.

Laundry : Painted drywall and ceramic tile floor.

ADDITIONAL ITEMS

Prior to construction of any buildings, it is the obligation of the sponsor to secure Building Department approvals and permits. The sanitary and storm drainage connections are to be approved by the Department of Environmental Protection. Internal Sanitary and storm drainage is to be approved by the Department of Buildings. Required inspections by the Department of Buildings will include plumbing work and electrical work. These phases of construction will be inspected and approved prior to the issuance of a Certificate of Occupancy.

Very truly yours,

Moshe M. Friedman, P.E.

MF:lf

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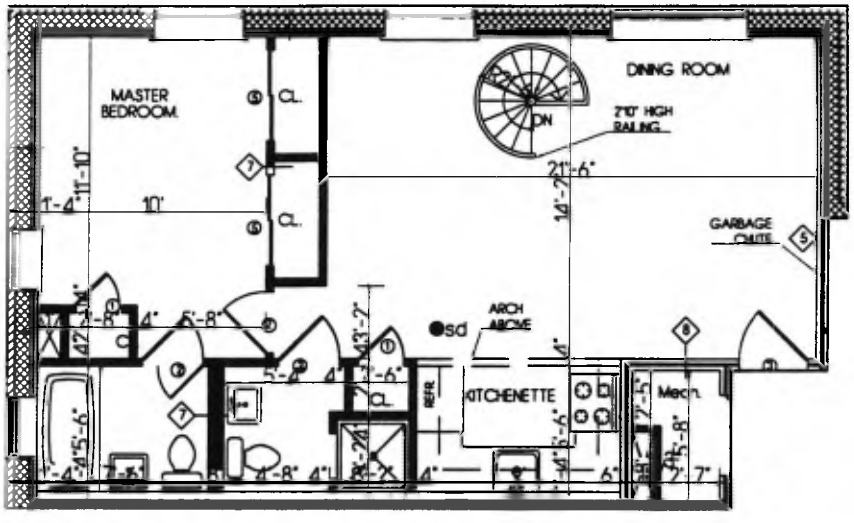
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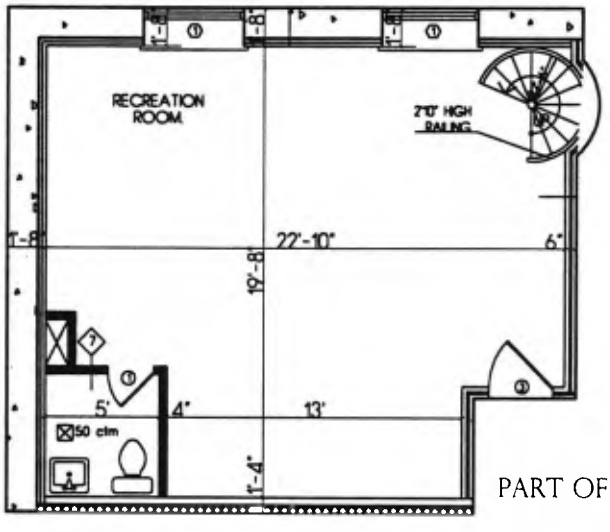
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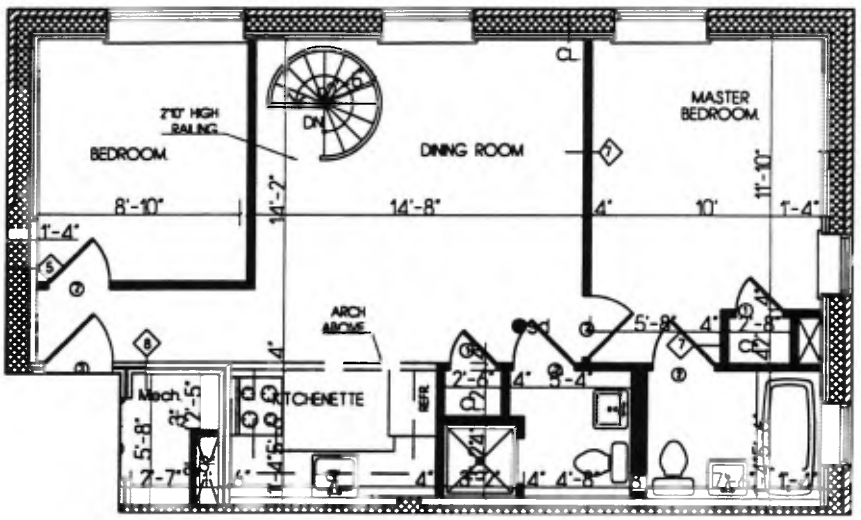


PART OF 1ST FLOOR

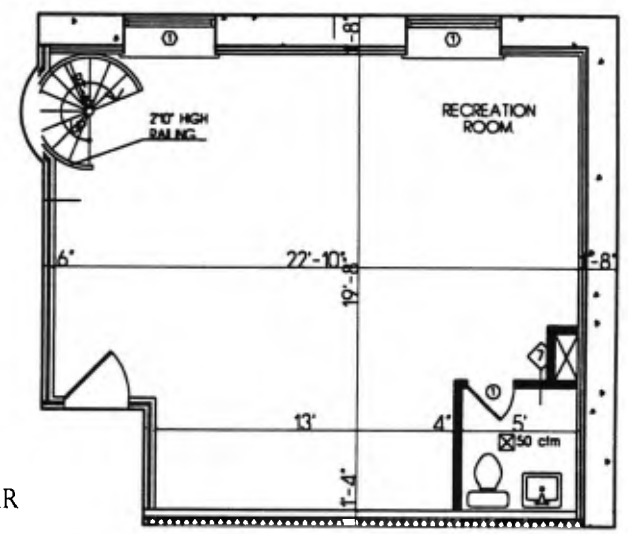


PART OF CELLAR

UNIT - 1A
LOCATION - CELLAR & 1ST FLOOR
AREA: 531 + 775 = 1,306 SF

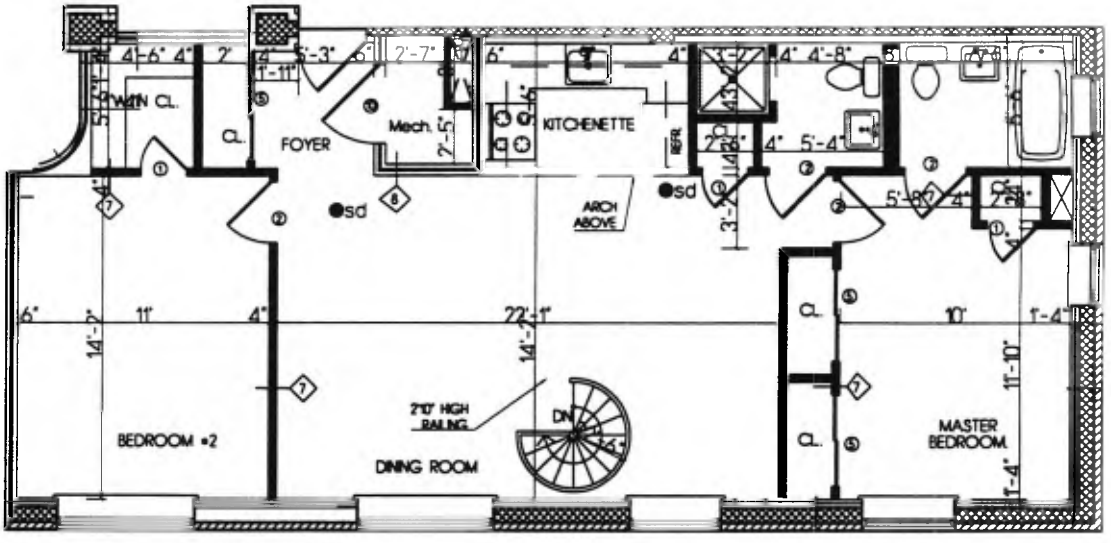


PART OF 1ST FLOOR

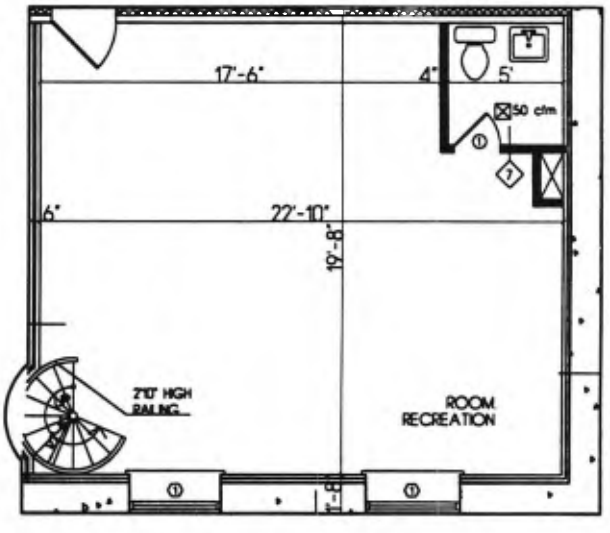


PART OF CELLAR

UNIT - 1B
LOCATION - CELLAR & 1ST FLOOR
AREA: 531 + 780 = 1,311 SF

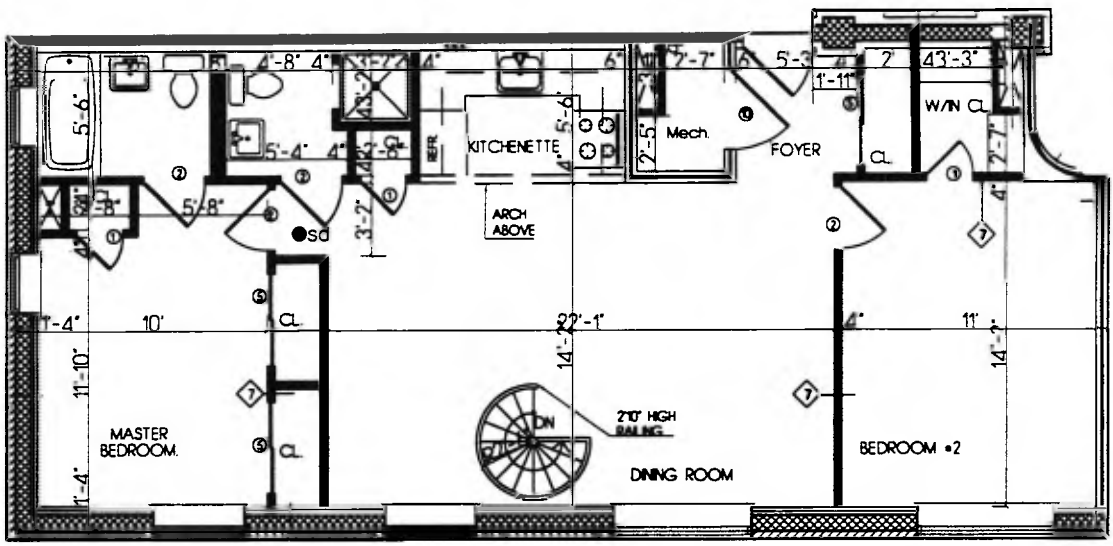


PART OF 1ST FLOOR

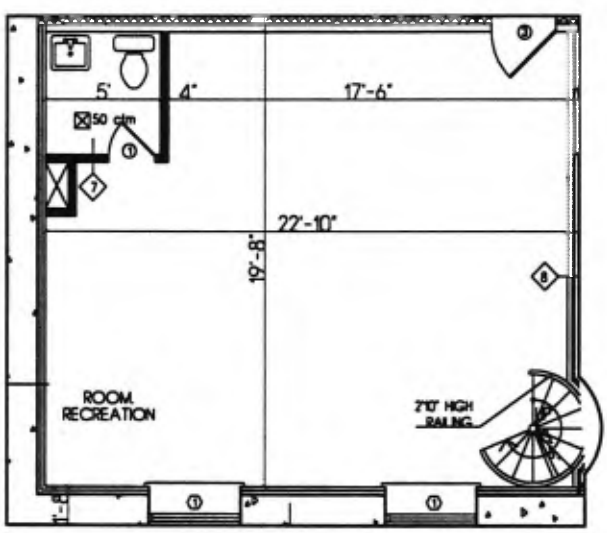


PART OF CELLAR

UNIT - 1C
LOCATION - CELLAR & 1ST FLOOR
AREA: 553 + 1039 = 1,592 SF



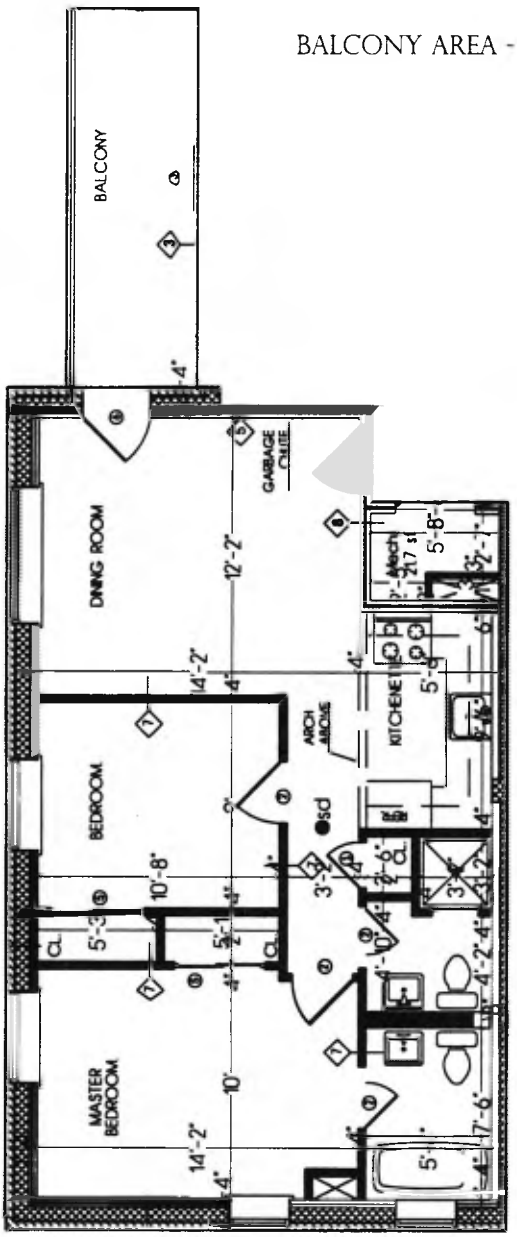
PART OF 1ST FLOOR



PART OF CELLAR

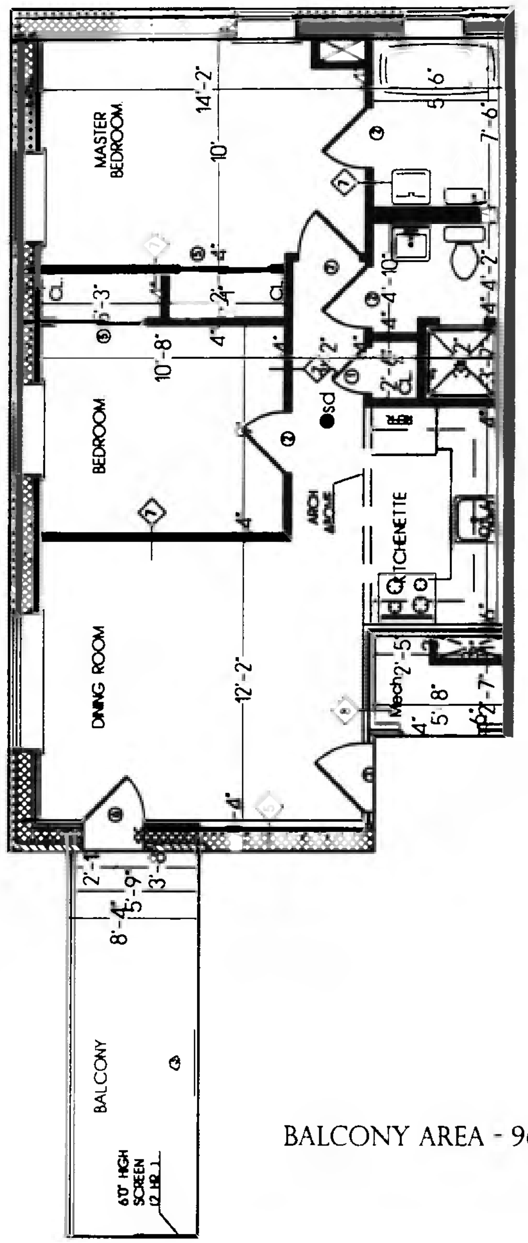
UNIT - 1D
LOCATION - CELLAR & 1ST FLOOR
AREA: 554 + 1046 = 1,600 SF

BALCONY AREA - 96 SF



PART OF 2ND / 3RD FLOOR

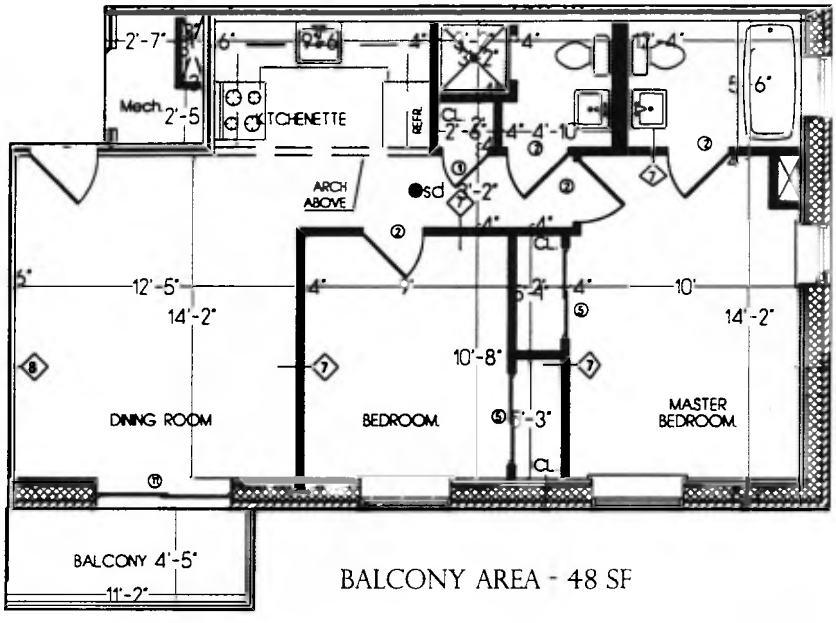
UNIT - 2A & 3A
LOCATION - 2ND & 3RD FLOORS
AREA: 775 SF



BALCONY AREA - 96 SF

PART OF 2ND / 3RD FLOOR

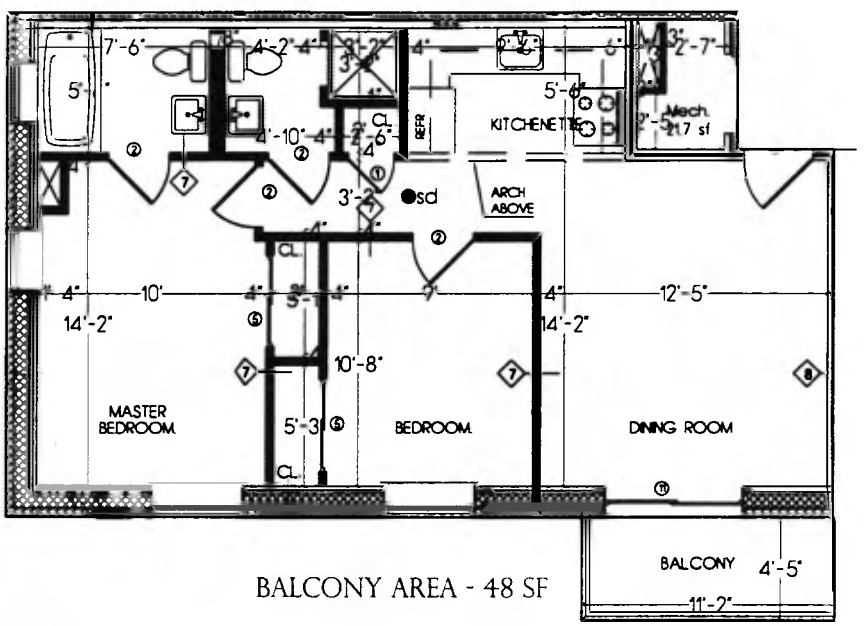
UNIT - 2B & 3B
LOCATION - 2ND & 3RD FLOORS
AREA: 751 SF



BALCONY AREA - 48 SF

PART OF 2ND / 3RD FLOOR

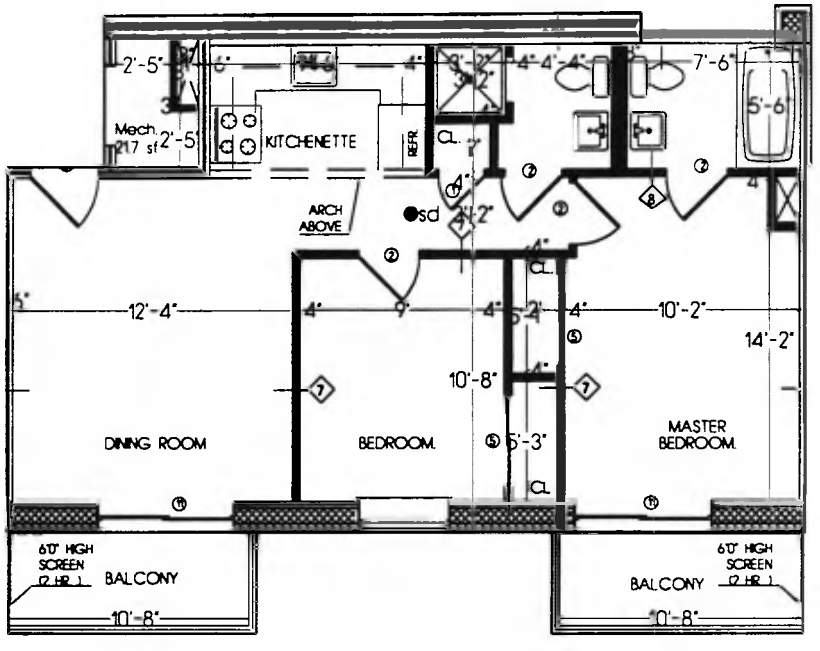
UNIT - 2C & 3C
LOCATION - 2ND & 3RD FLOORS
AREA: 767 SF



BALCONY AREA - 48 SF

PART OF 2ND / 3RD FLOOR

UNIT - 2D & 3D
LOCATION - 2ND & 3RD FLOORS
AREA: 767 SF

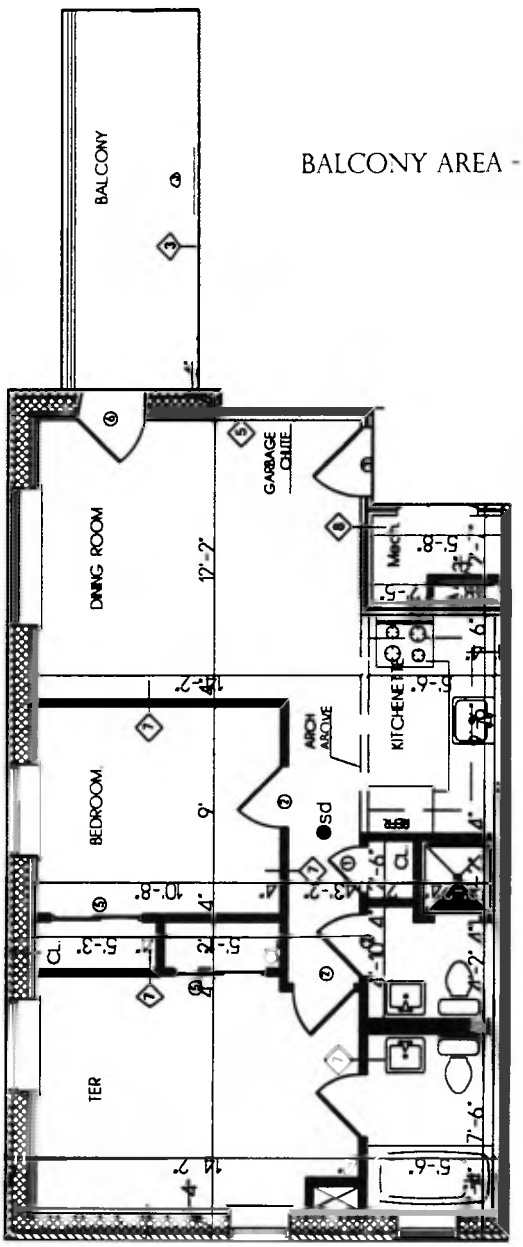


BALCONY AREA - 48 SF

BALCONY AREA - 48 SF

PART OF 2ND / 3RD FLOOR

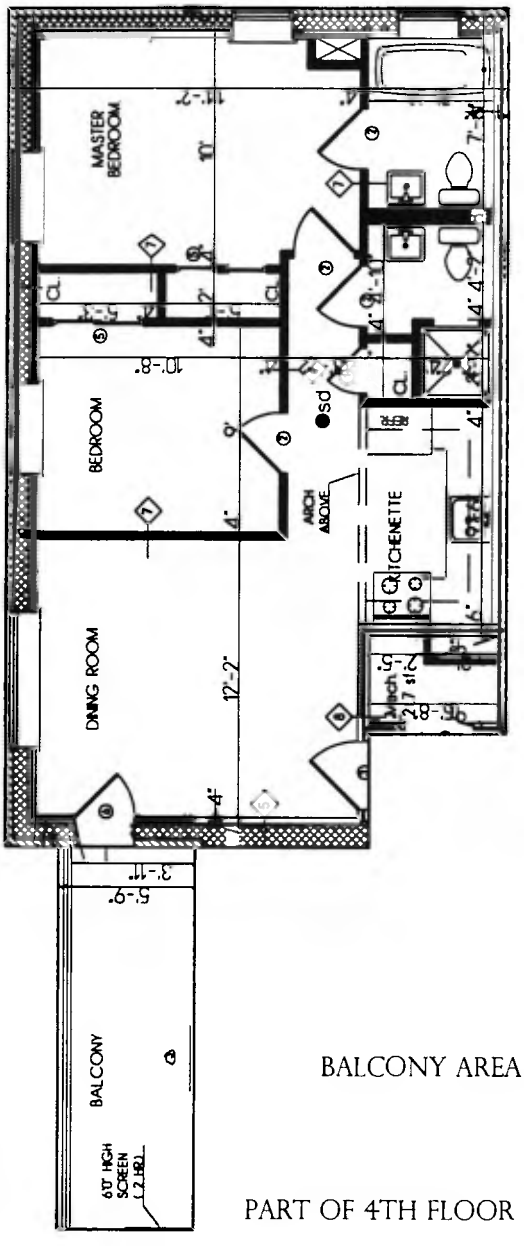
UNIT - 2E & 3E
LOCATION - 2ND & 3RD FLOORS
AREA: 762 SF



BALCONY AREA - 96 SF

PART OF 4TH FLOOR

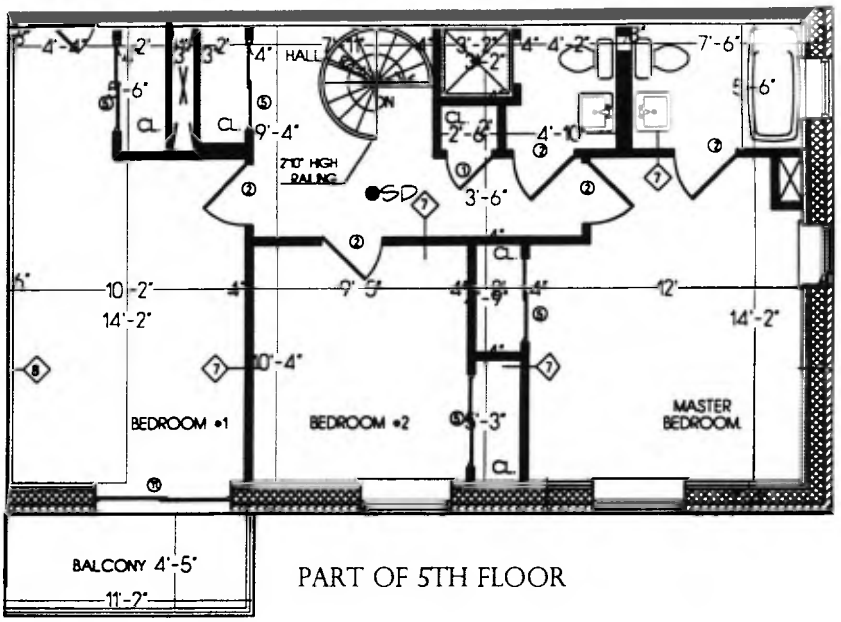
UNIT - 4A
LOCATION - 4TH FLOOR
AREA: 775 SF



BALCONY AREA - 96 SF

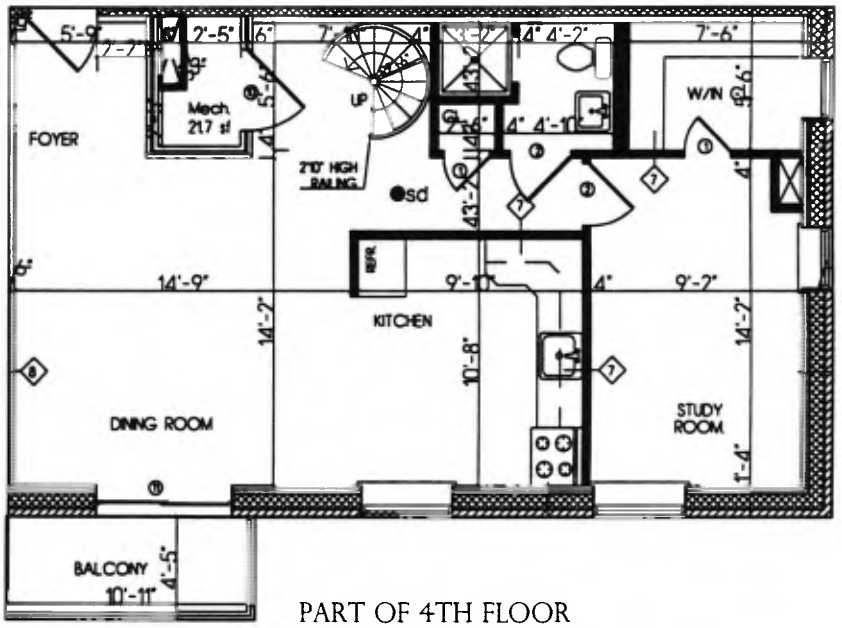
PART OF 4TH FLOOR

UNIT - 4B
LOCATION - 4TH FLOOR
AREA: 780 SF



PART OF 5TH FLOOR

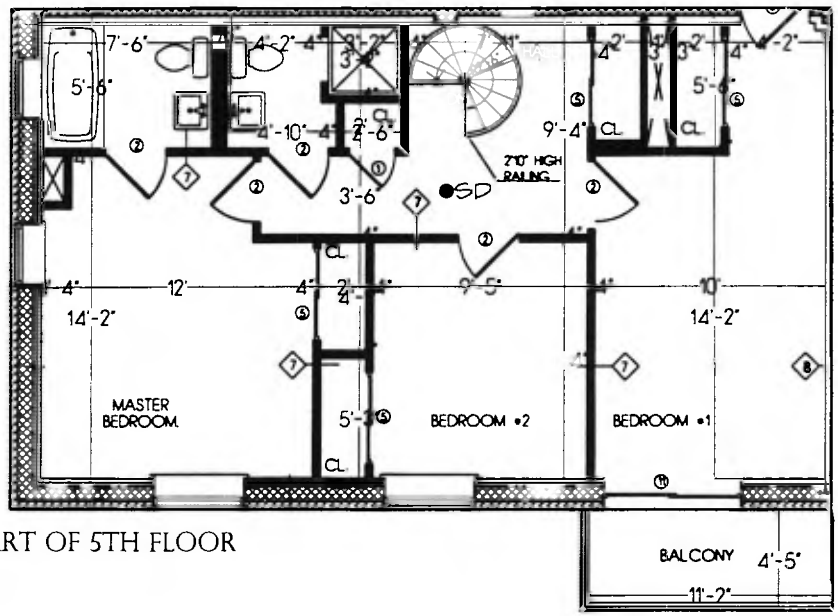
BALCONY AREA - 48 SF



PART OF 4TH FLOOR

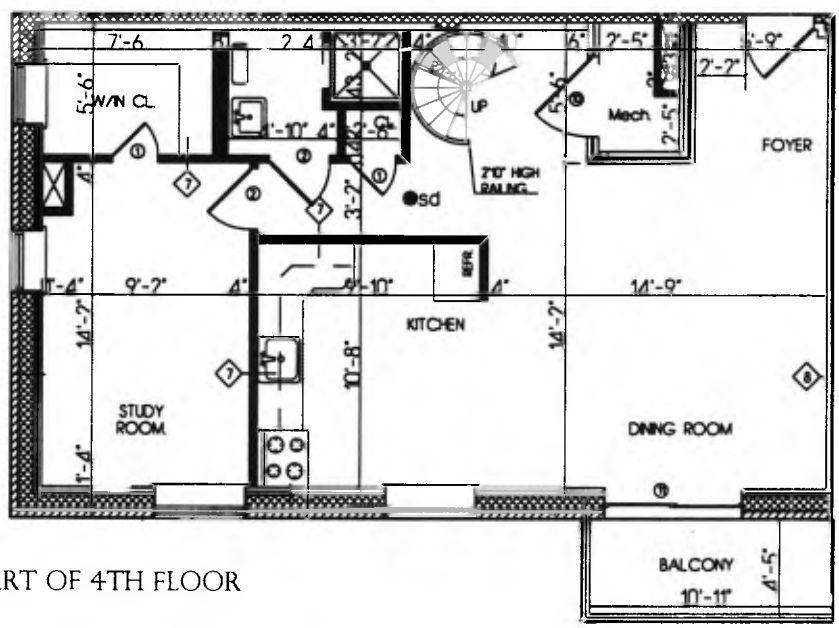
BALCONY AREA - 48 SF

UNIT - 4C
LOCATION - 4TH & 5TH FLOORS
AREA: 792 + 792 = 1,584 SF



PART OF 5TH FLOOR

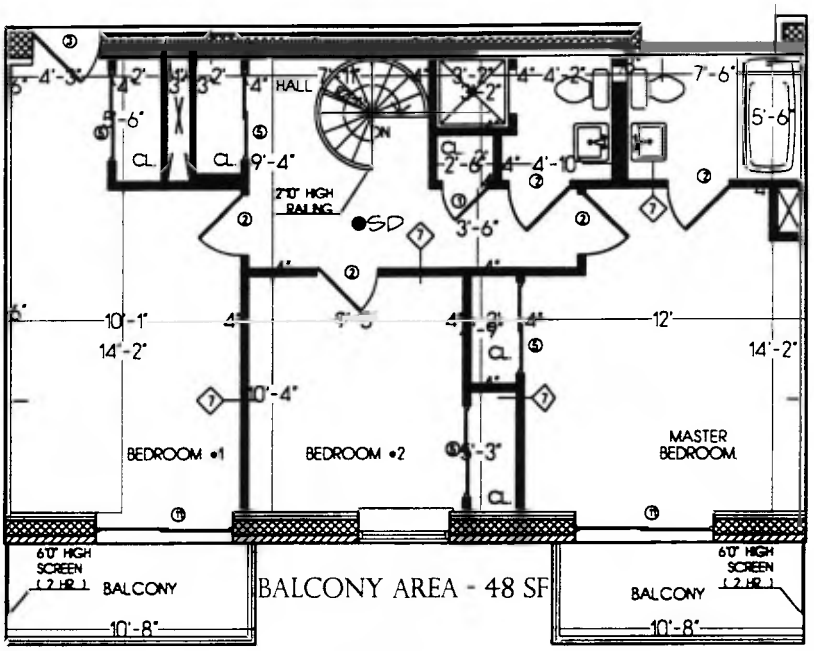
BALCONY AREA - 48 SF



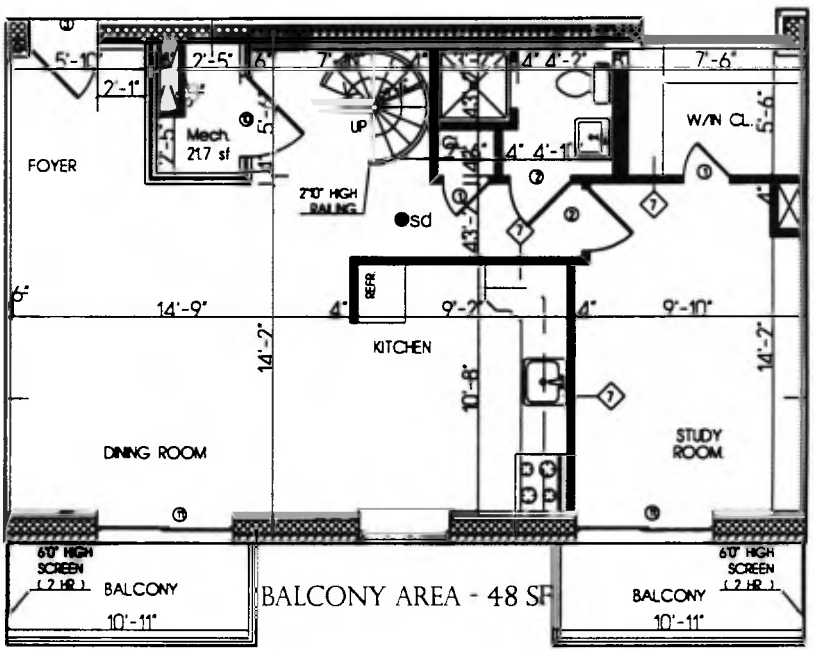
PART OF 4TH FLOOR

BALCONY AREA - 48 SF

UNIT - 4D
LOCATION - 4TH & 5TH FLOORS
AREA: 792 + 792 = 1,584 SF



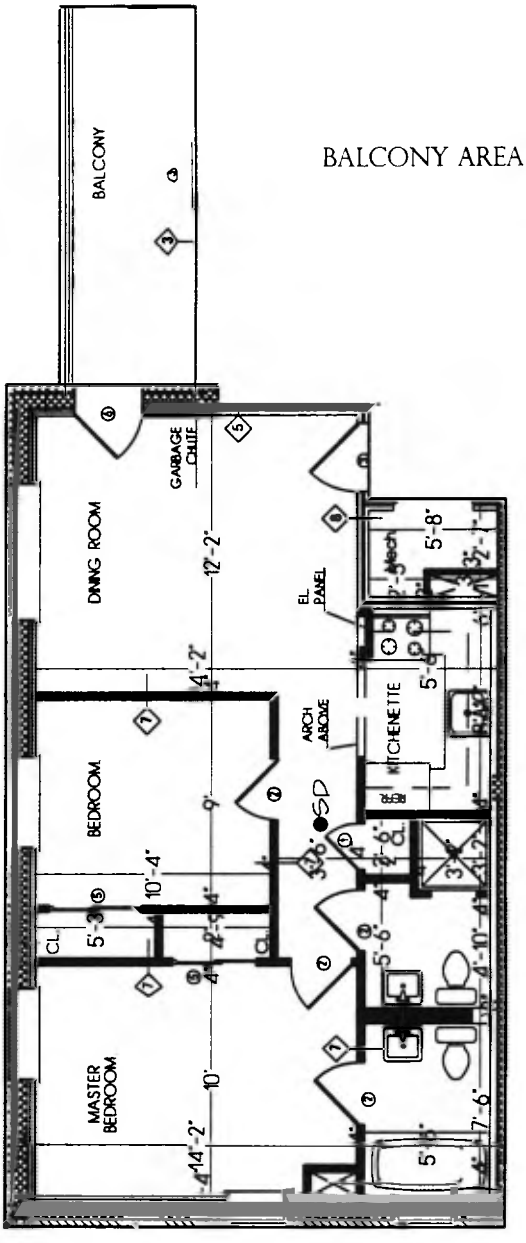
PART OF 5TH FLOOR



PART OF 4TH FLOOR

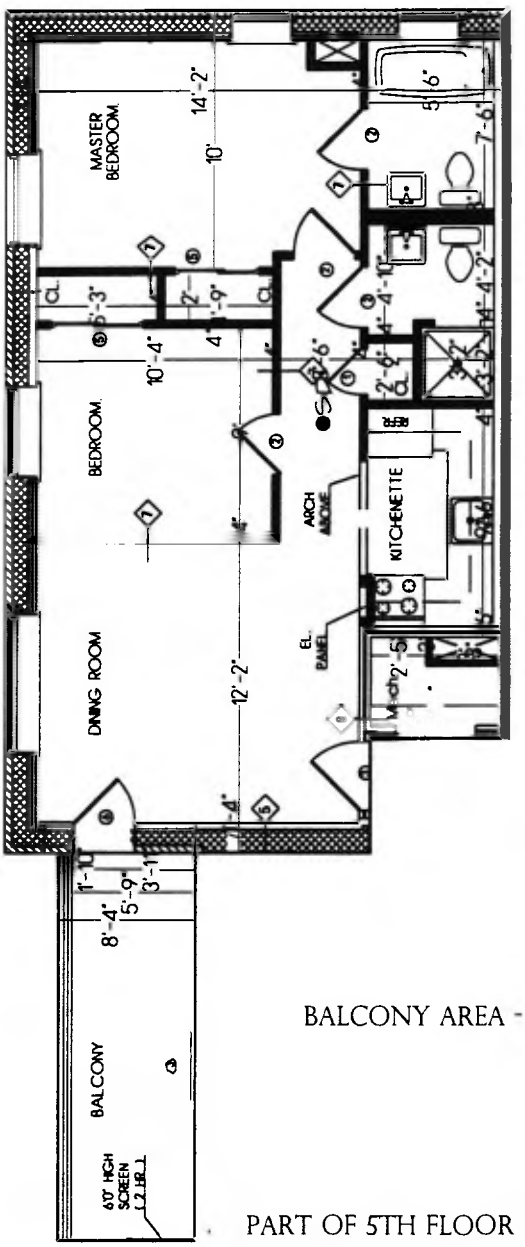
UNIT - 4E
LOCATION - 4TH & 5TH FLOORS
AREA: 789 + 789 = 1,578 SF

BALCONY AREA - 96 SF



PART OF 5TH FLOOR

UNIT - 5A
LOCATION - 5TH FLOOR
AREA: 775 SF

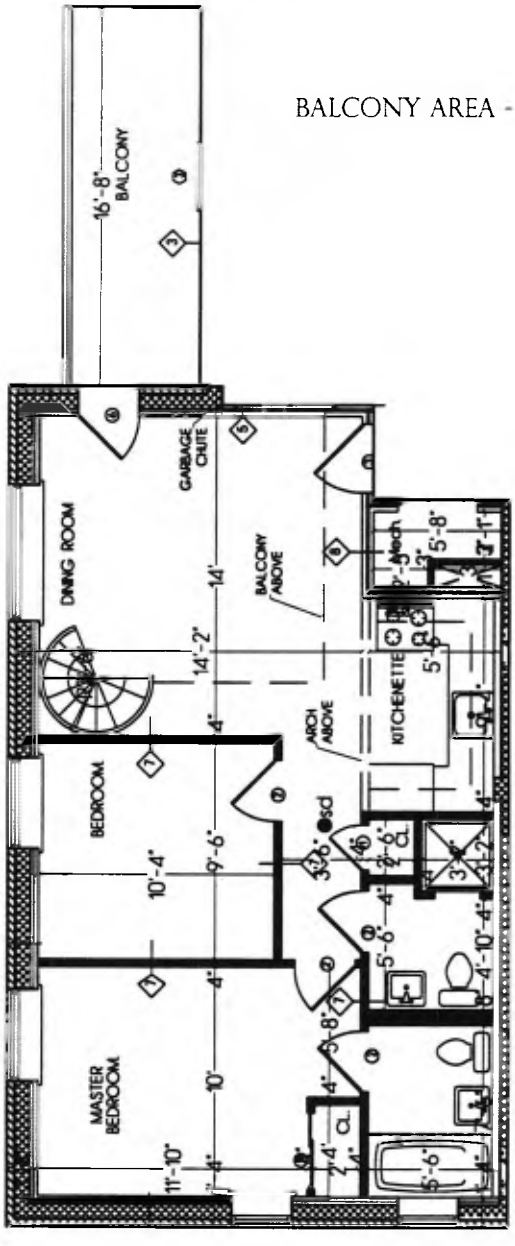


BALCONY AREA - 96 SF

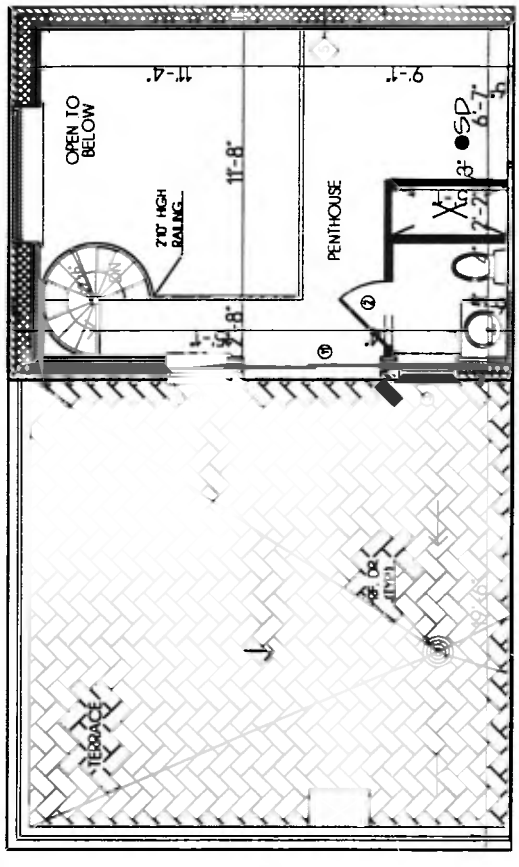
PART OF 5TH FLOOR

UNIT - 5B
LOCATION - 5TH FLOOR
AREA: 780 SF

BALCONY AREA - 96 SF



PART OF 6TH FLOOR

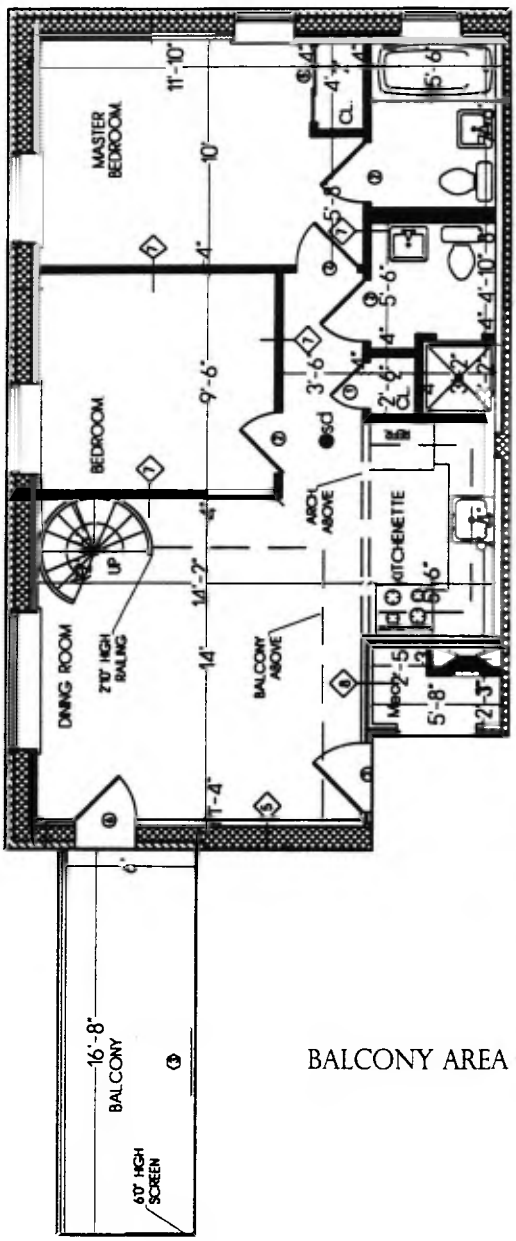


PART OF PENTHOUSE

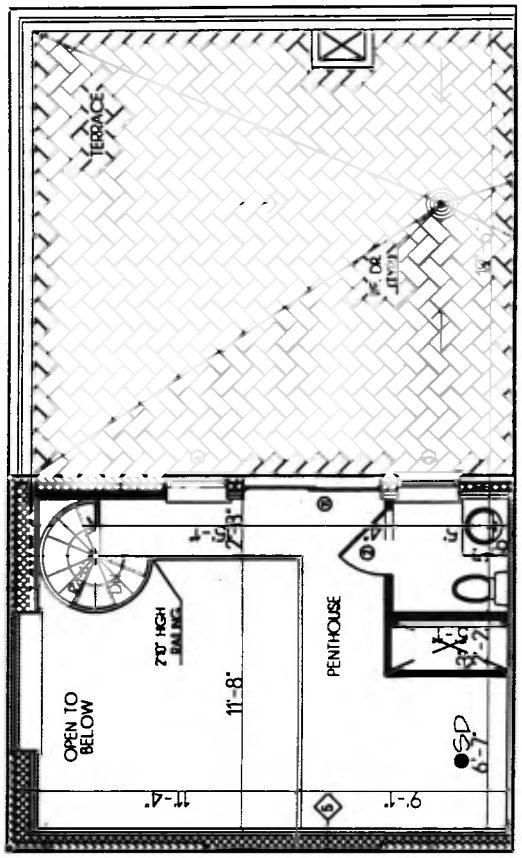
TERRACE AREA - 451 SF

UNIT - 6A
LOCATION - 6TH FLOOR & PENTHOUSE
AREA: 775 + 359 = 1,134 SF

TERRACE AREA - 451 SF



BALCONY AREA - 96 SF

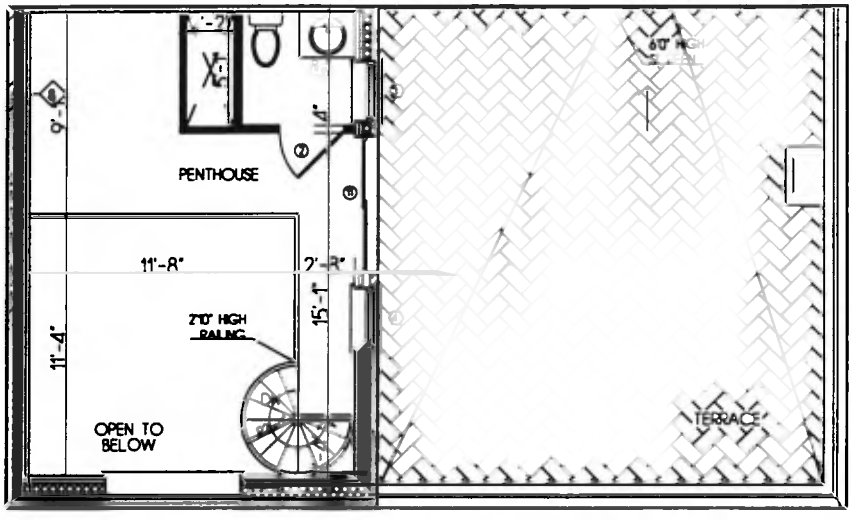


PART OF 6TH FLOOR

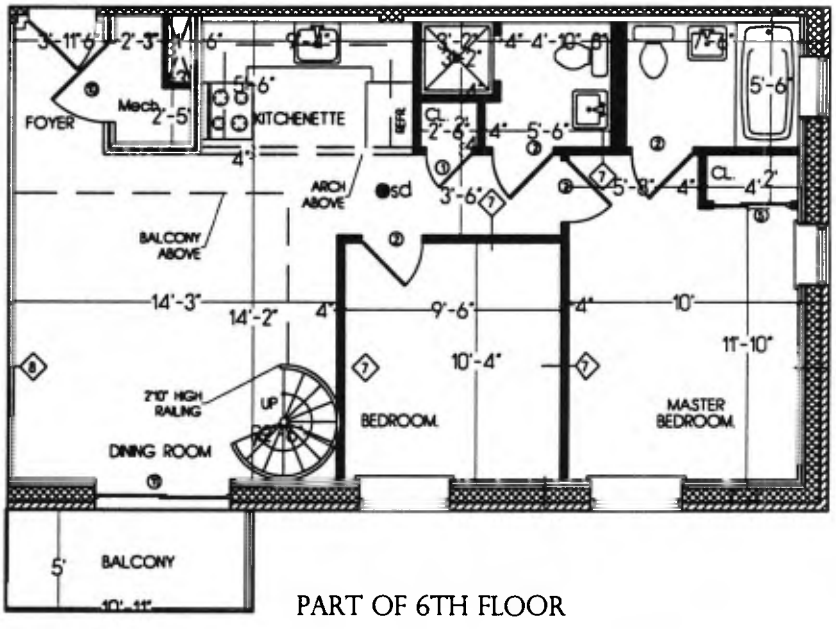
PART OF PENTHOUSE

UNIT - 6B
LOCATION - 6TH FLOOR & PENTHOUSE
AREA: 780 + 359 = 1,139 SF

TERRACE AREA - 451 SF



PART OF PENTHOUSE

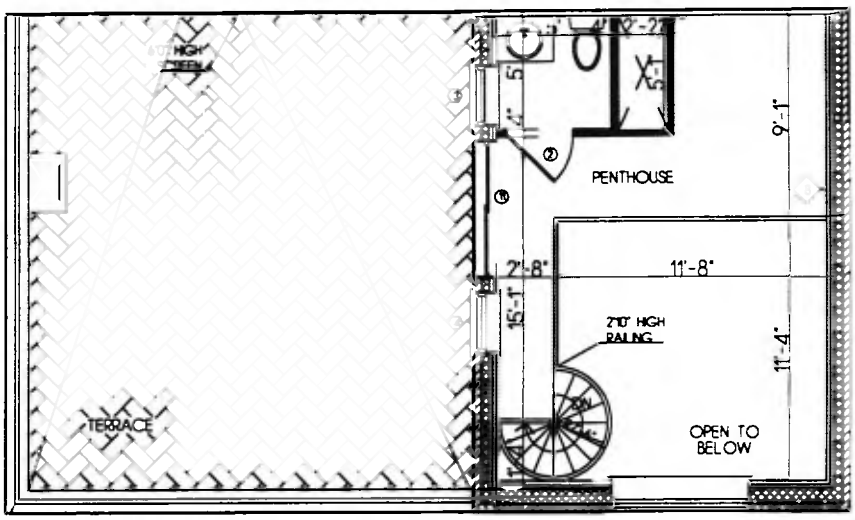


PART OF 6TH FLOOR

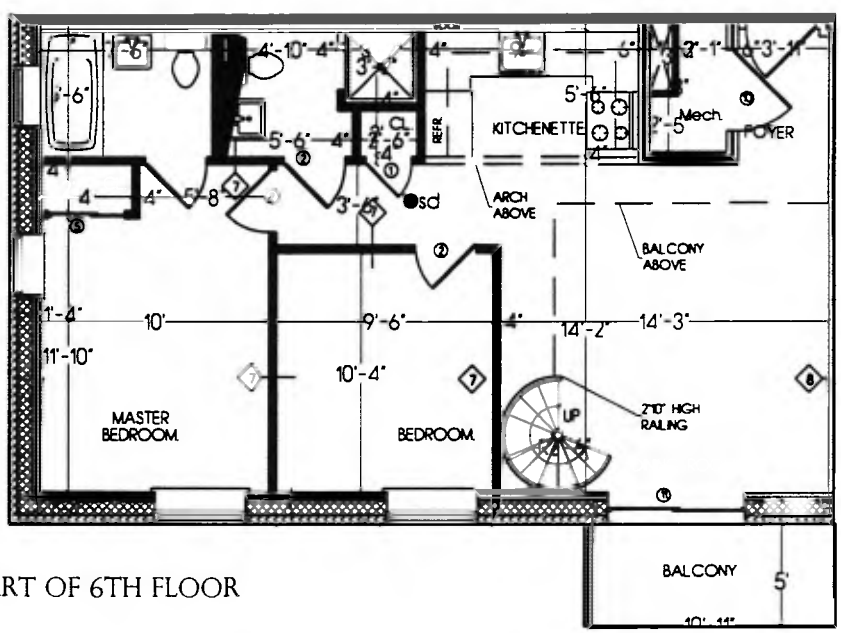
BALCONY AREA - 48 SF

UNIT - 6C
LOCATION - 6TH FLOOR & PENTHOUSE
AREA: 792 + 359 = 1,151 SF

TERRACE AREA - 451 SF



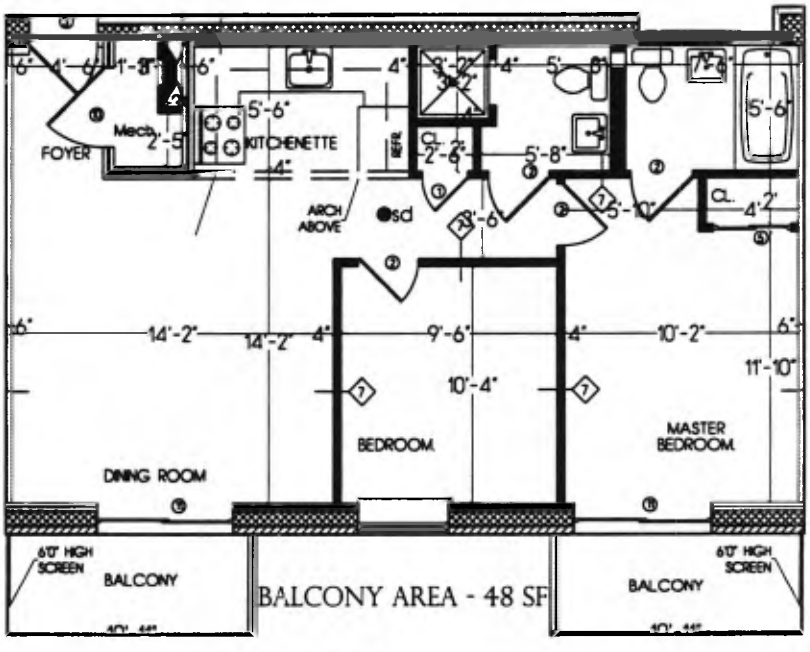
PART OF PENTHOUSE



PART OF 6TH FLOOR

BALCONY AREA - 48 SF

UNIT - 6D
LOCATION - 6TH FLOOR & PENTHOUSE
AREA: 792 + 359 = 1,151 SF



PART OF 6TH FLOOR

UNIT - 6E
LOCATION - 6TH FLOOR
AREA: 789 SF

344 DEGRAW STREET

GENERAL NOTES

The soil is assumed to be good for 2 tons subject to inspection before pouring of concrete footings. Footings to be concrete. See concrete notes. Upper walls to be 8" solid approved type concrete blocks 3 hr. rated. Provide 2 rows of brick under beams. All structural lumber to be grade and trade marked before being delivered to the siteand to be Hem-Fir construction grade - 1150 f. Steel designed for 18,000 psi. All connections to be designed for capacity of connected members. Steel shop dwgs. to be submitted to engineer for apprvl. All steel lintels carrying masonry over 4'-0" span to be covered with wire lath and 1" vermiculite plaster. Survey as required by C-26-179.0 of B.C. will be filed as amendment. All lot and building lines to be staked out by licensed surveyor. Contractor to check and verify all dimensions and conditions at site before start of work.
Contractor shall not start work until he has obtained a permit to build. Upon completion of his work, he shall obtain either a Certificate of Occupancy or a letter from the Department of Buildings stating that the job has been satisfactorily "signed off". All bricks and blocks to be laid in P.C. mortar 1:1:6 mix (cement limes). Provide brick header every 6th course in brick and block walls. Contractor to submit forms 10 H & 10 J for masonry.
Foundation wall to be waterproofed with 2 coats of asphaltum. Protection if adjoining structures as per C26-384 & 305 A.C. New partitions to have 2x3 studs 16" o.c. & covered with plaster boards. New bathrooms and toilets to have tile on the walls minimum 4'6" high and on tile floor & a tile base of 6". The walls shall have moisture resistant BSA approved wall boards. All flooring to be new 3/4" plywood subfloor & a finished hardwood flooring or parquet as selected by owner. Install new electric wiring and outlets as required by N.Y.C. Electrical Code. To be installed by Licenced Electrician. All plumbing to comply with N.Y.C. Building Code. Install new cast iron recessed radiators as required to adequately heat the rooms to 70 F. when the outside temperature is 0 F. Fur out outside walls & party walls with 2x3 studs and fill in with 4" rockwool or fiberglass insulation. New roof to be 4 ply Ruberoid on 3/4" exterior grade plywood. Replace damaged floor beams with new beam one size larger than exist. beam. Fill in between the joists with 6" fot backed insulation. All new windows to be comply with New York State Energy Code. Install new flashing wherever roof abuts a vertical surface, e.g. between new roof and existing building, and between roof and parapets. All doors and woodwork to be as selected by owner. Install new gutters and leaders for new extension, if any, and connect to house sewer. Extension to comply with N.Y. State Energy Code. Minimum insulation to be 4" on exteriorwalls and 6" on roof and on 1st floor, if the floor is over an unheated basement, cellar orcrawl space. Windows shall be double glazed. Any required data shall be filed as an amendment.

FIRE PROTECTION CONSTRUCTION REQUIREMENTS

1. All materials and assemblies required to have a fire resistance rating and shall comply with one of the following: A. It shall conform with NFBU "Fire Resistance Ratings" December 1964, or B. It shall have been tested in accordance with ASTME-E-119-1961, standard methods of fire tests of building construction and material and accepted bythe commissioner, or C. It shall have been acceptable prior to the effective date of code.
2. Where pipes, conduits, ducts, etc. pierce fire protection or individualy encased structural members, they shall be closed off with close fitting metal escutcheons or plates.
3. Lintels over four feet in width supporting masonry walls shall be fire protected with materials having the required fire resistance rating of the wall supported.
4. Ceilings that contribute to the fire-resistance ratings of a floor or vertical rool assembly shall be continuous between fire divisions, fire separations, or vertical partitions having the same fire resistance ceiling, concealed spaces above such ceilings. Unless sprinklered, shall be firestopped into area not exceeding 3,000 square feet. Access to such spaces may be through one or more openings not exceed more than nine square feet,and protected by self- closing opening protectives.
5. Opening protectives including frames, self-closing devices and hardware shall comply with ASTM-E-163-1965 "Standard Methods of Fire Test and Window Assemblies" and ASTM-E-1960 "Standard Methods of Fire Tests and Door Assemblies" and shall be installed and maintained in accordance with NFPANO. 80-1967 "Installation of Fire Doors and Windows". Opening protectives shall be labelled, certifying performance rating, and shall have been accepted by the Commissioner of Board of Standards and Appeals.
6. Roof shall be covered with Class A or B roof covering meeting the requirements of ASTM 108 " Standard Methods of Fire Tests of Roof Coverings" 1965, or reference standards RS 5-9, "Roof Covering Classifications"
7. Ducts, pipes, and conduits passing through rated construction shall have spaces not exceeding 1/2 inch packed rope asbestos or mineral wool and closed off with close fitting metal escutcheons. Aggregate net area of such openings shall not exceed 25 square feet in any 100 square feet of wall or floor area unless protected by self-closing devices.
8. Firestopping: concealed spaces with partitions, walls,floors, roofs, stairs furrin, pipe spaces, columns, enclosures, etc. shall be firestopped (except where concealed space is sprinklered as follows: A. All firestopping (to be done in non-combustible material that can be shaped, fitted and permanently secured in position. B. Hollow partitions or furred out spaces to be firestopped at each level. Firestops to be the full thickness of the hollow or furred out space.
9. Toilet ventilation to be to outside air.

MASONRY NOTES

1. All masonry material and workmanship to conform to N.Y. City building code, 1974, C26-1003.0 and RS-10-1.
2. Concrete masonry units (C.M.U.) - Load bearing concrete block shall be normal weight concrete, two cell unit, conforming to ASTM C-45, type 1, Grade N-1, Solid Unit.
3. Masonry compressive strength F'm shall be 1500 PSI minimum.
4. Masonry mortar shall conform to ASTM C-270, type S and consist by volume of masonry cement - 1 part, portland cement - 1/2 part, sand - 4 parts.
5. Cells at wall intersections and corners, including unreinforced fractional cells, shall be grouted full height.
6. For control at expanson joints see architectural drawings.
7. Vertical reinforcing shall be steel, conforming to ASTM A-615, Grade 60.
8. Horizontal reinforcing shall be trussed type with 3/16" side rods and No. 9 wire cross rods. Steel shall conform to ASTM A-82. Mill galvanized and deformed.
9. Horizontal reinforcing to be placed at intervals of 16" measured vertically and in joints 8" above and below openings extending at least 24" beyond opening on each side.
10. Provide prefabricated corner and tee reinforcing at intervals of 8" measured vertically and extending 36" into the wall. Reinforcing shall be 3/16" side rods and NO.9 wire cross rods.
11. Provide additional 2-1/2" diameter bars vertically on both sides of openings in masonry walls. Bars to extend 2'-0" beyond openings.
12. Do not bridge control and expanson joints with reinforcing.
13. Fill all cells solid with grout where vertical reinforcement are placed.
14. Prior to construction, the supplier of masonry units shall submit an affidavit to the structural engineer and architect attesting compliance with thereequirements.
15. Concrete brick shall conform to ASTM C-55 type I, grade N, Solid Unit.
16. Provide two courses of brick under all steel beams.
17. VERTICAL CONTROL JOINT FILLER:
    A. Within concrete block wall: Extruded high grade neoprene rubber, cross shape, for use with concrete block sash units, which shall provide a force fit in the grooves of the sash block, and shall have 1/2" Diam Tubular ends (compressed 25% when installed in 3/8" wide joint) Use two 5/8" wide control joint filler for 4" block wallpour 5/8" wide for 6" block walls, and six 5/8"wide for 8", 10" and 12" block walls. Approved vertical control joint filler,"Quadriseal (OS) rubber control joint of Hohmann and Barnard, Inc. or approved equal.
    B. Within face brick: Provide "Emseal" installed to 25% compression, as manufactured by Emseal USA (203-332-3828), over filler rod and sealant installed by section 78.
18. Mortar Materials:
    A. Portland cement: ASTM C150, Type 1, Standard Color, one source.
    B. Hydrated Lime: ASTM C207, Type S.
    C. Sand: Clean, washed, natural sand, graded per ASTM C 144.
    D. Water: Clean, fresh and suitable for drinking.
    E. Masonry cement: ASTM C 91
19. Lay concrete masonry units with full mortar coverage on horizontal and vertical face shells. Bed webs in mortar in starting course on footings and foundation walls and in all courses of piers, columns and pilasters, and where adjacent to cells or cavities to be reinforced or filled with concrete or grout.
20. Fill the vertical longitudinal joint between wythes solidly with mortar by parging the in-place wythe and shoving units into the parging.
21. Intersecting and abutting walls:
    A. Unless vertical control joints are shown at structure, provide interlocking masonry bond 3'-0" O.C. vertically.
    B. In addition to masonry bonding, provide horizontal reinforcement using prefabricated, "T" units.
22. For parapets, space horizontal reinforcing at 8" O.C. vertically.
23. Control and Expansion Joints:
    A. Provide vertical expansion, control and isolation joints in masonry ashown on the drawings in face brck construction. Built in related item as the masonry work progresses.
    B. Control joint spacing: If location of control joints is not shown, place vertical joints spaced not to exceed 30'-0" O.C. in addition, locate joints at points of natural weakness in the masonry.
24. All masonry buttresses shall be constructed of solid blocks. Cells shall be filled in solid. Horizontal reinforcing shall be provided at every course, tying buttresses to walls.

SMOKE DETECTOR NOTES

1. Each unit shall be equipped with an approved type smoke detector device receiving primary power from the building wiring and no switches in the circuit other than over current device protecting the branch circuit as per C26-1075.3.
2. Such smoke detector must be either the ionization-chamber type or the photoelectric detector type as per C26-1705.4 (Sub. b.)
3. All smoke detectors must be installed within 15'-0" of the entrance of any sleeping room, wall or ceiling mounted and indicated on plan as per N.F.A. - 74-1980.
4. A certificate of satisfactory installation for smoke detectors must be filed with the Division of Code Enforcement, H.P.D. 10.
5. Smoke detector symbol.

ENERGY NOES:

Contractor shall be responsible for & comply with all the applicable laws, ordinances, rules & regulations of the N.Y. State Energy Conservation Const. Code and shall provide all the criteria as outlined in these gen. notes as pertains to related equipment, materials and the installation at job site.

Insulation materials-NY City Admin. Code Sect. C6-1409.3. All insulation shal be of non-combustible material. All materials, coverings, vapor barriers and adhesives shal have a flame spread rating no higher than 25 and a smoke developed rating no higher than 50.

Design Professional states that to the best of his Designhs knowledge and professional judgement, the design has been made in conformance with the energy code.

All equipment shall be identified to indicate compliance with NY State Energy Conservation Const. Code.

Maximum heating temperature setting NY State 72 degrees For., NY City 70 degree For.

Maximum cooling temperature setting NY State 78 degrees For.

Temperatures based on 5000 degree days - Kings County

Maximum design relative humidity shall be 30% when provided.

Insulation shall be installed in a manner that provides provides continuity of insulation at plate lines, sill lines corners.

All ins. which is capable of absorbing water shal be protected by a vapor barrier located on the winter warm side of the ins.

Manufactured doors & windows shal have air infiltration rates not exceeding the following:
Windows CFM per linear foot at operable sash crack 0.5
Doors-CFM per square foot of door area, sliding glass...0.5, swinging...1.0.

Infiltration when tested at a pressure differential of 1.567 lb/ft sq. which is equivalent to the impact pressure of 25mph wind.

Exterior joints around windows and door panels; penetrations of utility services through walls, floors and roofs, and all other such openings in the building envelope shal be caulked, gasketed, weatherstripped or otherwise sealed, site constructed doors and windows shal be sealed as per above

Zoning For Temperature Control

At least one thermostat for regulation of spoon temperature shall be provided for:
Each seperate HVAC system.
Each seperate zone
A readily accessible manual or automatic means to partially restrict or shut off the heating shall be provided.

Mechanical Ventilation

Each mechanical supply and exhaust ventilation system shall be required with a tight shut off damper at the building envelope to prevent infiltration of outside or when operation. Some shall be equipped with not system is not in readily accessible or automatic means for volume reduction.

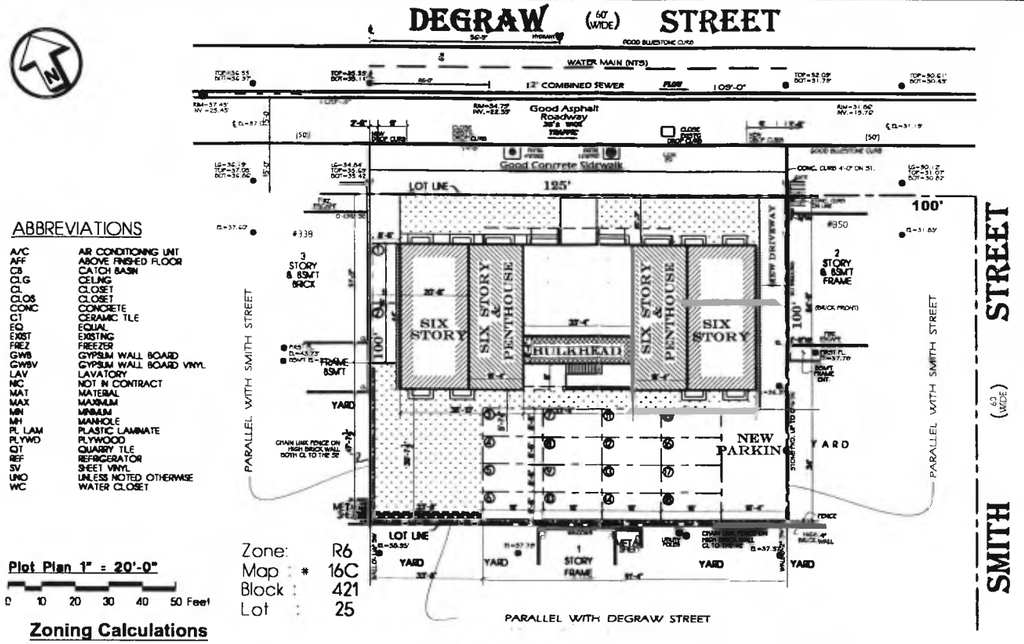
Thermal transmittance values:
Based on 5000 degree days:
Maximum Uo walls .30
Maximum Uo roof/ceiling
Maximum Uo Floors
exposed to ambient conditions .08
Maximum Uo floors over unheated spaces .08
Minimum R slab 6.0

Piping Insulation:

All piping installed to service buildings and within buildings shall be thermally insulated as per Table 4.5 of the NY State Energy Conservation Construction Code. Electrical distribution, lighting power budget, unit power density as per sections E 405-2, E 405.3, Table 4-13 and section 4-13e of the New York State Energy Conservation Code.

PLUMBING NOTES

1) Complete plumbing system & drainage system installation shall comply with article 16 & RS16-1.
2) Provide cleanout at base of all stacks.
3) Provide air chambers at top of water risers min 18" to 1-1/2" Diameter.
4) Standard weight black steel pipe for gas system with galvinized steel fittings.
5) Floor drains shall be provided with removable strainer as per RS 16.
6) Traps for floor drains shall be deep seal type.
7) Roof gutters shall be as per RS 16-19.
8) Plumbing contractor shall verify all invert and existing conditions prior to the installation of new work.
9) All hot and cold water lines to be insulated with 1" fiberglass foil backed.
10) Provide shut off valves on all water supplies in fixture.
11) Purge all water and gas lines before final connections.



Plot Plan 1" = 20'-0"

0 10 20 30 40 50 Feet

ABBREVIATIONS

A/C	AIR CONDITIONING UNIT
AFF	ABOVE FINISHED FLOOR
CB	CATCH BASIN
CLG	CEILING
CL	CLOSET
CLOS	CLOSET
CONC	CONCRETE
CT	CERAMIC TILE
EQ	EQUAL
EXIST	EXISTING
FREZ	FREEZER
GWB	GYPSUM WALL BOARD
GWBV	GYPSUM WALL BOARD VINYL
LAV	LAVATORY
NIC	NOT IN CONTRACT
MAT	MATERIAL
MAX	MAXIMUM
MIN	MINIMUM
MH	MANHOLE
PL LAM	PLASTIC LAMINATE
PLYWD	PLYWOOD
QT	QUARRY TILE
REF	REFRIGERATOR
SV	SHEET VINYL
UNO	UNLESS NOTED OTHERWISE
WC	WATER CLOSET

Zoning Calculations

Lot = 125' x 100' = 12,500 sf
Max FAR [23-145] = 2.14 X 12,500 =26,750 sf

Proposed Floor Area

First Floor	= 4430 - [116.4 Mech] = 4313.6 sf
Second Floor	= 4430 - [136.2 Mech] = 4293.8 sf
Third Floor	= 4430 - [136.2 Mech] = 4293.8 sf
Fourth Floor	= 4430 - [134.2 Mech] = 4295.8 sf
Fifth Floor	= 4430 - [89.5 Mech] = 4340.5 sf
Sixth Floor	= 4430 - [137.2 Mech] = 4292.8 sf
Penthouse	= 926.9-[44.0 Mech] = 882.9 sf
Total	= 26713.2 Is LESS to 26,750 **OK**

Open Space Ratio [23-145] 30% x 26,713.2= 8013.9 sf
12,500 - 4430 = 8070 **OK**

Lot Area per Room [23-223 (a)] = 110
Proposed = 103 x 110 = 11,330 sf
11,330 is less than 12,500 **OK**

Required Front Yard [23-45] = 0
Proposed front yard = 15'-0" OK

Required Side Yards [23-462] = 0 min 8' if open
Proposed open space = 2 x 9'-0" **OK**

Required Rear Yard [23-47] = 30'
Proposed Rear Yard = 41' **OK**

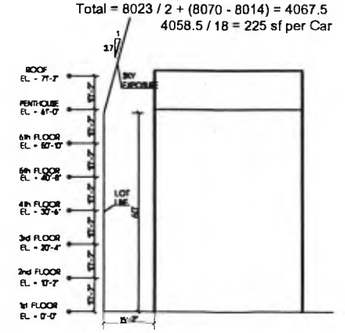
Maximum Height [23-64] Alternate Front Setback
Required Front Open Area = 15'
Proposed Front Open Area = 15' **OK**

Maximum Height = 60'
Sky Exposure Plan 3.7 V to 1 H
Proposed see Sky Exposure Diagram

Required Parking [25-23]
70% for residences developed as per
26 Apts x 70 % = 18 spaces
Proposed = 17 Spaces
+ 1 handicapped spaces = 18 **OK**

Area of Parking & Driveway
51'-2" x 8'-6" = 435 sf
8'-0" x 64'-9" = 518 sf
34'-0" x 91'-4" = 3105 sf
Total = 4058 sf

Total permitted as per 23-12 -->
50% of Req Open Space
+ excess open space
Total = 8023 / 2 + (8070 - 8014) = 4067.5
4058.5 / 18 = 225 sf per Car



INDEX :

Sheet NO.	Contents
1	ZONING CALCULATIONS, PLOT PLAN, NOTES.
2	NOTICE.
3	CELLAR FLOOR PLAN.
4.	1st FLOOR PLAN.
5.	2nd - 3th FLOOR PLANS.
6.	4th FLOOR PLAN.
7.	5th FLOOR PLAN.
8.	6th FLOOR PLAN.
9.	PENTHOUSE FLOOR PLAN.
10.	ROOF PLAN.
11	SECTION A-A.
12.	SECTIONS B-B, C-C.
13.	FRONT ELEVATION.
14.	REAR ELEVATION.
15.	SIDE ELEVATIONS.
16.	DETAILS.

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Controlled Inspections:
Mechanical Vent
Firestopping
Structural Stability

ENGINEER MUST BE RETAINED FOR INSPECTIONS OR SUPERVISION

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WARNING: IT IS A VIOLATION OF LAW, FOR ANY PERSON TO ALTER ANY ITEM ON THESE PLANS.

APPLICATION # 30016273 DEPT. OF BLDGS.
BLOCK - LOT 421-25
SCALE 1" - 20'
REVISIONS 5/24/00 7/6/00

PLOT PLAN, NOTES.
344 DEGRAW STREET.
BROKLYN, N.Y.
Client: BENICO

FRIEDMAN, P.E.
ARCHITECTURAL ENGINEERING
3 LANGDEN DR • MONSEY, NEW YORK • 10952
(914) 356-3999

DATE 12/15/99
1
JOB # 1884

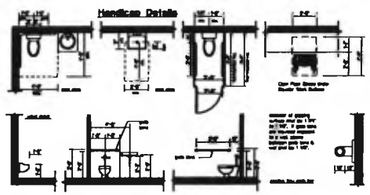
LOCAL LAW 58/87 COMPLIANCE

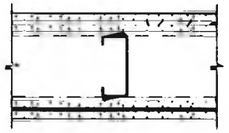
1. Floor surfaces along accessible routes and in accessible rooms shall be made stable, firm and slip resistant in compliance with SEC. 4.5.1 ANSI should handicapped persons occupy the apartment to be renovated.
2. New door widths shall be a minimum of 34" in compliance with SEC. 4.13.5.
3. Thresholds at doorways shall not exceed 1/2" in height as per SEC. 4.13.8 ANSI.
4. Handles, pulls, latches, locks and other operating devices on accessible doors shall be made to comply with SEC. 4.13.9 ANSI should handicapped person occupy the apartment to be renovated.
5. All bathrooms, aside from bathrooms where fixtures are replaced in existing roughing, shall be handicapped adaptable in compliance with Local Law 58/87.
6. Kitchen shall be handicapped adaptable as per LL 58/87.
7. Dimensions of clear space and door opening into adaptable kitchen and bathroom (where applicable) comply with SEC. 4.32.4.2 (clear space for water closets and 4.32.4.3 bathtubs).
8. Location of lavatory, mirrors and medicine cabinets to comply with SEC.4.32.4.3 should handicapped persons occupy the apartment to be renovated.
9. Kitchen cabinets to be modified, range, dishwasher, washer/dryer (where applicable) shall be replaced with approved type appliances specified in ANSI should handicapped persons occupy apartment to be renovated.
10. Reinforcements for grab bars shall be installed in adaptable bathrooms as per Table 4.7.A. ANSI.

MULTIPLE DWELLING NOTES.

Provide exterior lights as per Sec. 26 & 35 MDL
All building entrance doors to be self-closing and have self-locking devices as per Sec. 50a MDL
Provide BSA approved type peepholes in all housing unit entrance doors as per SEC. 51a MDL.
Water supply to be as D26 15.01 & 15.03
Existing central heat and hot water supply as per D26 17.01 & 17.07
Night light in public hall and stair hall to be as per D26 19.05
Mail service to be as per D26 21.01
Floor signs to be as per D26 21.03
House Numbers to be as per D26 21.05
Fire retard within 1' of cooking apparatus and mantan 2'-0" clearance above.
Provide registration sign as per D26 41.15
Register Building as per D26 41.01
All apartment doors to be self-closing
Provide for apartment doors, heavy duty latch set with heave duty dead bolt and chain door guard.

Handicap Details





GA File No. WP1716

GYPSUM WALLBOARD, METAL STUDS

BASE layer 5/8" type X gypsum wallboard or veneer base applied parallel to each side of 3 1/2" 20 gage steel studs 24" o.c. and attached to studs and runner track with 1" Type S-12 drywall screws 12" o.c.

FACE layer 5/8" type X gypsum wallboard or veneer base applied parallel to each side of studs and attached to studs and runner track with 1 5/8" Type S-12 drywall screws 12" o.c. Stagger joints 24" o.c. each layer and side. Studs attached to each side of top and bottom track with 1/2" Type S-12 panhead screws, or welded.

Bracing: Lateral bracing shall be as described by assembly WP 1206.

Tested at 80 percent of design load. (LOAD-BEARING)

THICKNESS: 6"
LIMITING HEIGHT: SUBJECT TO DESIGN
APPROX. WEIGHT: 10 PSF
FIRE TEST: UL NC 505-6, 7-29-82 DESIGN U425
SOUND TEST: ESTIMATED

WALL ASSEMBLY	FIRE RATING: 2 HOUR	SCALE: NTS
	SOUND RATING STC: 40 TO 44	DA FILE NO.: WP 1716

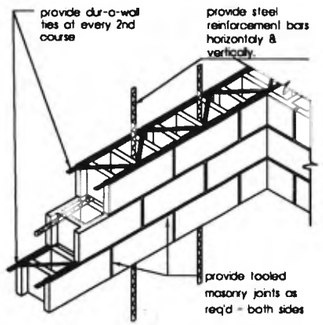
WINDOW SCHEDULE

MK	Q-TY	DIMENSIONS	CAT. No	REMARKS
(1)		4'-0" x 2'-0" (h)	A41	AWNING
(3)		2'-4" x 3'-11" (h)	TW2427D	TILT-WASH
(4)		2'-4" x 5'-8" (h)	TW2458D	DOUBLE
(5)		3'-9" x 5'-8" (h)	TW3858	HUNG.
(6)		5'-8" x 5'-8" (h)	TW5858-2	

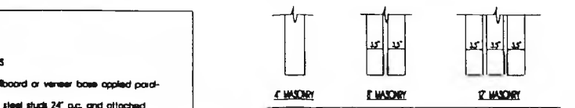
BY ANDERSEN

DOOR SCHEDULE

MK	Q-TY	DIMENSIONS	CAT. No	REMARKS
				INTERIOR DOOR
(1)		2'-0" x 6'-8" (h)		
(2)		2'-6" x 6'-8" (h)		
(3)		3'-0" x 6'-8" (h)		INTERIOR ENTRANCE
(4)		3'-0" x 7'-0" (h)		F.P.S.C.
(5)		4'-0" x 6'-8" (h)		SLIDING INTERIOR
(6)		2'-8" x 6'-10" (h)		BALCONY
(7)		3'-0" x 7'-0" (h)		ENTRANCE
(8)		6'-0" x 7'-0" (h)		
(9)		3'-0" x 6'-8" (h)		SOLID CORE
(10)		3'-4" x 6'-8" (h)		F.P.S.C.
(11)		6'-0" x 6'-8" (h)		SLIDING EXTERIOR
(12)		8'-0" x 7'-0" (h)		GARAGE DOOR



typ. masonry wall detail

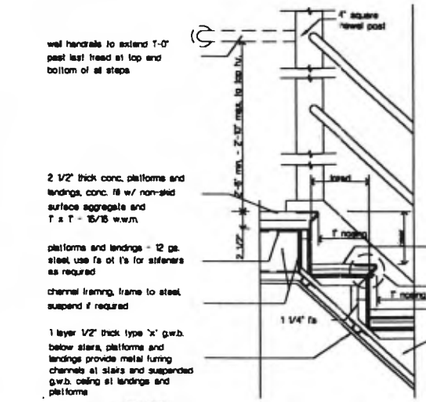


LINTEL SCHEDULE

WALL	OPENING	LINTEL	REMARKS
4" MASONRY	4'-0" MAX.	4 X 3 1/2 X 5/16"	
	6'-0" MAX.	5 X 3 1/2 X 5/16"	
	8'-0" MAX.	6 X 3 1/2 X 5/16"	
8" MASONRY	4'-0" MAX.	(2) 4 X 3 1/2 X 5/16"	
	6'-0" MAX.	(2) 5 X 3 1/2 X 5/16"	
	8'-0" MAX.	(2) 6 X 3 1/2 X 5/16"	
	12'-0" MAX.	(2) 8" C - 7 x 5"	
12" MASONRY	4'-0" MAX.	(3) 4 X 3 1/2 X 5/16"	
	6'-0" MAX.	(3) 5 X 3 1/2 X 5/16"	
	8'-0" MAX.	(3) 6 X 3 1/2 X 5/16"	

1. Provide these detailed lintels over all openings and recesses in masonry walls including all mechanical openings unless lintel is detailed or noted otherwise on plan.
2. All lintels shall bear 8" each end, if lintel abuts column connect to column.
3. For spans over 5'-0", all double angle lintels shall be bolted together (back to back)
4. Hold back toe of angle 1/2" from exposed face of masonry.

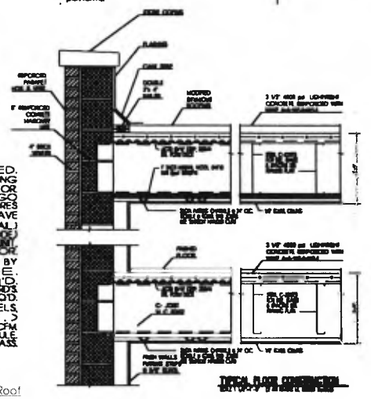
-ENTIRE BUILDING TO BE FULLY SPRINKLERED.
-SPRINKLER APPLICATION FOR CHANGES TO EXISTING SPRINKLER SYSTEM TO BE FILED BY SPRINKLER CONTRACTOR.
-ALL NEW PARTITIONS TO BE METAL STUDS & FIRECODE MINIM. 1 HR. RATED, EXISTING FIREPROOF STAIR ENCLOSURES
ALL W.C. CPTS TO HAVE TILE FLOOR & BASE, & TO HAVE W.C., SINK, SHAWER & FLOOR DRAIN(SEE TYPICAL DETAIL)
-ALL PLUMBING TO COMPLY WITH NYC PLMG CODE(NEW CODE)
-PROVIDE INDIVIDUAL HEAT & HOT WATER FOR EACH DU TO BE FILED SEPARATELY BY HVAC CONTRACTOR
-INSULATE ROOF & EXTERIOR WALLS AS REQ'D BY NY STATE ENERGY CODE.
-REPAIR OR REPLACE FLOOR AS REQ'D.
-ALL NEW STAIRS OR ALTERED STAIRS TO BE 7 3/4"R & 9 1/2" TREYS
-ALL NEW RISERS PROVIDE HANDRAILS & RAILINGS AS REQ'D.
-ALL NEW MASONRY OPENINGS TO HAVE STEEL LINTELS, (SEE SCHEDULE)
-PROVIDE MECHANICAL VENT FOR ALL W.C. CPTS MINIMUM 50 CFM
-FOR STUDIO UNITS THAT REQUIRE MECH VENT SEE SCHEDULE
ANY NEW OR REPLACED WINDOWS TO HAVE INSULATED GLASS.



stair notes

1) Minimum tread = 9 1/2", max. riser = 7 3/4"
2) provide handrails as follows
- 1 5/8" Φ pipe railings at walls
- 2 - 5/8" Φ pipe railings between newel posts
3) the minimum headroom in all parts of the stair enclosure shall not be less than 7'-0" measured vertically from the tread nosing or from the landing floor surface of the landing or platform
4) the sum of the two risers plus one tread must equal 24 - 25

typical steel stair detail



LEGEND :

Exterior Walls :

- 1 — 16" Concrete Wall
- 1A — 12" Concrete Wall
- 1B — 8" Concrete Wall
- 2 — 16" Concrete Wall -3 5/8" Mtl. Studs @ 16" o.c. -3" F/B. Insulation (Between studs) -5/8" G.W.B.
- 3 — 4" Brick Veener, -8"Reinforced Concrete Blc's(C.M.U.) Fill Solids w/Cement. -3 5/8" Mtl. Studs @ 16" o.c. -3" F/B. Insulation (Between studs) -5/8" G.W.B.
- 3A — 4" Brick Veener, -4"Reinforced Concrete Blc's(C.M.U.) Fill Solids w/Cement. -3 5/8" Mtl. Studs @ 16" o.c. -3" F/B. Insulation (Between studs) -5/8" G.W.B.

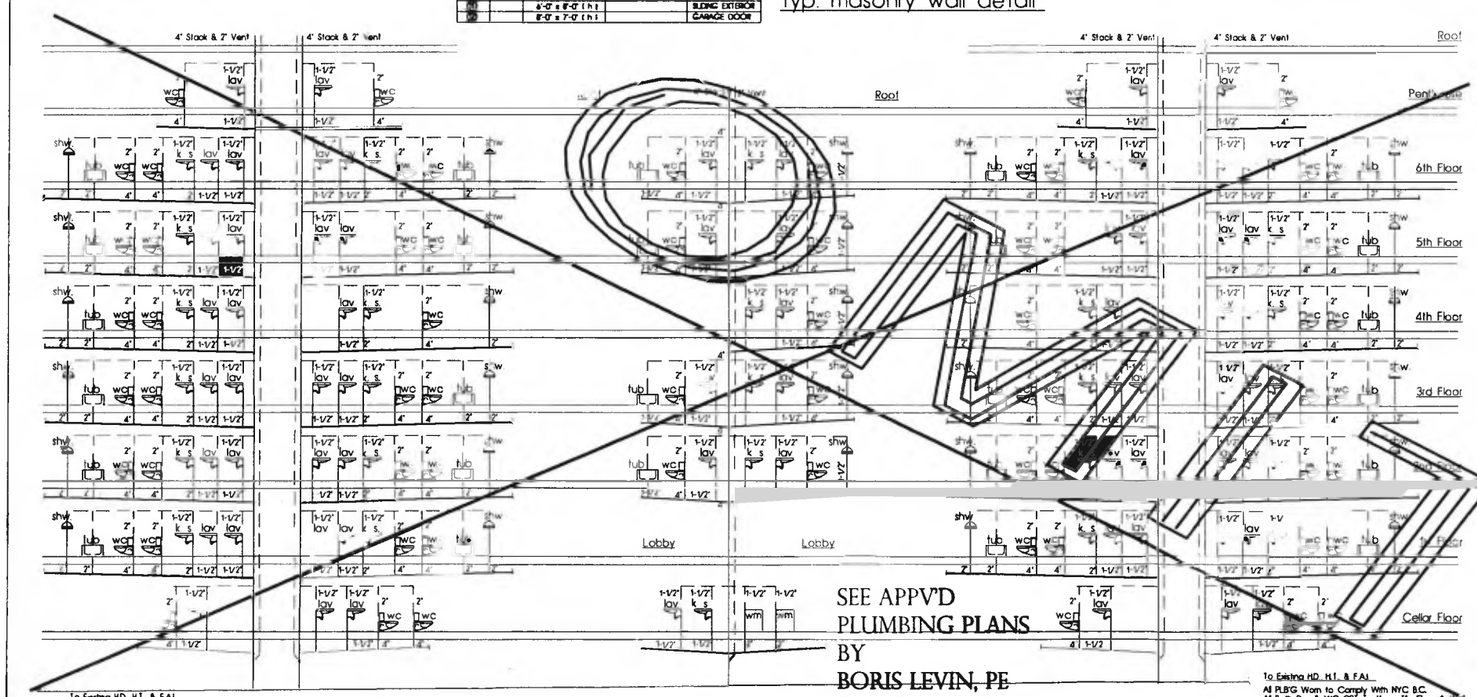
Interior Walls :

- 4 — 12"Reinforced Concrete Blc's(C.M.U.) Fill Solids w/Cement.
- 4A — 8"Reinforced Concrete Blc's(C.M.U.) Fill Solids w/Cement.
- 5 — 8"Reinforced Concrete Blc's(C.M.U.) Fill Solids w/Cement. -3 5/8" Mtl. Studs @ 16" o.c. -5/8" G.W.B. (One Side)
- 6 — 8"Reinforced Concrete Blc's(C.M.U.) Fill Solids w/Cement. -3 5/8" Mtl. Studs @ 16" o.c. -5/8" G.W.B. (Each Side)

Partitions :

- 7 — 1HR. Rated. -3 5/8" Mtl. Studs @ 16" o.c. -5/8" G.W.B. Each Side.
- 8 — 2 HR. Rated. -3 5/8" Mtl. Studs @ 16" o.c. -2 Layers 5/8" Type "X" G.W.B. Each Side.

- F.E. — Fire Emergency.
- Mechanical Vent.
- E.S. — Illuminated Exit Sign.
- Windows.
- Doors.
- Section.



Plumbing Riser

SEE APPV'D PLUMBING PLANS BY ~~BORIS LEVIN, PE~~ DATED 9/21/00

All PLBG Work to Comply With NYC B.C.
All Bath Rms & WC CPT To Have Tile Floor & Wall Min. 6' High Walls Above Tile Most Req. Wall Bd Double Rm's Under All Bath Rm's & Kitchen.

Building to comply with

1. 27-2013 ..... Painting.
2. 27-2014 ..... Painting of window frame.
3. 27-2018 ..... Owner or occupant shall control and keep the building free of rodents.
4. 27-2023 ..... Collecting of waste matter.
5. 27-2024 ..... Water supply in building.
6. 27-2026 ..... Sewer and drainage.
7. 27-2027 27-2028- 27-2033 ..... Heat and hot water.
8. 27-2027- 27-2040 ..... Artificial lighting.
9. 27-2041 Provide peep holes in entrance door to each dwelling, however such peep holes need not be installed where it is possible to see from the inside any person immediately outside the entrance door.
10. 27-2047 ..... Mail service.
11. 27-2049 ..... Posting of house numbers.
12. 27-2069 ..... Sanitary facilities.
13. 27-2057- 27-2062 ..... Lighting and ventilation.
14. 27-2070 27-2073 ..... Kitchens and Kitchenettes.
15. 27-2074 - 80 Number of persons occupying the apartment and to maximum permitted occupancy.
16. 27-2087 Occupancy in basement of 1 & 2 family dwellings.
17. 27-2097-2109 Voluntary registration by owner or occupant.
18. Each dwelling unit shall be equipped with smoke detecting device receiving power from the building wiring and there shall be no switch in the circuit as per C26-1705.03. Smoke detectors to be photo electric type as per Sec. C26-1705.4(c). All smoke detectors ceiling mounted and located within 15'-0" of entrance of sleeping rooms. A Certificate of satisfactory installation o be filed with Code enforcement section 10 days after installation.
19. All Bathrooms to have tile floors with minimum 6' tile base. Wall above tile are to be moisture resistant wallboard.

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RELEASED: 301016273 DEPT. OF BLDGS.
BLOCK - LOT: 421-25
SCALE: 1/4" - 1'-0"
REVISIONS: 9/27/00

NOTICE.

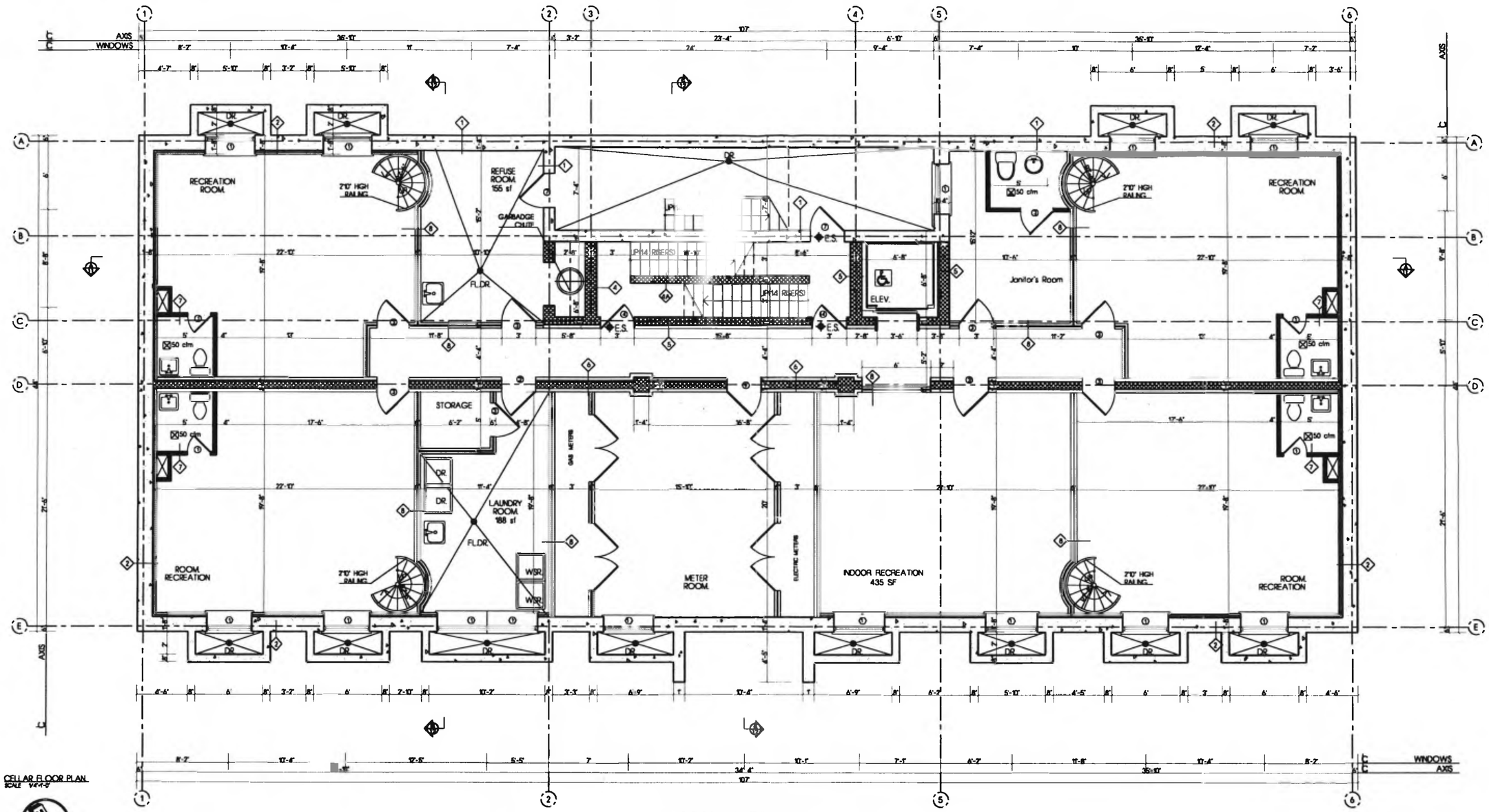
344 DEGRAW STREET,
BROKLYN, N.Y.
Client: BENICCI

DATE: 12/18/99

FRIEDMAN, P.E.
ARCHITECTURAL ENGINEERING
3 LANGERIS DR • MONSEY, NEW YORK • 10952
(914) 356-2999

2

JOB # 1884



CELLAR FLOOR PLAN
SCALE 1/4"-1'-0"

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APPLICATION # 301016273 DEPT. OF BLDGS
BLOCK - LOT 421-25
SCALE 1/4" - 1'-0"
ERRORS 2-21-01

CELLAR FLOOR PLAN

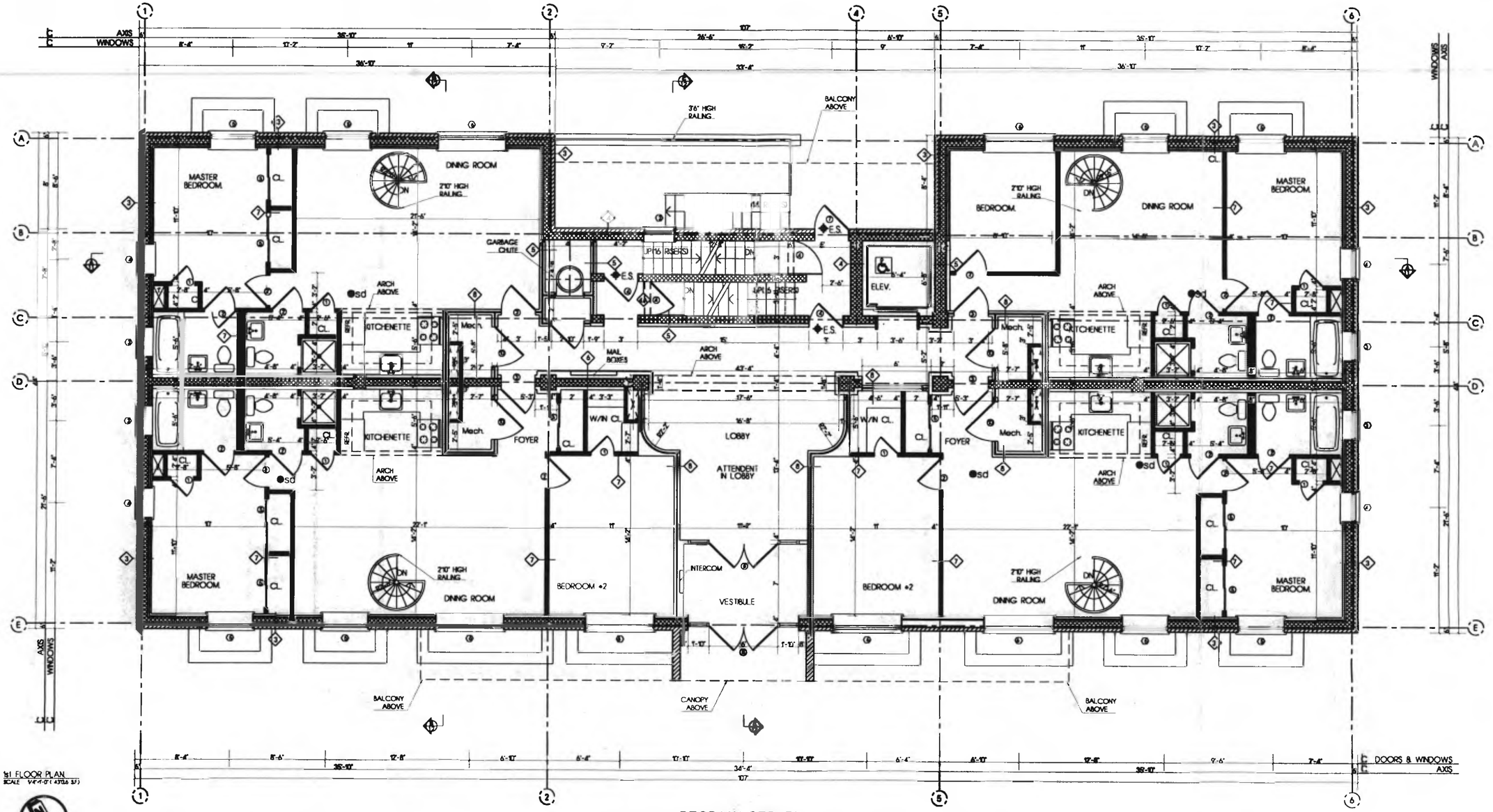
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BROKLYN, N.Y.
Client: BENICCI

DATE 12/15/98

3

JOB # 1884

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ARCHITECTURAL ENGINEERING
3 LANGDON DR. • MONSEY, NEW YORK • 10952
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APPLICATION # 301016273
DEPT. OF BLDGS
BLOCK - LOT 421-25
SCALE 1/4" = 1'-0"
REVISIONS

1st FLOOR PLAN

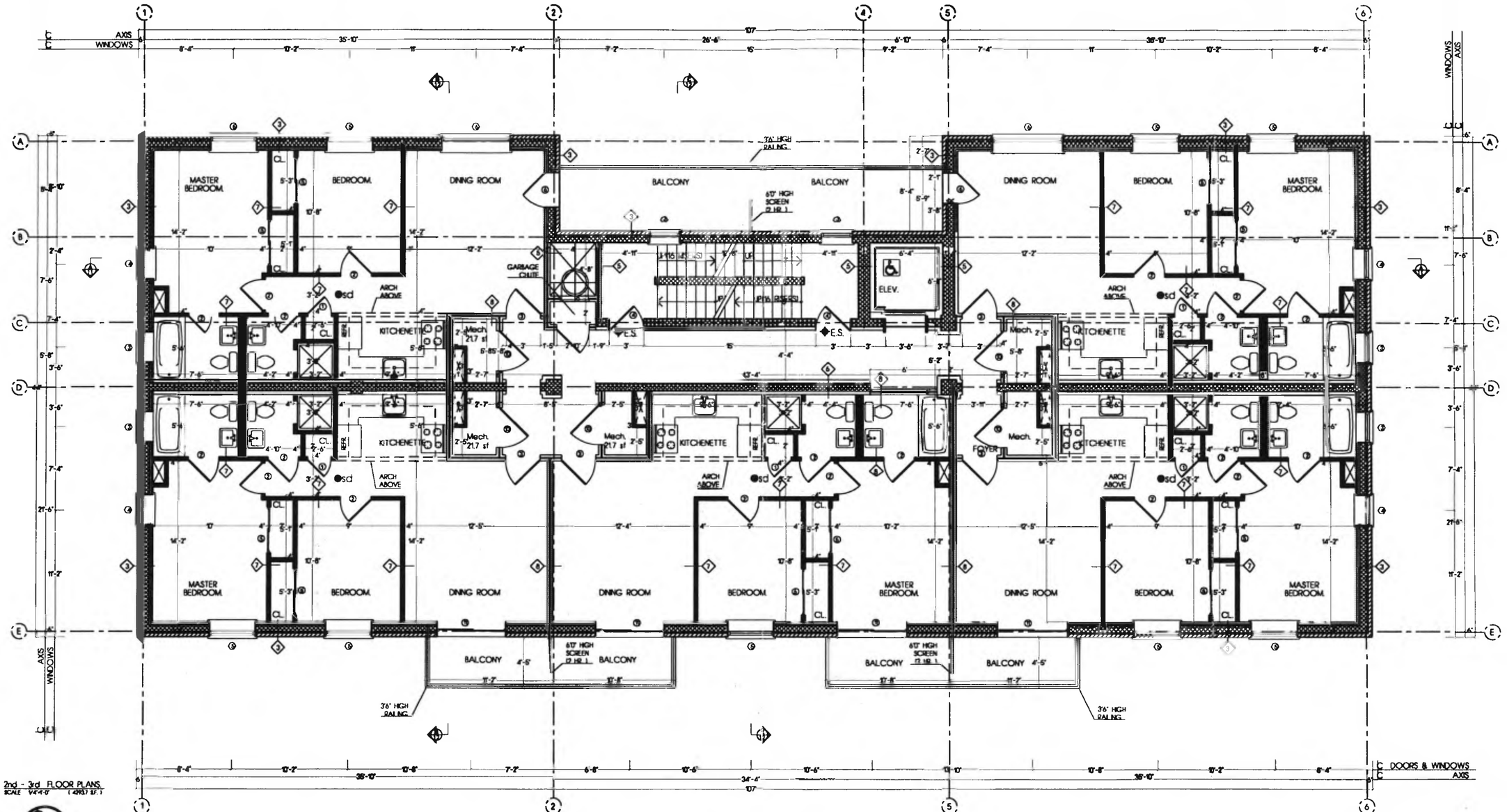
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Client: BENICCI

DATE 12/16/99

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JOB # 1884

FRIEDMAN, P.E.
ARCHITECTURAL ENGINEERING
3 LANGDON DR ◆ MONSEY, NEW YORK ◆ 10952
(914) 356-3999



2nd - 3rd FLOOR PLANS.
SCALE 1/4"-1'-0" (42957 S.F.)

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APPLICATION # 301016273
DEPT. OF BLDGS.
BLOCK - LOT 421-25
SCALE 1/4" - 1'-0"
REVISIONS

2nd- 3rd FLOOR PLANS.

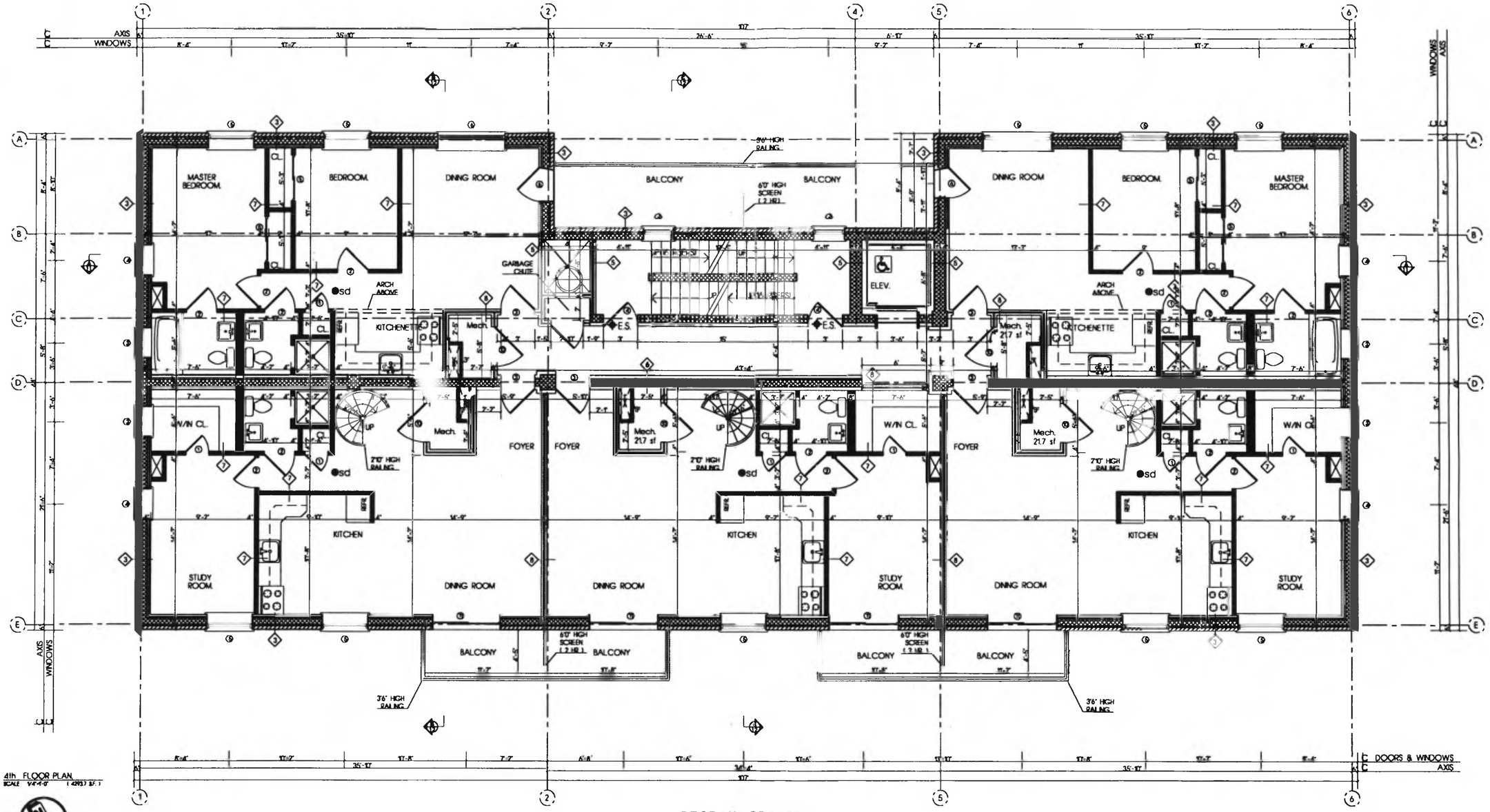
344 DEGRAW STREET.
BROKLYN, N.Y.
Client: BENICCI

DATE 12/16/99

5

JOB # 1884

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ARCHITECTURAL ENGINEERING
3 LANGERS DR # MONSEY, NEW YORK # 10952
(845) 356-3999



4th FLOOR PLAN.
SCALE 1/4"=1'-0"

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CONTRACTOR SHALL RETAIN A PROFESSIONAL ENGINEER FOR CONTROLLED INSPECTIONS AND A LICENSED SURVEYOR FOR STAKEOUTS AND FINAL SURVEY.

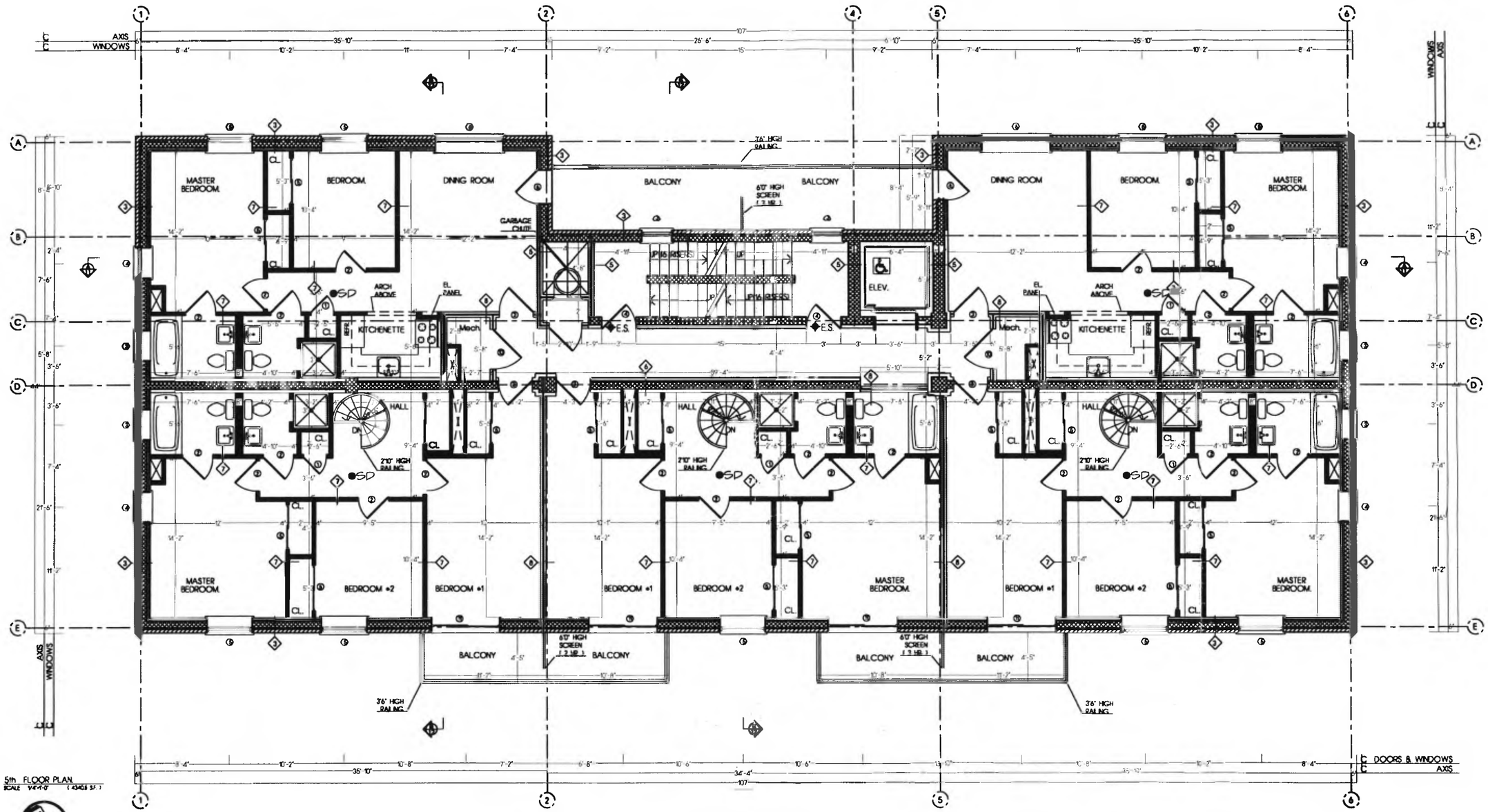
CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS FROM MUNICIPAL AGENCIES HAVING JURISDICTION BEFORE STARTING WORK AND HE SHALL OBTAIN EITHER A CERTIFICATE OF COMPLETION OR A CERTIFICATE OF OCCUPANCY UPON COMPLETION OF WORK.

APPLICATION # 301016273 DEPT. OF BLDGS.
BLOCK - LOT 421-25
SCALE 1/4" = 1'-0"
REVISIONS 2-21-01

4th FLOOR PLAN.
344 DEGRAW STREET.
BROKLYN, N.Y.
Client: BENICO

FRIEDMAN, P.E.
ARCHITECTURAL ENGINEERING
3 LANGDON DR • MONSEY, NEW YORK • 10952
(914) 356-2999

DATE 12/16/99
6
JOB # 1884



5th FLOOR PLAN.
SCALE 1/4"-1'-0" (4340.8 S.F.)

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ENGINEER NOT RETAINED FOR INSPECTIONS OR SUPERVISION

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APPLICATION # 301016273
DEPT. OF BUILDINGS
BLOCK / LOT 421-25
SCALE 1/4" = 1'-0"
REVISIONS

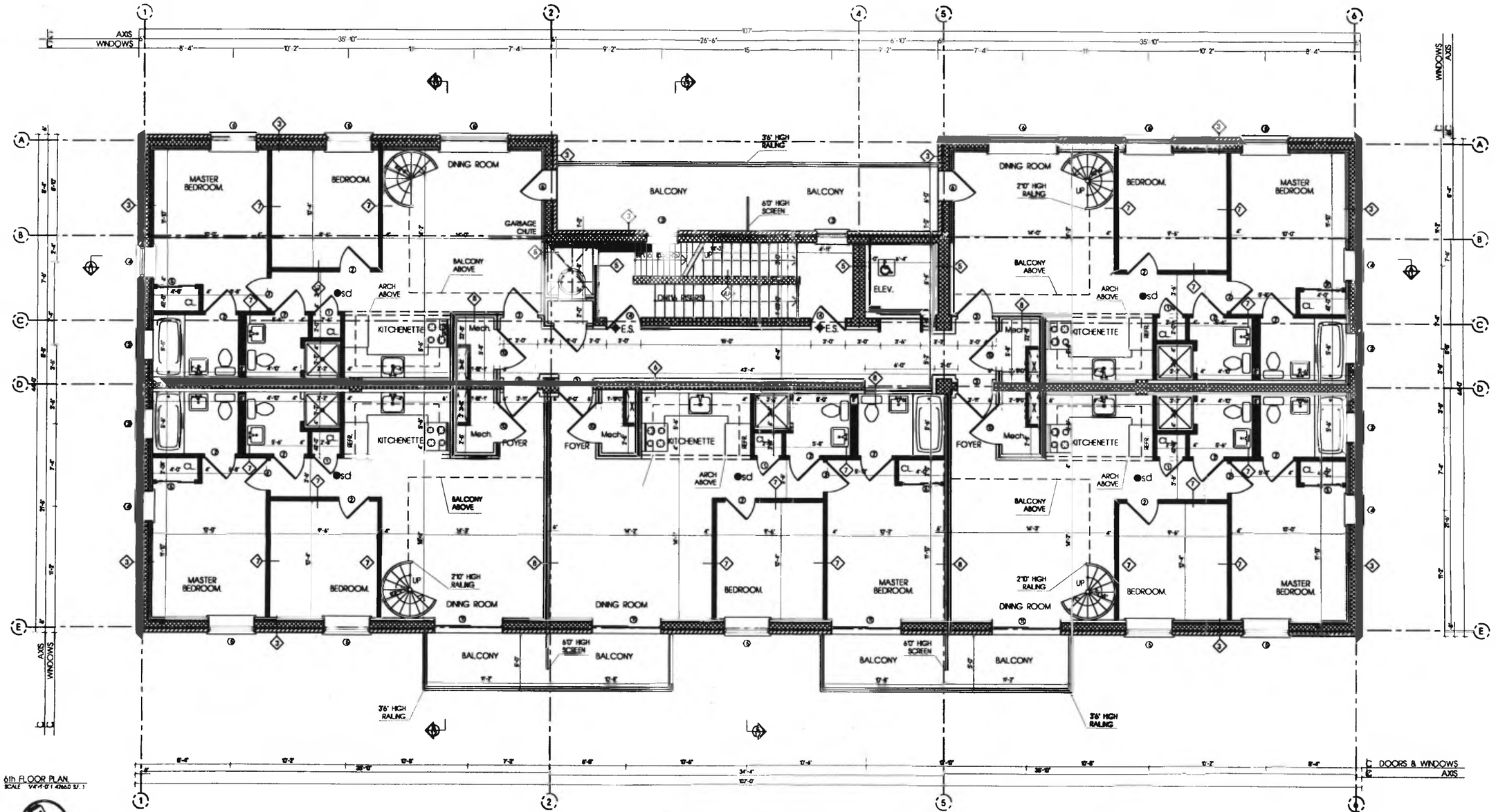
5TH FLOOR PLAN.
344 DEGRAW STREET.
BROKLYN, N.Y.
CLIENT: DEMICCI

DATE 12/16/99

7

JOB # 1884

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3 LANGHAM DR • MONSEY, NEW YORK • 10952
(845) 356-3999



6th FLOOR PLAN
SCALE 1/4"-1'-0" 42660 SF.)

DEGRAW STREET.

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APPLICATION # 301016273 DEPT. OF BLDGS.
BLOCK + LOT 421-25
SCALE 1/4" = 1'-0"
DATE 10/9/00

6th FLOOR PLAN

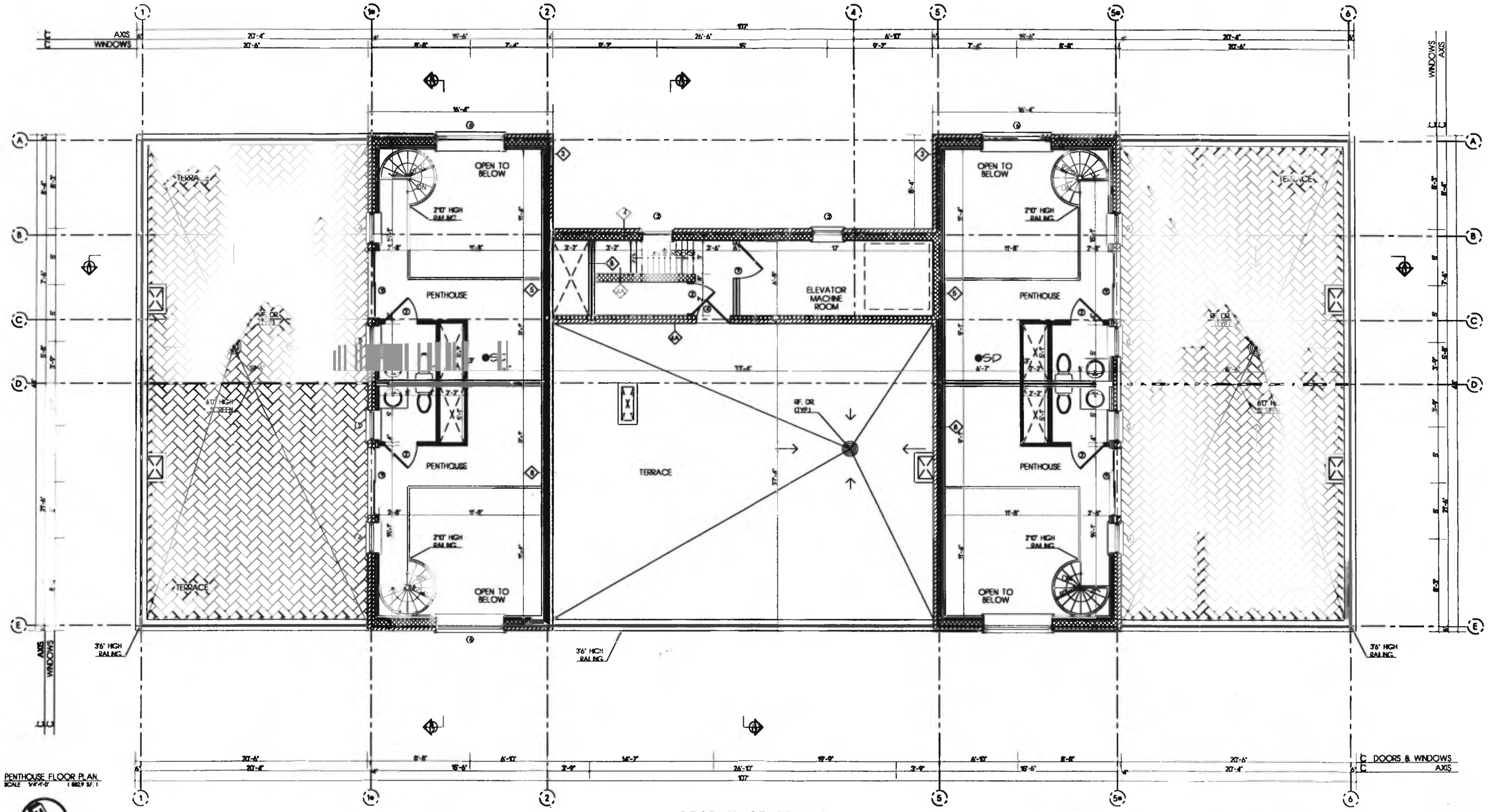
344 DEGRAW STREET.
BROKLYN, N.Y.
Client: BENICCI

DATE 12/16/99

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8T

JOB # 1884



PENTHOUSE FLOOR PLAN
SCALE 1/4"-1'-0" (6822.9 S.F.)

DEGRAW STREET.

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APPLICATION #: 301016273 DEPT. OF BLDGS.
BLOCK - LOT: 424-25
SCALE: 1/4" - 1'-0"
REVISIONS

PENTHOUSE FLOOR PLAN

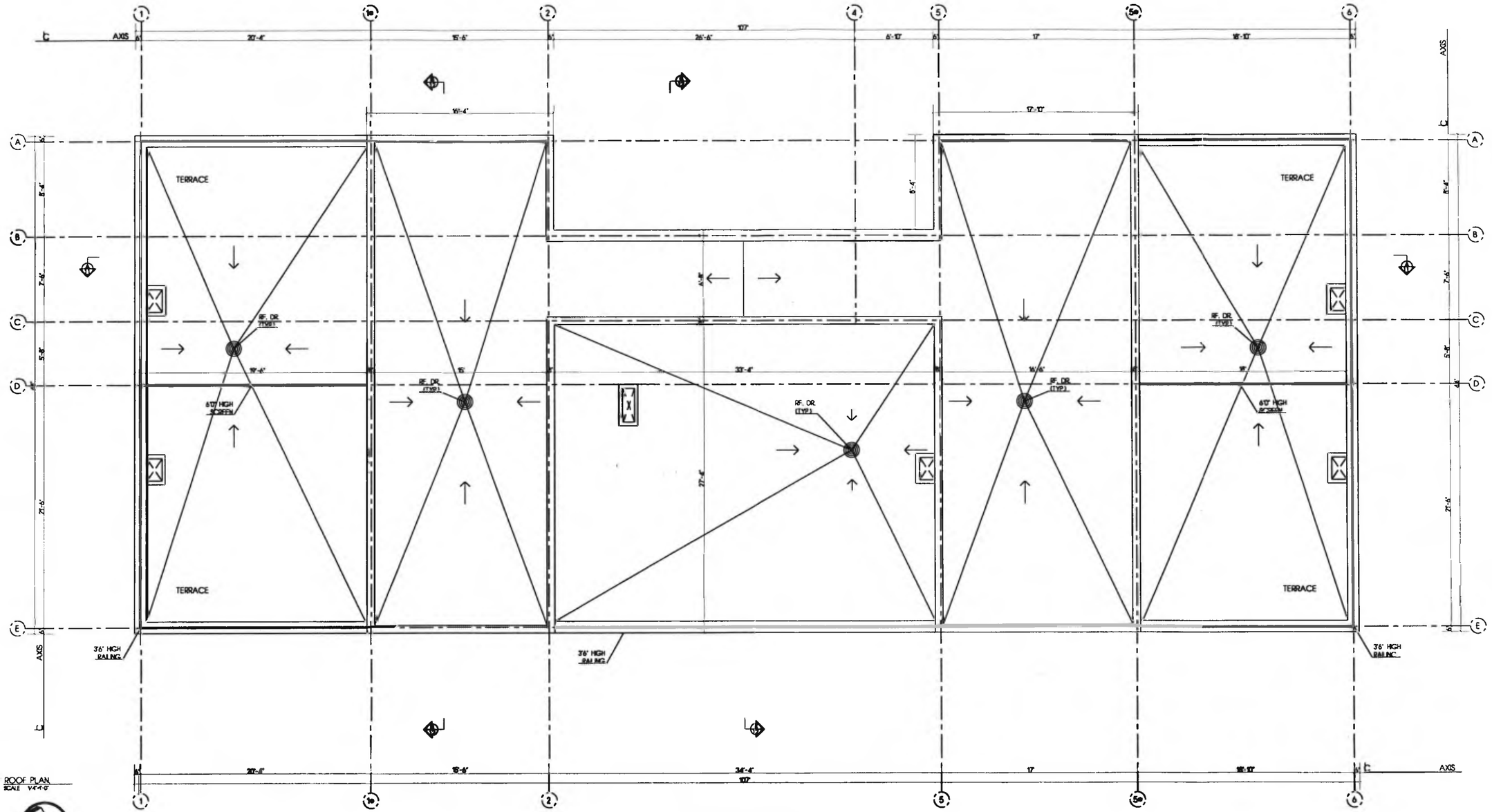
DEGRAW STREET.
BROKLYN, N.Y.
CLIENT: BENGO

DATE: 12/16/99

9

JOB #: 1884

FRIEDMAN, P.E.
ARCHITECTURAL ENGINEERING
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ROOF PLAN
SCALE 1/4"=1'-0"

DEGRAW STREET.

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APPLICATION #
301016273
DEPT. OF BLDGS.

BLOCK - LOT
421-25

SCALE
1/4" = 1'-0"

REVISIONS

ROOF PLAN

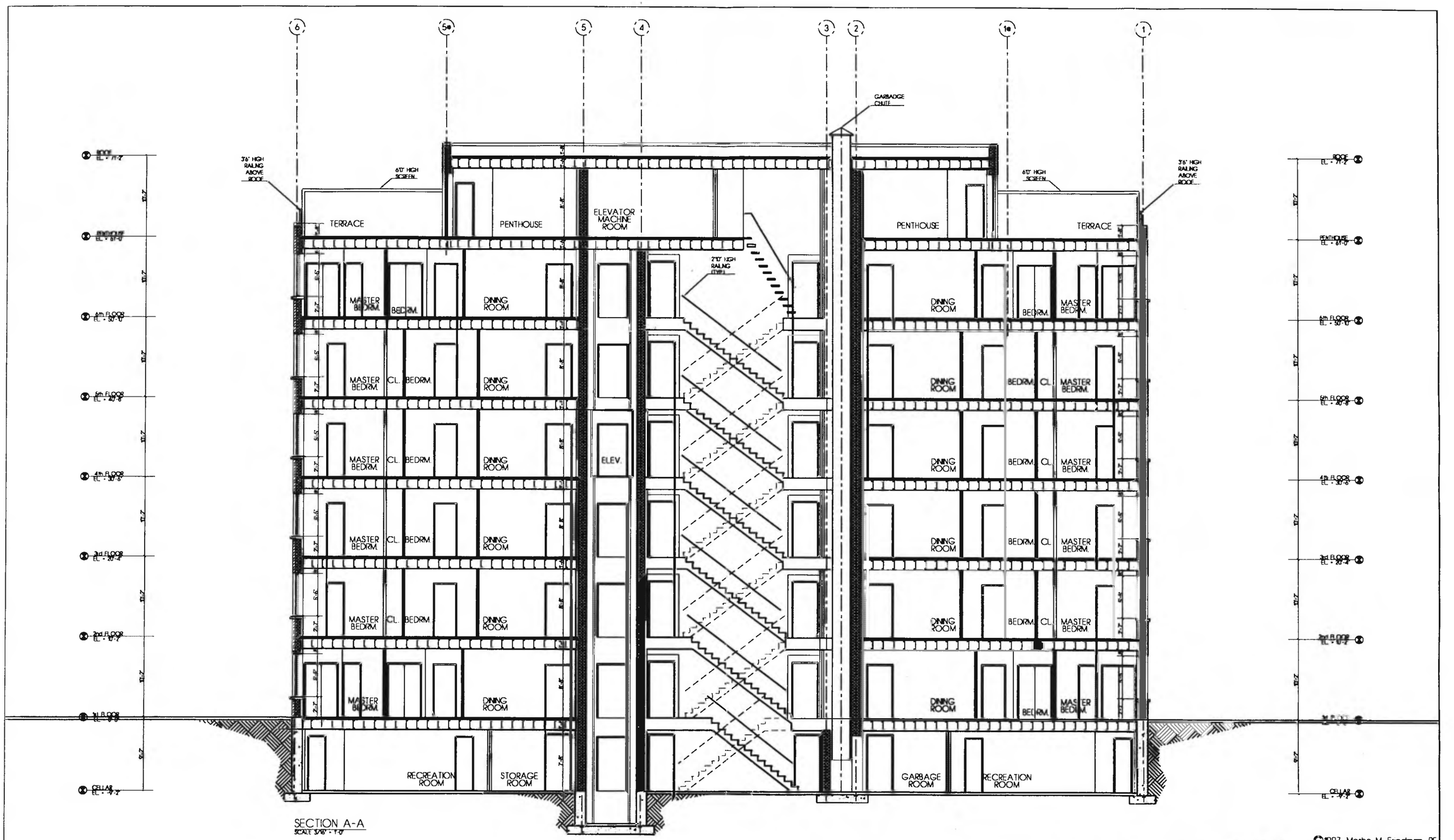
344 DEGRAW STREET,
BROKLYN, N.Y.
Client: BENICCI

DATE
12/15/99

10

JOB #
1884

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SECTION A-A
SCALE 3/16" = 1'-0"

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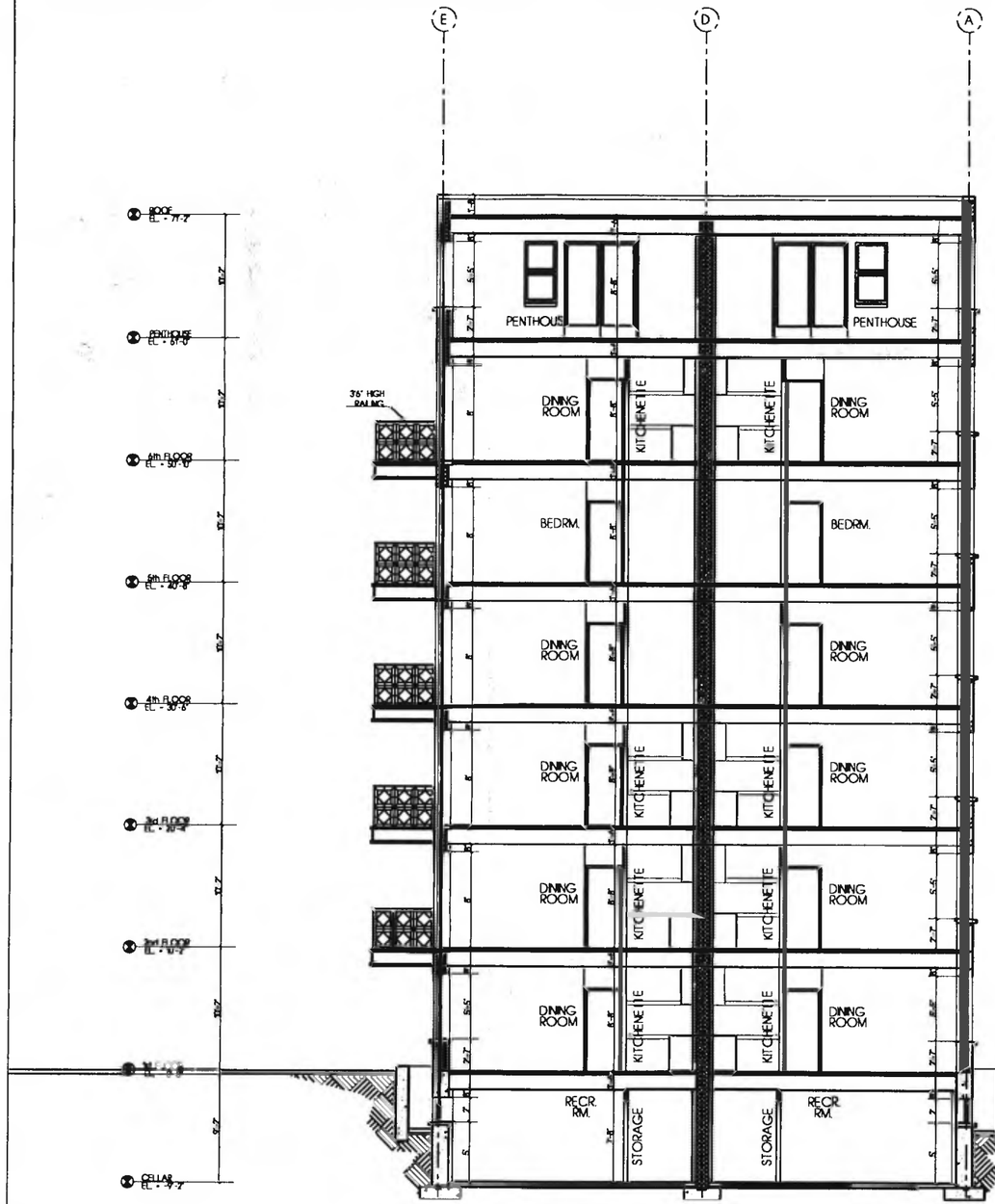
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APPLICATION # 301016273 DEPT. OF BLDGS.
BLOCK - LOT 421-25
SCALE 3/16" = 1'-0"
REVISIONS

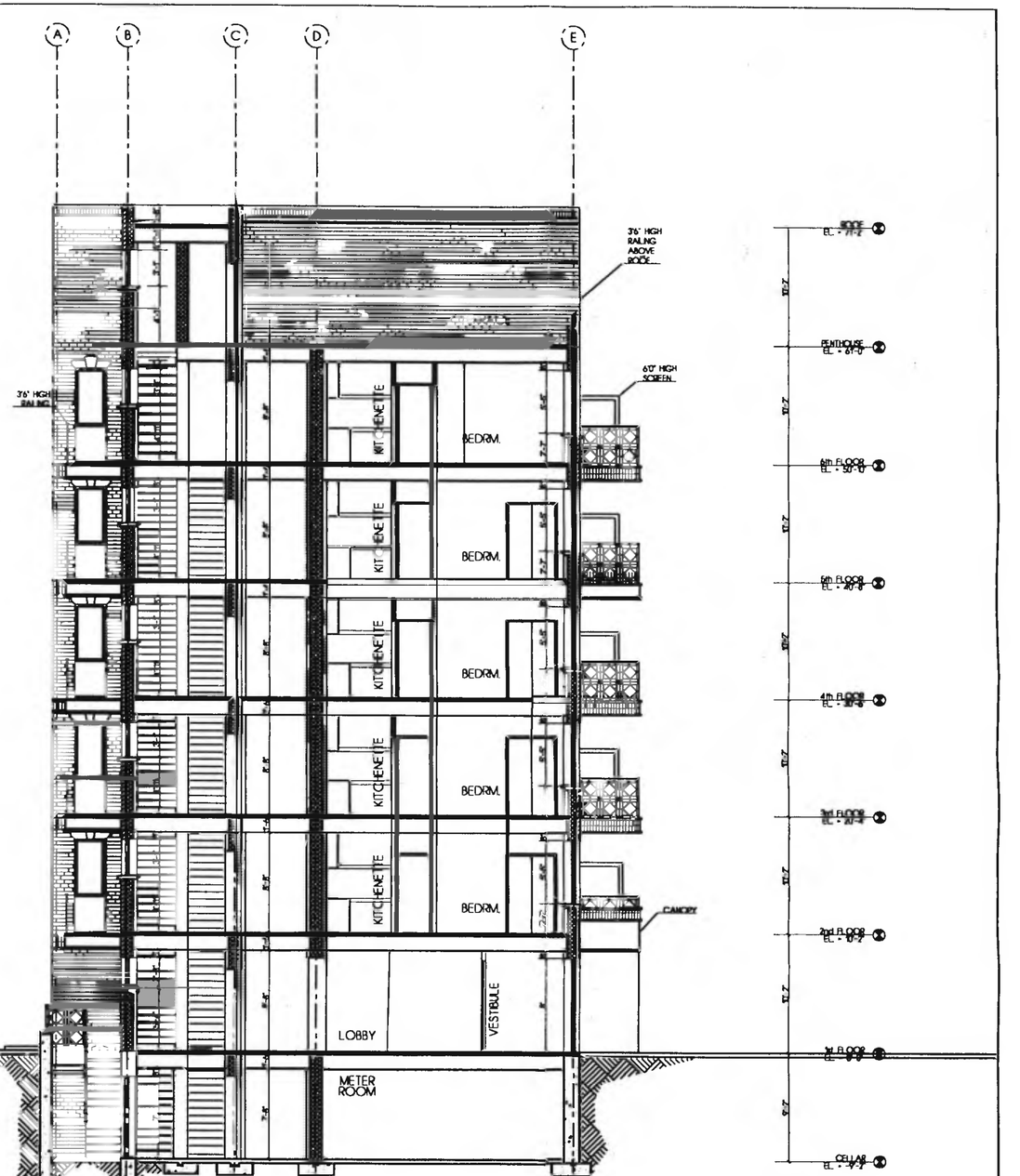
SECTION A-A.
344 DEGRAW STREET.
BROKLYN, N.Y.
Client: BENICCI

FRIEDMAN, P.E.
ARCHITECTURAL ENGINEERING
3 LANGERS DR ◊ MONSEY, NEW YORK ◊ 10952
(914) 356-3999

DATE 12/15/98
11
JOB # 1884



SECTION B-B
SCALE 3/16" = 1'-0"



SECTION C-C
SCALE 3/16" = 1'-0"

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APPLICATION # 301016273
DEPT. OF BLDGS.
BLOCK - LOT 421-25
SCALE 3/16" = 1'-0"
REVISIONS

SECTIONS B-B, C-C.

DEGRAW STREET.
BROKLYN, N.Y.
Client: BENICCI

DATE 12/16/99

12

JOB # 1884

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ARCHITECTURAL ENGINEERING
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EXHIBIT "C"

UNIT DESCRIPTION

A "Unit" as hereinafter referred to shall be defined as follows:

Each Unit shall consist of the following area: horizontally; from the exterior side of the exterior walls (perimeter steel columns and perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the exterior side of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and vertically; each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab.

The description of the Units set forth herein pertains to the location of the walls, floors, and ceilings of the Units as they are finally set forth in the certified "as built" floor plans to be filed simultaneously with the recording of the Declaration.

EXHIBIT "D"

CONTRACT
PURCHASE AGREEMENT

AGREEMENT made this _____ day of _____, 200__, by and between 340 DeGraw Street Development Corp., having its office at 1365 72nd Street, Brooklyn, New York 11228,

hereinafter called the SELLER, and _____

residing at _____

_____, hereinafter called the PURCHASER.

WITNESSETH That the SELLER agrees to sell and convey, and the PURCHASER agrees to purchase, the Condominium Unit designated as Unit No. _____, (and Parking Space No. ____; which is a limited common element) as shown on the plot plan which forms a part of the Offering Plan for Carroll Gardens Condominium together with an _____% undivided interest in the common elements appurtenant thereto.

PREMISES IS ALSO KNOWN AS: **UNIT NO. _____, 344 DEGRAW STREET, BROOKLYN, NEW YORK.**

1. The CLOSING deed shall contain such a description of the premises as shall be accepted and/or approved by the lending institution or the title company insuring said lender.

2. The SELLER has exhibited and delivered to the PURCHASER and the PURCHASER acknowledges receipt of the Offering Plan for Carroll Gardens Condominium at least 72 hours prior to the execution of this Purchase Agreement and has read and agrees to be bound by the proposed Declaration, By-Laws and Offering Plan of the said Condominium (and the Schedules, Plans and Exhibits attached thereto) all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein. Any conflict between the Offering Plan and this Agreement is to be resolved in favor of the Offering Plan.

3. The PURCHASER acknowledges that he is purchasing a Condominium Unit in a Condominium to be formed, and that, except as stated in this Agreement (and as set forth in the Declaration, By-Laws, Exhibits and Offering Plan), he has not relied on any representations or other statements of any kind or nature made by the SELLER or otherwise except those made in the Offering Plan, including but not limited to any relating to the description, size or dimension of the Unit or rooms therein, and the estimated Common Charges or other expense in connection therewith.

4. The SELLER, at its sole discretion, expressly reserves the right to, and the PURCHASER recognizes that the SELLER may, without diminution of the purchase price:

(a) make such changes or substitutions of equipment, fixtures, personal property, materials and construction which may be required, authorized or approved by, or acceptable to, the lending institution or any governmental agencies having jurisdiction thereof, provided such changes and/or substitutions are of comparable or better quality; and

(b) determine the grading and elevation of the plot, the foundation, the front stoop, any outside steps, and the streets so as to conform with topographical conditions and with requirements of governmental agencies having jurisdiction thereof. The PURCHASER hereby agrees to execute any documents, agreements, affidavits, and any other instruments which may be necessary or required by any governmental agency in furtherance of the purposes of this paragraph; and

(c) determine the design and location of the building on the plot, including reversal of the building layout, and making such changes in the facade and roof line of the building as to blend in with the general character of the development.

5. The FOLLOWING which may be presently shown in the model unit are not included in the sale and are shown therein for display, decorative and show purposes only: furniture; drapes; stair covering; decorative painting and staining; wallpaper; pictures and decorative pieces; laundry room and basement; built-in decorative items; electrical fixtures; humidifiers; mirrors; shower doors; fireplaces; plumbing and electrical connections for clothes washer and dryer; clothes washer and dryer; central air-conditioning; fencing; shrubbery; and landscaping; ceramic tile kitchens; finished basement; alarm systems and intercom; summer kitchen.

6A. INTENTIONALLY OMITTED.

6B. ELECTRICAL FIXTURES: The SELLER shall provide standard builder's grade fixtures.

6C. INTENTIONALLY OMITTED.

6D. The SELLER will install streets, sidewalks, curbs and curbcuts, to the extent not already installed or the obligation of others, at its own cost and expense according to the rules, regulations and requirements of the appropriate governmental agencies having jurisdiction thereof.

6E. The SELLER will grade the plot according to the rules, regulations, and requirements of the appropriate governmental agencies having jurisdiction thereof and sod front common area.

6F. INTENTIONALLY OMITTED.

6G. Included in this sale is a gas range (Magic Chef Model 31000PAW or equal), a refrigerator (Frigidair Model FRT16CRHW or equal), a microwave and a dishwasher (Magic Chef Model DU2000W or equal).

7. THE PRICE is $_____ PAYABLE AS FOLLOWS:

$_____ ON THE SIGNING OF THIS CONTRACT THE RECEIPT WHEREOF IS HEREBY ACKNOWLEDGED. SUBJECT TO COLLECTION.

$_____ ON OR BEFORE _____.

$_____ UPON THE DELIVERY OF THE DEED REPRESENTED BY CASH, GOOD CERTIFIED CHECK OR OFFICIAL BANK CHECK DRAWN ON A NEW YORK BANK WHICH IS A MEMBER OF THE NEW YORK CLEARING HOUSE ASSOCIATION. FAILURE TO DO SO SHALL CONSTITUTE A SUBSTANTIAL DEFAULT HEREUNDER.

8A. THE PURCHASER does hereby agree, within ten (10) days of the date hereof, to make diligent, truthful, and proper applications to a lending institution approved in writing by the SELLER and without delay to furnish such verification of bank accounts, and employment or any other instruments or information as may be required by the lending institution in the processing of the PURCHASER'S application for the mortgage loan described below which instruments shall be deemed part of the contract. In the event this contract is executed by one spouse alone, such spouse does hereby agree that at the closing of title, the other spouse will join in the execution of the Note and Mortgage, and will execute any and all papers and instruments required by the lending institution in connection therewith. The said loan is to be secured by a first mortgage against the premises herein described. In the event that the PURCHASER makes a mortgage application to a lending institution not approved in writing by the SELLER, the SELLER, at its sole and unrestricted discretion, may elect to terminate this contract. SELLER'S written approval of the lending institution shall not be unreasonably withheld.

8B. The PURCHASER represents that: their income exceeds $_____ per year; that they have never filed bankruptcy; and that there are no liens, loans, judgments or claims against them which would impair their ability to obtain the mortgage loan herein above referred to. The PURCHASER does hereby agree to pay off any outstanding personal loans prior to closing if so requested by the lending institution.

9A. CONVENTIONAL MORTGAGE: This contract shall be subject to the PURCHASER obtaining a first mortgage in the amount of $_____, to run for a period of 25 years, to bear interest at the prevailing rate at the time of closing or as otherwise provided in the loan commitment and to be payable in monthly installments which may include

amortization of principal, interest, taxes, water rates, private mortgage insurance fees, fire and other hazard insurance premiums, and such other provisions as may be required by the lending institution. The mortgage shall contain the lending institutions' usual prepayment privileges. The term "CONVENTIONAL MORTGAGE" as used herein, shall include any mortgage whatsoever, including a privately insured mortgage, (PMI) regardless of the method of repayment. For example, it shall include, but not be limited to: "RRM," "ARM," "AML," "GPM," "SAM," "VRM," and "FLIP" MORTGAGES.

9B. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN: The PURCHASER agrees that the conventional mortgage loan provided for herein will close at the maximum allowable interest rate permitted by the laws of the State of New York at the time of closing. This is defined as the "Maximum Prevailing" rate.

9C. IN THE EVENT the mortgage described herein shall be approved in a reduced amount, the PURCHASER agrees to accept said mortgage on condition that it be reduced by not more than $2,000.00. In the event of such mortgage reduction, the cash to be paid by the PURCHASER at title closing shall be correspondingly increased.

9D. IN THE EVENT the mortgage described herein shall be approved for a different term than that requested, the PURCHASER agrees to accept said mortgage on the condition that the term be reduced or lengthened by not more than five years.

9E. IN THE EVENT any personal property is included in this sale, such personal property shall be included in and be deemed part of the security for the aforesaid mortgage loan.

9F. IF THE APPLICATION for the mortgage loan hereinabove set forth is APPROVED and the commitment issued, then the PURCHASER does hereby agree to execute, acknowledge and deliver such note, mortgage, assumption, extension and/or modification agreements, affidavits, statements, or any other instruments, which may be necessary or required by the lending institution, and/or the title company insuring the mortgage, in order to properly effectuate the placing of the mortgage loan above described. IF THE APPLICATION IS DENIED, the SELLER agrees to refund PURCHASER'S deposit hereunder provided the PURCHASER had made a good faith effort to obtain the mortgage loan.

9G. IF WITHIN 60 DAYS OF THE DATE HEREOF, AFTER COMPLIANCE by the PURCHASER with the requirements concerning mortgage application, the lending institution set forth in paragraph 8A above shall refuse to issue a written mortgage commitment for the amount set forth hereinabove upon the terms and conditions above described or as modified pursuant to paragraphs (9C) and (9D) above, then the SELLER, in its sole and unrestricted discretion, may elect (i) to require the PURCHASER, within ten (10) days thereafter, to submit to SELLER or its designee diligent, truthful and proper applications to a second lending institution designated by SELLER or its agents. In the event the SELLER elects to require the PURCHASER to make a mortgage application to a second lending institution, the time period referred to in the first sentence of this paragraph 9G shall be extended for an additional sixty (60) days or (ii) to terminate this contract, in which case this contract shall be deemed cancelled and the monies paid hereunder shall be

refunded to the PURCHASER, and upon such repayment the parties hereto shall be released from any and all liability, or (iii) to grant to the PURCHASER a first mortgage, in the full amount of the mortgage set forth in paragraph (9A) above or, if the PURCHASER shall have applied to a second lending institution pursuant to this subsection (i), then in the full amount contained in said mortgage application, upon the terms and conditions for the type of mortgage (e.g. one-year adjustable) contained in the PURCHASER'S applicable mortgage application as offered by Citibank, N.A. seven (7) days prior to the closing date set pursuant to the last paragraph of this Contract, hereunder. In the event the SELLER elects to grant to the PURCHASER a first mortgage pursuant to this subsection (iii), the Purchase Money Note and Mortgage shall be drawn on the SELLER'S standard forms by the attorney for the SELLER. At the closing of title, the PURCHASER shall pay all expenses concerning the Purchase Money Note and Mortgage, including the mortgage recording tax, recording fees and $550.00 to the SELLER'S attorney for preparation of the Purchase Money Note and Mortgage.

9H. PURCHASER AGREES that all terms and provisions of this contract are and shall be subject and subordinate to the lien of any building loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by the PURCHASER. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule or payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments.

10A. PURCHASER AGREES, at closing of title, to pay, or to reimburse SELLER, if SELLER has paid the same, the actual costs, incidental to obtaining the mortgage loan referred to herein as follows: appraisal and inspection fees; credit reports, $500.00 for preparation of survey; title examination and cost of mortgage insurance; attorneys' fees for preparation of the documents necessary for the mortgage loan; initial private mortgage insurance (PMI) fees; recording and filing charges/taxes paid or payable to public officials; mortgage recording taxes and credits pursuant to Section 339 ee(2) of the New York Condominium Act and other governmental charges assessed on the loan; and all origination, commitment and loan discount fees, which shall be payable when requested by the lending institution.

10B. PURCHASER AGREES at closing of title to reimburse SELLER an amount equal to $500.00 plus 3/10 of 1% of the purchase price for costs for a partial real estate tax abatement under Section 421(a) of the Real Property Tax Law. PURCHASER is hereby advised that said tax abatement may commence at a date before or after closing of title and that real estate taxes may be based on the full assessed value of the Premises until such time as the abatement goes into effect. Furthermore, PURCHASER is advised that the amount of tax abatement/exemption that is received is unknown at this time and will be based upon applicable 421(a) regulations and will be influenced by the prior or present tax classification, real property assessment and the existence of prior improvements on the

Premises. SELLER, therefore, makes no representation whatsoever as to the amount of tax abatement/exemption benefits that will accrue to the Premises.

10C. PURCHASER AGREES to apportion with the SELLER and to pay the apportioned amount found to be due at the time of closing for taxes, sewer and water rates, fuel oil, mortgage interest, and insurance premiums on policies existing and obtained by the SELLER. The PURCHASER may supply their own insurance policy at closing of title. The PURCHASER shall make the usual and/or required deposits with the lending institution in order to set up an estimated escrow fund for future payment of taxes, sewer and water charges and insurance premiums. PURCHASER agrees that any errors or omissions in computing said apportionments at closing shall be corrected and the proper adjustment made after closing of title within ten (10) days of receipt of written notice from SELLER to PURCHASER specifying the claimed error. This provision shall survive closing of title.

10D. THE CLOSING OF TITLE shall take place on the closing date designated by SELLER upon thirty (30) days written notice to PURCHASER or their attorney. The closing of title shall take place at the office of Gary E. Miller, PLLC, the Escrow Agent, whose address is 261 Madison Avenue, New York, New York, 10016. If the PURCHASER fails to close title at the date and time so fixed and designated by SELLER, then in that event, any delay in closing by PURCHASER shall be on express condition that all adjustments, including interest on the balance of the purchase price at 16% per annum, shall be made and paid by PURCHASER as of the date originally fixed and designated by the SELLER for closing of title. Nothing herein contained shall be construed to require SELLER to consent to or grant any adjournment of the closing beyond fifteen (15) days.

10E. THE PURCHASER SHALL, IN ADDITION TO ALL OTHER CHARGES AND FEES SET FORTH IN THIS CONTRACT, PAY THE NEW YORK CITY REAL PROPERTY TRANSFER TAX AND THE NEW YORK STATE REAL ESTATE TRANSFER TAX.

10F. IF PURCHASER elects to obtain title insurance, a title report issued through other than Home Abstract Corp. shall be recognized by SELLER provided PURCHASER pays SELLER'S attorney an additional legal fee of $350.00 for additional services required in clearing title pursuant to the terms of the Offering Plan.

10G. PURCHASER shall pay the legal fee of SELLER'S attorney in the amount of $750.00, payable to Gary E. Miller, PLLC, provided that an additional fee of $350.00 per closing shall be due for closings which do not occur at the Seller's attorney's office.

Additionally, a legal fee of $250.00 shall be payable to SELLER'S attorney for the work involved in processing any assignment of a purchase agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of SELLER. A legal fee of $250.00 shall be payable to SELLER'S attorney for the work involved as a result of any adjournment by a PURCHASER beyond that permitted under any right of adjournment set forth in the Offering Plan.

11. All EXTRAS ordered herein are to be paid in full upon the execution of this contract. Any extras agreed to subsequent to the signing of this contract must be in writing and signed by the PURCHASER. Said extras must be paid for in full upon their order. In the event any extra is not paid for when due, the work on the Unit shall proceed in normal course, as if no extra had been ordered, and the premises shall be completed without the extras. In the event the SELLER does not perform the extra work herein set forth or subsequently ordered, the SELLER'S liability shall be limited to the return of any monies that have been paid to him for such extras, and SELLER shall have no further liability of any kind with respect to such extras. The PURCHASER shall nevertheless be obligated to perform all the terms and conditions of the contract of sale between the parties.

12. IN THE EVENT that the PURCHASER'S Unit shall not be fully completed at the time set by the SELLER for closing of title the same shall not constitute an objection to such title closing, provided SELLER shall furnish the PURCHASER with a letter in which SELLER shall agree to complete any incomplete items within a reasonable time after title closing, and which letter shall survive delivery of the deed and shall be acknowledged by the PURCHASER. The PURCHASER shall be required to inspect the premises prior to the earlier of (a) the closing of title hereunder, or (b) the date that the PURCHASER takes occupancy of the premises, provided that the SELLER has consented to the PURCHASER taking occupancy of the premises prior to the closing of title. Subsequent to the inspection of the premises, the SELLER and PURCHASER both agree to complete and execute the Final Inspection Form in the form found in Exhibit A to this Agreement. The PURCHASER further agrees that at closing of title they will if required, execute the usual form letter required by the lending institution stating, in effect, that the premises have been completed to their satisfaction and that they request that the institution close the loan, and further that they release the institution from any liability accruing from said closing. In any event, a Unit must be habitable with all utilities connected prior to date set for closing.

13. THE SELLER AGREES to deliver a Certificate of Occupancy for the dwelling, but closing of title shall not be adjourned for lack of same, provided SELLER delivers a temporary Certificate of Occupancy at closing of title. If a final Certificate of Occupancy will not have been issued at the expiration date, then SELLER will apply for and secure an extension(s) of the temporary Certificate of Occupancy until such time as the final Certificate of Occupancy is issued. Pending issuance of a final Certificate of Occupancy, the lending institution of PURCHASER'S mortgage or if they decline, SELLER'S attorney, will hold $2,500.00 in escrow to insure issuance of the final Certificate of Occupancy. The PURCHASER does hereby agree that they will make no changes of any kind or nature in or to the premises herein being sold, until such time as the final Certificate of Occupancy has been issued, and they further covenant that they will commit no act, whatever its nature, which would interfere with or prevent the SELLER from obtaining the said Certificate. Any such act will void and obviate SELLER'S obligation to obtain the final Certificate of Occupancy and shall further entitle SELLER to the immediate return and release of any escrow deposit. The above escrow shall be refunded to SELLER once a permanent Certificate of Occupancy is obtained for the Premises. In the event PURCHASER'S lending institution does not return the escrow money to SELLER for any reason, including, but not limited to, same having been paid to PURCHASER or used to

reduce the principal balance of PURCHASER'S mortgage, PURCHASER shall then be responsible for return and payment of the escrow money to SELLER within thirty (30) days of demand therefor. In the event PURCHASER fails to return this money to SELLER as aforesaid, SELLER may bring any action against PURCHASER to recover same including court costs and reasonable attorneys fees. In addition, in any such action, PURCHASER agrees not to interpose any counterclaim and waives trial by jury. This paragraph shall survive delivery of the deed.

14. PURCHASER AGREES that SELLER or its agents, employees, etc., may enter upon the premises after the closing of title in order to complete any outside work on this or adjoining premises which may be required to be done. The PURCHASER herein irrevocably appoints the SELLER as his attorney-in-fact to execute, at any time prior or subsequent to the delivery of the deed and such deed shall be deemed subject thereto, any and all applications, documents, and/or instruments (see Paragraph 24d through m) as may be required or necessary to obtain the aforesaid Certificate of Occupancy. This paragraph shall survive delivery of the deed.

15. IT IS UNDERSTOOD and agreed that the SELLER will accept no liability whatsoever for any property belonging to the PURCHASER, their agents, employees, family, or belonging to any party other than SELLER which is placed on the premises prior to the closing of title. No act of the SELLER, whatever its nature, shall constitute a waiver of this paragraph.

16. IT IS UNDERSTOOD and agreed that the PURCHASER may not enter upon the premises herein being sold unless they have specific written permission from the SELLER and are accompanied by the SELLER or his agent. In any event, the SELLER assumes no liability whatsoever for any injury to the PURCHASER, their agents, employees, family, or anyone accompanying them on the premises. PURCHASER acknowledges that a building site is an inherently dangerous place, therefore no act of the SELLER, whatever its nature, shall constitute a waiver of this paragraph.

17. THE RISK OF LOSS or damage to said premises by fire or any peril until the delivery of the deed is assumed by the SELLER, provided that the PURCHASER has not taken possession of the premises.

18. THE SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE UNIT OR THIS AGREEMENT, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY ANNEXED TO THIS AGREEMENT AS EXHIBIT A. THE EXPRESS TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED IN THIS AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. The PURCHASER acknowledges that a written copy of the express terms of the Limited Warranty has been provided in writing to the PURCHASER prior to the time of the PURCHASER'S execution of this Agreement. The PURCHASER understands and accepts the Limited Warranty annexed to this Agreement in lieu of any and all other warranties, express and implied, in connection with this

transaction. The terms and conditions of the Limited Warranty shall survive delivery of the Deed.

19. IF THE UNIT is completed prior to the closing date specified in this contract, then the PURCHASER agrees to accept title on ten (10) days' written notice from SELLER'S attorney. If final action on the mortgage applications shall not have been taken, final inspection or other necessary instruments or reports issued by the title company insuring the mortgage loan, or if the building shall not be ready for occupancy at the date herein set forth for the closing of title, then the said title closing shall be adjourned to a date to be set by the SELLER which date shall not be beyond one month after said dwelling shall be ready for occupancy and all necessary reports, approvals and instruments shall have been issued.

20. IT IS UNDERSTOOD and agreed that the construction of the premises herein described is either about to be or has already been started. In view of present economic conditions, current and/or future wage and price controls, and the consequent uncertainty in the obtaining of labor and/or materials for residential construction in quantities and at prices presently contemplated, and the general uncertainty associated with new home construction, the parties hereto do hereby agree as follows: that the SELLER in its sole discretion, may elect to terminate this contract with a notice in writing addressed to the PURCHASER at their address hereinabove set forth, in the event of the occurrence of any of the following:

(a) That any Governmental bureau, department, or subdivision thereof shall impose restrictions on the sale, manufacture, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the SELLER from obtaining such materials and/or labor from its regular suppliers or from using same in the construction and/or completion of the dwelling; or

(b) That economic conditions are such that the SELLER cannot obtain labor and/or materials in quantities and/or at prices presently contemplated; or

(c) That the SELLER is unable to obtain materials and/or labor from its usual sources due to strikes, lockouts, war, insurrection, military operations and/or requirements, national emergencies, etc.; or

(d) Any occurrence, event, delay, accident, or act of God which limits, in its sole discretion, SELLER'S ability to perform under the terms of this contract; or

(e) That the installation of utilities is delayed, restricted or curtailed.

21. IT IS UNDERSTOOD and agreed that should zoning and/or building restrictions and regulations, imposed by any Governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not

presently contemplated, then in that event the SELLER may cancel this contract with a Notice in writing addressed to the PURCHASER at their address hereinabove set forth.

22. IT IS UNDERSTOOD and agreed that the PURCHASER shall in no event take possession of the premises prior to the delivery of the deed and full compliance with the terms of this contract. Should the PURCHASER violate this provision, same shall constitute a breach of this contract. In the event of such breach, PURCHASER consents that the SELLER shall have the right to dispossess him from the premises as a squatter and intruder by summary proceedings. Such proceedings shall not constitute a waiver by the SELLER of any other rights or remedies which SELLER may have at law or in equity by reason of any breach of this contract.

23. THE DEED SHALL be a bargain and sale deed with covenants against grantor's acts and shall be in proper statutory short form for recording, and shall be duly executed and acknowledge by the SELLER so as to convey to PURCHASER the fee simple title of the premises, free of all encumbrances except as herein stated. The deed shall contain the covenant required by Subdivision 5 of Section 13 of the Lien Law.

24. SELLER SHALL GIVE and PURCHASER shall accept such title as a title insurance company designated by the SELLER shall be willing to approve and insure, subject to the following which may be given and recorded at any time prior or subsequent to the delivery of the deed and such deed shall be deemed subject thereto:

(a) Zoning and building restrictions and regulations of the jurisdiction wherein the building is or is to be located and amendments and additions thereto in effect at the date of the closing of title, provided same do not prohibit the erection and maintenance of the structure referred to herein; and

(b) Any state of facts an accurate survey or physical inspection may show, in accordance with the terms hereof, provided same does not render title unmarketable; and

(c) Encroachments of stoops, areaways, party walls, steps, trim, fences, curb and or retaining or party walls and cornices; and

(d) Sewer, water, gas, drainage, electric and telephone easements, if any, and/or any other utility easements; and

(e) Covenants, easements, agreements, declarations, restrictions, reservations, set-back lines, driveway and party wall agreements affecting said premises, provided same do not prohibit the erection and maintenance of the structure referred to herein; and

(f) Extensions of lawns, walks, steps, driveways, fences, curb and/or retaining walls beyond the property line; and

(g) If the premises to be conveyed herein is so constructed as to require a common walk or driveway for access to any part thereof, or a surface drainage easement, then this property shall be conveyed together with the right to use such walk or driveway or easement and subject to the use by others of the same; and

(h) Protective covenants which may be imposed by the SELLER in the deed conveying the premises herein described; and

(i) Approval, and the conditions thereof, by the building department and any other governmental boards, departments or agencies as to the building, plot layout, plot grade, retaining or curb walls, and street; and

(j) Proposed or adopted street openings, and/or street widenings; and/or existing or proposed adopted grades; and/or grade waivers, if any, of streets abutting and/or crossing over the above described premises providing same do not or will not encroach upon the existing or proposed structure to be sold herein; and

(k) City Planning Commission, Board of Estimate and Zoning Lot Declarations and/or agreements.

25. SELLER MAY PAY and discharge any liens and encumbrances not provided for in this contract out of the moneys to be paid by PURCHASER at the closing. The existence of unpaid taxes or liens or encumbrances of any kind at the time of closing shall not constitute an objection to title provided that the title company insuring the mortgage hereinbefore set forth shall be willing to insure against collection of same from the premises.

26. IF SELLER is unable to transfer title for any reason whatsoever, or SELLER otherwise terminates this Contract in accordance with any provision herein, SELLER, at its sole discretion, may elect to terminate this Contract in which event SELLER'S sole liability shall be limited to the return of the PURCHASER'S down payment hereunder together with the net bulk rate cost of title examination and upon the return of said sum, this Contract shall be and become null and void, and neither SELLER nor PURCHASER shall have any further rights against the other. SELLER shall not be required to incur any expense or start any lawsuit or other proceeding to clear title.

27. THE PURCHASER of a Unit, for themselves, their successors, distributors, and/or assigns, do hereby covenant and agree that for a period of three (3) years after the date of the closing of title hereunder, that they will not place any sign or signs, except a house number sign, upon the premises herein described or any part thereof, without the written consent of the SELLER. This paragraph shall survive the closing of title and the delivery of the deed and may be included therein.

28. UNACKNOWLEDGED receipts or letters signed by the holder of the first mortgage, its agents or attorneys, shall be sufficient evidence of the status of the mortgage as to principal, interest and prepaid reserves.

29. ALL SUMS PAID on account of this contract and the net cost of bulk rate title examination without insurance as paid by the PURCHASER to the title company are hereby made liens against the premises herein described, but such liens shall not continue after default by the PURCHASER under this contract.

30. THE PARTIES AGREE THAT Cobble Heights Realty, Inc. and _____ are the brokers who brought about the sale, and that the commission is to be paid by the SELLER as per separate agreement. PURCHASER represents that they dealt with no other broker with respect to this transaction and that PURCHASER shall indemnify and hold SELLER harmless from any loss, claim, damage or expense, including but not limited to, reasonable attorney's fees and related expenses regarding any claim, suit or action which may be made against SELLER for any brokerage commissions due hereunder. These representations shall survive delivery of the deed.

31. THE PURCHASER represents that these premises are purchased for their own residence. The parties hereto agree that this agreement is binding upon the heirs, successors and legal representatives of their respective parties, and it is expressly understood and agreed that the PURCHASER will in no event assign this contract or any of their rights hereunder without the written consent of the SELLER, to be given or withheld in SELLER'S sole discretion. The SELLER shall have the right to assign this contract to any person or entity that assumes the obligation to construct and complete the dwelling in accordance with the terms and conditions of this contract.

32. THE PURCHASER has examined the Plot agreed to be sold herein, and are fully and completely familiar with the physical condition thereof. The PURCHASER agrees that the SELLER has not made any representations as to the physical condition, the manner or method of construction, the quantity or quality of the materials to be used, the items of personalty or fixtures which are included in the sale, present or prospective rents or taxes, expenses of operating or maintaining the premises or any other matter or thing affecting or related to the aforesaid premises, EXCEPT AS HEREIN SPECIFICALLY SET FORTH OR SET FORTH IN THE OFFERING PLAN, and the PURCHASER hereby expressly acknowledges that no such representations have been made, and the PURCHASER further acknowledges that they have inspected the model house and are fully familiar with its contents and construction and with which items are included or excluded from the sale. It is further understood and agreed that all understandings and agreements heretofore had between the parties are merged in this contract, which alone fully and completely expresses their agreement, and that the same is entered into after full investigation, neither party relying upon any statement or representation not embodied in this contract, made by the other.

33. THE DELIVERY and acceptance of the deed of conveyance at the time of the closing of title hereunder, without specific written agreement which by its terms shall expressly survive such closing of title, shall be deemed to constitute full compliance by the SELLER with all of the terms, covenants and conditions of this contract on its part to be performed. None of the terms hereof except those specifically made to survive such closing shall survive same. Trial by jury in any action, proceeding or counterclaim arising out of or from this

agreement or arising out of or from the guarantees enumerated in paragraph (18) herein, is hereby waived by the PURCHASER, and PURCHASER agrees that he shall be limited to an action at law (no specific performance) in the event of SELLER'S breach, and that the right to file a Lis Pendens in any action is hereby waived irrevocably.

34. THE FAILURE OF SELLER to insist upon strict performance of any of the terms, conditions and covenants herein contained shall not be deemed a waiver of any rights or remedies that SELLER may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

35. Any singular word or term herein shall also be read as in the plural whenever the sense of this contract may require it.

36. THIS AGREEMENT may not be modified or terminated orally. Any modification or termination hereof must be in writing and signed by the parties hereto.

37. TRUST PROVISION LANGUAGE (General Business Law Sections 352-e(2-b) and 352-h)

The SELLER will comply with the escrow and trust fund requirements of the General Business Law Sections 352-e (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. 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 this Purchase Agreement. PURCHASER shall not be obligated to pay any legal or other expense of the SELLER in connection with the establishment, maintenance or defense of obligations arising for the handling or disposition of the trust funds.

All deposits, down payments or advances made by PURCHASER on account of the purchase price of the premises prior to closing, whether received before or after the date of the recording of the declaration for the homeowners association will be placed, within five business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Gary E. Miller, PLLC, the Escrow Agent, whose address is 261 Madison Avenue, 16th Floor, New York, New York 10016 and whose telephone number is (212) 953-2082. The attorney on this account authorized to withdraw funds is Gary E. Miller, Esq. The name of the account is Carroll Gardens Condominium Escrow Account, located in Citibank, N.A., 330 Madison Avenue, New York, New York 10017. This bank is covered by federal bank deposit insurance to a maximum of $100,000.00 per individual deposit. The account will be an interest-bearing Interest-On-Lawyer's-Account ("IOLA") pursuant to Judiciary Law Section 497. Purchaser will not, in any event, be entitled to receive interest on the deposit, which interest will be credited to the IOLA fund. All instruments shall be made payable to or endorsed to the order of Escrow Agent. The Escrow Agent will not release the trust funds from escrow until otherwise directed in:

(i) a writing signed by both SELLER and PURCHASER or subscriber; 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; or

(iv) accordance with the regulations of the Attorney General pertaining to the release of escrow funds.

The closing of title and the act of delivery of the deed to PURCHASER for the Unit shall be deemed to constitute written authorization by the parties to the Escrow Agent to pay the escrowed funds to the SELLER at the time of closing in conformity with the terms of the Contract of Sale.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the SELLER 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 SELLER unless the PURCHASER has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions.

38. Notwithstanding anything stated in this Agreement to the contrary, in the event of default by the PURCHASER under this Agreement, which default continues for fifteen (15) days after written notice of such default with opportunity to cure from the SELLER to the PURCHASER, the PURCHASER'S down payment (to a max. of 10% of the Purchase Price of the Unit) may be released to the SELLER without further notice as liquidated damages, and thereafter neither party shall have any rights or obligations against or to the other. If a bond has been posted, it may be withdrawn after such default and notice.

39. The SELLER has exhibited and delivered to the PURCHASER and the PURCHASER has read and agrees to be bound by the proposed Declaration of Condominium, By-Laws and Offering Plan of the Condominium (and the Exhibits attached thereto), all of which are incorporated by reference and made a part of this Agreement, with the same force and effect as it set forth in full herein. With the purchase of his home, the PURCHASER acknowledges that he will automatically thereby become a member of the Condominium subject to its rules and regulations, and liable for its assessments. Pursuant to the requirements of the Department of Law of the State of New York, this agreement is being executed more than 72 hours after the receipt by the PURCHASER of a copy of the Offering Plan.

40. If two or more persons are named as the PURCHASER herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the premises herein or this agreement.

41. Furthermore, PURCHASER agrees to deliver to SELLER all documents and to perform all acts as required by the SELLER to carry out the provisions of this agreement and the

Offering Plan, and to conform to the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

42. The PURCHASER shall, at the time of closing, in addition to all other charges and fees set forth in this contract, pay the amount required by the Offering Plan for initial working capital.

43. The Declaration, when recorded by SELLER, will be substantially in the form and substance of the Declaration as set forth in the Offering Plan delivered to PURCHASER and any changes therein will not adversely affect the PURCHASER.

44. PURCHASER acknowledges that he has read this agreement and understands it. Under New York law (General Obligations Law-Section 5-702), PURCHASER acknowledges that as a consumer he has a right to an agreement written in clear and simple language.

45. INTENTIONALLY DELETED

(SEE ATTACHED RIDER)

IN WITNESS WHEREOF, this agreement has been duly executed by the parties hereto the day and year first above written.

SELLER: 340 Degraw Street Development Corp.

By:_____

PURCHASERS:

_____L.S.

SS#:_____

_____L.S.

SS#:_____

SUBSTITUTE W-9, TAXPAYER ID NUMBER CERTIFICATION

Tax ID Number Certification - Under penalties of perjury, I certify that:

1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

PURCHASERS:

_____

_____

EXHIBIT "E"

DEED

THIS INDENTURE made the _____ day of _____, 200_, between 340 Degraw Street Development Corp., maintaining an office at 1365 72nd Street, Brooklyn, New York 11228, party of the first part and
, residing at
, party of the second part

WITNESSETH:

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

ALL that certain piece or parcel or real property, with the improvements therein contained, situate and being a part of a condominium in the Borough of Brooklyn, County of Kings, City and State of New York, known and designated as Unit No._____ (and Parking Space No. ___) together with a _____ percent undivided interest in the Common Elements of the condominium hereinafter described as the same as defined in the Declaration of Condominium hereinafter referred to.

The real property above described is a Unit shown on the floor plans of a condominium prepared and certified by Friedman, P.E., and filed in the Office of the Kings County Register on the _____ day of _____, 200_, as Map No._____ as defined in the Declaration of Condominium entitled Carroll Gardens Condominium made by 340 Degraw Street Development Corp. under Article 9-B of the New York Real Property Law dated _____, 200_, and recorded in the Office of the Kings County Register, on the _____ day of _____, 200_, in Reel ____ at page ____ covering the property therein described.

This conveyance is made with the unanimous consent of its partners, and is made in the regular course of business actually conducted by the party of the first part.

The land area of the property is described as follows: All that certain lot, piece or parcel of land situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

(Property Description)

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

AND SUBJECT to the following Declarations and Agreements and Easements recorded in the Office of the Register of Kings County:

[LEFT BLANK INTENTIONALLY]

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

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

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purpose.

The use for which the Unit is intended is that of a one-family residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

The party of the second part accepts and ratifies the provisions of the Declaration and the By-Laws and agrees to comply with all the terms and provisions thereof.

IN WITNESS WHEREOF, the parties have duly executed this deed the day and year first above written.

Attest:

340 Degraw Street Development Corp.

BY:_____(L.S.)
Party of the First Part

_____(L.S.)
Party of the Second Part

_____(L.S.)
Party of the Second Part

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

On the _____ day of _____, 200_, 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), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, 200_, 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), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, 200_, 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), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT "F"

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES LOCATED IN THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

NAME: Carroll Gardens Condominium

SPONSOR: 340 Degraw Street Development Corp.
1365 72nd Street
Brooklyn, NY 11228

DATE OF DECLARATION: _____, 200_

GARY E. MILLER, PLLC
Attorney for Sponsor
261 Madison Avenue, 16th Floor
New York, New York 10016

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PLAN OF CONDOMINIUM UNIT OWNERSHIP

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

In the Borough of Brooklyn, County of Kings, City and State of New York, as of this ____ day of _____, 20__, 340 Degraw Street Development Corp., maintaining an office at 1365 72nd Street, Brooklyn, New York 11228 (hereinafter referred to as the "Sponsor"), does hereby state:

FIRST: Submission of Property. By this Declaration, the Sponsor submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Sponsor owns that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, being more particularly bounded and described on Schedule "A" which is annexed hereto and made a part of this Declaration.

THIRD: Definitions:

(a) The Owner of each Unit is hereinafter referred to as the "Unit Owner". Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety. Where such ownership is joint, in common or by tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in paragraph EIGHTH of this Declaration.

(b) A "Unit" as hereinafter referred to shall be defined as follows:

Each Unit shall consist of the following area: horizontally; from the exterior side of the exterior walls (perimeter steel columns and perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the exterior side of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements, and vertically; each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab.

The description of the Units set forth herein pertains to the location of the walls, floors, and ceilings of the Units as they are finally set forth in the certified "as built" floor plans to be filed simultaneously with the recording of the Declaration.

The Condominium contains a total of twenty-six (26) Units.

(c) The "Building" as hereinafter referred to shall be defined as a number of Units all of which are constructed under a continuous roof.

(d) "Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two Units.

(e) "Condominium" as hereinafter referred to shall mean Carroll Gardens Condominium which is composed of the Unit Owners.

(f) "Eligible Mortgage Holder" - as hereinafter referred to shall mean those holders of a first mortgage on a Unit who have requested the Condominium Board of Managers to notify them of any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

(g) "Sponsor designee" - as hereinafter referred to shall mean any person or entity designated by the Sponsor to acquire title to a Unit. A "Sponsor designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall be deemed a "Sponsor designee".

FOURTH: Condominium. The Sponsor is constructing on the parcel of land described above a Condominium known as Carroll Gardens Condominium according to the floor plans filed simultaneously with the recording of this Declaration in the Office of the Register of the County in which the Property is situated, which plans set forth a description of the Buildings stating the number of stories, the number of Units and the principal materials of which they are or will be constructed.

The Condominium will consist of twenty-six (26) Units, to be contained within one (1) six-story building with a penthouse, all as set forth on the floor plans filed as a part of this Declaration. Each of the Units has access to the street upon which the building(s) abut by means of a walk which forms a part of the Common Elements of the Condominium. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, the Units are described on the filed floor plans and on Schedule "B" as Units 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 2E, 3A, 3B, 3C, 3D, 3E, 4A, 4B, 4C, 4D, 4E, 5A, 5B, 6A, 6B, 6C, 6D and 6E. Each Unit will be sold to one or more Unit Owners, each Unit Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the Common Elements of the Building, as listed hereinafter in this Declaration, and referred to as the "Common Elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

The aforesaid Condominium has a total plot area of approximately 12,500 square feet, approximately 4,430 square feet of which comprise Building area and the balance of which comprise walks.

FIFTH: Common Elements. The Common Elements of the Building(s) will consist of all of the Building, except the Units, including without limitation, the elevator, outside walls, roofs of Units, the land, Building and improvements (other than the Units), comprising the Condominium, (including the land under the Units and under the improvements), all utility or other pipes and material located outside of the Units, cellar or basement areas (including a public recreation room, janitors room, laundry and meter rooms) grass areas, sidewalks, walks, parking areas, and yard areas, as applicable.

LIMITED COMMON ELEMENTS

Certain portions of the Common Elements are irrevocably limited and restricted in use to specified Unit Owners, subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element and subject to the rules of the Board of Managers (see By-Laws, Article VIII). Any portion of the Common Elements which is not restricted in use may be used by any Unit Owner. The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law. Following are detailed descriptions of the irrevocably restricted Common Elements.

1. Each of Parking Spaces 1-18.

2. Each balcony, penthouse area or rooftop terrace shall be limited in use to the Unit Owner who has direct access to and the exclusive use of any such balcony, penthouse area or rooftop terrace.

The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by Law. Each Unit Owner shall have the right to use the Common Elements, other than such portions, if any, which are by the terms of this Declaration or the annexed By-Laws irrevocably restricted in use to other Unit Owners, in accordance with the purpose for which such Common Elements are intended, without hindering the exercise of or encroaching upon the rights of the other Unit Owners. No fencing may be erected by a Unit Owner without the prior written consent of the Board of Managers.

The percentages of undivided interest in the Common Elements and the rights and obligations of Unit Owners respecting limited portions of the Common Elements established herein shall not be changed except with the consent of all of the affected Unit Owners expressed in a duly recorded amendment to this Declaration.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH: Easements. All pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the Unit Owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Owner's Unit. Each Unit shall be subject to an easement in favor of the Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and servicing any other Unit. The cost of such repairs shall be a Common Expense.

The Board of Managers shall have a reasonable right of access to all Common Elements for maintenance, repair or improvement whether such common elements are limited or not. In addition, the Board of Managers shall have the right to grant permits, licenses and

easements over the Common Elements for utilities, roads and other purposes necessary for proper operation of the Condominium.

The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of development and sale, reserves the right to continue to use the Common Elements and any facilities, sales offices, model homes, and signs located on the Common Elements, in its efforts to market Units in the Condominium.

The Sponsor reserves and grants to itself, its successors and assigns, the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Condominium, for the purpose of completing the work under Article Fourth above and towards this end, reserve the right to grant and reserve easements and rights-of-way in, through, under, over and across the Condominium, for the installation, maintenance and inspection of lines and appurtenances for public and private water, sewer, drainage, cable television, gas and other utilities and for any other materials or services necessary for the completion of its work.

The Sponsor also reserves and grants to itself, its successors and assigns, the right to connect with and make use of all wires, pipes or conduits which may from time to time be in or along the streets, roads or other areas of the Condominium, including, but not limited to, public or private utility lines, water mains, cable television lines, sanitary/storm sewer lines (hereinafter collectively referred to as "utility lines"). The Sponsor, its successors and assigns, is hereby designated as the attorney in fact of the Board of Managers of the Condominium (the "Board"), coupled with an interest and with the power of substitution, to execute and record on behalf of the Board any and all instruments which may be required to effectuate the above grant. Said power of attorney shall include, but not be limited to, the right of the Sponsor to execute on behalf of the Board any and all documents that may be required by any governmental agency for the purpose of making connections to utility lines. The Sponsor shall have the right to assign any and all rights granted pursuant to this section to a third party without the consent of the Board.

The provisions of this Article shall not be amended without the consent of the Sponsor.

SEVENTH: Service of Process and Building Code Violations. Service of process of the Unit Owners in any action with relation to the Common Elements or more than one Unit and with regard to any violation of local building codes, zoning ordinances and other related building and zoning laws by the Common Elements or one or more of the Units shall be made upon the Board of Managers of the Condominium at 344 Degraw Street, Brooklyn, New York 11231. The Board of Managers shall have the principal responsibility for curing any violations of such building or zoning laws and service upon the Board of Managers shall be deemed service upon the Unit Owner or Unit Owners of the Condominium Unit or Units in which any such violations exist.

EIGHTH: Common Interest. Each Unit Owner shall have a percentage interest in the Common Elements as is set forth on Schedule "B" attached hereto and shall bear such percentage of the Common Expenses of the Condominium. All expenses of the Condominium shall be Common Expenses. Each Unit Owner shall have one vote for each Unit owned for all voting purposes at any meeting of the Unit Owners unless otherwise mandated by law or expressly provided herein or in the By-Laws. The percentage of interest of each Unit in the Common

Elements has been based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all the Units, pursuant to Real Property Law Section 339(i)(1)(ii).

NINTH: Administration. The administration of the Condominium, and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Schedule "C".

TENTH: Amendment and Withdrawal.

(a) The property shall not be withdrawn from condominium ownership unless at least eighty (80%) percent of the Unit Owners in number and in Common Interest agree to such removal by duly recorded instruments. Such withdrawal of the property from condominium ownership shall not take effect until it is duly recorded in the Office of the Register of the County in which the Property is situated. In addition, Eligible Mortgage Holders that represent sixty-seven (67%) per cent of votes of the mortgaged Units must agree to the withdrawal of the property from condominium ownership.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon an affirmative vote of eighty (80%) percent of the Unit Owners in number and in Common Interest held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall alter the percentage interest in the Common Elements appurtenant to any Unit or alter any rights or obligations respecting portions of the Common Elements irrevocably restricted in use to the Owners of any Units without the consent of one-hundred (100%) percent of the affected Unit Owners and the first mortgagees, if any, of the same Units, which consents shall be expressed on the instrument of amendment.

(ii) No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless eighty (80%) percent of the Unit Owners in number and Common Interest and the first mortgagees, if any, of each of these same Units agree to such change on the instrument of amendment.

(iii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

(iv) The Sponsor shall have the right to amend the Declaration to reallocate unsold parking spaces among unsold Units without the consent of the Board of Managers, Unit Owners or their mortgagees.

In addition to the requirements set forth above for amending the Declaration, changes to any of the following must be approved by at least sixty-seven (67%) percent of the Unit Owners and the Eligible Mortgage Holders representing at least fifty-one (51%) percent of the Units subject to mortgages:

a. voting rights;

b. assessments, assessment liens, or subordination of assessment liens;

c. reserves for maintenance, repair and replacement of the Common Elements;

d. responsibility for maintenance and repairs;

e. reallocation of percentage interests in the Common Elements, or rights to their use;

f. boundaries of any Unit;

g. convertibility of Units into Common Elements or vice versa;

h. insurance or fidelity bonds;

i. leasing of Units;

j. imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

k. a decision by the Board of Managers to establish self management when professional management had been required previously by a first mortgage holder;

l. restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the By-Laws;

m. any provisions that expressly benefit mortgage holders, insurers or guarantors.

n. any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs.

There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the sixty (60) day period such presumption will be deemed conclusive. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Register of the County in which the Property is situated.

(c) Whenever under this paragraph the agreement of an Eligible Mortgage Holder is required, same may be assumed and supplied when an Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt requested."

(d) The Sponsor or its designee shall have the right, without vote or consent or other Unit Owners or the Board of Managers or the holders of Unit mortgages, to execute or (on its request) to require the Board of Managers to execute and record in the Office

of the Register of the County in which the Property is situated; and elsewhere if required by law an amendment or amendments to the Declaration, or the By-Laws made a part hereof, (together with such other documents, plans and maps as may be required to effectuate the same) a) to reflect any changes in Units and the reapportionment of the Common Elements resulting therefrom made by the Sponsor or his designee in accordance with subparagraph (c) of Paragraph Seventeenth hereof, or (b) for a period of five (5) years from the date of the closing of the last Unit, which may be required or necessary to carry out the provisions of the Offering Plan for the Condominium or which may be required or necessary by any governmental or quasi-governmental agency, institutional leader or title company designated by the Sponsor to complete development of the Units and/or the Property or otherwise in furtherance of the purposes of this Declaration. All expenses in connection with the preparation, recordation and filing of any such amendment shall be paid by the Sponsor or his designee, as the case may be.

(e) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to this Declaration will be effective in respect against the Sponsor or its designee or any Unsold Unit until the Sponsor or such designee (as the case may be) shall consent thereto in writing. Additionally, there shall be no amendment to the Declaration which is not in compliance with Article 9-B of the Real Property Law.

ELEVENTH: Subject to Declaration, By-Laws, etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, and By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of occupancy of any of said Units shall signify that the provisions of the Declaration, By-Laws and Rules and Regulations of the Condominium are accepted and ratified 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 thereof.

TWELFTH: Common Charges. All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit Owner, including a mortgagee or its successors and assigns which acquire title to a Unit as a result of a foreclosure sale, shall constitute a lien on his Unit prior to all other liens and/or mortgages affecting a Unit, except tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, Town and School District taxing agencies.

Every Unit Owner shall pay the Common Charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the Common Charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

In addition to the payment of Common Charges, any Unit Owner who has the exclusive use of a parking space, will also pay, pro rata, based on the number of parking spaces

the applicable Unit Owner has the exclusive use of, all costs and expenses associated with valet parking spaces.

THIRTEENTH: Units Acquired by the Board. In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article VI, Section 3 of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board of Managers may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board of Managers in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building(s), a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building(s) are partially or totally destroyed as a result of fire or other casualty or a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as above described due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Buildings shall stand.

FIFTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason.

SIXTEENTH: Conveyance of a Unit. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Common Charge against the grantor in excess of the amount set forth in such statement.

SEVENTEENTH: Covenants and Restrictions. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations, and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and any terrace, balcony, deck or patio area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the Unit or any part of the Common Elements may be made without the written consent of the Board of Managers. No alterations to the inside of a Unit which would impair the structural soundness of the Unit or Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the managing agent, if any, or to the President of the Board of Managers, if no managing agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) 340 Degraw Street Development Corp. (the Sponsor of the Plan of Condominium Ownership of the Property) or its designees shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it; (ii) change the layout or number of rooms in a Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between units or otherwise; and (iv) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance the Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom;

(d) Any Unit Owner who mortgages, sells or leases his Unit shall notify the Board of Managers providing the name and address of his mortgagee, purchaser or lessee.

(e) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(f) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and property use of the property by its residents.

(g) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

(h) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(i) The Common Charges shall be paid when due.

(j) The use for which the Units are intended is restricted to residential occupancy in accordance with the applicable zoning regulations of the governmental agencies

having jurisdiction over the Condominium. Notwithstanding the foregoing, the Sponsor may, without permission of the Board of Managers, retain the ownership of one or more Units for use as models or sales and/or promotional offices in connection with the sale or rental of Units.

(k) In the event that any governmental authority shall condemn any portion of the Common Elements for street purposes, each Unit Owner, his successors and assigns consents to such condemnation or dedication. In the event of condemnation, each Unit Owner agrees to accept $1.00 as compensation therefor.

EIGHTEENTH: Utilities. The cost of gas, electricity and water consumed in or on the Common Elements shall be paid for by the Board of Managers as items of Common Expense. Each Unit shall be individually metered for gas, electricity and water, and the expense of said utilities consumed within the Unit shall be paid for by the Unit Owner of said Unit.

NINETEENTH: Notice to Eligible Mortgage Holders. Each Eligible Mortgage Holder shall receive sixty (60) days written notice subsequent to:

a. any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage;

b. any sixty (60) day delinquency in the payment of Common Charges or assessments owed by the owner of any Unit on which it holds the mortgage;

c. a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Board of Managers; and

d. any proposed action requiring the consent of Eligible Mortgage Holders pursuant to Article Tenth herein:

TWENTIETH: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way effect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

340 Degraw Street Development Corp.

By:_____

ACKNOWLEDGMENT

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

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

_____
Notary Public

EXHIBIT "G"

BY-LAWS

OF

Carroll Gardens Condominium

GARY E. MILLER, PLLC
Attorney for the Sponsor
261 Madison Avenue, 16th Floor
New York, New York 10016

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BY-LAWS

OF

Carroll Gardens Condominium

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership. The property located in the Borough of Brooklyn, County of Kings, City and State of New York, as specifically set forth in the Declaration of Condominium (the "Declaration") executed by 340 Degraw Street Development Corp. (the "Sponsor"), and more commonly known as Carroll Gardens Condominium, has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" or "Building" are used herein shall include the land and the building(s) and improvements thereon including the condominium Units (hereinafter referred to as "Units"), and the common elements and the use and occupancy thereof.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition of rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Unit. The Condominium contains a total of twenty-six (26) Units.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings for each Unit owned by such Unit Owners, but the Board of Managers shall not cast any of its votes for the election of any member to the Board.

Section 3. Quorum. So many Unit Owners as shall represent at least fifty-one (51%) percent of the Common Interest in the aggregate of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereafter,

present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority in Common Interest in the aggregate of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provisions of any statute, the Declaration, or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within thirty (30) days after title to the last Unit is conveyed by Sponsor, but in no event later than five (5) years after the closing of title to the first Unit the Sponsor shall call the first annual Unit Owners meeting. At such meeting, a new Board of Managers shall be elected by the Unit Owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date in each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority in Common Interest of the Unit Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10) but not more than twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of Managers (in the event there is an election)
(h) Unfinished business
(i) New Business

ARTICLE III. **BOARD OF MANAGERS**

Section 1. Number and Term. The number of Managers which shall constitute the whole Board shall not be less than three (3) and not more than nine (9). Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter all Managers, except the Managers designated by the Sponsor, shall be owners of Units. Within the limits above specified, the number of Managers shall be determined by the Unit Owners at the annual meeting. The Managers shall be elected at the annual meeting of Unit Owners.

The first annual meeting of Unit Owners shall be held within thirty (30) days after title to the last Unit is conveyed by the Sponsor, but in no event later then five (5) years after the conveyance by the Sponsor of title to the first Unit. At the first annual meeting of Unit Owners, the Unit Owners shall elect five (5) managers. The term of office of one (1) of the Managers shall be fixed for three (3) years, the term of office of two (2) Managers shall be fixed at two (2) years and the term of office of two (2) of the Managers shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. But in any event, at least one-third (⅓) of the terms of the members of the Board of Managers shall expire annually.

Notwithstanding the foregoing, the Sponsor shall at all times have the right, in the event following minimum representation is not obtained pursuant to the election criteria set forth above, to designate at least one-third (⅓) of the Board of Managers so long as it owns more than thirty-five (35%) percent of the Units in number, one-fifth (1/5) of the Board of Managers as long as it owns less than thirty-five (35%) percent but more then (10%) percent of the Units in number, and one member of the Board so long as it owns one Unit.

Members of the Board of Managers designated by the Sponsor and need not be Unit Owners.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the Board of Managers who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpected portion of his term.

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority in Common Interest of the Unit Owners. Notwithstanding the above, Managers designated by the Sponsor may only be removed by the applicable entity, which entity shall have the sole right to designate a replacement director. No Manager, other than a member of the First Board of Managers or a Manager elected or designated by the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. First Board of Managers. The First Board of Managers shall consist of three (3) Managers designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items.

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective Common Interests;

2. To collect, use and expend the assessments collected to maintain, care for and preserve the Units, Buildings and other Common Interests;

3. To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

4. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the property;

5. To open bank accounts on behalf of the Condominium, to designate the signatories to such accounts;

6. To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws;

7. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;

8. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules and regulations herein referred to:

9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the power of manager in connection with the matters hereinabove set forth;

10. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of the common charge assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium and these By-Laws and may fund the cost of any such litigation out of the common charge assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the Common Elements;

11. To purchase or otherwise acquire Units in foreclosure or as a result of abandonment on behalf of all Unit Owners, and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, offer such Unit for sale or lease or to take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

12. To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joined therein, by the Unit Owners or any mortgagee;

13. To make additions, alterations, or improvements to the Common Elements of the Building(s), the cost of which addition, alteration, or improvement does not exceed $5,000. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of $5,000 only with the approval of a majority

of the Unit Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the Common Elements costing in excess of $5,000 to enter into service or maintenance contracts the duration of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. In addition, the Sponsor must give its written approval pursuant to the requirements contained in Article III, Section 5(c) of these By-Laws. Notwithstanding the above, nothing in this section will impair the Board of Manager's obligation to make necessary repairs and replacements of the common elements.

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least sixty-six and two-thirds (66-2/3%) percent in common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $5,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common elements without the written consent of the Owners of said Unit; and

15. To act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owners a pro rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws.

(b) The Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Managers or Unit Owners, one of whom shall be a Manager, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Units representing twenty-five (25%) percent or more in Common Interest, but in no event later than five (5) years from the date of the closing of title to the first Unit, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than twenty (20%) percent of the Condominium's prior year operating budget, the foregoing not to include necessary

repairs and maintenance work, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B, or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership or (iv) enter into any contracts not in existence on the date the said Plan is declared effective or (v) borrow money on behalf of the Condominium. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacement of the Common Elements of the property including but not limited to the exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wire, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a common expense. Notwithstanding the foregoing, each Unit Owner shall be responsible for (a) maintenance of portions of the Common Elements irrevocably restricted to his use, if any (except for exterior parking spaces, which shall be maintained by the Board of Managers as a common expense), except for structural repairs thereto, and (b) sweeping and maintaining the hallway area outside of his Unit in a clear and orderly fashion. Except as is otherwise specifically provided, all maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units and painting of the exterior surfaces of doors and windows which open from a Unit, and repairs and replacements to the Units including windows and doors (including all glass breakage), and repair to pipes, wires and conduits located in and servicing the same Unit, other than as set forth above, shall be made by the respective Unit Owners at their own expense.

The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the Common Elements. The Board of Managers shall also be responsible for landscaping work in all yard and grass areas. The Board of Managers shall be responsible for painting the front entrance doors, and the trim of the Buildings and for maintaining and repairing the fencing if any, installed by the Sponsor around the perimeter of the property and around portions of various parking areas. No fencing may be erected without the written consent of the Board of Managers or its authorized agent.

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. All repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Building(s), including roofs, or to any generally visible portion of the Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to perform any maintenance, painting or repair, which maintenance, painting or repair is necessary to protect any of the Common Elements, any other Unit, or, in the event of service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to perform such maintenance, painting or repair (after the failure of the Unit Owner

to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs, painting and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs, painting or maintenance to his Unit and the Unit Owner fails to make prompt payment, such charges shall be considered as additional common charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board brings such a suit, the Unit Owner shall be liable for the reasonable attorneys fees and cost of such suit or proceeding together with interest on all sums due.

Section 7. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the date, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Managers.

(d) At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Managers, the Managers present thereof may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, and the Department of Law of the State of New York and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Managing Agent. The Board of Managers may employ for the Condominium a managing agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 12. Liabilities of the Board of Managers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Unit Owners as a group only and that no member of the Board of Managers nor individual Unit Owners shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. Members of the Board of Managers shall not be personally liable to the Condominium or the Unit Owners for damages for any breach of duty as a Manager, except for liability pursuant to a judgment or other final adjudication adverse to such Manager which establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled. The several liability of the Unit Owners with respect to any indemnification of a member of the Board of Managers pursuant to Article XIII of these By-Laws shall be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's Common Interest bears to the Common Interest of all Unit Owners.

ARTICLE IV. **OFFICERS**

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All

officers must be Unit Owners or members of the Board of Managers. Two or more offices may not be held by the same person.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice-President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed on behalf of the Condominium by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. **NOTICES**

Section 1. Definition. Whenever under the provision of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a post paid sealed wrapper, addressed to the Board of Managers, such Manager or Unit Owner at such address as appears on the books of the Condominium.

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

ARTICLE VI. **FINANCES**

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. Said budget shall contain adequate reserves for the replacement of the Common Elements. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective Common Interests appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the Common Elements

restricted to the use of the Owner of said Unit. All of said assessments shall be deemed to be common charges and shall be payable in advance as ordered by the Board of Managers. In addition to the payment of the aforementioned common charge assessment, any Unit Owner who has the exclusive use of a parking space, will also pay, pro rata, based on the number of parking spaces the applicable Unit Owner has the exclusive use of, all costs and expenses associated with valet parking spaces, which payment shall be deemed to be common charges. In the event of a default in the payment of monthly common charge assessments by any Unit Owner, the Board, at its sole option, may declare the common charge assessment and on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a fee of not more than twenty dollars ($20.00) to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may also be collected by the Board on the common charge assessment and from its due date to the date payment is actually received from the Unit Owner. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Units Owner agrees to pay promptly when due the monthly and all special assessments assessed against his own Unit. Any Unit Owner who fails to pay the monthly assessment imposed by the Condominium to meet any Condominium expense shall be liable for any expenses incurred by the Condominium in collecting said monthly assessment including interest at the highest legal rate and reasonable attorneys' fees. The Board shall take action to collect common charges due from any Unit Owner which remain unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any common charges which accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (including a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all common charges assessed against the Unit and unpaid at the time of the purchase.

Section 3. Foreclosure of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid common charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid common charges shall also be obtainable separately without waiving the lien on the Unit.

Section 4. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid common charges due from such Unit Owner.

Section 5. Liability for Water, Electricity and Gas. The cost of all electricity, gas and water consumed in or on the Common Elements shall be a common expense.

Electricity, gas and water consumed in each Unit shall be individually metered and paid for by the respective Unit Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance; fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all of the Condominium including all of the Units and the bathrooms and fixtures initially installed therein by the Sponsor (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagee(s), as their interest(s) may appear, in an amount equal to one-hundred (100%) percent of the replacement value of the Building(s). In addition, the Board of Managers shall maintain hazard and flood insurance, liability insurance and fidelity bond coverage in conformance with the requirements of the Federal National Mortgage Association. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if $50,000 or less, shall be payable to the Board of Managers, and if more than $50,000 shall be payable to the Insurance Trustee. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

The fire insurance with extended coverage will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum set forth in Schedule B of the Offering Plan for the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insures or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the common elements appurtenant thereto, for the purpose of determining the amount of "all risk" and extended fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall be in a single limit of $1,000,000.00 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

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

Section 2. The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York and designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns, fails to qualify, or is replaced by the Board of Managers, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners in Common Interest do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building(s) (including any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance, but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or

equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the common charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners in Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII. **HOUSE RULES**

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

Section 1. INTENTIONALLY LEFT BLANK

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

Section 3. Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 4. (a) Every Unit Owner must perform promptly all maintenance and repair work he is required to do to the interior and exterior of his Unit and to portions of the Common Elements irrevocably restricted to his use pursuant to the provisions of the Declaration and these By-Laws which, if omitted, would affect the Condominium in its entirety or in part belonging to other Unit Owners, or the building of which his Unit forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All maintenance to the Units including electrical repairs, plumbing stoppages, window cleaning, painting, repairs and replacements to the Units, including windows and doors abutting a Unit and repairs to pipes, wires and conduits located within and servicing the same Unit shall be made by the respective Unit Owners at their own expense. Each Unit Owner will also be responsible for the maintenance of portions of the Common Elements irrevocably restricted to his use, if any, except for structural repairs thereto.

Section 5. (a) A Unit Owner may not make any alterations to the exterior of the Unit, any part of the Common Elements (except non-structural repairs to the Limited Common Elements appurtenant to his Unit) or any portion of an exterior wall of the building exclusive of the dry wall or any portion of an interior portion dividing the Unit from corridors, stairs or other Units exclusive of the dry wall without the written consent of the Board of Managers. Any owner shall not make structural modifications to the Unit or other alterations which would impair the structural soundness of the Unit or Building without the written consent of the Board of Managers or its designated managing agent. Consent may be requested through the managing agent, if any, or through the President of the Board of Managers, if no managing agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(b) 340 Degraw Street Development Corp. (the Sponsor of the Plan of Condominium Ownership of the Property) or its designees shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by them; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units or otherwise; and (iv) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance he or his designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

(c) The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by the Sponsor or its designee to any Unit, resulting from the subdivision of the Unit, provided, however, that neither the Board of Managers nor the other Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Section 6. (a) Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, or windows thereof, any dirt or other substance.

(b) No radio or television aerial shall be attached to or hung from the exterior of the Unit except such as shall have been approved in writing by the Board of Managers or the managing agent; nor shall anything be projected from any window of the Building without similar approval.

(c) No Unit Owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

(d) No Unit Owner shall make or permit any disturbing noises in his Unit, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or a radio or television set or other loud speaker in such Owner's Unit between the hours of twelve o'clock midnight and the following seven o'clock A.M., if the same shall disturb or annoy other occupants of the Building(s) and in no event shall 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.

(e) No Unit Owner shall operate a washing machine or dryer other than between the hours of 8:00 A.M. and 8:00 P.M.

(f) It is prohibited to hang garments, rugs, etc., from the windows or from a Building or to string clotheslines on or over the Common Elements (including any limited areas).

(g) No sign of any kind shall be displayed to the public view on or in any Unit, except a one-family name or professional sign of not more than two hundred forty square inches, advertising the property for sale or rent. No such sign shall be illuminated except by non-flashing white light emanating from, within or on the sign itself and shielded from direct view.

(h) The Unit Owner shall not alter any lock or install a new lock on any door leading to his Unit without the written consent of the Board of Managers or the managing agent. If such consent is given, the Board of Managers or the managing agent shall be provided with a key.

(i) No article shall be placed in the halls, staircases, or stair landings nor shall anything be hung or shaken from the doors or windows or placed upon the window sills of the Building(s).

(j) No one shall ride mopeds or skateboards on any portions of the Common Elements.

(k) No animals or reptiles of any kind shall be raised, bred or kept in any Unit or on the Common Elements, except that dogs, cats or other household pets, not

to exceed two per Unit, may be kept in the Units and in yard areas irrevocably restricted to the owners of the Units, subject to the rules and regulations adopted by the Board of Managers, provided that they are not kept, bred or maintained for any commercial purposes; and provided further than any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers. In no event shall any dog be permitted on any portion of the Common Elements not irrevocably restricted in use to the Owner of the Unit, unless carried or on a leash. Unit Owners shall be required to clean up after their pets at all times.

(l) Each Unit Owner shall comply with all requirements of law and regulations adopted by the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "non-recyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling; the types of containers or binding to be used by Unit Owners for the disposal of designated recyclable materials; the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers with respect to the enforcement against a Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency, shall be payable by a Unit Owner to the Board of Managers additional common charges.

The provisions set forth above shall not be applicable to the Sponsor and its designees. The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Units located within the Condominium, and shall have the right and privilege to have their representative, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements, and, without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of common charge payments as otherwise provided herein.

The Sponsor and its designees shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The last two paragraphs of this Article VIII may not be modified or amended without the written consent of the Sponsor and its designees so long as the Sponsor and its designees continue to own one or more unsold Units.

ARTICLE IX. **DEFAULT**

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers shall notify the Unit Owner and the mortgagee, if any, of such Unit. In such an instance the Board may, at its sole option,

declare the common charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a fee of not more than twenty ($20.00) dollars to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may be collected by the Board on the common charge assessment from its due date to the date payment is actually received from the Unit Owner. If any sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of notice by the Board of Managers or Manager, acting in behalf of the Board, that the payment is overdue, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration, in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the assessment required to be paid by him within ninety (90) days of its due date, said sum shall bear interest at the highest legal rate from its due date and said Unit Owner shall be liable for the Condominium's reasonable costs and reasonable attorney's fees incurred by it incident to the collection or enforcement of such lien.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, regardless of the harshness of the remedy available to the Condominium and regardless of the availability of other, equally adequate legal procedures. It is the intent of all Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from the Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint.

ARTICLE X. **AMENDMENTS**

These By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by eighty (80%) percent of the Unit Owners in number and Common Interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units.

Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, including the Rules and Regulations, will be effective in any respect against Sponsor or its designees, any Unsold Unit, or the holder of any present or future mortgage, pledge, lien or security agreement covering any Unsold Unit unless and until Sponsor, such designee, will consent thereto in writing.

ARTICLE XI. **SELLING, MORTGAGING AND LEASING UNITS**

Section 1. Selling and Leasing of Units. No Unit Owner may convey his Unit or any interest therein by sale, lease or rent except in the manner set forth in this Section.

No Unit may be sold except in accordance with the applicable provisions of the Declaration.

A lease of a Unit shall be consistent with the Declaration and these By-Laws and shall provide that it may not be modified, amended, extended, assigned or sublet without the prior consent in writing of the Board of Managers. Any lease or rental agreement must be in writing and must be expressly subject to the requirements of the Declaration and these By-Laws.

No Unit Owner shall in any event convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid common charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds from sale of a Unit or by the purchaser. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any common charges thereafter accruing against such Unit.

Any sale or lease of any Unit in violation of the applicable portion of this section be voidable at the election of the Board.

Whenever the term "Unit" is referred to in this section it shall include the Unit, the Unit Owner's undivided interest in the Common Elements and the Unit Owner's interest in any Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 3. Mortgaging of Units. No Unit Owner shall mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the State of New York or local municipality or other similar institutional lender or a purchase money mortgage loan granted by the seller of such Unit.

Section 4. Notice to Mortgage Holders. The Board of Managers must give the holder, insurer, or guarantor of the mortgage on any Unit in the Condominium project the right to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage;

(b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Condominium; and

(d) Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

To be entitled to receive this information, the mortgage holder, insurer, or guarantor must send a written request to the Board of Managers, stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guarantees) the mortgage.

Section 5. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

ARTICLE XII. **CONDEMNATION**

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $50,000 and to the Board of Managers if the award is $50,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) so much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to the respective Common Interests appurtenant to the Units owned by such Unit Owners.

(b) so much of the award as is applicable to irrevocably restricted Common Elements, to the Unit Owner having general use of such Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII. **INDEMNIFICATION**

Section 1. In Actions by or in the Right of Condominium. To the extent allowed by law, any person made or threatened to be made a party to an action by or in the right of the Condominium or its Board of Managers to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a member of the Board of Managers or officer of the Condominium, shall be indemnified by the Unit Owners against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and

necessarily incurred by him, in connection with the defense or settlement of such action, or in connection with an appeal therein, if such member of the Board of Managers or officer acted, in good faith, for a purpose which he reasonably believed to be in the best interests of the Condominium except that no indemnification shall be made in respect of (i) a threatened action or pending action which is settled or otherwise disposed of, or (ii) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Condominium, unless and only to the extent that the court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper.

Section 2. In Other Actions or Proceedings. To the extent allowed by law, any person made or threatened to be made a party to an action or proceeding other than one by or in the right of the Condominium or its Board of Managers to procure a judgment in its favor, whether civil or criminal, by reason of the fact that he, his testator or intestate, was a member of the Board of Managers or officer of the Condominium, shall be indemnified by this Condominium against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such member of the Board of Managers or officer acted in good faith, for a purpose which he reasonably believed to be in the best interests of the Condominium and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such member of the Board of Managers or officer did not act in good faith for a purpose which he reasonably believed to be in the best interests of the Condominium or that he had reasonable cause to believe that his conduct was unlawful.

Section 3. Payment. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 722 of the Business Corporation Law shall be entitled to indemnification as authorized in said Section.

Except as provided in Paragraph (a) of Section 723 of the Business Corporation Law relating to corporations incorporated by reference and adopted herein, any indemnification under Section 722 or otherwise permitted by Section 721 of the Business Corporation Law, unless ordered by a court under Section 724 thereof, shall similarly be permitted to be made by the Condominium only if authorized for a corporation in the specific case in accordance with the provisions of Paragraph (b) of said Section 723.

Expenses incurred in defending a civil or criminal action or proceeding may be paid by the Condominium in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such member of the Board of Managers or

officer to repay such amount as, and to the extent, required by Paragraph (a) of Section 725 of the Business Corporation Law.

Section 4. Other Provisions. Indemnification of members of the Board of Managers or officers shall be subject to the other provisions affecting the same as set forth in Section 725 of the Business Corporation Law, including, but not limited to, the provision that requires that if any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the Unit Owners, the Board of Managers shall, not later that the next Annual Meeting of Unit Owners unless such meeting is held within three months from the date of such payment, mail to its Unit Owners of record at the time entitled to vote for the election of members of the Board of Managers a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

Section 5. Contractual Liability. Members of the Board of Managers shall not be liable with respect to any contract made by them on behalf of the Condominium. The liability of any Unit Owner arising out of any contract made by the Board of Managers or out of any indemnification in favor of members of the Board of Managers or officers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Managers, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 6. No Limitation. Nothing contained in this article shall limit any right to indemnification to which any member of the Board of Managers or any officer may be entitled by contract or under any law now or hereafter enacted.

Section 7. Adoption of Statutory Provisions Governing Corporations. Notwithstanding that neither the Condominium nor the Board of Managers are incorporated, the sections of the Business Corporation Law of the State of New York ("BCL") specifically adopted and incorporated by reference in these By-Laws also apply to the members of the Board of Managers and the officers of the Condominium.

ARTICLE XIV. **MISCELLANEOUS**

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or the Declaration, the provisions of the statute or of the Declaration, whichever the case may be, shall control.

EXHIBIT "H"

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EXHIBIT "I"

POWER OF ATTORNEY

I (We) , the owner(s) of Condominium Unit _____ located at _____, Brooklyn, New York in the Condominium known as Carroll Gardens Condominium covering the property located in the Borough of Brooklyn, County of Kings, City and State of New York, do hereby nominate, constitute and appoint the members of the Board of Managers of Carroll Gardens Condominium and their successors, jointly, my true and lawful attorneys-in-fact coupled with an interest and with the power of substitution, in my name and on my behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or a deed in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion, deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We), do hereby further irrevocably nominate, constitute and appoint 340 Degraw Street Development Corp. and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of Carroll Gardens Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an Amended Declaration are an accurate copy of portions of the plans of the buildings and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium.

This power of attorney shall be irrevocable and shall be limited to the powers enumerated herein.

IN WITNESS WHEREOF, I (WE) have hereunto set my (our) hand(s) and seal(s) this day of , 200_ .

_____ L.S.

_____ L.S.

EXHIBIT "J"

GARY E. MILLER, PLLC

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RIVERDALE OFFICE
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COUNSEL'S TAX OPINION LETTER

July 18, 2001

340 Degraw Street Development Corp.
1365 72nd Street
Brooklyn, New York 11228

**Re: Offering Plan ("Plan") for the
Conversion to Condominium Ownership of
Premises known as Carroll Gardens Condominium
340 Degraw Street
Brooklyn, NY 11231 (the "Property" or "Building")**

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 is based upon the assumption 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 Deduction 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 Unit Owners in its building (the "Common Elements");

(2) Each Unit will be a separate tax lot for the purposes of New York City (the "City") real estate taxes, 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

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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.

[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.

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 recovery deductions over deductions computed using the straight-line method is an item of tax preference and may result in Unit Owners incurring alternative minimum tax. The amount of permitted deductions has been modified by the Code. 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 not 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 expenditures or reserves is not deductible and must be capitalized by Unit Owners increasing their 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, the 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 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

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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).

(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 Department of Finance 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.

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

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.

Very truly yours,

GARY E. MILLER, PLLC

By:_____
Gary E. Miller, Esq.

EXHIBIT "K"

PURCHASER(S) ACKNOWLEDGE RECEIPT OF THE HEREINBELOW LIMITED WARRANTY PURSUANT TO THE PROVISIONS OF THE CONTRACT OF SALE TO WHICH THIS LIMITED WARRANTY IS ANNEXED.

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Rev. 4/2/90

EXHIBIT A

LIMITED WARRANTY

Warranty No._____

NAME OF PURCHASER(S) _____

ADDRESS OF PURCHASER(S) _____

_____

DESIGNATION OF HOME WARRANTED _____

_____

NAME OF BUILDER _____

ADDRESS OF BUILDER _____

_____

BUILDERS LIMIT OF TOTAL LIABILITY:

Seventy-five (75%) percent of the purchase price of the Home set forth in the Purchase Agreement to which this Limited Warranty is annexed as an exhibit.

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NOTE: THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL, INCIDENTAL SPECIAL AND INDIRECT DAMAGES EXCEPT AS REQUIRED BY LAW. THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES OF EVERY KIND, EXPRESS AND IMPLIED, ON THE CONSTRUCTION AND SALE OF THE HOME, ITS WORKMANSHIP AND MATERIALS, AND ITS FITNESS FOR USE AND HABITABILITY. THIS LIMITED WARRANTY IS ACCEPTED BY THE PURCHASER IN LIEU OF ALL OTHER WARRANTIES. THE BUILDER MAKES NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE BUILDER'S RESPONSIBILITIES FOR DEFECTS OF A LATENT OR HIDDEN NATURE THAT WOULD NOT HAVE BEEN FOUND OR DISCLOSED ON THE FINAL INSPECTION.

1. TO WHOM GIVEN. This Limited Warranty is extended exclusively to the Purchaser named on page 1 of this Limited Warranty, while the named Purchaser owns the Home. It does not extend to subsequent owners of the Home, tenants or mortgagees in possession of the Home, any Person who may succeed to the rights of the Purchaser or to any other Person.

2. BY WHOM MADE. This Limited Warranty is made exclusively by the Builder whose name and address appear on page 1 of this Limited Warranty.

3. FINAL INSPECTION OF THE HOME. Before the Purchaser moves into the Home or accepts the deed, the Builder will set up an appointment for the Final Inspection with the Purchaser. The purpose of the Final Inspection is to discover any Defects of a visible, apparent or patent nature, or any unfinished work.

Defects in the Home found on the Final Inspection will be itemized on a Final Inspection Form, annexed hereto as Schedule D, that includes a schedule for each item that will be corrected or completed. The Final Inspection Form will be signed by the Purchaser and the Builder before occupancy of the Home or transfer of the deed.

The purpose of this Limited Warranty is to identify the Builder's responsibilities for Defects of a latent or hidden kind that would not have been found or disclosed on the Final Inspection.

When the Purchaser moves into the Home or accepts the deed, the Builder's responsibility is limited to:

(a) completion of items shown on the Final Inspection Form, as provided in the Final Inspection Form, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as contained in this document.

4. DEFINITIONS. As used in this Limited Warranty, the following terms have the following meanings:

(a) "Builder" means the Person identified as the Builder on page 1 of this Limited Warranty.

(b) "Building Code" means the Building Code of the City of New York, Title 27 of the Administrative Code of the City of New York, as the Code exists on the Warranty Date.

(c) "Consumer Product" shall include, but not be limited to, any appliance, piece of equipment, or other item which is a "consumer product" under the Magnusson-Moss Warranty Act, 15 USC section 2301 et seq., and which is installed in the Home by the Builder. Examples of Consumer Products include, when installed by the Builder: air purifiers, kitchen appliances, refrigerators, freezers, ovens, stoves, microwaves, mixers, sinks,

toilets, bathtubs, compactors, garbage disposals, dishwashers, fans, faucets and plumbing fixtures, clothes washers, clothes dryers, water heaters, water softeners, humidifiers, pumps furnaces, oil tanks, gas tanks, heaters, air conditioners, light fixtures, circuit breakers, floor coverings, windows, doors, door openers, siding, brick, and roofing.

(d) "Defect" means defective workmanship performed by the Builder and defective materials supplied by the Builder, determined solely by reference to the specific standards of the Building Code and the Locally Accepted Building Practices. The term Defect does not include a condition in the Home that would have been apparent or ascertainable upon the Final Inspection. A condition that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise, is not a Defect within the meaning of this Limited Warranty. Unless otherwise indicated, the term "Defect" shall be deemed to include "Major Structural Defects".

(e) "Electrical System" means the following items, if installed in the Home by the Builder: electrical wiring, electrical boxes, switches, outlets and connections up to the public utility connection; cable television systems; intercom systems; burglar, fire and smoke alarm systems. The Electrical System does not include any Consumer Product.

(f) "Final Inspection" means the final inspection of the Home prior to the Purchaser's acceptance of the deed as referred to in Paragraph 12 of the purchase agreement to which this warranty is annexed as a exhibit.

(g) "Heating/Cooling/Ventilation System" means the following items, if installed in the Home by the Builder: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers. The Heating/Cooling/Ventilation System does not include any Consumer Product.

(h) "Home" means the property constructed by the Builder and sold to the Purchaser, as identified in the purchase agreement between the Builder and the Purchaser.

(i) "Locally Accepted Building Practices" means the performance standards annexed to and incorporated in this Limited Warranty as Schedule A.

(j) "Major Structural Defects" means Defects resulting in actual physical damage to the Major Structure of the Home caused by failure of the Major Structure which affects its load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable.

(k) "Major Structure" means the following portions of the Home that are load-bearing: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems. Major Structure does not include nonload-bearing portions of the Home such as: roofing and sheathing; roof shingles and tar paper; drywall, lathes and plaster; exterior siding; brick, stone, stucco and veneer; flooring and subflooring material; floor covering material; wall tile or paper and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of

the Home; Electrical System, Plumbing System, Heating/Cooling/Ventilation System; Consumer Products, appliances, fixtures and items of equipment; paint and stains; doors and windows; trim; cabinets; hardware; insulation.

(l) "Person" means any individual, partnership, corporation, or other legal entity.

(m) "Plumbing System" means the following items, if installed in the Home by the Builder: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system. The Plumbing System does not include any Consumer Product.

(n) "Purchaser" means the Person identified as the Purchaser on page 1 of this Limited Warranty, while such Person owns the Home.

(o) "Purchaser's Family" means "Family Member" as defined in Section 2520.6 (o) of the Rent Stabilization Code for Rent Stabilized Apartments in New York City.

(p) "Residential Occupancy" means occupancy of any portion of the Home for residential purposes by any Person, their designee or invitee.

(q) "Warranty Date" means the date that the Purchaser, or a member of Purchaser's Family, takes title to the Home, or the date on which any Person begins Residential Occupancy of the Home, whichever date is earlier.

5. PRODUCTS AND PARTS COVERED BY LIMITED WARRANTY. Coverage A of this Limited Warranty applies to those parts of the Home that have been constructed by the Builder and to those Consumer Products that have been installed in the Home by the Builder. Coverage A does not apply to any part of the Home that has been constructed, altered or damaged by any Person other than the Builder or to any Consumer Product that has been installed, altered or damaged by any Person other than the Builder.

Coverage B of this Limited Warranty applies to those products or parts of the Plumbing System, Electrical System, and Heating/Cooling/ Ventilation System that have been installed by the Builder. Coverage B does not apply to any products or parts that have been installed, altered or damaged by any Person other than the Builder. Coverage B does not extend to any Consumer Product.

Coverage C of this Limited Warranty applies to those parts of the Major Structure that have been constructed by the Builder. Coverage C does not apply to any part of the Major Structure that has been constructed, altered or damaged by any Person other than the Builder.

Coverages A, B and C are subject to the definitions, limitations, exclusions, and all other terms and conditions of this Limited Warranty.

6. WARRANTY COVERAGE PERIODS. Warranty coverages A, B and C begin on the Warranty Date. The warranty coverages end as follows:

COVERAGE A: one year following the Warranty Date;
COVERAGE B: two years following the Warranty Date;
COVERAGE C: six years following the Warranty Date.

No fact, condition or circumstance delays or extends the Warranty Date or any time or period of warranty coverage.

7. WARRANTY COVERAGES

COVERAGE A: The Builder warrants to the Purchaser that, for one year following the Warranty Date, the Home will be free from Defects due to failure by the Builder to have constructed the Home in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices. The above coverage shall include, but not be limited to, Builder's warranty that the roof and basement of the Home shall be free from leaks.

The Builder further warrants to the Purchaser that, for one year following the Warranty Date, Consumer Products installed in the Home by the Builder will be free from Defects due solely to faulty installation by the Builder. (For Consumer Products, see further details in paragraph 10 of this Limited Warranty, below.)

COVERAGE B: The Builder warrants to the Purchaser that, for two years following the Warranty Date, the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System of the Home will be free from Defects due to failure by the Builder to have installed such systems in the Home in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices.

The Builder reserves the right to substitute to the Purchaser at closing written warranties of the Builder's plumbing, electrical, heating, cooling, or ventilation system subcontractors, by providing written copies of such warranties to the Purchaser. Said warranties will be in substantial conformance with the performance standards annexed hereto as Schedule A. In the event of such substitution, the Purchaser's coverage will be limited to said substituted warranties and the Purchaser will address any requests for warranty service under Coverage B and any warranty claims under Coverage B to the subcontractor, with a copy of any written request or claim to the Builder.

COVERAGE C: The Builder warrants to the Purchaser that, for six years after the Warranty Date, the Major Structure of the Home will be free from Major Structural Defects due to faulty workmanship performed by the Builder or defective materials supplied by the Builder.

The Builder reserves the right to substitute to the Purchaser at closing insurance coverage from a licensed insurance carrier or risk retention group to be selected by the Builder by providing written copies of such insurance policy to the Purchaser substantially in conformance with the terms and conditions contained in the standard insurance policy issued by Home Buyers Warranty Corporation for six year structural coverage. In the event of such substitution, the Purchaser's coverage will be limited to said substituted insurance policy and the Purchaser will address any requests for warranty service under Coverage C and any warranty claims under Coverage C to the insurance carrier or risk retention group, with a copy of any written request or claim to the Builder.

8. SPECIAL PROVISIONS FOR CONDOMINIUMS. If the Home is a condominium unit, see the Condominium Rider annexed hereto as Schedule E for special provisions affecting condominium units.

9. EMERGENCY ACCESS: Purchaser also understands and agrees that if emergency repairs are needed on Purchaser's Home or adjoining Home(s) and the Purchaser cannot be contacted within a reasonable period of time, the Purchaser waives advance notice. Such entry, with or without notice, shall be made with as little inconvenience as possible to the Purchaser.

10. CONSUMER PRODUCTS This Limited Warranty covers Consumer Products only during the first year and only to the extent of Defects caused solely by faulty installation by the Builder. Damage caused or made worse by any manufacturer's or distributor's defect, by installation by any Person other than the Builder, from misuse by the Purchaser or user, or from a malfunction of an electric company, gas company, water supplier or any other utility is not covered.

The Builder conveys and assigns to the Purchaser, to the extent that they are assignable, all warranties provided to the Builder on any Consumer Products and manufactured items that have been installed by the Builder in the Home. The Purchaser accepts this assignment and acknowledges that the Builder's only responsibility relating to such assigned warranties is to lend assistance to the Purchaser in settling claims under the assigned warranties.

11. EXCLUSIONS FROM COVERAGE. The following are excluded from coverages A, B, and C, except as otherwise noted below:

(a) Loss or damage caused by workmanship performed by any person other than the Builder.

(b) Loss or damage caused by defective materials supplied by any person other than the Builder.

(c) Loss or damage caused by defective design, unless the design professional was retained exclusively by the Builder.

(d) Loss or damage that would have been apparent or ascertainable upon the Final Inspection.

(e) Loss or damage that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise.

(f) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the Plumbing System, Electrical System, or Heating/Cooling/Ventilation System serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); deck areas; curbs; sidewalks; off-site improvements or any other improvements not a part of the dwelling structure itself.

(g) Defects in concrete floors of basements or concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Home.

(h) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.

(i) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Builder; or

(ii) failure by the Purchaser or anyone other than the Builder to comply with the warranty requirements of manufacturers or suppliers of Consumer Products, appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Builder of any Defects or damage in the manner set forth in paragraph 14 of this warranty; or

(iv) changes in the grading of the ground by anyone other than the Builder; or

(v) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of any Person other than the Builder to maintain adequate ventilation.

(j) Any condition which does not result in actual physical damage to the Home, including but not limited to uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde, or other pollutants and contaminants, or the presence of hazardous or toxic on-site materials.

(k) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, hurricane, tornado, mudslide, earthquake, volcanic eruption, wind-driven water, or changes in the underground water table.

(l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a Defect and is not due to condensation or improper grading of land other than the grades established by the Builder.

(m) Loss or damage caused by soil movement for which compensation is provided by legislation.

(n) Changes, alterations, or additions made to the Home by anyone after initial occupancy or acceptance of the deed, except those performed by the Builder to meet warranty obligations under this Limited Warranty.

(o) Loss or damage which is covered under any other warranty or insurance policy.

(p) Loss or damage which the Purchaser has not taken timely action to mitigate.

(q) Normal wear and tear and normal deterioration.

(r) Insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests.

(s) Bodily injury, personal injury, death, or loss or damage to personal property.

(t) Failure of the Builder to complete construction of the Home.

(u) Loss or damage which arises while the Home is being used primarily for nonresidential purposes or which arises as the result of nonresidential use.

(v) Loss or damage due to loading on floors by the Purchaser which exceeds design loads as established by the Building Code.

(w) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to inconvenience, relocation, or loss of use, during repair.

(x) Consequential, incidental, special and indirect damages.

(y) Loss or damage arising from any claim not filed in strict compliance with the procedures set forth below in paragraph 14, "Step-by Step Claims Procedures" with respect

to any claim. PURCHASER'S FAILURE TO COMPLY WITH ANY OF THE PROCEDURES SET FORTH IN PARAGRAPH 14 WITH RESPECT TO A CLAIM WILL VOID SAID CLAIM UNDER THIS LIMITED WARRANTY.

(z) Loss or damage of any kind in excess of the Builder's Total Limit of Liability, as indicated on page 1 of this Limited Warranty.

(aa) Loss or damage to any improvements or additions to the Home made by the Purchaser.

(bb) Loss or damage to the Home which cannot be remedied due to the Builder's inability to gain reasonable access to the affected area because of the Purchaser's improvements or additions to the Home.

(cc) Defects in any work or materials ordered directly by the Purchaser from the Builder's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental, consequential, special or indirect damages resulting from such work or materials;

(dd) Raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves) and on facias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops;

12. PURCHASER'S RESPONSIBILITIES

The Home requires active maintenance effort on the Purchaser's part to reduce the likelihood of damage due to neglect, improper maintenance, abnormal use or any other use proscribed under applicable law. Some specific Purchaser's responsibilities are set out in the performance standards of the Locally Accepted Building Practices, attached to and included in this Limited Warranty as Schedule A. The Purchaser is required to abide by all operating instructions provided by the Builder or by any manufacturer or supplier of component parts of the Home.

The Purchaser is required, prior to the time that the Builder has received notice of a claim, to use reasonable efforts to timely mitigate damages caused by a Defect. Except in the event of an actual emergency, the Purchaser's obligation to mitigate damages will not require the Purchaser to expend any monies to mitigate damages. The Builder will be required to reimburse the Purchaser for any monies reasonably expended by the Purchaser to mitigate damages in the event of an actual emergency.

NOTE: DAMAGE CAUSED OR MADE WORSE BY HOME OWNER NEGLIGENCE, IMPROPER MAINTENANCE, IMPROPER OPERATION, ILLEGAL USE OR THE PURCHASER'S FAILURE TO TIMELY MITIGATE DAMAGES IS EXPRESSLY EXCLUDED FROM COVERAGE UNDER THIS LIMITED WARRANTY.

Further responsibilities of the Purchaser are described in section 14 of this Limited Warranty, below.

13. WHAT THE BUILDER WILL DO. If a Defect occurs in an item covered by this Limited Warranty, the Builder will repair, replace or pay the Purchaser the reasonable fair market cost of repairing or replacing the defective item(s) within sixty (60) days after the Builder's inspection or testing discloses the problem, subject to Acts of God, weather conditions, availability of materials and other events and circumstances beyond the Builder's control. The choice among repair, replacement or payment is solely that of the Builder. In making any repairs or replacements, the Builder will have the sole right to select the method and materials to be used in performing such repairs or replacements.

In the case of a Defect that is identified in the Locally Accepted Building Practices, the Builder will respond according to the "Builder Correction" as described in the Locally Accepted Building Practices.

In no event will the Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability, shown on page 1. Any payments made by the Builder or the fair market cost of repairs and/or replacements made by the Builder will be applied to reduce the Builder's Limit of Total Liability set forth on page 1 of this Limited Warranty.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the Defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the Defect must be signed by the Purchaser and delivered to the Builder. In the event the Purchaser fails to execute a full release, the Builder will notify the Purchaser as to what action(s) it has taken with respect to the applicable Defect and thereafter the Builder will be deemed to have complied with all of its obligations under this Limited Warranty with respect to the applicable Defect.

14. STEP BY STEP CLAIMS PROCEDURES. If the Purchaser believes that a Defect has occurred in an item covered by this Limited Warranty, the Purchaser must take the following steps:

(a) Written notice of any warranty claim must be made on the "Notice of Warranty Claim Form" annexed hereto as Schedule B, and must be actually received by the Builder identified on page 1, no later than the tenth (10th) business day after warranty coverage on that item expires. Notice of any warranty claim must be given by the Purchaser to the Builder as follows: (1) by hand, with a written acknowledgement receipt from the Builder, or (2) by certified or registered mail, return receipt requested. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by that deadline, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected. FAILURE TO COMPLETE AND DELIVER THE NOTICE OF WARRANTY CLAIM TO THE BUILDER VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Purchaser or any other person to inspect, test or correct defects will extend the period of warranty coverage or any other time period under this Limited Warranty. Steps taken by the Builder in response to an improperly completed or untimely Notice of Warranty Claim will not give rise to any liability of the Builder to the Purchaser and will not prejudice or otherwise affect any right of the Builder, including but not limited to the Builder's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Builder and the Builder's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide Reasonable Access to the Builder and the Builder's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement.

"Reasonable Access" by the Purchaser for inspection, testing and completion of the work will (a) require the Purchaser or its representative to be physically present during any work period and (b) require the Purchaser and occupants of the Home to allow the Builder to inspect, test and complete the work and not obstruct the Builder in any way during the Builder's performance of its duties. In the event, after a work appointment has been set by the Builder and the Purchaser, the Purchaser (and/or occupants, as required) fails to provide Reasonable Access to the Builder, the Builder will have the right to assess the Purchaser a $50.00 service fee.

IN THE EVENT, AFTER A SECOND WORK APPOINTMENT HAS BEEN SET BY THE BUILDER AND THE PURCHASER, THE PURCHASER (AND/OR OCCUPANTS, AS REQUIRED) AGAIN FAILS TO PROVIDE REASONABLE ACCESS TO THE BUILDER, THE PURCHASER WILL BE ESTOPPED FROM ASSERTING ANY CLAIMS WITH RESPECT TO THE APPLICABLE DEFECT UNDER THIS LIMITED WARRANTY AND THE BUILDER WILL BE DEEMED TO HAVE COMPLIED WITH ALL OF ITS OBLIGATIONS UNDER THIS LIMITED WARRANTY WITH RESPECT TO THE APPLICABLE DEFECT.

(d) The Builder is not responsible for repairs performed by anyone other than the Builder or an authorized service representative of the Builder. The Builder will not reimburse the Purchaser for the costs of any unauthorized work or materials. The Builder will not repair or replace an item that has been repaired, altered or replaced by anyone other than the Builder or the Builder's authorized service representative. A LIST OF THE BUILDER'S AUTHORIZED SERVICE REPRESENTATIVES IS ATTACHED TO THIS LIMITED WARRANTY AS SCHEDULE C. USE OF UNAUTHORIZED SERVICE VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

15. LEGAL ACTIONS.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Builder in any court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 14 above.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any court or forum more than thirty (30) days after the expiration of the applicable warranty coverage under paragraph 6 of this Limited Warranty.

16. GENERAL PROVISIONS.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Builder and the Purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular.

(e) This limited warranty is to be governed in accordance with the laws of New York State.

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SCHEDULE A



CONSTRUCTION QUALITY STANDARDS FOR ONE AND TWO YEAR WARRANTY COVERAGE

(Prepared By Home Buyers Warranty Corporation)

ONE YEAR WARRANTY ITEMS

1. SITE WORK

1.1 EXCAVATING AND BACKFILLING
DEFICIENCY: Settling of ground around foundation, utility trenches or other filled areas.
CONSTRUCTION STANDARD:
Settling of ground around utility trenches or other filled areas; maximum allowable 6 inches. Settling of backfill around foundation shall not interfere with water drainage away from the house.
BUILDER CORRECTION:
Upon request from the Buyer(s), the Builder shall recompact and backfill excessively settled areas one time only during the first (1st) year of warranty. The owner shall be responsible for any grass, shrubs or other landscaping affected by placement of such fill.

1.2 SITE DRAINAGE
DEFICIENCY: Improper drainage of the site.

CONSTRUCTION STANDARD:
The necessary grades and swales should be established to insure proper drainage away from the house. Site drainage is limited to the immediate grades and swales affecting the structure. No standing or ponding of water should remain in this immediate area twenty-four (24) hours after a rain, except swales which may drain longer than other areas after a rain, or sump pump discharge. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.
BUILDER CORRECTION:
The Builder is responsible only for establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once they have been properly established and stabilized by the Builder.

1.3 CRAWL SPACES
DEFICIENCY: Water in crawl space.
CONSTRUCTION STANDARD:
Crawl spaces should be graded and drained properly to prevent water from accumulating in the crawl space area.
BUILDER CORRECTION:
The Builder is responsible for providing proper grading and drainage of crawl space areas. Water should not be present in the crawl space area thirty (30) days after the owner has closed on a home.

2. CONCRETE

2.1 EXPANSION AND CONTRACTION JOINTS
DEFICIENCY: Separation or settling of concrete slabs within the structure or at expansion or contraction joints.
CONSTRUCTION STANDARD:
Concrete slabs within the structure are designed to move at expansion and contraction joints. Movement caused by expansion and contraction should not cause cracks and voids to appear in the slab.
BUILDER CORRECTION:
Builder to take whatever corrective action is necessary to repair excessive cracks and voids. If cracking and movement are within designed tolerances then no correction is necessary.
2.2 CAST-IN-PLACE CONCRETE (NON-STRUCTURAL)
DEFICIENCY: Basement or foundation wall cracks.
CONSTRUCTION STANDARD:
Non-structural cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch are considered excessive.
BUILDER CORRECTION:
The Builder shall repair non-structural cracks in excess of 1/8 inch. Surface patching is acceptable for non-structural cracks.
DEFICIENCY: Uneven concrete floors.
CONSTRUCTION STANDARD:
Concrete floors in basements or rooms designed for habitability should not have pits, depressions or areas of unevenness that would prevent its use as a finished floor or exceeding 1/4 inch slope in 32 inches. The floor slope, unless designed for specific drainage purposes, shall not exceed 1/240 of the room width. Structural slab foundation systems that have experienced some movement but are within the foundation's design performance criteria are excluded from this standard.
BUILDER CORRECTION:
Builder to correct or repair to meet the above standard.
DEFICIENCY: Pitting, scaling or spalling of non-excluded concrete work and attached porch concrete work supported by a foundation system.
CONSTRUCTION STANDARD:
Concrete surfaces should not disintegrate to the extent that the aggregate is exposed under normal conditions of weathering and use.
BUILDER CORRECTION:
Builder to take whatever corrective action necessary to repair or replace defective concrete surfaces. The Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond the Builder's control.
DEFICIENCY: Excessive powdering or chalking of non-excluded concrete surfaces.
CONSTRUCTION STANDARD:
Powdering or chalking of concrete surfaces is not permissible, but should not be confused with surface dust.
BUILDER CORRECTION:
The Builder shall take whatever corrective action is necessary to repair or resurface defective areas.
DEFICIENCY: Standing water on stoops.
CONSTRUCTION STANDARD:
Water should drain from outdoor stoops and steps. During and immediately following a rain, minor water standing is permissible.
BUILDER CORRECTION:
The Builder shall take corrective action to assure drainage of stoops and steps.
DEFICIENCY: Cracking of basement floor.
CONSTRUCTION STANDARD:
Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch width or 1/8 inch in vertical displacement are considered excessive.
BUILDER CORRECTION:
Builder should repair cracks exceeding maximum tolerances by surface patching or other methods as required.
DEFICIENCY: Cracking of attached garage slab.
CONSTRUCTION STANDARD:
Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement are considered excessive and unacceptable. (See expansion joints.)
BUILDER CORRECTION:
Builder shall repair excessive cracks as required.
DEFICIENCY: Cracking, settling, heaving or separating of structurally attached stoops or steps.
CONSTRUCTION STANDARD:
Stoops or steps should not settle, heave or separate in excess of 1 inch in relation to the house structure. No cracks except hairline cracks (less than 1/16 inch) are acceptable in structurally attached concrete stoops.
BUILDER CORRECTION:
Builder shall take whatever corrective action is required to meet acceptable standards.
DEFICIENCY: Cracks in structurally attached patios with footing or foundation system.
CONSTRUCTION STANDARD:
Cracks in excess of 1/4 inch in width or 1/8 inch in vertical displacement are considered excessive and unacceptable in structurally attached patios.
BUILDER CORRECTION:
Builder to repair as required.

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DEFICIENCY: Cracks in concrete slab-on-grade finished floors.
CONSTRUCTION STANDARD:
Cracks which significantly impair the appearance or performance of the finish flooring material shall not be acceptable.
BUILDER CORRECTION:
The Builder shall repair cracks as necessary so as not to be readily apparent when the finish flooring material is in place.

3. MASONRY

3.1 UNIT MASONRY (NON-STRUCTURAL)
DEFICIENCY: Basement or foundation non-structural wall cracks.
CONSTRUCTION STANDARD:
Small non-structural cracks are not unusual in mortar joints of masonry foundation walls. Such cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair non-structural cracks in excess of 1/8 inch by pointing or patching. These repairs should be made toward the end of the first (1st) year of the warranty period.
DEFICIENCY: Cracks in masonry walls or veneer.
CONSTRUCTION STANDARD:
Small cracks are common in mortar joints of masonry construction. Cracks greater than 3/8 inch in width are considered excessive.
BUILDER CORRECTION:
Repair cracks in excess of 3/8 inch by pointing or patching. These repairs should be made toward the end of the first (1st) year of the warranty period to permit normal settling and stabilizing of the home.

4. WOOD AND PLASTICS

4.1 ROUGH CARPENTRY
DEFICIENCY: Floor squeak or subfloor appears loose.
CONSTRUCTION STANDARD:
Floor squeaks and loose subfloor are often temporary conditions common to new home construction.
BUILDER CORRECTION:
Builder should locate and make a reasonable effort to correct the problem.
DEFICIENCY: Uneven wood floors.
CONSTRUCTION STANDARD:
Finished floors should not have ridges or depressions exceeding 1/4 inch in a 32 inch measurement, when measured parallel to the floor joists. Floor slope within any room shall not exceed 1/240 of the room width. Allowable floor and ceiling joist deflections should be taken into consideration when measuring.
BUILDER CORRECTION:
Builder will correct to standard only if caused by an underlying construction defect.
DEFICIENCY: Bowed walls.
CONSTRUCTION STANDARD:
All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the walls finished surface. Allowable structural deflections are governed by the approved building code specifications, however bowing greater than 1/240 of the wall length will be considered unacceptable.
BUILDER CORRECTION:
Repair interior and exterior walls as required.
DEFICIENCY: Out of plumb walls.
CONSTRUCTION STANDARD:
Walls should not be more than 1/2 inch out of plumb for any 8 foot vertical measurement.
BUILDER CORRECTION:
Builder to repair to meet the above standard.

4.2 FINISH CARPENTRY — INTERIOR
DEFICIENCY: Quality of interior trim workmanship.
CONSTRUCTION STANDARD:
Joints in moldings or joints between moldings and adjacent surfaces should not result in joints exceeding 1/8 inch in width.
BUILDER CORRECTION:
Repair defective joints, as defined above. Caulking is acceptable.

4.3 FINISH CARPENTRY — EXTERIOR
DEFICIENCY: Quality of exterior trim workmanship.
CONSTRUCTION STANDARD:
Joints between exterior trim elements, including siding and masonry, should not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.
BUILDER CORRECTION:
Builder to repair open joints. Caulking is acceptable.

4.4 WOOD TREATMENT
DEFICIENCY: Delamination or deterioration of exterior siding.
CONSTRUCTION STANDARD:
Siding should not delaminate beyond the tolerances set out in the manufacturer's specifications. Natural wood sidings can be expected to weather and change color as they age.
BUILDER CORRECTION:
Builder will repair or replace as needed unless caused by owner's failure to maintain siding properly. Repaired area of prefinished material may not match in color and/or texture. The owner can expect that the newly painted surface may not match original surface in color.

5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING
DEFICIENCY: Leaks in basement.
CONSTRUCTION STANDARD:
Leaks resulting in actual trickling of water are unacceptable. However, leaks caused by improper landscaping installed by owner, or failure

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of owner to maintain proper grades that have been stabilized by the Builder are not covered by the warranty. Dampness of the walls may occur in new construction and is not considered a deficiency.
BUILDER CORRECTION:
The Builder shall take such action as necessary to correct basement leaks except where the cause is determined to result from owner negligence.

5.2 INSULATION
DEFICIENCY: Insufficient insulation.
CONSTRUCTION STANDARD:
Insulation should be installed in accordance with applicable energy and building code requirements.
BUILDER CORRECTION:
Install insulation in sufficient amounts to meet above standards.

5.3 SHINGLES AND ROOFING TILES
DEFICIENCY: Leaks due to snow or rain being driven into the attic through vents or louvers.
CONSTRUCTION STANDARD:
Attic vents and/or louvers must be provided in order to properly ventilate your house. Infiltration of rain or snow depends on the force and direction of the wind.
BUILDER CORRECTION:
Builder not responsible for force and direction of driving rain or snow.

5.4 ROOFING AND SIDING
DEFICIENCY: Ice build-up on roof.
CONSTRUCTION STANDARD:
During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate, and gutters and downspouts freeze up.
BUILDER CORRECTION:
This is a Homeowner(s) maintenance item unless the roof design is found to be improper for the weather conditions associated with the area.
DEFICIENCY: Roof or flashing leaks.
CONSTRUCTION STANDARD:
Roof and flashing should not leak under normally anticipated conditions, except where cause is determined to result from severe weather conditions, such as ice build-up.
BUILDER CORRECTION:
Builder shall correct or repair any verified roof leaks.
DEFICIENCY: Delamination of veneer siding or joint separation.
CONSTRUCTION STANDARD:
All siding shall be installed according to the manufacturer's and industry's accepted standards. Joint separation and delamination are not acceptable except where the manufacturer indicates that some shrinkage may be anticipated.
BUILDER CORRECTION:
Builder shall re-secure, caulk, repair or replace to meet the above standard.

5.5 FLAT BUILT-UP ROOFING
DEFICIENCY: Standing water on flat built-up roof.
CONSTRUCTION STANDARD:
Water should drain from a flat built-up roof, with minimum collecting.
BUILDER CORRECTION:
The Builder shall take corrective action to assure proper drainage of roof.

5.6 FLASHING AND SHEET METAL
DEFICIENCY: Flashing, valley, gutters and/or downspouts leak.
CONSTRUCTION STANDARD:
Flashing, valleys, gutters and downspouts must not leak but gutters may overflow during heavy rain. It shall be the Homeowner's responsibility to keep gutters and downspouts free from leaves and debris which could cause excessive overflow.
BUILDER CORRECTION:
Repair leaks.
DEFICIENCY: Water stands in gutters.
CONSTRUCTION STANDARD:
When gutter is unobstructed by debris, the water level may not exceed 1 inch.
BUILDER CORRECTION:
Industry practice is to install gutters with slight amounts of pitch. It is possible that small amounts of water will stand in certain sections of the gutter immediately after a rain.

5.7 SEALANTS
DEFICIENCY: Leaks in exterior walls due to inadequate caulking.
CONSTRUCTION STANDARD:
Joints and cracks in exterior wall surfaces and around openings should be properly caulked to exclude the entry of water. Properly installed caulking will shrink and must be maintained by the Homeowner(s) during the life of the home.
BUILDER CORRECTION:
Builder shall repair/or caulk joints or cracks in exterior wall surfaces as required to correct deficiency.

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6. DOORS AND WINDOWS

6.1 WOOD AND PLASTIC DOORS
DEFICIENCY: Warpage of exterior doors.
CONSTRUCTION STANDARD:
Exterior doors will warp to some degree due to temperature differential on inside and outside faces. However, they should not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association standards (1/4 inch).
BUILDER CORRECTION:
Correct or replace and refinish defective doors to match existing doors as nearly as possible.
DEFICIENCY: Warpage of interior passage and closet doors.

CONSTRUCTION STANDARD:
Interior doors (full opening) should not warp to exceed National Woodwork Manufacturers Association standards (1/4 inch), provided the proper levels of humidity have been maintained in the Home.
BUILDER CORRECTION:
Correct or replace and refinish defective doors to match existing doors as nearly as possible.
DEFICIENCY: Shrinkage of insert panels showing raw wood edges.
CONSTRUCTION STANDARD:
Panels will shrink and expand and may expose unpainted surface.
BUILDER CORRECTION:
None: Builder not responsible.
DEFICIENCY: Split door panel.
CONSTRUCTION STANDARD:
Split panels should not allow light to be visible or allow the weather to get through the door.
BUILDER CORRECTION:
If light is visible or the weather is getting through the door, fill split to match paint or stain as closely as possible, one time in first (1st) year.

6.2 GARAGE DOORS ON ATTACHED GARAGE
DEFICIENCY: Garage door fails to operate properly.
CONSTRUCTION STANDARD:
Garage door should operate properly.
BUILDER CORRECTION:
The Builder shall correct or adjust garage doors as required, except where the cause is determined to result from the owner installing an electric garage door opener.
DEFICIENCY: Garage door allows entrance of snow or water.
CONSTRUCTION STANDARD:
Garage door should seal properly under normal conditions.
BUILDER CORRECTION:
Some entrance of the elements can be expected under abnormal conditions. Builder shall adjust or correct garage doors or garage slab to meet normal conditions.

6.3 METAL WINDOWS
DEFICIENCY: Malfunction of windows.
CONSTRUCTION STANDARD:
Windows should operate with reasonable ease as designed. –
BUILDER CORRECTION:
Builder to correct or repair as required.
DEFICIENCY: Condensation and/or frost on windows.
CONSTRUCTION STANDARD:
Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions.
BUILDER CORRECTION:
Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

6.4 WOOD AND PLASTIC WINDOWS
Refer to 6.3

6.5 WEATHERSTRIPPING AND SEALS
DEFICIENCY: Infiltration around doors and windows.
CONSTRUCTION STANDARD:
Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weatherstripping is not permissible. It may be necessary for the owner to have storm windows and doors installed to provide a satisfactory solution in high wind areas.
BUILDER CORRECTION:
The Builder shall adjust or correct open cracks, poorly fitted doors or windows, or poorly fitted weatherstripping.

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7. FINISHES

7.1 LATH AND PLASTER
DEFICIENCY: Cracks in interior wall surfaces.
CONSTRUCTION STANDARD:
Hairline cracks are not unusual in interior wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair cracks exceeding 1/8 inch as required.

7.2 GYPSUM WALLBOARD
DEFICIENCY: Defects caused by poor workmanship such as blisters in tape, excess compound in joints, cracked corner beads, or trowel marks.
CONSTRUCTION STANDARD:
Slight "imperfections" such as nail pops, seam lines and cracks are common in plaster and gypsum wallboard installation. However, obvious defects of poor workmanship resulting in blisters in tape or excess compound in joints, trowel marks and cracked corner beads are not acceptable.
BUILDER CORRECTION:
Builder to correct such defects to acceptable tolerance and repaint repaired areas. Builder is not responsible for color variations in paint.

7.3 CERAMIC TILE
DEFICIENCY: Ceramic tile cracks and becomes loose.
CONSTRUCTION STANDARD:
Ceramic tile should not crack or become loose.
BUILDER CORRECTION:
The Builder shall replace any cracked tiles and resecure any loose tiles unless the defects were caused by the owner's negligence. Builder is not responsible for discontinued patterns or color variations in ceramic tile.

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DEFICIENCY: Cracks appear in grouting in ceramic tile joints or at junctions with other material such as a bathtub.
CONSTRUCTION STANDARD:
Cracks in grouting in ceramic tile joints are commonly due to normal shrinkage conditions. Regrouting of these cracks is a maintenance responsibility of the Homebuyer(s) within the life of the home. Builder is not responsible for color variations or discontinued color grout.
BUILDER CORRECTION:
Builder will repair grouting (unless cracks are due to normal shrinkage) as necessary one time within the first (1st) year of warranty.

7.4 RESILIENT FLOORING
DEFICIENCY: Nail pops appear on the surfaces of flooring.
CONSTRUCTION STANDARD:
Readily apparent nail pops should be repaired.
BUILDER CORRECTION:
The Builder shall correct nail pops, which have broken the surface. The Builder shall repair or replace resilient floor covering in the affected area with similar material. Builder is not responsible for discontinued patterns or color variations in the floor covering.
DEFICIENCY: Depressions or ridges appear in the flooring due to subfloor irregularities.
CONSTRUCTION STANDARD:
Readily apparent depressions or ridges exceeding 1/8 inch should be repaired. The ridge or depression measurement is taken at the gap created at one end of the 6-inch straight edge placed over the depression or ridge within 3 inches on one side of the defect held tightly to the floor.
BUILDER CORRECTION:
The Builder shall take corrective action, as necessary to bring the defect within acceptable tolerances so that it is not readily visible. Builder is not responsible for discontinued patterns or color variations in floor covering.
DEFICIENCY: Resilient flooring loses adhesion.
CONSTRUCTION STANDARD:
Resilient flooring should not lift, bubble or become unglued.
BUILDER CORRECTION:
The Builder shall repair or replace resilient flooring as required. The Builder shall not be responsible for discontinued patterns or color variations of floor covering or for problems caused by owner neglect or abuse.
DEFICIENCY: Seams or shrinkage gaps show resilient flooring joints.
CONSTRUCTION STANDARD:
Gaps shall not exceed 1/16 inch width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.
BUILDER CORRECTION:
The Builder shall take action as necessary to correct the problem.

7.5 CARPETING
DEFICIENCY: Carpeting becomes loose, seams separate or excessive stretching occurs.
CONSTRUCTION STANDARD:
Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly should not come up, become loose, separate or stretch excessively at its points of attachment.
BUILDER CORRECTION:
Builder is to re-stretch or re-secure carpeting as needed one time within the first (1st) year of warranty.

7.6 SPECIAL COATING
DEFICIENCY: Cracks in exterior stucco wall surfaces.
CONSTRUCTION STANDARD:
Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair cracks exceeding 1/8 inch in width as required.

7.7 PAINTING
DEFICIENCY: Mildew or fungus on painted surfaces.
CONSTRUCTION STANDARD:
Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposures, (i.e., rainfall, ocean, lake or river front).
BUILDER CORRECTION:
Mildew or fungus formation is a condition the Builder cannot control and is a Homeowner(s) maintenance item, unless it is caused by moisture entry into wood. In which case, the Builder shall eliminate the source of water entry and refinish.
DEFICIENCY: Exterior paint or stain peels or deteriorates.
CONSTRUCTION STANDARD:
Exterior paints or stains should not fail during the first (1st) year of ownership. However, fading may occur and the degree varies with climatic conditions.
BUILDER CORRECTION:
Builder shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish deterioration affects the majority of the wall or area, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty period.
DEFICIENCY: Painting required as corollary repair because of other work.
CONSTRUCTION STANDARD:
Necessary repairs required under this warranty should be refinished to match surrounding areas as closely as possible.
BUILDER CORRECTION:
Refinish repaired areas as indicated.
DEFICIENCY: Deterioration of varnish or lacquer finishes.
CONSTRUCTION STANDARD:
Natural finish on interior woodwork should not deteriorate during the first (1st) year of ownership. However, varnish-type finish used on the exterior will deteriorate rapidly and is not covered by the warranty.
BUILDER CORRECTION:
Retouch affected area of natural finished interior woodwork, matching the color as closely as possible.
DEFICIENCY: Interior paint application and coverage.
CONSTRUCTION STANDARD:
Interior paint shall be applied in a manner sufficient to visually cover wall, ceiling and trim surfaces where specified.

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BUILDER CORRECTION:
The Builder shall retouch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces.

7.8 WALL COVERING
DEFICIENCY: Peeling of wallpaper.
CONSTRUCTION STANDARD: Peeling of wallpaper is unacceptable.
BUILDER CORRECTION:
The Builder shall repair or replace defective wallpaper. Builder is not responsible for minor mismatching in pattern or color.

8. SPECIALTIES

8.1 LOUVERS AND VENTS
DEFICIENCY: Inadequate ventilation of attics and crawl spaces.
CONSTRUCTION STANDARD:
Attic and crawl spaces shall have a natural ventilation area as required by the approved building code specifications.
BUILDER CORRECTION:
The Builder shall provide for adequate ventilation. Builder is not responsible for Homeowner(s) alterations to the original system.

8.2 FIREPLACES
DEFICIENCY: Fireplace or chimney does not draw properly.
CONSTRUCTION STANDARD:
A properly designed and constructed fireplace and chimney should function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some houses may need to have a window opened slightly to create an effective draft.
BUILDER CORRECTION:
Determine the cause of malfunction and correct as required if the problem is one of design and construction.
DEFICIENCY: Chimney separation from structure to which it is attached.
CONSTRUCTION STANDARD:
Newly built fireplaces will often incur slight amounts of separation from the main structure. Separations shall not exceed 1/2 inch from the main structure in any 10 foot vertical measurement.
BUILDER CORRECTION:
Builder to determine the cause of separation and correct as required. Caulking is acceptable for slight separations.

9. EQUIPMENT

9.1 RESIDENTIAL EQUIPMENT
DEFICIENCY: Warpage and operation of kitchen cabinet doors and drawer faces.
CONSTRUCTION STANDARD:
Cabinet doors and drawer faces should not warp to exceed 1/4 inch, provided the proper levels of humidity have been maintained. Both cabinet doors and drawer faces should be properly adjusted and operating in a smooth, efficient manner.
BUILDER CORRECTION:
Adjust, repair or replace defective cabinet doors and drawer faces to correct condition.
DEFICIENCY: Surface cracks, delaminations and chips in high pressure laminated vanity and kitchen cabinet countertops.
CONSTRUCTION STANDARD:
Countertops fabricated with high pressure laminate coverings should not delaminate or have chips or surface cracks. The deck area joint may have a maximum of 1/16 inch gap. All other areas of the joint may have a maximum of 1/16 inch differential in surface alignment.
BUILDER CORRECTION:
Repair or replace to meet the above criteria.
DEFICIENCY: Countertop separating from finished wall.
CONSTRUCTION STANDARD:
Countertop separation should not exceed 1/8 inch.
BUILDER CORRECTION:
The Builder shall repair or replace the countertop to eliminate or correct the gap caused by separation. Caulking is acceptable.

10. MECHANICAL

10.1 WATER SUPPLY SYSTEM
DEFICIENCY: Plumbing pipes freeze and burst.
CONSTRUCTION STANDARD:
Drain, waste and vent or water pipes should be adequately protected, as required by the applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE designed temperatures to prevent freezing.
BUILDER CORRECTION:
The Builder shall correct the condition responsible for pipes freezing, and repair piping damage caused by freezing except where there has been an obvious lack of heat due to Homebuyer(s) neglect.
DEFICIENCY: Water supply system fails to deliver water.
CONSTRUCTION STANDARD:
All service connections to municipal water main and private water supplies are the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.
BUILDER CORRECTION:
Builder to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond the Builder's control disrupt or eliminate the source of the supply then it is not the Builder's responsibility.

10.2 SEPTIC TANK SYSTEMS
DEFICIENCY: Septic system fails to operate properly.
CONSTRUCTION STANDARD:
Septic system should be capable of properly handling normal flow of household effluent. It is possible that due to freezing, soil saturation, changes in the ground water table or excessive use of plumbing systems or appliances, an overflow can occur. Periodic pumping of the septic tank is considered Homebuyers' maintenance, and a normal need for pumping is not a deficiency.
BUILDER CORRECTION:
Builder shall be responsible for the installation of an operational system and shall take corrective action to repair. Builder shall not be responsible for malfunctions which occur through owner neglect or abuse and from conditions that are beyond his/her control. The following are considered owner neglect or abuse as an exclusion under the warranty.
A. [illegible] use of water such as [illegible] washing machines and dishwashers including their simultaneous use.

B. Connection of sump pump, roof drains or backwash from water conditioner, to the system;
C. Placing of non-biodegradable items in the system;
D. Addition of any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners;
E. Use of a food waste disposer not supplied by Builder;
F. Placement of impervious surfaces over the disposal area;
G. Allowing vehicles to drive or park over the disposal area;
H. Failure to periodically pump out the septic tank, when required.

10.3 PLUMBING
DEFICIENCY: Faucet or valve leak.
CONSTRUCTION STANDARD:
No valve or faucet should leak due to defects in material or workmanship. However, leakage caused by worn washers or seals is a Homebuyer(s) maintenance item.
BUILDER CORRECTION:
Builder shall repair or replace the leaking faucet or valve unless leakage is due to a worn washer or seal.
DEFICIENCY: Defective plumbing fixtures, appliances or trim fittings.
CONSTRUCTION STANDARD:
Fixtures, appliances or fittings should comply with their manufacturer's standards.
BUILDER CORRECTION:
The Builder shall replace any fixture or fitting which is outside of acceptable standards as defined by the manufacturer.
DEFICIENCY: Noisy water pipes.
CONSTRUCTION STANDARD:
There will be noise emitting from the water pipe system, due to the flow of water.
BUILDER CORRECTION:
Builder cannot remove all noises due to water flow and pipe expansion. The Builder shall correct any noise problems that are due to faulty workmanship or installation.
DEFICIENCY: Leakage from any piping.
CONSTRUCTION STANDARD:
No leaks of any kind should exist in any soil, waste, vent, gas or water pipe. Condensation on piping does not constitute leakage, and is not covered. Should a gas pipe leak occur, the Homeowner(s) should call the appropriate public utility service immediately.
BUILDER CORRECTION:
Builder shall make necessary repairs to eliminate leakages in any piping he/she installed. If a gas or water leak occurs in a piping system the Builder installed, then the Builder will make the necessary repairs. If a gas or water leak occurs in a piping system installed by a public service utility authority, then the public service utility authority should be contacted to make the necessary repairs.
DEFICIENCY: Stopped up sewers, fixtures and drains.
CONSTRUCTION STANDARD:
Sewers, fixtures and drains should operate properly.
BUILDER CORRECTION:
The Builder is not responsible for sewers, fixtures and drains which are clogged through the owner's negligence. Where defective construction is the cause, the Builder shall assume the cost of the repair; where owner negligence is shown to be the cause, the owner shall assume all repair costs.
DEFICIENCY: Cracking or chipping of porcelain or fiberglass surfaces.
CONSTRUCTION STANDARD:
Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when the surface is hit with sharp or heavy objects.
BUILDER CORRECTION:
Builder to repair any chips or cracks noted prior to first occupancy.

10.4 HEATING
DEFICIENCY: Inadequate heating.
CONSTRUCTION STANDARD:
Heating system should be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in the ASHRAE handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.
BUILDER CORRECTION:
Builder shall correct the heating system as required to provide the required temperatures. The owner shall be responsible for balancing dampers, registers and other minor adjustments.

10.5 COOLING
DEFICIENCY: Inadequate cooling.
CONSTRUCTION STANDARD:
Where air conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor, under local outside summer design conditions as specified in ASHRAE handbook. In the case of outside temperatures exceeding 95 degrees Fahrenheit, a differential of 15 degrees Fahrenheit from the outside temperature will be maintained. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.
BUILDER CORRECTION:
Correct cooling system to meet temperature conditions in accordance with specifications.
DEFICIENCY: Refrigerant line leak.
CONSTRUCTION STANDARD:
Refrigerant lines should not develop leaks during normal operation.
BUILDER CORRECTION:
Repair leaking refrigerant lines and recharge unit.

10.6 CONDENSATION LINES
DEFICIENCY: Condensation lines clog up.
CONSTRUCTION STANDARD:
Condensation lines will clog under normal use. This is a Homeowner(s) maintenance item.
BUILDER CORRECTION:
Builder to provide unobstructed condensation lines at closing.

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10.7 EVAPORATIVE COOLING
DEFICIENCY: Improper mechanical operation.
CONSTRUCTION STANDARD:
Equipment must function properly at temperature standard set.
BUILDER CORRECTION:
Correct and adjust so that blower and water system operate as designed.

10.8 AIR DISTRIBUTION
DEFICIENCY: Ductwork noisy.
CONSTRUCTION STANDARD:
When metal is heated it expands and when cooled it contracts. The result is "ticking" or "crackling" which is generally to be expected.
BUILDER CORRECTION:
The stiffening of the ductwork and the gauge of the metal used shall be such that the ducts do not "oilcan". The booming noise caused by "oilcanning" is not acceptable and the Builder must take necessary steps to eliminate this sound.
DEFICIENCY: Ductwork separates or becomes unattached.
CONSTRUCTION STANDARD:
Ductwork should remain intact and securely fastened.
BUILDER CORRECTION:
Reattach and resecure all separated or unattached ductwork.

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11. ELECTRICAL

11.1 ELECTRICAL CONDUCTORS
DEFICIENCY: Failure of wiring to carry its designed fuse load to the electrical box.
CONSTRUCTION STANDARD:
Wiring should be capable of carrying the designed load for normal residential use to the electrical box.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.

11.2 SWITCHES AND RECEPTACLES
DEFICIENCY: Fuses blow or circuit breakers kick out.
CONSTRUCTION STANDARD:
Fuses and circuit breakers should not activate under normal usage.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.
DEFICIENCY: Malfunction of electrical outlets, switches or fixtures.
CONSTRUCTION STANDARD:
All switches, fixtures and outlets should operate as intended.
BUILDER CORRECTION:
Repair or replace defective switches, fixtures and outlets.

11.3 SERVICE AND DISTRIBUTION
DEFICIENCY: Ground fault interruptor trips frequently.
CONSTRUCTION STANDARD:
Ground fault interruptors are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.
BUILDER CORRECTION:
Builder is to install ground fault interruptor in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to faulty installation.

ONE AND TWO YEAR WARRANTY ITEMS

10.9 WATER SUPPLY SYSTEM
DEFICIENCY: Plumbing pipes freeze and cause leaks.
CONSTRUCTION STANDARD:
Drain, waste and vent or water pipes should be adequately protected, as required by applicable codes, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures to prevent freezing.
BUILDER CORRECTION:
The Builder shall correct the condition responsible for pipes freezing, and repair piping damage caused by freezing except where there has been an obvious lack of heat and/or Homebuyer(s) neglect.
DEFICIENCY: Water supply system fails to deliver water.
CONSTRUCTION STANDARD:
All service connections to municipal water and private water supply are the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.
BUILDER CORRECTION:
Builder to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond the Builder's control disrupt or eliminate the source of the supply then it is not the Builder's responsibility.

10.10 SEPTIC TANK SYSTEMS
DEFICIENCY: Septic system fails to operate properly.
CONSTRUCTION STANDARD:
Septic system should be capable of properly handling normal flow of household effluent. It is possible that due to freezing, soil saturation, changes in the ground water table or excessive use of plumbing systems or appliances, an overflow can occur. Periodic pumping of the septic tank is considered Homebuyer's maintenance, and a normal need for pumping is not a deficiency.
BUILDER CORRECTION:
Builder shall be responsible for the installation of an operational system and shall take corrective action to repair. Builder shall not be responsible for malfunctions which occur through owner negligence or abuse and from conditions that are beyond his/her control. The following are considered owner negligence or abuse as an exclusion under the warranty:
A. Excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use;
B. Clogged drains or sump pump lines due to backwash from water conditioner to the system.

C. Placing of non-biodegradable items in the system;
D. Addition of any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners;
E. Use of food waste disposer not supplied by Builder;
F. Placement of impervious surfaces over the disposal area;
G. Allowing vehicles to drive or park over the disposal area;
H. Failure to periodically pump out the septic tank, when required.

10.11 PLUMBING
DEFICIENCY: Leakage from any piping.
CONSTRUCTION STANDARD:
No leaks of any kind should exist in any soil, waste, vent, gas or water pipe. Condensation on piping does not constitute leakage, and is not covered. Should a gas pipe leak occur, the Homeowner(s) should call the appropriate public utility service immediately.
BUILDER CORRECTION:
Builder shall make necessary repairs to eliminate leakages in any piping he/she installed. If a gas or water leak occurs in a piping system the Builder installed, then the Builder will make the necessary repairs. If a gas or water leak occurs in a piping system installed by a public service utility authority, then the public utility authority should be contacted to make the necessary repairs.
CONSTRUCTION STANDARD:
Sewer, fixtures and drains should operate properly.
BUILDER CORRECTION:
The Builder is not responsible for sewers, fixtures and drains which are clogged through the owner's negligence. Where defective construction is shown to be the cause, the Builder shall assume the cost of the repair; where owner negligence is shown to be the cause, the owner shall assume all repair costs.

10.12 COOLING
DEFICIENCY: Cooling lines leak.
CONSTRUCTION STANDARD:
Cooling lines should not develop leaks during normal operation.
BUILDER CORRECTION:
Repair leaking cooling lines and recharge unit.

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11. ELECTRICAL

11.4 ELECTRICAL CONDUCTORS
DEFICIENCY: Failure of wiring to carry its designed fuse load to the electrical box.
CONSTRUCTION STANDARD:
Wiring should be capable of carrying the designed load for normal residential use to the electrical box.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.

SCHEDULE B

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser: To ask the Builder to correct a defect in your Home that you think is covered by the Builder's Limited Warranty, you must complete this form and deliver it to the Builder. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Builder is aware of the problem, fill out this form and deliver it to the Builder.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any item blank.

Your Name: _____

Mailing Address: _____

Phone: _____

Limited Warranty No.: _____

Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____ _____
(signature) (date)

_____ _____
(signature) (date)

NOTE: THIS COMPLETED AND SIGNED FORM MUST BE DELIVERED TO THE BUILDER AS FOLLOWS: (1) BY HAND, WITH A WRITTEN ACKNOWLEDGEMENT RECEIPT FROM THE BUILDER, OR (2) BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. YOUR RIGHTS TO WARRANTY COVERAGE UNDER THIS LIMITED WARRANTY WILL BE VOIDED UNLESS YOU STRICTLY COMPLY WITH ALL OF THE PROCEDURES SET FORTH IN PARAGRAPH 14 OF THIS LIMITED WARRANTY.

SCHEDULE C

LIST OF AUTHORIZED SERVICE REPRESENTATIVES

[Name, address, phone numbers for service]

PLUMBING:

ELECTRICAL:

HVAC:

OTHER:

SCHEDULE D

BUILDER:_____

PURCHASERS:_____

JOB NO.:_____ DATED:_____ ADDRESS:_____

_____

The following is a complete survival list of incomplete or unfinished items determined at an inspection made by the purchasers herein with reference to the premises identified by the job number above:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

THE ABOVE WORK WILL BE PERFORMED BY THE UNDERSIGNED BUILDER AT ITS OWN COST AND EXPENSE WITHIN A REASONABLE TIME AFTER CLOSING OF TITLE. THIS LIST SHALL CONSTITUTE A FINAL AGREEMENT BY THE PURCHASER(S) AS TO ALL DISPUTED OR UNFINISHED OR INCOMPLETE ITEMS AND IS INTENDED AND UNDERSTOOD TO BE IN FULL COMPLIANCE WITH THE CONTRACT OF SALE. WITH THE EXCEPTION OF THE BUILDER'S OBLIGATIONS CONTAINED IN THE EXPRESS LIMITED WARRANTY ANNEXED AS EXHIBIT A TO THE CONTRACT OF SALE, THE BUILDER'S OBLIGATIONS TO COMPLETE THE ITEMS AS SET FORTH ABOVE ARE THE ONLY ONES THAT SHALL SURVIVE CLOSING OF TITLE.

APPROVED AND ACCEPTED BY:

_____
Purchaser

By:_____

_____
Purchaser

EXHIBIT "L"

THE NEW WARRANTY STATUTE

AN ACT to amend the general business law in relation to warranties on sales of new homes

The people of the state of New York represented in senate and assembly do enact as follows:

Section 1. A new article thirty-six-B is added to the general business law to read as follows:

ARTICLE 36-B

WARRANTIES ON SALES OF NEW HOMES

Section 777. Definitions.
777-a. Housing Merchant Implied Warranty.
778-b. Exclusion or Modification of Warranties.

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

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

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

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

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

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

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

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

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

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

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

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

Section 777-a. Housing Merchant Implied Warranty.

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

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

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

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

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

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

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

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

warranties with respect to goods shall be governed by the part three of article two of the uniform commercial code and other applicable statutes.

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

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

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

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

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

777-b. Exclusion or Modification of Warranties. 1. Except in the case of a housing merchant implied warranty, the builder

or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

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

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

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

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

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

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

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

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

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

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

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

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

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

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

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

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

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

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding

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

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

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

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

Section 2. Subdivision two of section two hundred thirteen of the civil practice law and rules is amended to read as follows:

2. an action upon a contractual obligation or liability, express or implied, except as provided in article 2 of the uniform commercial code or article 36-B of the general business law;

Section 3. This act shall take effect on the first day of March next succeeding the date on which it shall have become a law and shall apply to new homes for which contracts of sale are entered into on and after such effective date.

EXHIBIT "M"

CONDOMINIUM OFFERING PLAN

SPONSOR'S CERTIFICATION

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

RE: Carroll Gardens Condominium, Brooklyn, New York

We are the Sponsor and the principals of the Sponsor of the Condominium Offering Plan for the above captioned property.

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

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

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

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

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.

SPONSOR:

340 DeGraw Street Development Corp.

By: _____
Joseph Chirico, _____

PRINCIPALS OF SPONSOR:

_____
Paolo Bennici

_____
Joseph Chirico

_____
Carmine Gargano

Sworn to before me this
21 day of ~~October~~ December, 2000

_____
Notary Public

MARILYN A. ZIEGLER
Notary Public, State of New York
No. 24-4831039
Qualified in Kings County
Commission Expires ~~March 30, 19~~ Aug 22, 2001

EXHIBIT "N"

FRIEDMAN, P.E. *Architectural Engineering*

3 Langeris Dr. Monsey, NY 10952
Tel (845) 356-3999, (718) 382-1702

SPONSOR'S ENGINEER/ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 22.4 (c)

Re: 344 Degraw Street.
Brooklyn, New York

The Sponsor of the Offering Plan for the above Condominium, retained me/our firm to prepare a report describing the proposed construction and/or renovation of the property (the "Report"). I/We have examined the building plans and specifications that were prepared by Moshe M. Friedman, PE, Benjamin Klein, PE, and Nathan Kirschenbaum, PE . I/We prepared the Report dated May 30, 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/We are a licensed engineer in the state where the property is located.

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

I/we 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/we certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the approved plans and specifications that I/we examined;

(ii) in my/our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the approved plans and specifications that I/we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

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

I/we further certify that I/we am/are 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 Condominium ownership 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.

Moshe M. Friedman, P.E.

Affirmed before me this
30th day of May , 2001

Notary Public

GARY E. MILLER
Notary Public, State of New York
No. 02MI4998149
Qualified in Bronx County
Commission Expires June 22, 20[illegible]

EXHIBIT "O"

AMS

ADVANCED MANAGEMENT SERVICES

26 Court Street, Suite 804
Brooklyn, New York 11242
Phone: (718) 852-5310
Facsimile: (718) 852-5312

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: Carroll Gardens: 344 DeGraw Street, Brooklyn, New York
Condominium Offering Plan

Gentlemen:

I am the Vice President of Advanced Management Services LTD., a real estate management firm which has been engaged in real estate management for in excess of twelve (12) years. Principals of the firm have been involved with the operation and management of residential real estate buildings in New York for more than twenty-five (25) years. See Exhibit 1 attached hereto for a list of the 10 buildings managed over the last 12 years.

The Sponsor of the condominium offering plan for the above captioned property retained us to review Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation.

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 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 have 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) 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) do 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.

Robert Artman

Affirmed before me this
29th day of March 2001

Lindella Artman
Notary Public

LINDELLA ARTMAN
NOTARY PUBLIC, State of New York
No. 01AR6023652
Qualified in Queens County
Commission Expires April 28, 2003

EXHIBIT 1

In the past 12 years, AMS was involved in the management of the following buildings, all of which are in Brooklyn, NY:

142 Joralemon Street
60 Plaza Street
50 Plaza Street
45 Plaza Street
25 Plaza Street
1 Plaza Street
60 Pineapple Street
59 Pineapple Street
225 Lincoln Place
125 Eastern Parkway

EXHIBIT "P"

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: _____

2/6/92

EXHIBIT "Q"

ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 2001, between 340 DEGRAW STREET DEVELOPMENT CORP., a New York corporation maintaining an office at 1365 72nd Street, Brooklyn, New York 11228 and Gary E. Miller, PLLC, a law firm maintaining an office at 261 Madison Avenue, 16th Floor, New York, New York 10016 ("ESCROW AGENT") as escrow agent.

WHEREAS, 340 DEGRAW STREET DEVELOPMENT CORP. ("Sponsor") is the sponsor of Carroll Gardens Condominium, a Condominium development located in Brooklyn, New York, being offered pursuant to an Offering Plan for Carroll Gardens Condominium (the "Offering Plan"); and

WHEREAS, Gary E. Miller, PLLC 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 Citibank, N.A., 330 Madison Avenue, New York, New York 10017.

The account number is _____.

1.2 The name of the account is Carroll Gardens Condominium Escrow Account.

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an IOLA non-interest-bearing account as disclosed in the Offering Plan.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers which are paid on account of the purchase price of the premises, which shall exclude, among other things, preclosing use and occupancy fees and mortgage related application fees, and which are received 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 Gary E. Miller, PLLC, as Escrow Agent. 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. In the event Purchaser shall mail the executed Contract of Sale and deposit to the Sponsor, same shall be deemed to have been tendered to the Sponsor five (5) business days from the date of mailing.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement executed by the purchaser, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the Offering Plan, and provide the account number. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit submitted with the subscription or purchase agreement executed by the purchaser, 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 the Sponsor has recorded the Declaration of Condominium ("Consummation of the Plan"). 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, (d) accordance with the regulations of the Attorney General pertaining to release of escrowed funds.

The closing of title and the act of delivery of the deed to the purchaser for the home shall be deemed to constitute written authorization by the purchaser to the ESCROW AGENT to pay the escrowed funds to the SPONSOR at the time of closing in conformity with the terms of the Contract of Sale.

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 Offering Plan or an amendment to the Offering Plan, or (b) all purchasers after an amendment abandoning the Offering 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.

3.5 Notwithstanding anything contained in this Paragraph 3 to the contrary, the Escrow Agent shall have the right to release from escrow funds received from a Purchaser for upgrades or extras, or any applicable portion thereof, upon receipt from the SPONSOR of written notice that the Sponsor is utilizing said funds, or any applicable portion thereof, for such upgrades or extras in accordance with a separate agreement between the SPONSOR and Purchaser.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver to ESCROW AGENT all deposits and payments which are paid on account of the purchase price of the premises received by them prior to closing of an individual transaction.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

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

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment 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 homes offered pursuant to the Offering 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. This Agreement may not be changed orally or modified, amended or supplemented without an express written agreement executed by ESCROW AGENT and SPONSOR and an amendment to the Offering Plan disclosing said modification is accepted for filing by the Department of Law.

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. LIABILITY OF ESCROW AGENT

11.1 ESCROW AGENT shall not be liable to any other parties hereto or to any one else for any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith and in the exercise of reasonable judgment, except for acts of willful misconduct. With respect to liability to the SPONSOR, ESCROW AGENT may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by ESCROW AGENT), statement, instrument, report or other paper or document (not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) which is reasonably believed by the ESCROW AGENT to be genuine and to be signed or presented by proper person or persons.

11.2 To the extent that ESCROW AGENT becomes liable for the payment of taxes, including withholding taxes, in respect of deposits and payments held hereunder or any payment made hereunder, ESCROW AGENT may pay such taxes. ESCROW AGENT may withhold from any payment of monies to SPONSOR held by it hereunder such amount as ESCROW AGENT estimates to be sufficient to provide for the payment of such taxes not yet paid, and may use the sum withheld for that purpose. ESCROW AGENT shall be indemnified and held harmless by SPONSOR against any liability for taxes and for any penalties or interest in respect of taxes on such deposits and payments.

11.3 Except in connection with ESCROW AGENT'S willful misconduct, ESCROW AGENT shall be indemnified and held harmless by SPONSOR from and against any and all expenses or loss suffered by ESCROW AGENT, including reasonable attorney's fees, in connection with any action, suit or other proceeding involving any claim, which arises out of or relates to this Agreement, the services of ESCROW AGENT hereunder, or the deposits and payments held by it hereunder. Promptly after the receipt by ESCROW AGENT of notice of any demand or claim or the commencement of any action, suit or proceeding, ESCROW AGENT shall, if a claim in respect thereof is to be made against SPONSOR, notify SPONSOR other parties hereto in writing, but the failure by ESCROW AGENT to give such notice shall not relieve SPONSOR from any liability which such party may have to ESCROW AGENT hereunder.

11.4 From time to time on and after the date hereof, SPONSOR shall deliver or cause to be delivered to ESCROW AGENT such further documents and instruments and shall do and cause to be done such further acts as ESCROW AGENT shall reasonably request (it being understood that ESCROW AGENT shall have no obligation to make any such request) to carry out more effectively the provisions and purposes of this Agreement, to evidence compliance herewith or to assure itself that it is protected in acting hereunder.

11.5 SPONSOR hereby irrevocably consents to the jurisdiction of the courts of the State of New York and of any Federal court located in such State of New York and of any Federal court located in such State in connection with any action, suit or other proceeding arising out of or relating to this Agreement or any action taken or omitted hereunder, and waives personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail directed to such person at such person's address for purposes of notices hereunder. Should the person so served fail to appear or answer within the time prescribed by law, that person shall be deemed in default and judgement may be entered by ESCROW AGENT against that person for the amount or other relief as demanded in any summons, complaint or other process so served.

12. NOTICES

12.1 Any notice, certificate or communication required or permitted hereunder shall be considered effective upon receipt by the addressee and shall be addressed at the addresses contained in Page 1 of this Agreement or to such other addresses as shall be furnished in writing by the respective parties.

13. SEVERABILITY.

13.1 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.

14. ENTIRE AGREEMENT.

14.1 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.

GARY E. MILLER, PLLC, ESCROW AGENT

By: _____
Gary E. Miller, Esq.

340 DEGRAW STREET DEVELOPMENT CORP., Sponsor

By: _____

EXHIBIT "R"

BEN ROTTENSTEIN ASSOCIATES, LLC
REAL ESTATE TAX CONSULTANTS

March 28, 2001

Mr. Paulo Bennici
C/o 344 Degraw Street Development
1365 72nd St.
Brooklyn, N.Y. 11228

Re: Caroll Gardens Condominium
344 Degraw St., Brooklyn, N.Y.

Dear Mr. Bennici:

I am writing in response to your request for an opinion regarding the eligibility of a construction project at the referenced site for tax benefits pursuant to Section 421-a of the Real Property Tax Law.

1. Eligibility requirements
To be eligible for Section 421-A tax benefits, the Project must comply with each of the eligibility requirements set forth in Chapter 6 of Title 28 of the Rules of the City of New York. The application of these requirements to the project is discussed in detail below.

A. Location Requirements

1. **Geographic Exclusion Area Limitation**

Sections 6-02(b)(3) and 6-02(c)(10) of the Rules provide that a project in the Geographic Exclusion Area is eligible for Section 421-a benefits only if carried out with Substantial Governmental Assistance or if affordable units are created in accordance with the requirements of Section 6-08 of the Rules.

The Project is not located in the Geographic Exclusion Area and is therefore not subject to these limitations.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of Section 6-02© bar 421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more

consecutive years immediately prior to October 1, 1971 as a Private Park. You state, and I assume, that the Site does not fall within either category.

56 WILLOUGHBY STREET • BROOKLYN, N.Y. 11201 • (718) 855-6110 • FAX: (718) 797-9684

B. Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for 421-a benefits, the land on which it is located must have been vacant, predominantly vacant, underutilized, or improved with a non conforming use on the operative date. "Operative Date" means, in the case of the Project, thirty six months prior to the Commencement of Construction.

You have stated that construction began in May 2000. Accordingly the Operative Date will fall within New York City's 1997/98 Fiscal Year. You have also stated that the site was Substantially Vacant in excess of Thirty six (36) months. Accordingly the Site will qualify as underutilized for the purposes of Section 421-A.

C. Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for Section 421-a benefits only if it is a "new multiple dwelling". Section 6-02(c) states that multiple dwellings resulting from the conversion or rehabilitation of a building or structure are ineligible for benefits, and Section 6-01 of the Rules provides that:

Construction shall not commence prior to the issuance by the Department of Buildings of either (I) a building or alteration permit for the construction of an entirely new multiple dwellings, the footprint of which consisted entirely of vacant and unimproved land upon such date, or (ii) an alteration permit for the construction of a new multiple dwelling above, and on an entirely separate tax lot from, one or more existing structures which are to be retained provided that only the floor area eligible to the new multiple dwelling, and any eligible commercial, community facility or accessory use space within such new structure shall be eligible for benefits under the act.

You state that the Project will be carried out pursuant to a new building permit and, upon completion, will be a newly constructed multiple dwelling constructed on land which was entirely underutilized as of the Commencement of Construction. Accordingly, the project will meet the requirements set forth above.

2. Not used as a Hotel or for Single Room occupancy

Paragraphs (3) and (4) of Section 6-02©of the Rules deem any building or portion thereof which is used as a hotel or for single room occupancy ineligible for 421-a benefits. You state that no such use of the Project will occur.

D. **Timing Requirements**

1. Project Commencement

Subdivision (2) © (ii) of 421-a requires that a project to be commenced on or after July 1, 1985 and is completed no later than December 31, 2003 to be eligible for ten (10) year benefits under that section. You state, and we assume that the project will be completed prior to December 31, 2003.

Reduction of Benefits for Excess Commercial,Community Facility or Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by 421-A will be reduced if the floor area of the Project's commercial, community facility and accessory use space exceeds twelve percent (12%) of the aggregate floor area.

The amount of commercial, community facility and accessory use space, and resulting decrease in benefits will be determined in accordance with the Rules based on building plans for the Project.

Exemption during construction

If the project satisfies all of the requirements set forth in Section 421-a and have received a Preliminary Certificate of Eligibility it shall be exempt from real property taxes, other than assessments for local improvements upon any increase in assessed valuation over the Prior Assessed Valuation during the statutorily defined period of construction or for a period of three years, whichever is less, provided that taxes shall be paid in each tax year in which full or partial exemption is in effect on the Prior Assessed Valuation, as defined in Section 6-01© of 421-a.

Exemption after construction

After the first taxable status date immediately following the completion of the construction, any increase in assessed valuation over the Prior Assessed Valuation, this Project after receiving a Final Certificate of Eligibility shall be exempt from real property taxes, other than assessments for local improvements, for fifteen consecutive tax years pursuant to the following schedule. In addition, owners must pay full taxes on the Prior Assessed Valuation, as defined in 6-01© of Section 421-a.

Fifteen Year Exemption

YEAR	PERCENT OF INCREASED ASSESSED VALUATION WHICH IS EXEMPT
First through Eleventh	100%
Twelfth	80%
Thirteenth	60%
Fourteenth	40%
Fifteenth	20%
Sixteenth	0%

Period of gradual diminution of tax exemption

Solely for purposes of 6-04(b) of this chapter, the period of gradual diminution of tax exemption shall be the following:

For the ten year benefit period, the ten years beginning in the first year of exemption after completion of construction.

Prior to the commencement of construction, records of the New York City Department of Finance Real Property Assessment Department reveal that the estimated assessed valuation of the subject premises was as follows:

ACTUAL	LAND: $168,750	TOTAL: $168,750
TRANSITIONAL	LAND: $168,750	TOTAL: $168,750

We have estimated that the assessed value of the property upon completion of construction will be approximately $1,286,550. The Department of Finance will allocate the assessed value to the condominium units, usually based upon the percentage of common interest as listed in the Condominium Offering Plan. The 2000/2001 tax rate is 10.847 per $100.

Any increase in assessment due to the physical improvements attributable to the newly constructed residential condominium units shall be exempt as per the TEN YEAR EXEMPTION table shown earlier.

Although the aforesaid estimate of the post construction Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made may be lesser or greater than estimated above. In no event will the firm of BEN ROTTENSTEIN ASSOCIATES, LLC , the Sponsor, the Sponsor's counsel, or any other person be liable if the assessed valuation when actually

made, is lesser or greater than predicted above or if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to the of BEN ROTTENSTEIN ASSOCIATES, LLC prove to be untrue.

Based on the foregoing, it is our opinion that the Department of Housing and Preservation and Development ("HPD") will consider the property eligible for real estate tax exemption benefits under Section 421a.

NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT HPD OR THE NEW YORK CITY BUREAU OF REAL PROPERTY ASSESSMENT, OR ANY OTHER AGENCY WITH JURISIDCTION WILL APPROVE SPONSOR'S APPLICATION FOR SECTION 421-A TAX BENEFITS, OR THAT THE ASSESSED VALUATION WILL BE ESTIMATED HEREIN, AND THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT, THE PROPERTY FAILS TO OBTAIN SECTION 421-A BENEFITS.

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

Very truly yours,

BEN ROTTENSTEIN ASSOCIATES, LLC.

Ben Rottenstein

EXHIBIT "S"

GARY E. MILLER, PLLC
ATTORNEY AT LAW
261 MADISON AVENUE, 16TH FLOOR
NEW YORK, NEW YORK 10016
—
(212) 953-2082
—
FAX: (212) 953-2191

ADMITTED NEW YORK AND
NEW JERSEY BARS

RIVERDALE OFFICE
TEL: (718) 432-9788

March 22, 2001

340 Degraw Street Development Corp.
1365 72nd Street
Brooklyn, New York 11228

Re: Carroll Gardens Condominium
344 Degraw Street
Brooklyn, New York
Condominium Offering Plan
Compliance with Real Property Law § 339-i

Dear Sirs:

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 the interests in the common elements.

The method selected for calculating the percentage of common interests in the condominium is in accordance with Real Property Law Section 339-i(1)(ii), which provides as follows:

"the Common Interests of each of the Units have been allocated based upon the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements"

The common interests in this condominium have been allocated to the units in accordance with the factors in compliance with Real Law Section 339-i.

Very truly yours,

Gary E. Miller, Esq.