

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

THE SOUTH SLOPE CONDOMINIUM

393 17th Street

County of Kings, Brooklyn, New York 11215

**3 Residential Units;
2 Outdoor Parking Spaces;**

TOTAL OFFERING - \$1,650,000.00

SPONSOR AND SELLING AGENT

**393 17TH STREET REALTY CORP.
3707 15TH AVENUE
BROOKLYN, NEW YORK 11218
(718)-853-4644**

SPONSOR'S ATTORNEY

**GARY ROSEN LAW FIRM
A PROFESSIONAL CORPORATION
249-02 JERICHO TURNPIKE
FLORAL PARK, NEW YORK 11001
(516)-437-3400**

**THE APPROXIMATE DATE OF THE FIRST OFFERING TO THE PUBLIC
IS MARCH 27, 2003. THE OFFERING PLAN MAY NOT BE USED
AFTER MARCH 26, 2004,
UNLESS EXTENDED BY AMENDMENT.
FILE NUMBER CD-02-0215**

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. (SEE PAGE III).

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

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SPECIAL RISKS

ELIGIBILITY FOR PARTIAL REAL ESTATE TAX ABATEMENT

1. The condominium may be eligible for partial tax exemption benefits under Section 421-a of the Real Property Tax Law . An application has been filed with The City of New York Department of Housing Preservation and Development, but has not yet been acted upon. It is possible that the benefits will not be obtained before the closing of the first unit. Purchasers should understand that the application for partial tax exemption may not be granted by the City of New York and therefore the real estate taxes will be much higher than if the application is granted. This offering plan details the projected real estate taxes with the granting of the partial tax exemption and without the granting of the partial tax exemption. (See Part I, Section "U").

PURCHASER TO PAY SPONSOR FOR TAX EXEMPTION APPLICATION

2. Each purchaser shall pay to the sponsor one and one-half (1.5%) of the sales price of his respective unit for reimbursement of the sponsor's cost in applying for a partial tax exemption benefits to section 421-a of the New York State Real Property Tax Law. Sponsor cannot guaranty that the condominium will receive the partial tax exemption, and the costs of 1.5% of the sales price will be due to Sponsor as and for sponsor's costs to apply for same. (See Part I, Section (P)(I)(G)).

MATERIALS, WORKMANSHIP, ETC.

3. All Units and general and limited Common Elements offered pursuant to this Offering Plan are sold subject to completion of the work specified in the Architect's Report (see Part II, Section "LL"). The New York State Legislature enacted Article 36-B of the General Business Law ("Article 36-b"), which pertains to warranties on the sale of certain new homes. Article 36-B, General Business Law ("G.B.L.") §777-a provides that a builder of new homes and condominiums shall warranty certain items and provides that a home will be free from xsddfsrdefects due to a failure to have been constructed in a skillful manner. Article 36-B, General Business Law §777-b is entitled "Exclusions or modifications of warranties". The sponsor of this offering plan is limiting the implied warrant set forth in G.B.L. § 777-a. The offering plan contains a "Limited Warranty" which specifies the items which are covered items and for which the warranty provided by the Sponsor applies. The Purchaser should read and be familiar with the items covered by the Limited Warranty, as the Implied Warranty as provided by G.B.L. §777-a is not applicable to this condominium units being offered by this offering plan.

This law is applicable to all residential units offered for sale under this offering plan. Pursuant to the terms of this law, the Sponsor is providing a Limited Warranty to purchasers

which provides for a Limited Warranty on certain items. (see **Part II, Section "HH"** for the complete terms of the Limited Warranty. Certain of the limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first residential unit buyer only; Sponsor's liability is limited to 10% of the purchase price, exclusive of all options; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to the Sponsor, and for commencing a lawsuit against Sponsor. .

CONDOMINIUM MANAGEMENT

4. Purchasers should not that that the budget for the first year of operations does not provide for the services of a management company for the Condominium. It is anticipated that the affairs and management of the Condominium shall be done by the Board of Managers. The duties of the Board with respect to management of the Condominium are set forth in Section "S" & "T" of this Offering Plan. It should be noted that in the event it becomes necessary to hire a managing agent, common charges may increase during the second and subsequent years of operation of the condominium to cover such cost for management fees. (see **Part I, Section "F", Schedule B, Footnote 11**).

CLOSING DATE AND ADJOURNMENTS

5. The contract authorizes one adjournment of the closing date of up to 15 days. The contract makes the adjourned closing date "time of the essence." This means that the Purchaser must close by the adjourned date. In the event that Purchaser does not close on the adjourned date, Purchaser may risk the loss of his or her downpayment. (see **Part I, Section "K"**) and (**Part II, Section "FF" - Purchase Agreement**). Purchasers will be required to pay an additional fee of \$295.00 to Sponsor's closing attorneys if purchaser does not close title to his or her unit on the date stated in the notice of closing because such purchaser has not complied with the terms of this Offering Plan or his or her executed Purchase Agreement, or if the purchaser's lender requires the closing to be at a place other than that indicated in the notice of closing. (see **Part I, Section "0"**).

CONTRIBUTIONS TO WORKING CAPITAL FUND

6. At the time of closing, each purchaser will be required to pay \$250.00 plus one month's common charges which shall be paid into the Working Capital Fund of the Condominium. The working capital fund may not be used to pay common expenses of the Condominium during the time that the Sponsor remains in control of the Board of Managers. (see **Part I, Sections "X" and "Y"**).

BONDING BY SPONSOR

7. No bond or other security has been Posted to secure sponsor's obligations under this Plan or to complete construction of the building or other obligations under the Plan including the obligation to pay common charges with respect to unsold units (see **Part I, Section "Q"**).

SPONSOR DECLARING PLAN EFFECTIVE

8. Pursuant to existing law and regulation, the Sponsor may declare the condominium plan effective with executed purchase agreements for a minimum of fifteen (15%) percent of the units in the building. Even if the plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to create a condominium with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase an apartment. (see **Part I, Section "N"**)

LENDER INFORMATION REGARDING CONDOMINIUMS IN GENERAL

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

ESCROW OF PURCHASERS FUNDS

10. All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers shall 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 the purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras (see **Part I, Section "K"(12)**).

All deposits, down payments or advances made by purchasers prior to closing will be placed in an interest bearing escrow account with the interest earned following the funds, to the seller at closing if title passes to purchaser, or to the purchaser if the closing does not occur provided that purchaser has not defaulted in the obligations pursuant to the purchase agreement. The segregated escrow account will not be federally insured in excess of \$100,000.00. (see **Part I, Section "K"**).

SPONSORS RETAINED VOTING POWERS

11. Sponsor will have voting control over the making of certain (a) capital improvements, (b) expenditures of monies, (c) the imposition of assessments, and (d) the amendment of the Declaration and by-laws of the Condominium until the earlier to occur of (i) five (5) years from the closing of title to the first unit, or (ii) the sale of units representing more than eighty-five (85%) percent of the units being offered for sale. (see Part I, Section "R").

MORTGAGE TAX CREDIT

12. Sponsor shall, upon the closing of each unit, have the right to receive a rebate for mortgage recording taxes already paid, if any, which rebate shall be credited to Sponsor from amounts any unit purchaser otherwise would have paid in connection with the recording of a mortgage against his unit at the time of purchase. (see Part I, Section "P"(III)).

SANITATION DISPOSAL

13. Each Unit Owner may be responsible for placing its trash and other refuse at a designated location on the curb at designated times in the event the Department of Sanitation does not approve the collection site set forth in the plans approved by the building department. (see Part I, Section "F"(12)).

APPLIANCES

14. The Sponsor will not provide, and the purchase price shall not include, a refrigerator, a washing machine or a clothing dryer in the individual condominium unit. (see Part I, Section "C"(2)). One coin operated washing machine and one coin operated clothes dryer will be provided in the basement of the Condominium (see Part I, Section "C"(2)).

TITLE INSURANCE

15. Title insurance will be available from Fidelity National Title Company through its agent Intercounty Abstract Corp., 99 Tulip Avenue, Floral Park, New York. In the event purchaser seeks title insurance from a different source, purchaser shall pay to Sponsor's closing attorney, at the time of closing, an additional \$295.00 to fund the cost to sponsor's closing attorney of addressing title concerns which may be raised by a title insurer not familiar with the history of the property. (see Part I, Section "P")(I)).

**PAYMENT FOR BALANCE OF FUNDS DUE TO SPONSOR
FOR THE PURCHASE PRICE IS TIME OF THE ESSENCE**

16. Paragraph "13" of the purchase agreement reads as follows:
The time for the payment of the balance of the Purchase Price and the performance of Purchaser's other obligations hereunder, is of the essence of this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Seller may give notice to Purchaser of such default. If such default shall not be cured within fifteen (15) days thereafter, Seller may, at its option, cancel this Agreement by notice of cancellation to Purchaser. Notwithstanding the foregoing, in the event Purchaser fails to close title on the designated date and Seller does not elect to cancel this Agreement, Seller shall also have the right to approve a request from Purchaser to adjourn the Closing Date and in such event (a) Purchaser shall Pay Seller interest at the rate of twelve percent (12%) per annum on the entire amount of the purchase price computed from the original Closing Date until this transaction is actually closed, (b) all apportionments between Seller and Purchaser shall be made as of the original Closing Date and (c) Purchaser shall reimburse Seller for any additional costs incurred by Seller as a result of Purchaser's delay. If Seller elects to cancel this Agreement on account of Purchaser's default, (i) Seller may retain all sums deposited by Purchaser hereunder, together with interest earned thereon as liquidated damages (Seller's actual damages being difficult or impossible to ascertain), and upon retaining such sum, this Agreement shall be terminated and neither party shall have any further rights, obligations or liabilities or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan and (ii) Seller may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). (see Part I, Section "K") (23)).

PURCHASER PAYMENT OF TRANSFER TAXES

17. WHILE THE NEW YORK STATE AND NEW YORK CITY TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY HOME TRANSACTIONS, THE BURDEN OF PAYING SUCH TAXES MAY BE MODIFIED BY CONTRACT. AS IS COMMON WITH MANY OTHER CONDOMINIUM DEVELOPMENTS IN NEW YORK STATE, THE PURCHASE AGREEMENT PROVIDES THAT THE PURCHASER OF A UNIT WILL BE REQUIRED TO PAY THESE TRANSFER TAXES AT THE CLOSING. (See Part I, Unit Closing Costs and Adjustments, Section "P").

SPONSOR'S LIABILITY LIMITATIONS

18. The Sponsor has no obligation to defend any suits or proceedings arising out of Sponsors acts or omissions and no obligation to indemnify the Board of Managers and Unit Owners, except for claims arising out of the acts, omissions or representations of the Sponsor,

as limited in this Offering Plan. However, directors and officers liability insurance will be procured by the Sponsor and be effective at the closing of the Condominium and the filing of the Declaration. The cost for such insurance shall be borne by the Condominium. Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of the sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. This offering plan does not include any financial limitation on sponsor's liability for failure to perform its obligations under the offering plan. (See Part I, Section Q").

NO LABOR FOR MAINTENANCE OF CONDOMINIUM PROVIDED

19. No funds have been budgeted for labor. The Unit Owners will be responsible for performing all work required for the normal maintenance of the Condominium, such as cleaning the common elements, landscaping and snow removal in common areas. The lack of laborers complies with all applicable housing and labor laws. The Board of Managers shall be responsible for hiring any appropriate repair service and to ensure that such service will make any emergency repairs to the Common Elements. In the event that the Board determines that labor is required in the future, common charges may be increased to cover the increased or new costs of labor. (See Part I, Section "F"(2)).

COMMON CHARGE PROJECTION

20. The condominium common charges may be increased if laundry income projections have been overestimated and the actual income that the condominium derives from usage of the washers and dryers in the condominium is less than the projections set forth herein. (See Part I, Section F, Footnotes to Schedule B (2)). See also - CERTIFICATION BY SPONSOR'S EXPERT CONCERNING THE OF ADEQUACY OF OPERATING BUDGET PURSUANT TO 13 NYCRR 20.4 (d)).

RECREATION ROOMS

21. Unit 1A has a recreation room located in the cellar level. Recreation rooms may not be used as a bedroom and is prohibited and would be a violation of the New York City Building Code. (See Part II, Section "MM", Article "7").

PART I

A. INTRODUCTION

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

Your attention is directed to the following:

1. Offer Made by Offering Plan.

Under New York law, a Sponsor may not offer condominium units for sale unless and until an Offering Plan has been accepted for filing by the Department of Law of the State of New York. The purpose of the Offering Plan is to set forth all of the material terms of the offer in order to allow prospective Purchasers to make an informed decision regarding their purchase of a unit. The Offering Plan may be amended from time to time when an amendment is filed by Sponsor with the New York State Department of Law. All amendments will be served on all offerees (all purchasers and Unit Owners) as defined in Part 20 of Title 13 NYCRR. An amendment is not effective until the Department of Law of the State of New York has accepted the amendment for filing.

2. Applicable Law.

The Condominium is subject to and complies with the New York Condominium Act (Article 9-B of the New York Real Property Law).

3. Sponsor.

The sponsor is 393 17th Street Realty Corp., a New York corporation. The sponsor acquired in fee simple the property upon which the condominium is being constructed on July 19, 2002.

4. Size of the Offering.

The sponsor hereby offers three (3) residential apartment units and two (2) parking spaces which will be limited common element to the residential units as follows:

The residential units will be in a newly constructed building.

Unit 1A in the building known as 393 17th Street will each assigned two (2) outdoor parking spaces. Units 2A and 2B in the building known as 393 17th Street will not contain any parking spaces. The parking spaces are located on the side of the building and a detailed

drawing indicating the location of the parking spaces are set forth on the site plan in the architects report set forth in this offering plan. Unit 1A is the only unit that has parking spaces and the right to park on the premises of the condominium. The parking spaces are "tandem" parking spaces, so that the vehicle in PS-2 blocks PS-1. As a result of the parking spaces being tandem, both of the parking spaces are assigned only to Unit 1A. The parking spaces are located at the front of the building and is depicted on a detailed drawing on the site plan of the condominium contained in this offering plan. The purchasers of Units 2A and 2B will not have any parking privileges and will have to resort to parking on the public streets.

There are limited common elements as follows:

There is a rear yard which is a limited common element to Unit 1A;

There is an areaway as indicated in the architectural report which is limited common element to Unit 1A;

There is a roof terrace which is limited common element to Unit 2A;

There is a roof terrace which is limited common element to Unit 2B;

There are two balconies, one on the second floor and one on the third floor which are limited common element to Unit 2A;

There are two balconies, one on the second floor and one on the third floor which are limited common element to Unit 2B;

5. Sponsor Amendments.

Sponsor must amend the Plan when the Plan is declared effective and will update the timetable for completing the units.

6. Basic Aspects of Condominium Ownership.

(i) Outright Ownership.

Ownership of a condominium is similar in many respects to the ownership of a private one-family home. Each purchaser owns his or her unit outright and is entitled to the exclusive possession of his or her unit together with an interest in and right to use the common elements, and exclusive right to use limited common elements.

Outdoor Parking spaces are designated as follows:

<u>UNIT #</u>	<u>PARKING SPACE #</u>
1A in 393 17th Street	PS # 1 and PS # 2
2A in 393 17th Street	NONE
2B in 393 17th Street	NONE

See Part II, Section "LL" ("Site Plan") for the location of the designated parking spaces.

Exclusive Space, Common and Limited Elements.

Space owned by a Unit Owner is for his or her exclusive use. Use of the unit is controlled by the provisions of the Condominium Declaration, By-Laws and any rules and regulations promulgated pursuant to these documents. The interior living space of the unit is generally exclusive space. It must be maintained and decorated by the Unit Owner at his or her own expense. Common elements are those portions of the building used by all Unit Owners together. Examples of common elements are the hallways and the stairs which are located outside of the condominium unit. The common elements are not the exclusive property of any one Unit Owner. There are certain Limited common elements comprising of the outdoor parking spaces and the area directly in front of parking space designated as number PS # 2 as set forth on the site plan made a part of and annexed to this offering plan.

There are also limited common elements as follows:

- There is a rear yard which is a limited common element to Unit 1A;
- There is an areaway as indicated in the architectural report which is limited common element to Unit 1A;
- There is a roof terrace which is limited common element to Unit 2A;
- There is a roof terrace which is limited common element to Unit 2B;
- There are two balconies, one on the second floor and one on the third floor which are limited common element to Unit 2A;
- There are two balconies, one on the second floor and one on the third floor which are limited common element to Unit 2B;

(ii) Payment of Common Charges.

Each Unit Owner must pay common charges in accordance with the Declaration, By-Laws and Sections 339-i and 339-m and other related provisions of the New York Condominium Act (Article 9-B of the New York Real Property Law). Common charges are paid in proportion to the Unit Owner's respective interest in the residential common elements and are used for the operation and maintenance of the condominium property as the Board of Managers determines in the exercise of its business judgment.

(iii) Compliance with Declaration, By-Laws, Rules and Regulations.

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

(iv) Restrictions on Use, Resale and Leasing.

Unit Owners have the right to sell or lease their unit to whom they see fit subject to the right of first refusal of the Board of Managers to acquire or lease the unit or to produce a third party to acquire or lease the unit on the same terms as were offered to the owner of such unit.

A Unit Owner may mortgage his or her unit with an institutional lender without restrictions. (see Rights and Obligations of Unit Owners, Part I, Section "T").

(v) **Authority of Board of Managers.**

The Board of Managers governs the affairs of the condominium and supervises the operation of the property. Each Unit Owner has the right to vote at annual elections for the Board of Managers in accordance with the Condominium Declaration and By-Laws. There exists no governmental agency to regulate the internal affairs and management of a condominium in New York. Any controversy among Unit Owners must be resolved by the Unit Owners in accordance with the By-Laws of the condominium.

(vi) **Taxation and Mortgages.**

The units may be separately mortgaged and each Unit Owner will be taxed separately for real estate tax purposes. A Unit Owner will be responsible for interest on any mortgage obtained for purchase of his or her unit and for payment of real estate taxes for his or her unit.

(vii) **Maintenance, Repairs and Insurance.**

Each Unit Owner will be responsible for the cost of interior maintenance and repair of his or her unit, the cost of decoration and the cost of liability and casualty insurance pertaining to his or her unit.

(viii) **Equipment and Fixtures are Included in the Offering Price.**

The equipment and fixtures described in this Plan are included in the offering price. Options may be available from the Sponsor on an individual basis at additional cost. There are no specific options offered by Sponsor. Sponsor will discuss the options desired by a prospective purchaser on an individual basis and a price will be negotiated.

7. Prices Fixed by Sponsor Alone.

The prices for the units offered through this plan were set by the Sponsor alone. The prices established are not subject to review or approval by the Department of Law or any other government agency.

8. Plan Contains All Material Terms.

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

9. Eligible Purchasers.

The condominium units may only be offered to individuals over the age of eighteen (18) years, corporations, and other entities that may legally own real property in the State of New York.

The purchase agreements once executed by the Purchaser and Seller are non-assignable without the express written consent of the Sponsor.

B. DEFINITIONS

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

1. **"Board of Managers"** – The overall governing body of the Condominium which represents all the Unit Owners and manages the Condominium pursuant to the provisions of the Declaration, By-Laws, and of the Plan.
2. **"Common Elements"** – All portions of the Condominium other than the Units, including without limitation the land, roofs, walls and structural elements of the Buildings, hallways, and certain other portions of the Buildings to be set aside for common use.
3. **"Common Expense"** – (a) Expense of operation of the property, and (b) all sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration, or the By-Laws.
4. **"Common Interest"** – The proportionate, undivided interest each Unit Owner has in the Common Elements.
5. **"Condominium"** – The SOUTH SLOPE CONDOMINIUM which is composed of the Unit Owners.
6. **"Declaration"** – The instrument by which the property 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.
7. **"Common Charges"** – Each Unit's proportionate share of the common expenses in accordance with its common interest.
8. **"Irrevocably Restricted Common Elements" or "Limited Common Elements"** – Certain portions of the Common Property which are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of

Managers, or their designees to enter upon any restricted area for maintenance, repair and inspection of a Unit or Common Elements and subject to the rules of the Board of Managers. Limited Common Elements include unit entrances and parking spaces.

9. **"Residential Unit"** – A Residential Unit is each unit of residential housing now or hereafter situated on the property. A Residential Unit is equivalent to the term "Unit" as the same is used in Article 9-B of the Real Property Law.
10. **"Unit Owner"** – Unit Owner includes all owners of Units in the Condominium.
11. **"Unsold Unit"** – Any unit held by the Sponsor or Sponsor's designee or any Construction Lender or Sponsor or Receiver appointed by such Construction Lender or a Purchaser at a foreclosure sale held by such Construction Lender or any designee of such Construction Lender or any entity acquiring Sponsor's Units by a deed in lieu of foreclosure. The owner of Unsold Units shall have the same rights, privileges, exemptions and benefits with respect to its Unsold Units as Sponsor has under this Plan and the Declaration and By-Laws with respect to the Units owned by Sponsor.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

DESCRIPTION OF UNITS:

1. The Condominium is located in the Borough Park section of Brooklyn, County of Kings, City and State of New York. It will consist of one newly constructed building containing one (1) two (2) bedroom and two (2) three (3) bedroom residential units. The building structure will consist of exterior masonry bearing walls and lightweight steel framing with ¾" plywood and 1" nominal tongue and groove hard wood floors. The architects report set forth in this offering plan provides the details of the materials incorporated into the building.

2. Kitchen appliances (range and dishwasher, but no refrigerator, washer or dryer), cabinets and plumbing fixtures are included in the price. No washers or dryers are provided in the condominium units, however there is one coin operated clothing washing machine and clothing dryer in each building of the condominium.

3. The building will be constructed in accordance with all applicable zoning and building laws, regulations, codes and other requirements including requirements of the New York City Building Code and applicable zoning requirements. Prospective purchasers may examine the Building Plans filed with the Building Department of the City of New York at the Sponsor's office or the Building Department.

4. Construction timetable - Construction work is in progress and has not been completed as of the date of this offering plan. Substantial completion is anticipated in April 2003 and the first closing will be on or about July 1, 2003.

DESCRIPTION OF PARKING SPACES

There are a total of two (2) parking spaces, each a limited Common Element: PS # 1 and PS # 2 will be assigned to Unit 1A in 393 17th Street; Units 2A and 2B in 393 17th Street will not have any parking space and no rights to parking privileges. The parking spaces are located on the side of the building and a detailed drawing indicating the location of the parking spaces are set forth on the site plan in the architects report set forth in this offering plan.

D. LOCATION AND AREA INFORMATION

Location

The Property is located on 17th Street between 7th and 8th Avenues. The area consists primarily of one family detached and semi-detached residences.

Topographical Features

The land consists of relatively flat terrain.

Surrounding Area

The surrounding areas are characterized by attached and detached one and two family houses. The surrounding areas are residential with concentrated areas of retail and commercial. Retail establishments are located within several blocks away from the condominium.

Easements

Each Residential Unit Owner will have an easement in common with all other Residential 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 Residential Units and servicing his Residential Unit. Further, each Residential Unit Owner will have an easement for the continuance of any encroachment by his Residential Unit on any adjoining Residential Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Residential Units or repair or alteration of the Residential 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 to the Common Elements so that any such encroachment may remain undisturbed so long as the Residential Unit stands. Each Residential Unit will be subject to such encroachments and easements in favor of all other Residential Units. The Board of Managers, its agents and employees shall have a right of access to the Residential 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 Residential Unit to prevent damage to the Common Elements or any other

Residential Unit.

Transportation

Subway and bus lines linking up with all major subway stations and various bus routes serving Brooklyn and Manhattan are within walking distance of the Property. The "F" train stops at 15th Street and Prospect Park West, which is in close proximity to the condominium. The "F" train stops at 9th Street and 4th Avenue, where a passenger may change to the M", "N", "R" and "W" train lines. The B67 bus line operates along 7th Avenue; the B69 bus line operates at 15th Street and 8th Avenue; the B75 bus line operates along Prospect Park West, and connects to subway lines. The New York City subway operates along Prospect Park West and Prosepct Avenue, which is located approximately three blocks from the Condominium.

Recreational Facilities

There is a New York City Public Park known as Prospect Park, located at Prospect Park West and Prospect Park Southwest located approximately one half mile from the Condominium.

Schools, Religious and Medical Facilities

New York City Public schools and various religious and private schools are located within one (1) mile of the Property. P.S. 10, is located at 511 Surf Avenue; I.S. # 88, the 544 7th Avenue, and the High School is determined by Placement Center for High Schools of the City of New York, telephone number 212-481-7343. Methodist Hospital is located at 7th Avenue and 6th Street.

Police, Fire, Water, Sanitation. Snow Removal and Road Maintenance Services

These services are provided by the City of New York. Both local police and fire stations are nearby. The 72nd Police Precinct is located at 830 4th Avenue, approximately one mile from the condominium. NYC Fire Department Engine Company 220 and is located at within one mile from the building at 530 11th Street, Brooklyn, New York, approximately one-half mile from the condominium.

Zoning

The Property is in an R-5 zone which is primarily residential use.

E. Offering Prices of Units and Related Information

Schedule A - Unit Prices Estimated Individual Expenses For The First Full Year at

The South Slope Condominium

For the Period July 1, 2003 to June 30, 2004

footnotes	(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(7)	(7)	(7)
					Estimate of Monthly Common Charges	Estimate of Monthly Real Estate Taxes with Section 421A Benefits	Estimate of Annual Real Estate Taxes with Section 421A Benefits	Estimate of Monthly Real Estate Taxes without Section 421A Benefits	Estimate of Annual Real Estate Taxes without Section 421A Benefits	Estimated Monthly Carrying Charges with Section 421A Benefits	Estimated Monthly Carrying Charges without Section 421A Benefits
Apt. #	Room Count	Square Footage	Offering Price	Percentage of Common Interest							
1A + PS1 & PS2	2BR + Rec Room + 1 1/2 Baths	1,665	\$ 550,000.00	33.34%	\$ 151.54	\$ 39.08	\$ 468.96	\$ 519.20	\$ 6,230.40	\$ 190.62	\$ 670.74
2A	3 BR + 2 1/2 Baths	1,185	\$ 550,000.00	33.33%	\$ 151.50	\$ 39.08	\$ 468.96	\$ 519.20	\$ 6,230.40	\$ 190.58	\$ 670.70
2B	3 BR + 2 1/2 Baths	1,185	\$ 550,000.00	33.33%	\$ 151.50	\$ 39.08	\$ 468.96	\$ 519.20	\$ 6,230.40	\$ 190.58	\$ 670.70
		4,035		100.00%	\$ 454.54	\$ 117.24	\$ 1,406.88	\$ 1,557.60	\$ 18,691.20	\$ 571.78	\$ 2,012.14
		sq. ft.									
PS = Parking Space											
Limited Common Elements to Unit 1A is the rear yard, areaways											
Limited Common Elements to Unit 2A and 2B are roof terraces and balconies											

FOOTNOTES TO SCHEDULE A

(1) The number of rooms listed for each Unit is based upon the "Recommended Room Count" of the Real Estate Board of New York, Inc. For more details regarding the rooms within the Units, please consult the floor plans in Part II, Section "LL".

(2) The amounts stated are the approximate square feet.

(3) No change in the sales price 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 the offering price does not constitute a general offering, but is rather the result of an individual negotiated purchase. See Part I, Section "K" for further discussion and Part I, Section "P" for estimated closing costs and adjustments, which must be borne by purchasers in addition to the sale prices set forth.

(4) The percentage of Common Interest for each of the Units has been calculated in accordance with Section 339-i.1(iv) of the Condominium Act on the basis of the approximate proportion that the fair value of the Unit bears to the then aggregate fair value of all the Units. Percentage of Common Interest is determined by size of the unit and location of the unit.

(5) Monthly Common Charges are projected for the first year of operation (see Part I, Section "F" – Schedule "B"). These Common Charges do not include certain costs for which the Unit Owner will be responsible such as repairs to the interior of the Unit (see Rights and Obligations of Unit Owners, Part I, Section T) and certain Limited Common Elements restricted to the use of certain Unit Owners and domestic utility costs for electricity, and air conditioning. Under current income tax law, no deduction is allowed for any part of the common charges for a residential occupant of a condominium unit. The common charges may be deductible under certain circumstances if the unit is held for investment. The monthly Common Charges set forth do not include an amount representing the debt service charges (interest on a mortgage) which a purchaser will incur if he or she finances the purchase of his Unit with a mortgage. Interest on a residential mortgage is deductible for income tax purposes under federal, state and city law provided deductions are itemized and the unit is used for residential purposes of the Unit Owner. If the unit is held for investment, then certain passive loss restrictions may apply and prevent an overall loss deduction. The interest deductible on a mortgage may vary in future years due to changes in the interest rate (adjustable mortgages) on a Unit Owner's mortgage or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from changes in the assessed value, the tax rate or the method of assessing real property. Purchasers should consult their tax advisor with respect to these items.

There are limited common elements as follows:

There is a rear yard which is a limited common element to Unit 1A;

There is an areaway as indicated in the architectural report which is limited common element to Unit 1A;

There is a roof terrace which is limited common element to Unit 2A;

There is a roof terrace which is limited common element to Unit 2B;

There are two balconies, one on the second floor and one on the third floor which are limited common element to Unit 2A;

There are two balconies, one on the second floor and one on the third floor which are limited common element to Unit 2B;

(6) The real estate tax projections are based upon a projected assessment after completion of construction of the building for the 2003/2004 year of \$132,000.00 at a tax rate of \$14.16 per \$100.00 of assessed value and a total projected real estate tax of approximately \$18,691.20 without a partial tax abatement. The projections have been prepared by Barnett Maller, real estate consultant, 249-02 Jericho Turnpike, Bellerose, New York 11001-4003. The real estate taxes will be assessed in January 2004 and will be effective July 1, 2004. For the period from the estimated closings in July 2003, the real estate taxes may be less based upon a lower assessed value due to the fact that construction was not completed when the property was assessed in January 2003. The assessed value for year 2001/2002, which was the full year prior to construction was \$3,312.00. Therefore, the assessed valuation, with the partial tax abatement for the 2003/2004 tax year is estimated at \$3,312.00 for the portion of the subject premises to be apportioned to individual tax lots. Based upon a tax rate of \$14.16 per \$100.00 of assessed value as estimated by Barnett Maller the total projected real estate tax for the 2003/2004 tax year equals approximately \$468.98. As a result, the projected monthly tax for each Unit Owner during the 2003/2004 year will be as follows:

<u>House No.</u>	<u>Apartment No.</u>	<u>Percentage of Common Interest</u>	<u>Monthly Real Estate Taxes</u>	<u>Annual Real Estate Taxes</u>
393 17th Street	1A	34.00%	\$10.89	\$ 156.33
393 17th Street	2A	33.00%	\$10.57	\$ 156.33
393 17th Street	2B	<u>33.00%</u>	<u>\$10.57</u>	<u>\$ 156.32</u>
		100.00%	\$32.03	\$ 468.98

With regard to projected real estate taxes, after the condominium is divided into individual tax lots, each unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the nonpayment of taxes on other units. Under Federal, State and New York City law, real estate taxes paid are deductible for income tax purposes provided deductions are itemized and the unit is used for residential purposes of the Unit Owner. If the unit is held for investment, then certain passive loss restrictions may apply and prevent an overall loss deduction. The Sponsor filed an application with The City of New York Department of Housing Preservation & Development for a partial exemption from real estate taxes under Section 421-a of the Real Property Tax Law ("Section 421-a"). The application has not yet been acted upon.

(7) The amount stated represents the sum of projected monthly common charges for the first year of operation and projected real estate taxes with and without Section 421(a) tax benefits.

F. BUDGET FOR FIRST YEAR OF OPERATION

THE SOUTH SLOPE CONDOMINIUM
SCHEDULE B

July 1, 2003 to June 30, 2004

PROJECTED INCOME:

Common Charges (Note 1)	\$5,454.50
Laundry Income (Note 2)	<u>\$2,860.00</u>
Total Projected Income	<u>\$8,314.50</u>

PROJECTED EXPENSES:

Labor (Note 3)	\$ -0-
Utilities (Note 4)	820.00
Water Meter / Sewer Charges (Note 5)	1,144.50
Repairs, Maintenance and Supplies (Note 6)	600.00
Insurance (Note 7)	3,500.00
Accounting Fees (Note 8)	1,000.00
Contingency Fund (Note 9)	750.00
Legal Fees (Note 10)	500.00
Management Fee (Note 11)	-0-
Rubbish Removal (Note 12)	<u>-0-</u>
Total Disbursements	\$ 8,314.50

FOOTNOTES TO SCHEDULE B

(1) Common Charges - \$5,454.50

These estimates of operating expenses and income have been made by Sponsor based upon the operation of comparable developments in the City of New York. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time.

(2) Laundry Income - \$2,860.00

This income item is based upon the estimates of Mottola Rini Engineers, P.C., 36 West 25th Street, New York, New York 10010, which provides for an average laundry usage of two loads per person, per week. It is anticipated that each load of laundry will cost \$1.25 to wash and \$1.25 to dry. The figures herein cannot be construed as an assurance of the final expenses and is merely based upon information available at this time. Although the laundry income is based upon the expert opinion of Mottola Rini Engineers, P.C. as to the average usage of the laundry facilities by the Unit Owners, this income is speculative in nature and may vary substantially from such estimates. In the event that laundry income is less than that projected herein, common charges assessed to the Unit Owners will need to be increased to cover the cost and expenses of the Condominium.

The Condominium shall provide one (1) coin operated washing machine and one (1) coin operated dryer in the basement for use by the Unit Owners. There shall be no maintenance contract for the repair of such machines.

(3) Labor - \$-0-

No funds have been budgeted for labor. The Unit Owners will be responsible for performing all work required for the normal maintenance of the Condominium, such as cleaning the common elements, landscaping and snow removal in common areas. The lack of laborers complies with all applicable housing and labor laws. The Board of Managers shall be responsible for hiring any appropriate repair service and to ensure that such service will make any emergency repairs to the Common Elements. In the event that the Board determines that labor is required in the future, common charges may be increased to cover the increased or new costs of labor. Unit owners should aware that that the common charges may be increased if the board of managers determines that it desires to hire professional management services.

(4) Utilities (electricity) - \$820.00

The projection for the electricity for light and electric powered heat in common or public areas is based upon estimates provided by Mottola Rini Engineers, P.C., 36 West 25th Street, New York, New York 10010. The cost of electric is based upon Consolidated Edison Rate Schedule 1 at a price of 19.5 cents per kilowatt hours of use. The cost of gas is based upon

a price of \$1.20 cents per therm. Both rates include an adjustment for sales tax of 8.25 percent. No provision has been made for an inflation factor. The utility cost estimate consists of \$820.00 for electricity costs for the public lighting and common areas. The cost of electricity for public lighting is based upon 24 hours of operation per day, with seven (7) 60 watt indoor fixtures and four (4) 100 watt outdoor fixtures.

The projection does not include the cost of utilities for each individual domestic unit. The domestic units shall be individually metered and billed directly.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the annual cost to be incurred during the first year of condominium operation, which will vary with the level of consumption and the cost of the utility. Electricity is generated by the utility company by means of fuel oil as primary energy source. If the cost of oil used to generate electricity increases, it is likely that electricity rates will increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of condominium operation.

(5) Water Meter / Sewer Charges - \$1,144.50

THE UNITS WILL NOT BE INDIVIDUALLY METERED FOR WATER. THE BUDGETED FIGURE HAS BEEN ESTIMATED BASED UPON ESTIMATED ANNUAL WATER AND SEWER CHARGES published by the New York City Bureau Of Water & Energy Conservation, similar charges for buildings with approximately the same number units and in accordance with rates currently in effect in New York City. The annual water and sewer charge for 100 cubic feet of water (748 gallons) is \$3.48. Sponsor estimates that 24 people will live in the building and that water usage will be 80 GPCD (gallons per capita per day). The estimated cost includes an adjustment for sales tax of 8.25 percent. The water and sewer rates have increased at an average of less than five percent (5%) per year over the past three (3) years, however Sponsor has included an inflation factor of five percent (5%) the Water/Sewer Charges for possible increases in the rates by the City of New York. The actual amount estimated for water and sewer charges is \$1,090.00 plus \$54.50 representing the five percent inflation factor for a total budget amount of \$1,144.50.

The projections set forth in footnotes 6 through 12 of this Schedule B, were made by Barnett Maller, whose qualifications are set forth in the CERTIFICATION BY SPONSOR'S EXPERT CONCERNING THE OF ADEQUACY OF OPERATING BUDGET.

(6) Repairs, Maintenance and Supplies - \$600.00

The budgeted figure does not include improvements and repairs to, maintenance of, or supplies for individual Units and certain Limited common Elements (see Special Risks, Part I. Each individual Unit Owner is responsible for improvements and repairs to, maintenance of, and supplies for his Unit and certain Limited Common Elements irrevocably restricted to his

use. The estimate includes maintenance of and repairs to all Common Elements and certain Limited Common Elements (i.e., parking spaces and unit entrances) of the Property. Snow Removal and Landscaping charges if any are included in this item. Based upon the experience of Barnett Maller, 249-02 Jericho Turnpike, Floral Park, New York 11001, having prepared actual budgets for other condominiums, he has determined that the sum of \$600.00, or approximately \$200.00 per condominium unit is adequate for costs that the condominium can expect to incur during the first year of operation.

(7) Insurance - \$3,500.00

The budget for insurance includes and the condominium will have at closing, fire and casualty insurance under a policy including an 80 percent co-insurance provision so that the condominium will not be a co-insurer.

If the building is damaged, based upon the co-insurance provision, the insurance will be adequate to replace the building in the event of total loss the insurance will be sufficient to avoid the condominium from being a co-insurer in the event of partial loss.

The budgeted figure for insurance is based upon a proposal provided by Rampart Brokerage Corp., 329 Hempstead Turnpike, West Hempstead, New York. Insurance is to be a Condominium Package Policy provided by the an insurance company licensed to conduct business within the State of New York under a broad form policy. The quoted annual premium is based upon a non-hazardous occupancy at a value of \$450,000.00 covering the property at replacement cost and including comprehensive general liability of \$1,000,000.00/\$2,000,000.00 with a \$1,000.00 deductible. The quotation insurance coverage includes Flood insurance with limits of \$500,000.00, earthquake insurance with limits of \$500,000.00 and Employee Dishonesty limits of \$25,000.00.

The fire, casualty and general liability insurance will be on terms that provide: (1) that each unit owner is an additional insured party; (2) that there will be no cancellation without notice to the board of managers; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and unit owners; and (5) a waiver of pro-rata reduction if unit owners obtain additional coverage.

The following items are not included in the budget and no coverage is provided for the following, but coverage may be available at extra cost: officers' and directors' liability; rent insurance; water damage; boiler and machinery; excess liability; auto liability; fidelity bond; and garage keeper's liability.

Unit Owners should obtain additional insurance at their own cost to cover such risks as fire and casualty losses to unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on limited common elements.

Prospective purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL INCREASE OR DECREASE. Rampart Brokerage Corp. has represented to sponsor that a premium of \$3,500.00 is a reasonable estimate for the first years insurance given the factors based on the building, the condominium and insurance companies writing this type of insurance.

(8) Accounting - \$1,000.00

This figure reflects the estimated cost of retaining an accountant to prepare a year end fiscal statement and federal and state tax returns for the first calendar year of condominium operation. The estimate is based upon the fee quotation dated October 30, 2002 provided to the Sponsor by Morris Teper CPA, 104 South Central Avenue, Valley Stream, New York 11580. The fee of \$1,000.00 is the maximum that will be charged to the condominium for the preparation of a certified financial statement while the Sponsor in control of the Board of Managers, and this sum is guaranteed by the Sponsor as long as the Sponsor is in control of the Board of Managers. In the event that the actual costs exceed \$1,000.00 while the sponsor is in control of the Board of Managers, then the Sponsor shall be responsible for any accounting fees exceeding the \$1,000.00 as quoted by the Certified Public Accountant herein.

(9) Contingency Fund - \$750.00

This budget item is intended to provide funds for unanticipated expenses and/or increases in the projected expenses.

If the actual or anticipated date of commencement of condominium operation is to be delayed more than three (3) months from the budget year projected in the Offering Plan, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, the sponsor must offer all purchasers the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or downpayment to purchasers who rescind within a reasonable period of time not to exceed fifteen (15) days. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan.

IN THE OPINION OF BARNETT MALLER, 249-02 JERICHO TURNPIKE, FLORAL PARK, NEW YORK 11001, (see opinion letter Part I, Section "H" which sets forth all of the qualifications of BARNETT MALLER), THE PROJECTED RECEIPTS

ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FISCAL YEAR OF OPERATION COMMENCING JULY 2003. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME OR EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, AND IT IS POSSIBLE THAT THE ACTUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

SPONSOR HAS RESERVED THE RIGHT TO MODIFY, RENEW AND REPLACE EXISTING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS AND TO ENTER INTO NEW AGREEMENTS THAT WILL BE BINDING ON THE BOARD OF MANAGERS UPON COMMENCEMENT OF CONDOMINIUM OPERATION. ALL SUCH MODIFICATIONS, RENEWALS AND REPLACEMENTS THERETO WILL BE REFLECTED IN AN AMENDMENT TO THIS PLAN IF THEY MATERIALLY ALTER STATEMENT MADE HEREIN.

(10) Legal Fees - \$500.00

This figure reflects the estimated cost of retaining an attorney to advise the Board of Managers on legal issues that may arise in connection with the Condominium's normal business operations. The amount reflected does not cover extraordinary costs or expenses for additional services rendered or costs incurred to conduct litigation on behalf of the Condominium. This reserve amount is based on an estimate from GARY ROSEN LAW FIRM, a professional corporation, 249-02 Jericho Turnpike, Floral Park, New York 11001 dated March 3, 2003. The budgeted sum is to be used by the Board of Managers elected by Unit Owners when consulting with an attorney of their choice to review contracts, collect delinquent common charges, or general legal advice with regard to the Condominium.

(11) Management Fees - \$ -0 -

The budget for the first year of operations does not provide for the services of a management company for the Condominium. It is anticipated that the affairs and management of the Condominium shall be done by the Board of Managers. The duties of the Board with respect to management of the Condominium are set forth in Section "S" & "T" of this Offering Plan. It should be noted that in the event it becomes necessary to hire a managing agent, common charges may increase during the second and subsequent years of operation of the condominium to cover such cost for management fees.

(12) Refuse Removal - \$ -0-

Refuse removal is provided by the Sanitation Department of the City of New York. Unit Owners will be responsible for placing trash at enclosure provided for this purpose or at the curb if required by the sanitation department.

G. BUDGET FOR INDIVIDUAL ENERGY COSTS
SCHEDULE B-1

The following are the projected individual electric and gas costs for Unit Owners. Electricity is used for Lighting, power, air conditioning. Gas is used for heating and cooking appliances: (NO INFLATION FACTOR HAS BEEN INCLUDED IN THE ESTIMATED ANNUAL OPERATING COSTS SET FORTH BELOW).

ESTIMATED ANNUAL OPERATING COSTS

[illegible]

NOTES TO SCHEDULE "B-1"
BUDGET FOR INDIVIDUAL ENERGY COSTS

1. The estimated cost for gas and electric usage by each individual Unit Owner is based upon each unit being equipped with a gas range and dishwasher, individual sleeve air conditioning units, general lighting and miscellaneous household appliances. In addition, each unit will be served by a separate gas powered boiler for the production of heat and hot water. Each unit will be separately metered for its gas and electric consumption. The hot water for heating and the hot water for domestic use will be produced by gas.

2. The estimated costs are based upon average consumption of similarly situated residential users and is based upon the projections provided by Mottola Rini Engineers, P.C., 36 West 25th Street, New York, New York 10010. It is not possible to predict whether the estimated annual cost for each unit will reflect the actual cost which will vary with the level of consumption of each Unit Owner.

3. The cost of electric is based upon a price of \$.195 per kilowatt hour of use. The cost of gas is based upon a price of \$1.20 per therm. The estimated cost includes an adjustment for sales tax of 8.25 percent.

4. Heating costs, which are a substantial part of a consumer's gas usage, have been estimated for each unit based upon maintaining the inside temperature at 68 degrees Fahrenheit when the outside temperature is 5 degrees Fahrenheit for 4,871 degree days. Air conditioning costs, which are a part of a consumer's electric usage, have been estimated for each unit based upon annual operating use of 600 hours per air conditioning residential season, calculated with 6000 BTUH units for bedrooms and 8000 BTUH units for living rooms. All units figured with an EER of 9.5.

The aforementioned calculations were prepared by Mottola Rini Engineers, P.C., premised on: A two (2) bedroom apartment with three (3) occupants and a three (3) bedroom apartment with four (4) occupants. Actual Costs will vary depending on weather conditions, quality of construction and the habits of the unit occupants

In view of the fact that these averages may include the use of energy by persons of varying need, with different standards of comfort, or with families of different sizes, the amount of energy used by the Purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to Prospective Purchasers, factors beyond its control may substantially effect the cost of electricity and gas after the purchase of a Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at the optimum efficiency and at the lowest costs.

H. COMPLIANCE WITH REAL PROPERTY LAW § 339-i

**BARNETT MALLER
CONDOMINIUM, CO-OP, AND CONSTRUCTION CONSULTANT
LICENSED REAL ESTATE BROKER
249-02 JERICHO TURNPIKE Bellerose, N.Y. 11001-4003
TEL, 516-437-1224**

March 3, 2003

New York State Department of Law
120 Broadway - 9th Street
New York, N.Y. 10271

Re: The SOUTH SLOPE CONDOMINIUM

Gentlepeople:

The sponsor of the Condominium Offering Plan for the above-referenced property has retained the writer to review the percentage of common interest applied to the units contained in Schedule A to the Offering Plan.

My experience includes the following:

I have been actively involved in the construction and development of residential real estate for over 25 years, and have built and developed more than 750 homes in Nassau, Suffolk and Queens Counties. For such developments, I handled all phases of the construction operation. I am past President of the Long Island Builders Institute, New York State Builders Association, Honorary Life Director of the National Association of Home Builders and Life Director of the Long Island Builders Institute.

I have been involved in Condominium consulting work for sponsor/developers since November 1985. In addition to preparing certifications of budgets for submission to the New York State Department of Law, I have been actively involved in the day to day management as a consultant with the sponsors until such times as management was turned over to the Unit Owners.

Some of the condominiums with which I have been involved include Paerdegat Bay Condominium II, Brooklyn, New York; Flatlands Gardens Condominium, Brooklyn, New York; Canarsie Gardens Condominium, Brooklyn, New York; Bay Ridge Plaza Condominium, Brooklyn, New York; Dyker View Condominium, Brooklyn, New York; Forest Hills Royale Condominium, Queens, New York; Cambridge Gardens Condominium, Queens, New York; and Woodview Condominium, Staten Island, New York, Bergen Cove Condominiums I, II, III and IV, Brooklyn, New York, The Duryea Condominium, Brooklyn, New York; The Hamilton Condominium, Brooklyn, New York.

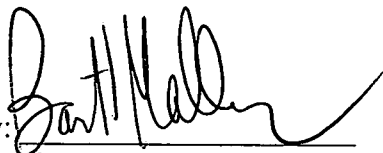
I have been a member of the Deepdale Gardens Board of Directors, a self-managed co-op of 1,396 units in Queens, New York for more than ten years. During this period I have been President, Chairman of the Operations Committee and have worked on budgetary matters for the preparation of the annual budgets.

In reviewing said Schedule A, the percentage of common interest for each unit as contained therein has been determined based upon the approximate proportion that the fair value of the unit at the date of the declaration bears to the then aggregate fair value of all the units. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to 339-i(1)(iv) of Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for The SOUTH SLOPE CONDOMINIUM to be filed with the Department of Law.

I certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering.

Very truly yours,

By: 
Barnett Maller

Sworn to before me this
3rd day of March 2003



GARY ROSEN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01RO4747968
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES APRIL 30, 2003

I. CHANGES IN PRICES OR UNITS

The offering prices set forth in Schedule "A" must be changed by duly filed amendment to the Plan when the change in price is an across the board increase or decrease affecting one or more lines of units or unit models, or is to be advertised, or is a price increase for an individual purchaser. The Sponsor may enter into an agreement with an individual purchaser to sell one or more units at prices lower than those set forth in this Plan without filing an amendment. The Sponsor reserves the right to change the prices at any time.

In order to meet possible varying demands of prospective purchasers, Sponsor reserves the right to change the layout of or number of rooms in each unsold residential unit and the size or total number of unsold residential units by combining two or more separate residential unsold units into one or more unsold residential units, by altering the boundary walls of any unsold unit or otherwise, including without limitation, the use of any portion of the Common Elements adjacent to such unsold residential units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. No change will be made in the size and the number of apartments, their respective percentage of common interest, or in the amount or quality of Common Elements except after an Amendment to the Plan has been duly filed and, if the Declaration was filed prior to such change, by Amendment to the Declaration.

With respect to units for which a purchase agreement has been executed and delivered to Sponsor and for which the purchaser is not in default, no change will be made in unit size, layout, percentage of common interest or in the amount or quality of common elements directly affecting or servicing the unit without the consent of the purchaser.

Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

J. INTERIM LEASES

(1) Sponsor may rent any unit that is vacant before the closing or after the Plan has been declared effective and any unpaid common charges due prior to or as of the date of closing will be payable on the date of closing together with any other payments required under this plan.

(2) Interim lessees will not be afforded any rights under Rent Stabilization Laws or any applicable laws afforded to Tenants in this State, and leases will state that tenant acknowledges the same. Interim leases are applicable only to purchasers.

(3) An uncured default under the purchase agreement is a default under the lease and an uncured default under the lease is a default under the purchase agreement. An uncured default under the lease can result in a default under the purchase agreement, however before the sponsor may utilize the default under the lease to declare a default under the purchase

agreement, the sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the unit.

(4) An interim lessee has to vacate the unit after a default under the purchase agreement or rescission of the purchase agreement by the lessee within thirty days.

K. PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II, Section "FF". Prospective purchasers will be required to execute a Purchase Agreement in substantially such form in triplicate. The Purchase Agreement will not be binding upon the Sponsor until a copy executed by the Sponsor is delivered to the purchaser.

Purchasers should note as a special risk that although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the escrow account, such funds may be released from the escrow account without the requirements outlined below as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras.

The following are important provisions contained in the Purchase Agreement:

The minimum required downpayment will be ten percent (10%) of the purchase price. In the event that a prospective purchaser desires the Sponsor to perform special work or furnish special materials, the Sponsor may require a greater downpayment provided that the special work or materials are itemized in the Purchase Agreement. Sponsor is responsible for complying with the escrow and trust fund requirements of sections 352-e (2-b) and 352-h of the General Business Law and the Attorney General's regulations promulgated pursuant thereto. All funds paid by purchasers will be handled in accordance with General Business Law sections 352-e (2-b), 352-h, Section 20.3 of Title 13 NYCRR and Section 71-a (3) of the Lien Law of the State of New York. All funds will be deposited into a separate escrow account entitled the "Gary Rosen, Esq. The SOUTH SLOPE CONDOMINIUM IOLA Account". All instruments for the payment of the deposits, downpayments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the plan, must be placed within five business days after the agreement is signed by all necessary parties, in the "Gary Rosen, Esq. The SOUTH SLOPE CONDOMINIUM IOLA Account" in a bank doing business in the State of New York which account is covered by federal bank deposit insurance. Purchaser shall be aware that deposits in excess of \$100,000 will not be federally insured in excess of \$100,000. Gary S. Rosen, Esq. will open and maintain the escrow account. The "Gary Rosen, Esq. The SOUTH SLOPE CONDOMINIUM IOLA Account" shall be used only for the transactions regarding The SOUTH SLOPE CONDOMINIUM. The funds placed in the Escrow account shall only be released by signature of the Gary S. Rosen, Esq. Neither the sponsor nor any principal of the

sponsor may be a signatory on the Escrow account. Interest earned on the Escrow Account will be paid to the recipient of the escrow deposit as determined in accordance with the purchase agreement.

All funds received from purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by the purchaser to the order of Gary Rosen, as attorney as escrow agent.

GARY ROSEN LAW FIRM, a professional corporation, will be the escrow agent herein with offices at 249-02 Jericho Turnpike, Floral Park, New York 11001, telephone number 516-437-3400.

A copy of the full escrow agreement is contained in this offering plan (see Part II, Section "GG").

Within ten (10) business days after tender of the deposit submitted with the purchase agreement, the escrow agent shall notify the purchaser that such funds have been deposited in the bank indicated in this offering plan, HSBC, 4930 Kings Highway, Brooklyn, New York 11234, and shall 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, he or she may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the purchaser.

1. Before funds are transferred to a new escrow account, or if the escrow agent is replaced, this offering plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law of the State of New York approves in writing the use of such alternative form of security, pursuant to the provisions of paragraph (4) of Part 20(o) of Title 13 N.Y.C.R.R.

2. Under no circumstances shall the sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of this offering plan. Consummation of the offering plan does not relieve the sponsor of its obligations pursuant to Section 352-h of the General Business Law. The escrow agent shall hold the funds in escrow until otherwise directed in (1) a writing signed by both the sponsor and the purchaser; or (2) a determination of the Attorney General pursuant to paragraph (3)(viii) of Part 20(o) of Title 13 N.Y.C.R.R.; or (3) a judgment or order of a court of competent jurisdiction, or if there is no written agreement between the parties to release the escrowed funds, the escrow agent shall not pay the funds to the sponsor until the escrow agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution

provisions contained in the Attorney General's regulations and has so notified the escrow agent in accordance with such provisions. (Part 20(o)(vii)(d) of Title 13 N.Y.C.R.R.) The sponsor shall not object to the release of the escrowed funds to (1) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan; or (2) all purchasers after an amendment abandoning the offering plan is accepted for filing by the Department of Law.

3. In the event of a dispute between the purchaser and sponsor regarding escrowed funds, the sponsor shall apply and the purchaser or the escrow agent holding the funds in escrow may apply to the Attorney General for a determination on the disposition of the funds. Forms for this purpose will be available from the Department of Law and is contained in this offering plan. (see Part II, Section "PP"). The party applying to the Attorney General shall contemporaneously send to all other parties a copy of such application. Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General. If the application permitting release of funds is granted, the funds shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. The Attorney General will act upon the application within thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit until: (1) both the sponsor and purchaser direct payment to a specified party in accordance with a written direction signed by both the sponsor and the purchaser; or (2) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or (3) the escrow agent deposits the disputed amount into court. In no event will the escrow agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement by the sponsor and purchaser.

4. The sponsor has filed copies of the forms provided by the bank for opening the escrow account and the escrow agreement with the Department of Law. Upon first deposit into the escrow account, a copy of the escrow agreement as executed and a copy of the bank forms as executed will be submitted to the Department of Law.

5. The escrow agent will maintain all records concerning the escrow account for seven (7) years after release of funds. The Department of Law has the authority to perform random reviews and audits of any records involving escrow accounts to determine compliance with statutes and regulations.

6. Any Waiver is Void: 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. This waiver void provision shall prevail over any conflicting or inconsistent provision in the offering plan or in a purchase agreement.

7. Although there is a provision for an escrow agent, the sponsor continues to have a trust obligation to the purchaser. Nothing shall diminish or impair the sponsor's statutory obligation to each purchaser pursuant to Section 352-h of the General Business Law to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the plan does not relieve sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the sponsor or the escrow agent upon any bankruptcy, incapacity or death.

8. Alternative to escrow account. A sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit in lieu of escrow of such funds for use in newly constructed developments upon showing of adequate insurance of such funds to the satisfaction of the Attorney General. In order for an alternative to an escrow account, a sponsor must submit an affidavit which contains full information as to the proposed usage of such funds, the sponsor's financing of construction, expected completion date, the terms and conditions of the proposed surety bonds or letter of credit, and required undertakings and covenants. A copy of the proposed form of surety bond or letter of credit and any underlying agreement or related agreement, and any undertakings or covenants required hereunder must be appended to the application and filed with the Department of Law. When surety bonds or a letter of credit is to be provided under an amendment to the offering plan calling for release of funds already deposited in escrow, the amendment shall provide for, and annex a form for, the written consent of each affected purchaser and shall provide for continuation of escrow of funds of any purchaser who does not execute and deliver such written consent to the sponsor. If an application for alternative security is approved by the Attorney General, the terms of such alternative security shall be disclosed in the offering plan or in a promptly submitted amendment to the offering plan.

9. Surety bonds. Sponsor has not made any application for issuance of a surety bond.

10. Letter of credit. Sponsor has not made any application for issuance of a letter of credit.

11. No more than ten percent (10%) of the Purchase Price plus any interest earned thereon may be retained as liquidated damages by the Sponsor in the event of an uncured default by purchaser under the Purchase Agreement. In addition, the actual cost incurred by Sponsor for any special work in the Unit or materials ordered by purchaser may also be retained as liquidated damages together with any interest earned thereon. Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared. Sponsor agrees not to seek the remedy of specific performance in connection with the Purchase Agreement in the event of a default by purchaser.

12. **Purchasers should note as a special risk that although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the escrow**

account, such funds may be released from the escrow account without the requirements outlined below as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras.

13. Consistent with the above, Sponsor (and its successors, assigns or designees) reserves the right, so long as a purchase agreement has not been executed for a Unit, to change the size, layout, appliances, interior material or decoration for such Unit.

14. The balance of the purchase price is not payable until closing of title to the Unit.

15. After the plan has been declared effective, the Sponsor will fix dates for closing title for all units for which purchase agreements have been executed by serving notice on each purchaser setting the date of the first closing and setting such purchaser's closing date. Such notice will be served in compliance with Section 20.1(d)(1) of Part 20 of Title 13 NYCRR not less than thirty (30) days prior to the date set for the first closing. Purchasers may waive the thirty (30) day notice requirement in accordance with the regulations adopted by the Attorney General. Common charges for the first month after closing or part thereof will be payable on the date of closing together with any other payments required under this plan.

16. Sponsor expects that the first closing of unit will occur on or about July 1, 2003. If such closing is delayed twelve (12) months or more, purchasers will be offered rescission of their contracts.

17. Each unit purchaser will be required to sign a power of attorney to the Board of Managers of the condominium on the date of delivery of the deed. Sponsor will not close with any purchaser who refuses to sign a power of attorney and reserves the right to rescind the Purchase Agreement by returning the full down payment.

18. Purchasers will be afforded not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to executing a purchase agreement.

19. Risk of loss for fire or other casualty remains with the Sponsor until the earlier of the following events: a) Legal title to the Unit has been conveyed to the purchaser, or b) The purchaser has taken actual possession of the Unit pursuant to a written agreement with Sponsor.

20. Purchasers shall have the right to execute a Purchase Agreement subject to obtaining a commitment for financing from a financial institution. In the event that a purchaser elects to make his Purchase Agreement subject to obtaining financing, then purchaser: a) Must apply for said financing within three (3) days from the date of receipt of an executed copy of the Purchase Agreement; b) Must notify the Sponsor within five (5) days after the three (3) day period referred to in sub-paragraph (a) of the name and address of the financial institution to whom application was made and the date when said application was submitted; c) Must notify the Sponsor whether the application is accepted or rejected; d) Must request any and all renewals or extensions of the financing commitment so that said commitment will be in force at

the closing of title; e) Shall have thirty (30) days from the date of execution of the Purchase Agreement in order to obtain the required financing; or the Sponsor may attempt to obtain a commitment from another lending institution for a Purchase Money Mortgage Loan covering the Unit in the same amount on substantially the same terms and conditions within forty-five (45) days thereafter; or the Sponsor may agree to take back a Purchase Money Mortgage in that amount or substantially the same terms and conditions; or Sponsor or purchaser may elect to rescind the Purchase Agreement by notice to the other sent by certified mail, return receipt requested, within ten (10) days after the expiration of Sponsor's time to procure such commitment.

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

22. Sponsor will either accept a Purchase Agreement and cause to be returned to purchaser a fully executed counterpart thereof or reject the Purchase Agreement offer and refund the downpayment tendered within thirty (30) days after delivery by Purchaser of an executed Purchase Agreement together with the required downpayment. In the event Sponsor fails to elect to accept or reject within the stated thirty (30) day period, seller will be deemed to have rejected same and purchaser shall be entitled to a prompt return of the deposit.

23. PARAGRAPH "13" OF THE PURCHASE AGREEMENT RELATING TO DEFAULTS BY PURCHASER, TIME PERIODS TO CURE DEFAULTS AND RETENTION BY SPONSOR OF MONEYS PAID UNDER THE PURCHASE AGREEMENT IS OF SPECIAL IMPORTANCE AND SHOULD BE CAREFULLY READ BY EACH PURCHASER.

PARAGRAPH "13" OF THE PURCHASE AGREEMENT READS AS FOLLOWS:

The time for the payment of the balance of the Purchase Price and the performance of Purchaser's other obligations hereunder, is of the essence of this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Seller may give notice to Purchaser of such default. If such default shall not be cured within fifteen (15) days thereafter, Seller may, at its option, cancel this Agreement by notice of cancellation to Purchaser. Notwithstanding the foregoing, in the event Purchaser fails to close title on the designated date and Seller does not elect to cancel this Agreement, Seller shall also have the right to approve a request from Purchaser to adjourn the Closing Date and in such event (a) Purchaser shall Pay Seller interest at the rate of twelve percent (12%) per annum on the entire amount of the purchase price computed from the original Closing Date until this transaction is actually closed, (b) all apportionments between Seller and Purchaser shall be made as of the original Closing Date and (c) Purchaser shall reimburse Seller for any additional costs incurred by Seller as a result of Purchaser's delay. If Seller elects to cancel this Agreement on account of Purchaser's default, (i) Seller may retain all sums deposited by Purchaser hereunder, together with interest earned thereon as liquidated

damages (Seller's actual damages being difficult or impossible to ascertain), and upon retaining such sum, this Agreement shall be terminated and neither party shall have any further rights, obligations or liabilities or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan and (ii) Seller may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

24. At sponsor's option purchasers will be afforded:

(i) not fewer than seven days after delivering an executed purchase agreement together with the required deposit to rescind the purchase agreement and have the full deposit refunded promptly. The purchaser must either personally deliver a written notice of rescission to the sponsor or selling agent within the seven day period or mail the notice of rescission to the sponsor or selling agent and have the mailing postmarked within the seven day period; or

(ii) not fewer than three business days to review the offering plan and all filed amendments prior to executing a purchase agreement.

25. Paragraph "15" of the Purchase Agreement limits Sponsor's liability in case of its failure or inability to deliver title in accordance with the Purchase Agreement.

26. Paragraph "17" of the Purchase Agreement contains important provisions concerning acceptance of condition of Units and common elements by purchaser at closing and risk of loss to Unit which provisions should be read carefully by purchaser.

27. At closing, Sponsor will deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to the purchaser. Such deed will convey title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, the exhibits submitted in connection therewith and the Purchase Agreement. The deed will be in the form contained in Part II, Section "KK" of the Plan, executed and acknowledged by Sponsor and Purchaser in form suitable for recording.

28. At the closing of title for each Residential Unit, the purchaser will become obligated for the payment of residential common charges, real estate taxes and assessments (including water charges and sewer rents, if separately assessed), and all other expenses with respect to his Residential unit whether or not he has taken possession of his Residential Unit and whether or not all work required to be performed by Sponsor or anyone else in or to his Residential Unit or the Building has been completed.

L. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM RESIDENTIAL UNITS.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement of Purchasers desiring to finance the purchase of a Residential Unit will be conditioned upon the Purchaser making prompt and diligent application to a lending institution designated or approved by Sponsor for a mortgage commitment.

The Purchase Agreement is contingent upon Purchaser obtaining, at its own cost and expense, a mortgage loan commitment in the amount and under the terms set forth in Paragraph "12" of the Purchase Agreement (Section "FF" of the Offering Plan). If the Lender fails to issue its Commitment to Purchaser within sixty (60) days after the date of the Purchase Agreement or within such longer period of time as Sponsor may grant by notice to Purchaser, either party may cancel the contract only if at the time notice of cancellation is given, the Lender has still not issued its Commitment to grant the mortgage loan. It is an express condition to Purchaser's right to cancel that Purchaser has strictly complied with all obligations imposed on Purchaser's mortgage loan application. To cancel, the canceling party must give written notice of cancellation to the other party, whereupon Sponsor shall refund the down payment. Thereafter, the contract shall be deemed canceled and neither party shall have any further liability or obligation to the other in connection with the contract or transaction.

The Purchaser shall be obligated to fill out all forms and perform all acts necessary to obtain such mortgage commitment. The Purchaser will be obligated to take all action necessary to fulfill all of the terms and conditions of the mortgage commitment in order to close title, including but not limited to paying any outstanding debts required by the lending institution issuing the mortgage commitment and paying all costs and expenses incurred in procuring the mortgage and closing such mortgage including but not limited to mortgage tax, origination fees, commitment fees, recording fees, title fees and the lender's fees. See Paragraph "12" of the Purchase Agreement for complete terms. Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the commitment.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH 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, PROVIDED THE AGREEMENT WAS CONDITIONED UPON OBTAINING SUCH FINANCING.

The closing of title to a Residential Unit where the Purchaser has obtained financing will take place simultaneously with the closing of the mortgage loan and the proceeds will be applied towards the then balance of the purchase price.

M. ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable without the Sponsor's written consent. The Purchase Agreement is also contingent upon effectiveness of the Plan. If the Plan is abandoned, all Purchase Agreements will be canceled. See Purchase Agreement, Paragraph "14".

N. EFFECTIVE DATE OF THE PLAN

The Sponsors offer to sell any and all units is contingent upon the plan being declared effective. No units may be closed before the Plan is declared effective. The following provisions will determine when and whether the Plan will be declared effective:

1. The Plan may not be declared effective unless bona fide purchasers, including investors, have signed purchase agreements for at least fifteen (15%) percent of the units offered under the Plan. The condominium may be declared effective when one unit is sold which will fulfill the 15% requirement. After acceptance of such Agreements, the Plan may be declared effective by Sponsor.
2. The Plan will not be declared effective based on purchase agreements; (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the purchaser was not afforded the protections required by Section 20.3 (o)(10) of Part 20 of Title 13 NYCRR; or (iii) with any purchaser who is the sponsor, the selling managing agent or is a principal of the sponsor, the selling managing agent or is related to the sponsor, the selling agent or agent or to any principal of the sponsor, the selling agent or agent by blood, marriage or adoption or as a business associate, a shareholder or a limited partner; except that such a purchaser other than Sponsor or a principal of the sponsor may be included if the sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide.
3. The Plan must be declared effective when Purchase Agreements are accepted for the sale of eighty percent (80%) or more of the Units offered under the Plan (All three units).

4. The Plan may be abandoned by Sponsor, at its sole and unrestricted option, at any time before it is declared effective or before eighty percent (80%) of Units have been purchased. Within thirty (30) days of abandonment, all monies paid by purchasers shall be refunded to them in full with interest, if any, and Sponsor shall promptly submit an amendment for filing to the Department of Law confirming such abandonment or file a notice of abandonment on form RS-3, or such other form as the Department of Law may require, explaining the reason for the abandonment and disposition of all funds received.

5. Sponsor may not abandon the plan after effectiveness for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half of one percent of the total offering amount; or (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than a stated amount which shall not be less than one-half of one percent of the total offering amount; or (iii) the taking of any material portion of the property by condemnation or eminent domain. Sponsor must provide that any stated dollar amount relied upon as basis for abandonment after effectiveness must exclude any attorneys fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the sponsor or are a matter of public record.

6. This Plan may be declared effective by duly filed amendment or by service of written notice to all purchasers. If the Plan is declared effective by notice, Sponsor must submit a proposed amendment to the Department of Law within five (5) business days after service of the notice together with an affidavit of service of such notice on all purchasers who shall be identified by name, address, Unit purchased, purchase price exclusive of extra features and total purchase price. The closing of the first unit shall not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

7. Sponsor agrees that copies of all Purchase Agreements (and any amendments or modifications thereto) will be delivered to the Department of Law within five (5) business days in the event they are so requested by the Department of Law.

O. TERMS OF SALE

1. Sponsor will deliver a bargain and sale deed with covenants against Grantor's acts in proper form for recording for each unit conveyed hereunder at the closing. The form of unit deed is contained in Part II, Section "KK" of the Plan.

2. The agreement for Sponsor to sell and for Purchaser to purchase a condominium unit must be in writing in accordance with New York General Obligations Law §5-701(a)(10), which requires that a contract for the sale of real estate be in writing. (G.O.L. 5-701(a)(10) provides that every agreement is void unless it or some note or memorandum thereof is in writing, and subscribed by the party to be charged therewith, or by his lawful agent, if such agreement, promise or undertaking is a contract for the purchase of any real

estate.)

3. Sponsor is not obligated to repair any damage from casualty or other cause that occurs before the closing of a purchaser's unit (see Rights and obligations of Sponsor, Part I, Section "Q").

4. This plan is subject to the provisions of section 352-e of the General Business Law. This plan is subject to title exceptions including:

(i) All present and future building, zoning, subdivision, landmark, historic, wetlands, fire and safety restrictions, regulations, laws, ordinances, resolutions and orders of any State, municipal or other governmental authorities having jurisdiction over the Premises or the use or improvement thereof. This sale includes all rights of Seller to challenge the existence or application of the foregoing.

(ii) Any recorded covenants, restrictions, easements and agreements provided they are not now violated, do not contain a clause under which the Premises would be forfeited if they were violated, and do not materially restrict the normal use and enjoyment of the Premises.

(iii) The state of facts which a current survey of the Premises would show, provided such state of facts does not materially restrict the normal use and enjoyment of the Premises.

(iv) The rights of utility companies, if any, to install, maintain and operate lines, poles, pipes, distribution boxes, and other equipment and installations over, under or along the street next to the Premises or the part of the Premises next to the street, or running to improvements on the Premises.

(v) Real estate taxes and water and sewer charges, subject to adjustment as hereinafter provided.

(vi) Any estate taxes, inheritance taxes and other taxes owed by any party in the chain of title, provided the title company will insure against collection from the Premises or Seller agrees to satisfy the same within ninety days after the Closing and deposits with her attorneys or the title company a sum sufficient to pay such taxes or to release the Premises from the lien thereof.

(vii) Encroachments and projections of walls, foundations, stoops, cellar doors and steps, areas, coping, cornices, trim, fences or other improvements, installations or appurtenances onto the Premises or from the Premises onto adjoining property; variations between record lines and any tax map; party walls and party wall rights; beams and beam rights; the possible revocable nature of or lack of right to maintain vaults or other improvements or installations beyond building or property lines; vaults and vault taxes, if any; and consents for the erection and maintenance of any structures on, under or above any streets or roads adjoining the Premises.

a. A copy of the plans for the alteration, approved in accordance with section 300 of the Multiple Dwelling Law, will be submitted to the attorney general prior to the issuance by the attorney general of a letter stating that the offering statement or prospectus has been filed.

b. It is the obligation of the sponsor to complete all alterations and improvements to individual spaces or dwelling units in compliance with such approved plans within the time specified in the plan.

c. A permanent certificate of occupancy is required for permanent residential use of the premises. A temporary certificate of occupancy may only be renewed for a total period of two years from the date of its original issuance and, if the temporary certificate of occupancy shall have expired prior to obtaining a permanent certificate of occupancy, residential occupancy of the premises will be in violation of the multiple dwelling law, subjecting the Unit Owners and Board of Managers, to penalties under the multiple dwelling law including eviction of residential occupants. The sponsor is legally obligated to obtain the permanent Certificate of Occupancy.

5. Title to each unit and its appurtenant interest in the common elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in the plan and the proposed unit deed. There are no leases, mortgages, liens, encumbrances and title exceptions that will affect the property after closing other those set forth on Schedule "A" to the purchase agreement which is contained in Part II, Section "FF". Title exceptions may include the state of facts shown on a stated survey and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title unmarketable.

6. All personal property located within the unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor, is included in the conveyance except that no construction tools, materials or equipment necessary to complete the building are included except as used for the completion of construction.

7. The Declaration, By-Laws and floor plans for the condominium and such other documents, as required by law, will be recorded or filed prior to the first conveyance of title to a unit in accordance with the New York Condominium Act or applicable state or local law in the office of the Register of the City of New York, County of Kings. Prior to recording, such documents will be delivered to the surveyor's office of the Real Property Assessment Bureau in the Municipal Building, 1 Center Street, New York, New York to permit subdivision of the property into lots for each unit.

8. Prior to closing, the Sponsor will procure the Real Property Transfer Gains Tax Tentative Assessment and Return (or Statement of No Tax Due). At closing, Sponsor will pay all real property transfer gains tax to the New York State Department of Taxation and comply with the requirements of the New York State Department of Taxation and New York City

Department of Finance. **WHILE THE NEW YORK STATE AND NEW YORK CITY TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY HOME TRANSACTIONS, THE BURDEN OF PAYING SUCH TAXES MAY BE MODIFIED BY CONTRACT. AS IS COMMON WITH MANY OTHER CONDOMINIUM DEVELOPMENTS IN NEW YORK STATE, THE PURCHASE AGREEMENT PROVIDES THAT THE PURCHASER OF A UNIT WILL BE REQUIRED TO PAY THESE TRANSFER TAXES AT THE CLOSING.** See Unit Closing Costs and Adjustments, Part I, Section "P" below.

P. UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs and expenses to be incurred by each purchaser upon the purchase of a Unit are as follows:

I. General

A. (1) Fee title insurance is available from Fidelity National Title Company, through its agent Intercounty Abstract Corp., 99 Tulip Avenue, Floral Park, New York or from a title insurance company selected by the Purchaser. Because of the complexity of title to Condominium Property and the additional time which the Sponsor's closing attorney will have to expend if the purchaser seeks title insurance coverage from another source, the Purchase Agreement provides for the purchaser, if purchaser seeks title insurance from another source, to pay to Sponsor's closing attorney at the time of closing an additional \$295.00 to fund the cost to Sponsor's closing attorney of addressing title concerns which may be raised by the title insurer not familiar with the history of the property. Current rates for fee title insurance in accordance with the scheduled rates set by the New York Board of Title Underwriters and filed with the New York State Insurance Department are set forth below:

<u>Fee Amount</u>	<u>Premium</u>	
\$35,000	\$402 + \$6.67 per thousand up to	\$ 50,000
50,000	502 + \$5.43 per thousand up to	\$ 100,000
100,000	774 + \$4.36 per thousand up to	\$ 500,000
500,000	2,518 + \$3.98 per thousand up to	\$ 1,000,000

Each purchaser shall also be required to pay the cost of any survey or survey inspection. Purchaser shall reimburse to seller the sum of \$200.00 as contribution of costs of surveys and surveying services incurred by sponsor. Prints of Sponsor's survey will be available for a nominal charge. The \$200.00 charge is mandatory and is a required charge to reimburse the sponsor for obtaining a survey of the condominium premises.

(2) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not

exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies according to the rates set forth below:

<u>Loan Amount</u>	<u>Premium</u>	
\$35,000	\$344 + \$5.00 per thousand up to	\$ 50,000
50,000	427 + 5.00 per thousand up to	\$ 100,000
100,000	654 + 5.00 per thousand up to	\$ 500,000

B. Fees for the recording of the deed and power of attorney are approximately \$50.00 per document.

C. The New York State deed documentary stamps, currently \$4.00 for each one thousand dollars (\$1,000.00) or fractional portion thereof, of the purchase price plus a \$5.00 service charge and the New York City Real Property Transfer Tax, currently equal to 1% of the purchase price if the purchase price is \$500,000 or less or 1.425% of the purchase price if the consideration is greater than \$500,000 plus a \$25.00 service charge. There will be a slight addition required by law because the purchaser is paying the transfer taxes. The addition is calculated as follows: If the price of the unit is \$550,000.00, then the transfer tax is calculated on a sale price of \$550,000.00 (\$557,700.00 x 1.014%). Therefore, the New York State Transfer Tax would be \$2,230.80 instead of \$2,200.00, and the New York City Transfer Tax would be \$7,972.25 instead of \$7,862.50.

D. In the event that a Purchaser obtains a mortgage, mortgage recording taxes in the amount of two (2%) percent of the amount of the mortgage obtained by the purchaser if the amount of the mortgage is less than \$500,000 or 2.125% of the amount of any mortgage obtained by the purchaser if the amount of the mortgage is \$500,000 or more, less \$25.00 for a one family house and, in addition, the recording charges imposed by the New York City Register which are approximately \$17.00 plus \$5.00 per page or part thereof and a service charge of \$18.00 per document. All purchasers will also be required to pay all fees and charges imposed by their respective lending institutions. However, if a mortgage loan is obtained from a financial institution, the financial institution will pay one quarter (1/4%) percent of the mortgage recording tax.

E. The fee of Sponsor's closing attorneys in the amount of \$950.00 per unit. If a closing takes place, at the request of the Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney (in addition to the fee set forth above), a travel fee in the sum of \$250.00. In the event that a closing is adjourned with Sponsor's consent, at the request of the Purchaser, or Purchaser's attorney within forty eight (48) hours of the scheduled time of closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of \$250.00.

F. Purchaser shall pay the Working Capital Contribution equal to \$250.00.

G. Each purchaser shall pay to the sponsor one and one-half (1.5%) of the sales price of his respective unit for reimbursement of the sponsor's cost in applying for a partial tax

exemption benefits to section 421-a of the New York State Real Property Tax Law. Sponsor cannot guaranty that the condominium will receive the partial tax exemption, and the costs of 1.5% of the sales price will be due to Sponsor as and for sponsor's costs to apply for same.

H. Purchaser shall have the sole responsibility for payment of his or her own attorneys fees and any attorneys fees or other fees required by his or her lending institution.

I. Sponsor has obtained no construction financing for the condominium project at the time of submission of the offering plan to the Department of Law.

II. Closing Adjustments

Real estate taxes, water and sewer charges for each Unit for the year in which title closes, the estimated common charges and expense for each Unit for the month in which title closes and any pre-paid insurance premiums and utility deposits will be apportioned between the Sponsor and the purchaser of each unit as of the date of closing of title to each Unit. In the event that the Unit has not been separately assessed on the closing date for the then current fiscal year, the apportionment of real estate taxes shall be based upon the assessment of the land and building and the percentage of the common elements appurtenant to the Unit.

If units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six month period and may collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the six month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment. No escrow will be required if the condominium by-laws include as part of the common expenses, real estate taxes on the property until the units are separately assessed and after assessment unit owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

Any purchaser who obtains a mortgage may be required by the lending institution to deposit a reserve for the payment of annual real estate taxes and insurance premiums with the lending institution on a monthly basis. The amount of the deposit will be a multiple of the monthly real estate taxes assessed, based upon actual or anticipated assessed valuation, as well as applicable insurance premiums and will vary in accordance with the date of closing of title to a particular Unit.

III. Mortgage Tax Credit

The Sponsor may have paid a mortgage recording tax in connection with obtaining a construction loan mortgage for the construction of the Property. Section 339-ee(2) of the New York Real Property Law provides for a mortgage tax credit upon transfer of the Units. The

pertinent language of the statute is as follows:

If in the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage tax that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

The Sponsor shall receive the benefit from any credit on purchasers mortgage recording tax which may be available pursuant to the quoted statute. Accordingly, at closing, each purchaser electing mortgage financing shall pay the full amount of the mortgage recording tax chargeable on the entire amount being financed. Sponsor will be reimbursed at closing to the extent of any mortgage tax credit allowed.

IV. Numerical Examples of Closing Costs for Typical Condominium Unit ¹

Unit 2A – 393 17th Street, Brooklyn, New York		
Offering Price	\$550,000	
Mortgage	440,000	
Title Insurance (Simultaneous Rate) Premium	\$ 3,241.00	
Mortgage Recording Tax = 2% x \$440,000=	8,800.00	
Recording of Deed (4 pages)		88.00
Recording of Mortgage (est. 10 pages)	90.00	
Recording of Power of Attorney	50.00	
New York State Transfer Tax		2,230.80
NYC Real Property Transfer Tax	7,962.25	
Contribution to Working Capital Fund	250.00	
First Month's common charges	230.94	
Survey Fee		200.00
Sponsor's attorney's fee	950.00	
421A Reimbursement		<u>8,250.00</u>
Total closing costs		<u>\$32,342.99</u>

The Purchaser shall be obligated to pay the Survey Fee in the amount of \$200.00 and will be provided with a copy of the survey for the condominium which will be provided at the closing.

¹ The example does not include costs that may be incurred for purchaser's attorney's fee, apportionments for real estate taxes, water and sewer charges and similar items (see Closing Adjustments, Part I, Section P (II)) and fees required by purchaser's lending institution.

When the purchaser pays the transfer tax, the law requires that the tax that the seller would pay be treated as additional consideration for the purpose of computing the New York State and New York City transfer taxes.

Q. RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. The Sponsor has no obligation to defend any suits or proceedings arising out of Sponsors acts or omissions and no obligation to indemnify the Board of Managers and Unit Owners, except for claims arising out of the acts, omissions or representations of the Sponsor, as limited in this Offering Plan. However, directors and officers liability insurance will be procured by the Sponsor and be effective at the closing of the Condominium and the filing of the Declaration. The cost for such insurance shall be borne by the Condominium. Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of the sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. This offering plan does not include any financial limitation on sponsor's liability for failure to perform its obligations under the offering plan. The sponsor does assume liability for statutory obligations of the Sponsor.

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

3. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold units. Sponsor will fund its financial obligations to the condominium through sale of a condominium unit pursuant to this plan or through cash on hand. No bond or other security has been furnished to secure Sponsors obligations under this plan or to complete construction of the building.

4. Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the closing of a purchasers unit. If Sponsor elects to repair or restore the unit, this Agreement shall continue in full force and effect, purchaser shall not have the right to reject title or receive a credit against or abatement in the purchase price and seller shall be entitled to a reasonable period of time within which to complete the repair or restoration. In the event that Sponsor notifies purchaser that it does not elect to repair or restore the unit or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the contract of sale shall be deemed canceled and of no further force or effect and seller shall return to purchaser all sums deposited by purchaser hereunder, together with interest earned thereon, and neither party shall have any further rights, obligations or liability to or against the other. The parties shall also be released from all obligations and liability under the contract of sale and this Plan, except that if purchaser is then in default under the contract, Sponsor shall retain all sums deposited by purchaser pursuant to the contract together with interest earned thereon as and for liquidated damages.

5. Sponsor agrees to procure fire and casualty insurance, as set forth in Schedule B (Part I, Section "F"), pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. Such insurance will provide that each Unit Owner is an

additional insured and that there will be no cancellation without notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity, due to acts of the insured and Unit Owners and waivers of pro-rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

6. In the event of the dissolution or liquidation of the Sponsor or the transfer (other than transfers made to bona fide third party purchasers) 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. Twenty percent (20%) of the units of this condominium amounts to one of the three condominium units.

7. Sponsor has not obtained construction financing. If there was a construction loan, the Sponsor will be obligated to pay off and otherwise comply with the terms of the construction loan mortgage on the entire Condominium. After the recording of the Declaration and before the closing of title to the first Unit, the construction loan mortgage, if any, will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages which will be placed on the Units of those Purchasers obtaining a purchase money mortgage. In addition, before the closing of title to the first Unit, all liens and mortgages 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.

8. Sponsor shall have the obligation to build and complete the Condominium in accordance with the building plans and specifications identified in the Plan.

(i) Sponsor shall have the right to substitute equipment or materials of the same or similar quality and design as those originally specified. Sponsor shall not substitute equipment or materials of lesser quality or design.

(ii) Sponsor may modify the layout or design of the building but Sponsor may not change the size, or location of the Residential Units if such changes affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

9. Prior to closing the first unit, sponsor must obtain a permanent certificate of occupancy for the property or, alternatively, obtain a temporary or partial certificate of occupancy for the unit or the building in which the unit to be closed is located. The sponsor and its principals must obtain a permanent certificate of occupancy for the property within a projected timetable after closing the first unit. It is estimated that the permanent certificate of occupancy will be obtained within one (1) year from the date of the first closing. Sponsor must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires, unless extended.

10. The common areas and public portions of the building will be completed before

the closing of title to the first unit.

11. The following applies to Units which close prior to issuance of a permanent Certificate of occupancy:

Sponsor will maintain all deposits and funds received from purchasers in a special escrow account in accordance with Section 352-e (2-b) of the General Business Law, unless Sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by such engineer or architect may be released from the special escrow account. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified.

Before posting a bond, Sponsor will file an amendment to the Plan and notice of such intention will be given to all purchasers and contract vendees.

12. All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan. Sponsor makes no warranty whatsoever regarding materials, workmanship or any other aspect of the Units, Common Elements, Limited Common Elements or any portion thereof, except as stated in the Limited Warranty, annexed to the Purchase Agreement as Exhibit I. (See Purchase Agreement Part I, Section "HH").

13. Upon the closing of title, Sponsor will assign to the purchaser, and to the Board of Managers upon the recording of the Declaration, all applicable warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the purchasers Unit or the Common Elements, if any. Sponsor undertakes to supply warranties only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent that such warranties and bonds are assignable.

14. Sponsor will pay the cost of all authorized and proper work involved in the construction, establishment and sale of the condominium property that Sponsor is obligated to complete under the Plan and to cause all mechanics liens filed with respect to the construction of the building to be promptly discharged or bonded.

15. Sponsor will deliver a set of "as built" plans to the Board of Managers.

16. Except as specifically set forth in this Plan, no bond or other security has been furnished to secure Sponsor's obligations to complete construction after closing title to the first unit and obtain a permanent certificate of occupancy and all necessary permits.

17. Sponsor's Right of Access; Alterations:

(a) General - As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units and Common Elements, consistent with the purposes of the Plan and Sponsors rights and obligations thereunder.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor- Without in any way limiting the generality of rights reserved above, Sponsor hereby informs prospective purchasers that such rights specifically include the following:

1) The right to maintain a sales and leasing office and personnel on the property, to post signs, and to conduct other events or activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased units, as well as all Common Elements, to prospective purchasers or lessees;

2) Right of access in and to Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;

3) Right to show vacant or leased Units;

4) Utility and other easements for the benefit of Unit Owners and Common Elements.

(c) Alterations - Sponsor (and its successors, assigns, designees, contractors, agents and employees) shall have the right to alter any Unit or Common Element, subject to filed amended plans or specifications or both, consistent with this offering and applicable law.

(d) Repairs; Interference - Sponsor agrees to repair damage resulting from exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the property by Unit Owners.

R. CONTROL BY SPONSOR

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

Board of Managers:

The Condominium By-Laws, as set forth in Part II, Section "NN" of the Plan, provide for a three (3) member Board of Managers whose members will be designated by the Sponsor. The principals of the Sponsor, Vincent Falcone, Michael Falcone and Joseph Cammarata will serve as the first officers and members of the Board of Managers. The initial members of the Board of Managers will hold office until the first meeting of Unit Owners. Within 90 days after the first

closing of title to a Unit, the Sponsor will call the first meeting of the Unit Owners, at which meeting Unit Owners other than the Sponsor will elect two members of the Board who are independent of the Sponsor to replace two of the Sponsor's designees.

Sponsor will not maintain control of the Board of Managers beyond five (5) years from the date of the first closing or upon sale of two of the residential units, whichever occurs first. In order to effectuate this purpose, the following procedure will be followed: Within 30 days after (i) the Sponsor's conveyance of title to Residential Units representing two condominium units or more or (ii) the fifth anniversary of the first conveyance of the title to a Residential Unit, whichever occurs first, or sooner at the Sponsor's option, the Sponsor shall call a meeting of the Unit Owners at which time a new three (3) member board shall be elected. Sponsor and its designees will not elect a majority of the Board at such meeting or at any subsequent meeting of Unit Owners. In the event that Sponsor conveys title to two units on or about the same time as the first conveyance, the first meeting will not be called and a meeting of Unit Owners will be called within 30 days of closing of title to the first unit.

All members of the Board of Managers (other than the designees of the Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units.

The term of office of the members of the Board of Managers shall be one year or until their successors are elected, whichever is later. The term of office of the three (3) members elected at the second meeting of the Unit Owners shall be as follows: one (1) member shall be elected for a term of three (3) years; one (1) members shall be elected for a term of two (2) years; and one (1) members shall be elected for a term of one (1) year. As a result, the one member of the Board of Managers term shall expire annually. The members receiving the highest number of votes will serve for the longest term. In the event of a tie, a tiebreaker vote shall be held to determine the length of term of office. Thereafter, the term of office for any member shall be one (1) year.

Control of Management by Sponsor

As long as the Sponsor or its designees shall own Units representing 15% or more in common interest or for a period of five (5) years after closing of title to the first unit, whichever occurs first, the Board of Managers may not, without the prior written consent of the Sponsor or its designees, (i) make any addition, alteration or improvement to the Common Elements, Limited Common Elements or to any Unit or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B to the extent that the aggregate amount of such fund does not exceed 5% of the budget expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law) to the extent that existing reserves are

insufficient or (iv) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or its designees. At no time will the Board of Managers interfere with the offer and sale or leasing of Units, operation of or sales and leasing offices on the premises, or with any actions necessary for construction, renovation, repair or correction on the Property as required by Sponsor or its designee. The Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required (A) to correct any notice of violation issued by any governmental or quasi-governmental agency having authority over buildings, lands, fire, health, safety and similar matters, (B) to perform any work required by an insured of the Condominium, or (C) to comply with applicable laws or regulations. Sponsor agrees that while it has voting control of the Board of Managers, it will not reduce or eliminate the services to be provided to the Condominium which are set forth in this Plan. In the event that the Sponsor withholds its consent, the Condominium will have to manage and refrain from taking action that it may desire, such as making any additions, alterations or improvements to the Common Elements, Limited Common Elements or to any Unit or (ii) assessing any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B to the extent that the aggregate amount of such fund does not exceed 5% of the budget expenses of the Condominium or (iii) borrowing money on behalf of the Condominium (except where necessary to perform work required by law) to the extent that existing reserves are insufficient or (iv) amending the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or its designees, until such time as the sponsor owns less than 15% of the units or for a maximum time period of five years from the date of the first closing if the sponsor, owns more than 15% of the units.

S. BOARD OF MANAGERS

The form of the Declaration of Condominium and the By-Laws referred to in the Plan appears in Part II, Sections "MM" and "NN".

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

The affairs of the Condominium will be governed by a Board of Managers consisting of three (3) members. Persons eligible to be members of the Board of Managers (other than the designees of the Sponsor) shall be Unit Owners, mortgagees of units, partners or employees of a partnership owning a unit or a mortgage covering a unit, shareholders, officers, directors or employees of corporate owners or corporate mortgagees of units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of units. Members of the Board of Managers will serve for a term of one year. Until their successor is elected, whichever is later, except that a new Board of Managers will be elected at the first annual meeting after the first closing of a unit even if the current board has not served for one year. Annual meetings will be held on the first anniversary of the second meeting of Unit Owners, (or if the second is not held, on the first anniversary of the first meeting), and annually thereafter on the same day unless such day shall fall on a Saturday, Sunday or legal holiday, in which event the meeting for that year shall be held on the succeeding Monday. The By-Laws authorize the President to call a special

meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the secretary by not less than 25% in common interest, in the aggregate, of the Unit Owners. The names of the anticipated first officers and members of the Board of Managers are Vincent Falcone – President; Michael Falcone – Treasurer; Joseph Cammarata, Secretary.

The insurance policy obtained for the condominium shall include coverage for Officers and Board of Managers Liability. See Part I, Section "F" for a further discussion of the insurance coverage. Any person who serves as a member of a Board of Managers can be subject to an action for a perceived wrong. The insurance coverage obtained should be sufficient to indemnify against all claims. However, no representation is made that the coverage will be adequate in all cases and no representation is made that the coverage will include actions outside the scope of the duties of a member of the Board of Managers or an officer of a condominium.

All members of the Board of Managers shall serve without compensation and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor owns more than 15% of the units.

The officers and members of the Board may not be removed by the Board of Managers except for just cause. For the purposes of this Plan, "just cause" is defined as follows: (1) willful misconduct in following the legitimate directions of the Board of Managers, (2) theft or misapplication of condominium property or money, (3) conviction of a felony, (4) habitual drunkenness or substance abuse, (5) excessive absenteeism from Board of Managers meetings, (6) dishonesty or fraud and (7) breach of fiduciary duty.

Except with regard to amendment of the Declaration or By-Laws, voting rights of Unit Owners shall be on the basis of one vote per unit. In the event of deadlock, then the vote shall be computed on the basis of percentage of common interest. The percentage of common interest needed to amend the Condominium's By-Laws and to change the Declaration of Condominium after it has been filed is sixty-six and two-thirds (66 2/3%) percent in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purposes.

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

The Purchaser should examine the by-laws and the declaration of condominium for additional information and details as to the rights and obligations of unit owners and of the board of managers.

1. Sale or Lease of Unit; Right of First Refusal of Board of Managers

Any Unit Owner shall have the right to sell or lease his or her Unit under the following terms and conditions:

- A. He shall first give the Board of Managers thirty (30) days prior written notice of

the terms of any bona fide sale or lease which the Unit Owner desires to make.

B. If the Board of Managers fails to act within such thirty (30) day period, it shall be deemed to have consented to the proposed transaction.

C. If the Board of Managers refuses to consent to the transaction, it shall, within the thirty (30) day period, either:

(i) produce a purchaser who will purchase or lease the unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers, or

(ii) agree to purchase or lease the Unit on behalf of all other Unit Owners on the same terms stated in the Unit Owner's notice to the Board of Managers.

In connection with the foregoing, the Board of Managers may not purchase or lease a Unit without the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws). In the event that the Board of Managers does not have sufficient funds on hand for the purchase or lease of a Unit which has been approved by the majority of the Unit Owners, the Board of Managers may borrow such funds or may assess the Unit Owners in proportion to their respective common interests to the extent of the purchase price or lease amount. In the event that the Board of Managers does not either produce a purchaser or lessee for the Unit or agree to purchase or lease the Unit on behalf of all of the Unit Owners as set forth above within the stated thirty (30) day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers, as more specifically set forth in the Declaration and By-Laws.

Any lease of a Unit shall be in the form recommended for apartments by the Real Estate Board of New York, except as otherwise provided in the By-Laws. The restrictions upon the sale and lease of Units set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure. The Board of Managers shall be required to cooperate in providing appropriate physical access to any such Unit and the common elements, as well as all financial information regarding same.

The restrictions upon the sale and lease of Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to sell or lease without first notifying or obtaining the consent of the Board of Managers. The Board of Managers shall be required to cooperate in providing appropriate physical access to any such Unit and the common elements, as well as all financial information regarding same.

A Unit acquired or leased by the Board of Managers pursuant to the Right of First Refusal described herein may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers. The proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective common interests.

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if he is in arrears on payment of common charges.

Unit Owners will be free, without restriction, to sell or lease their respective Units to a spouse or, any adult children, without first offering the unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Condominium Declaration, By-Laws and applicable law.

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

2. Mortgaging of Units by Unit Owners

Every Unit Owner shall have the right to mortgage his or her Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except any and all changes or additions as may be necessary in order to permit a particular bank, trust company, savings and loan association or other institutional lender to make the mortgage loan.

3. Common Charges and Assessments

A. The Board of Managers shall be required to prepare budgets at least annually. However, the Board of Managers may prepare budgets at more frequent intervals if it so desires. A copy of each budget shall be furnished to each Unit Owner. Each Unit Owner shall be required to pay common charges and expenses in accordance with his or her proportionate interests in the Common Elements in order to insure collection of sufficient funds to meet the Condominium's budget. Common charges (except those adjusted at closing) shall be billed and be payable in advance on a monthly basis. Common Charges are due on the first day of each month. Common charges not received by the Board of Managers or its designated managing agent, by the tenth day of the month are deemed late. (See Section "NN", Article V, Section 5, By-Laws for discussion as to late fees.)

B. The Board of Managers shall have the right to accumulate reserves for capital expenditures or otherwise by establishment of a reserve fund. The building may be used by the Board of Managers for condominium purposes in the exercise of its business judgment on how to run the affairs of a condominium. The Board of Managers shall have the sole right to determine the amount of money to be kept in the reserve fund and how to invest it provided that the investment is made according to applicable law.

C. Liability of a Unit Owner for common charges and assessments can only be terminated by the sale of the unit. As long as the Unit Owner has title to the Unit, the Unit Owner is responsible for the payment of common charges and assessments.

D. Section 339-z of the Real Property Law of the State of New York states that the Board of Managers will have a lien on each Unit for unpaid common charges assessed by the Board of Managers on behalf of the Unit Owners. The common charge lien will only be subordinate to liens for real estate taxes on the Unit and any unpaid amount due on a first mortgage of record on such Unit. A lien for unpaid common charges against the Unit becomes effective upon the filing of a notice of lien in the office of the Register of the City of New York, County of Kings. Such lien shall be in effect for three (3) years from the date of filing unless all common charges secured by the lien have been fully paid with interest or unless an action for foreclosure of the lien is commenced. The Board of Managers may commence legal action to foreclose the lien on behalf of the Unit Owners in a similar manner to the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover unpaid common charges without foreclosing the lien.

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

F. Pursuant to Section 339-kk of the Real Property Law, if a non-occupying owner, which is defined as a unit owner in a condominium association who does not occupy the dwelling unit, rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of Section 339-kk, all rental payments from the tenant shall be directly payable to the condominium association.

Section 339-kk (c) states that if the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

Payments by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

4. Repairs

A. The Board of Managers will cause all maintenance, repairs and replacements necessary or required for the Common Elements and certain Limited Common Elements of the Condominium, that are located inside or outside the Units to be made and the cost thereof will be a common expense. Unit Owners will be obligated to make and perform all maintenance, repairs and replacements to their individual units and certain Limited Common Elements whether structural or nonstructural, ordinary or extraordinary, other than to the Common Elements contained in the unit, at their own cost and expense.

B. The Rules and Regulations of the Condominium will require carpeting or other material equally efficient for noise reduction to be placed by Unit Owners over 50% of the floor area of each Unit. The carpeted areas shall be limited to Bedrooms, Living Rooms, Dining Rooms and Hallways. The 50% calculation is based upon the total floor area of the unit, excluding Bathrooms and Kitchens which do not require carpeting. (Example – If the unit contains 1,000 sq.ft., and 200 sq.ft. is Bathroom and Kitchen area, then 400 sq.ft., which is 50% of the net 800 sq. ft. shall be carpeted). See Rules and Regulations as set forth in Condominium By-Laws Schedule "A" entitled Rules and Regulations (Part II, Section "NN" of this Offering Plan.

C. Each Unit Owner shall be responsible to reimburse the Condominium for the cost of any repairs or replacements to the Common Elements and Limited Common Elements required as the result of the negligence or abuse of said Unit Owner.

D. The Board of Managers and the Managing Agent shall have the right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements and Limited Common Elements contained in the unit or elsewhere in the building or to remedy any condition which would result in damage to any other Unit or the Common Elements or Limited Common Elements, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in a manner that will not unreasonably interfere with the use of the Units, but prior notice shall not be required in the event that the Board of Managers shall determine that immediate action is necessary for the preservation or safety of the property of the Condominium, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. The Board of Managers will not be liable to any Unit Owner by reason of such entry, except in the event of gross negligence or willful misconduct.

5. Additions, Alterations and Improvements

Additions, alterations or improvements costing \$3,000.00 or less may be made by the Board of Managers without prior approval of the Unit Owners and the cost thereof shall constitute part of the common expenses. Additions, alterations or improvements costing more than \$3,000.00 shall only be made in the event approval is granted by the Unit Owners, at a meeting duly called for such purpose, by more than 50% in number and common interest of the Unit Owners, Sponsor or its designee if then a Unit Owner (and by the holders of first mortgages on units, if their approval is required). Upon requisite approval of such addition, alteration or improvement by the Unit Owners, the Board of Managers shall proceed with such addition, alteration or improvement and shall have the right to assess each Unit Owner with his proportionate share of the cost as part of the common expenses whether such owner voted for the addition, alteration or improvement or not.

Residential Unit Owners are prohibited from making any structural addition, alteration or improvement in their respective Units or filing any applications with any governmental authority for a permit covering any addition, alteration or improvement to be made in the Unit without prior written approval from the Board of Managers (and, if required, from the Unit Owners mortgagee). The provisions of this paragraph shall not apply to units owned by the Sponsor or its designee until a deed to such Unit has been delivered to a purchaser of the Unit.

The Board of Managers will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any structural addition, alteration or improvement made by the Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

The approval of the Board of Managers is not required for non-structural alterations and improvements to individual Units which do not affect the exterior of the building or the value of other Units.

No Unit Owner may make any changes in or to the Common Elements or Limited Common Elements without prior written approval of the Board of Managers.

Purchasers should note the restriction contained in the Rules and Regulations of the Condominium regarding television aerials, use of terraces and vestibules, storage and related matters.

6. Insurance

The Board of Managers will be obligated to obtain and maintain, to the extent obtainable: (1) fire insurance, with extended coverage, vandalism and malicious mischief endorsements normal for a condominium of this type insuring the building in the Condominium, including all of the Units and the equipment installed therein by the Sponsor, partitions, floors and ceilings within the Units (but not including any equipment not installed by Sponsor, any wall, ceiling or

floor decorations or coverings or furniture, furnishings, fixtures, or other personal property within the Unit), together with all service machinery contained therein, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in any amount equal to the full replacement value of the buildings (exclusive of the cost of excavations and foundations) without deduction for depreciation; (2) water damage legal liability insurance; and (3) such other insurance as the Board of Managers may determine.

Proceeds of all policies of physical damage insurance will be payable to the Board of Managers to be applied for the purpose of repairing, restoring or rebuilding the building unless otherwise determined by the Unit Owners as set forth below. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless 75% of the Unit Owners determine not to repair, restore or rebuild.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on coinsurance or of pro rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled by the insurance carrier or substantially modified without at least ten days, prior written notice to all of the insured, including all mortgagees of Units. Certificates of insurance 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 at least ten days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The cost of all such insurance shall be paid by the Board of Managers and shall constitute a common expense.

The amount of fire insurance to be maintained on the buildings in the Condominium until the first meeting of the Board of Managers elected by the Unit Owners will be \$450,000.00.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) fidelity insurance covering the managing agent and all employees and members of the Board of Managers who handle Condominium funds; (2) worker's compensation insurance for Condominium employees; (3) 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, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements, the Limited Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of \$1,000,000. For details regarding insurance coverage see Footnote to Schedule B. (Part I, Section "F" of the Plan).

Each unit owner will be an additional insured on the Condominium insurance policy. Unit Owners shall not be prohibited from carrying other insurance for their own benefit at their

own expense (covering items not included or included only to a limited extent in the policy of the Board of Managers), providing 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 Unit Owner's other insurance. Examples of items not included in the policy of the Board of Managers is Additional Living Expense. Unit Owners are strongly urged to consider the advisability of obtaining insurance to cover items not included in the policy of the Board of Managers.

7. Restriction on Occupancy and Use

Occupancy shall be limited to residential use unless permission for other use is granted by the Board of Managers and meets approvals of government agencies and authorities. No unit may be occupied by more than six (6) persons. Unit Owners may not lease any portion of an apartment. Business or professional use is not permitted without the express written consent of the Board of Managers. Apartments may not be used for illegal or offensive uses. A Unit Owner may not permit a guest to use the apartment in the absence of the Unit Owner without the express written consent of the Board of Managers.

U. REAL ESTATE TAXES

1. After the units are separately assessed, each unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other units.

(i) It is possible that the Real Property Assessment Bureau of the City of New York will not have separately assessed taxes for individual units at the time of the first closing of a unit as taxes are usually assessed in January of each year.

(ii) If units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six month period and may collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the six month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment. No escrow will be required if the condominium by-laws include as part of the common expenses, real estate taxes on the property until the units are separately assessed and after assessment unit owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

2. Real estate taxes will be assessed by the Real Property Assessment Bureau of the City of New York. The tax rate is presently \$14.16 per \$100.00 of assessed value. The real

estate taxes specified in Schedule A were calculated after consultation with the assessor for the property. The tax assessment for each unit may be allocated on a basis that differs from the allocation of common interests. The figures are estimates because actual amounts have not been calculated.

3. The projected amount of the assessed valuation after completion of construction will be \$52,000.00. It is anticipated that the value will be assessed in January 2004, effective July 1, 2004, assuming construction is completed and the certificate of occupancy is issued prior to December 31, 2003.

4. There are no tax certiorari proceedings pending.

5. The by-laws and the power of attorney require the Unit Owners to authorize the retention of one attorney to act on behalf of the Condominium and the Unit Owner in filing any tax assessment challenge and to pursue any certiorari proceedings on behalf of the condominium.

6. An application for partial tax exemption benefits under Section 421-a of the Real Property Tax Law was filed with The City of New York Department of Housing Preservation & Development ("HPD"). It has not yet been acted upon.

(i) The sponsor will use its best efforts to obtain such benefits.

(ii) HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided.

The sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so.

(iii) Upon closing, 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 will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

(iv) The anticipated tax benefits set forth below, indicates the percentage of real estate taxes which will be abated which amount exceeds the amount of real estate taxes which had existed prior to construction of the condominium:

<u>YEAR</u>	<u>EXEMPTION</u>
1-11	100% of assessment as a result of the new construction
12	80% of assessment as a result of the new construction
13	60% of assessment as a result of the new construction
14	40% of assessment as a result of the new construction
15	20% of assessment as a result of the new construction
16-thereafter	0%

The exemption percentages described above are calculated against the difference between

the assessed value of the property and improvements after completion of construction and the assessed value existing prior thereto. The effect of the exemption is set forth in Part I, Section "E", Schedule A, footnote (6). During the abatement period (year 1 through year 15, unit owners will be required to pay real estate taxes as follows: the cost of the actual real estate taxes assessed on the property (land and building assessment) for the year prior to the commencement of construction, multiplied by the unit owners percentage of common interest. For example, Unit #1A at 393 17th Street is estimated to pay real estate taxes of \$156.33 per year based on the 2003/2004 tax year total assessed valuation for real estate taxes for the year prior to construction. The total amount of assessed valuation was for the entire Lot 72 in Block 869, which will be apportioned into condominium tax lot number, in order to create this Condominium.

V. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The owner of a condominium unit may deduct interest paid on his or her mortgage indebtedness under Section 163 of the Internal Revenue Code and real estate taxes paid under Section 164 of the Internal Revenue Code.

The condominium will not be taxed upon income from common charges under applicable revenue rulings discussed in counsel's tax opinion below and if the condominium meets the requirements of Section 528 of the Internal Revenue Code for a "Condominium Management Association."

GARY ROSEN LAW FIRM
A PROFESSIONAL CORPORATION

[] REPLY TO:
11 PENN PLAZA, 5TH FLOOR
NEW YORK, NEW YORK 10001
212-222-2900

STATE OF NEW YORK
STATE OF FLORIDA
U.S. DISTRICT COURTS
EASTERN DISTRICT OF NEW YORK
SOUTHERN DISTRICT OF NEW YORK
DISTRICT OF NEW JERSEY

[X] REPLY TO:
249-02 Jericho Turnpike,
Floral Park, New York 11001
516-437-3400

EMAIL: groten@garyrosen.com
FAX: 516-437-5561

W. OPINION OF COUNSEL

March 3, 2003

393 17th Street Realty Corp.
3707 15th Avenue
Brooklyn, New York 11218

Re: The SOUTH SLOPE CONDOMINIUM
393 17th Street, Brooklyn, New York.

Gentlemen:

You have requested my opinion with respect to the tax impact of ownership of condominium units in the referenced Condominium and particularly the following:

- A. The deductibility for Federal, New York State and New York City Income Tax purposes of mortgage interest and real estate taxes paid by a Unit Owner;
- B. The taxable status of the Board of Managers of the condominium;
- C. The availability of any specific exemptions for specific purchasers such as veterans or others; and
- D. The availability of partial real property tax exemption for the Condominium as a whole under Section 421-a of the Real Property Tax Law of the State of New York.

In connection with this opinion, I have reviewed your Offering Plan and the schedules, exhibits and documents accompanying the Offering Plan (hereinafter referred to collectively as the "Plan") for the condominium ownership of the land and the residential building being constructed thereon at premises 393 17th Street, Brooklyn, New York (hereinafter referred to as the "Condominium"). The Condominium will be known as The SOUTH SLOPE CONDOMINIUM. Most, if not all, of the apartments comprising the Condominium (hereinafter referred to singularly as a "Condominium Unit" and collectively as "Condominium Units") will be used by individuals as their residences.

As a basis for the opinions set forth, I have examined originals or copies of such corporate documents or records, such communications of public officials, and such other documents as we have deemed relevant and necessary, including the Declaration (the instrument which will create the Condominium) and the By-laws (governing the operations of the Condominium). In such examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals or copies thereof, and the conformity to authentic originals of all documents submitted to us as certified or photostatic copies. I have also considered all applicable provisions of the Internal Revenue Code, the New York City Administrative Code, and the tax laws of the State of New York.

A. Deduction of Interest and Taxes

Pursuant to the Plan, the purchaser of a Condominium Unit will receive legal title in fee simple to a Condominium Unit as well as ownership of an undivided interest in the land and appurtenances and all other parts of the Condominium Property held in common with the other owners of Condominium Units. Such a purchaser will have the right to place an individual mortgage on his separate Condominium unit and will be liable to the local tax authority for the tax assessment with respect to his interest in the property. Under these circumstances, the Internal Revenue Service has ruled that the owner of a Condominium Unit may deduct interest paid on his mortgage indebtedness under Section 163 of the Internal Revenue Code and the real estate taxes assessed and paid on his interest in the Condominium Property under Section 164 of the Code. See Revenue Ruling 64-31, 1964-1 (Part I) C.B. 300.

New York State and New York City income tax laws incorporate by reference the federal itemized deductions with respect to a resident individual. See New York Tax Law Section 615 and Section T46-115.0 of the New York City Administrative Code. Accordingly, the federal authority discussed in this opinion should substantially apply under the New York State and/or New York City Income Tax statutes.

Based upon the foregoing and provided that the Plan becomes effective in accordance with its terms, it is my opinion that the owner of a Condominium Unit will be entitled, under present tax laws and regulations, to deduct from his or her gross income, for Federal, New York State and New York City income tax purposes, real estate taxes assessed against his or her Condominium Unit that are paid to local tax authorities and interest paid by him or her on any mortgage indebtedness covering his or her Condominium Unit. The same rules apply to mortgage indebtedness interest and real estate taxes paid, net of any reimbursement from other users, with regard to an owner's interest in the common elements. However, for Federal, New York State and New York City income tax purposes, an owner who does not occupy his or her Condominium Unit for personal residential purposes, but who holds it as an investment, may be subject to the overall limit on the deductibility of investment interest and the limitations on deduction of passive losses contained in the Tax Reform Act of 1986.

B. Taxable Status of Board of Managers

I have considered the relevant cases and rulings on the Federal tax status of the Condominium, including Revenue Rulings 74-17, 1974-1 C.B. 130; 70-604, 1970-2 CB 9; 75-370, 1975-2 C.B. 25 and 75-371, 1975-2 CB 52. Although the Condominium would be deemed a taxable entity under such Rulings, receipts from capital or special assessments would not be taxable assuming these assessments are properly designated and accounted for, and that they are properly treated as trust funds. If this assumption is correct, the Condominium would not realize any significant amount of taxable income, other than with respect to investment income, such as interest earned on those funds deposited in bank accounts.

Moreover, if the Condominium meets the requirements of Section 528 of the Internal Revenue Code for a "Condominium Management Association", the Condominium would be able to elect to be exempt from Federal tax on membership fees, dues and assessments from owners of Condominium Units. There are numerous requirements that must be satisfied in order to qualify for that election (e.g., substantially all of the Condominium Units must be used by individuals for residences; 90% or more of expenditures must be for the purpose of acquiring, constructing, managing, maintaining and caring for property of the Condominium; 60% or more of its gross income must consist of membership dues, fees and assessments from owners of residential units in their respective capacities as owners; and no part of the Condominium's net earnings may otherwise inure to the benefit of any private shareholder or individual). Even if the Condominium qualifies, it will be taxable at the Federal level on income from other sources, including investment income, at the rate of 30% on its taxable income, as defined in Section 528. Based upon our examination of the Plan and subject to the Condominium complying with Section 528 qualifying requirements, it is our opinion that the Condominium will be eligible to elect to be treated as an exempt organization. we express no opinion whether it would be advisable to make such an election.

C. Veterans Exemptions

Under Section 458 of the New York State Real Property Tax Law, owners of Condominium Units who are veterans of the United States Armed Forces and who purchase their Units with the proceeds of a pension, bonus or insurance, or dividends or refunds on such insurance, or payments received as prisoner of war compensation from the United States government, may be entitled to exemptions covering part of the real estate taxes otherwise assessed by the tax authorities against their units. The maximum amount of such exemption is \$5,000.00 in assessed valuation (not in amount of tax) and is limited to the actual amount of such funds invested in the property.

D. Tax Exemption

The Sponsor has applied for a real estate tax exemption under Section 421-a of the New York State Real Property Tax Law. Pursuant to Section 421-a, a newly constructed multiple dwelling is entitled to receive a partial real estate tax exemption for a period of fifteen (15) years beginning in the tax year next following the earlier of the completion of construction or three (3) years from commencement of construction (the "Tax Status Date"). From and after the Tax Status Date, the exemption provides for partial relief from real estate taxes as follows: 100% of the real estate taxes assessed as a result of the new construction are abated for years 1 through 11; 80% for year 12; 60% for year 13; 40% for year 14; and 20% for year 15. Thereafter no further exemption would be applicable. During the abatement period (year 1 through year 15, unit owners will be required to pay real estate taxes as follows: the cost of the actual real estate taxes assessed on the property (land and building assessment) for the year prior to the commencement of construction, multiplied by the unit owners percentage of common interest. For example, #1A at 393 17th Street is estimated to pay real estate taxes of \$156.33 per year based on the 2003/2004 tax year total assessed valuation for real estate taxes for the year prior to construction. The total amount of assessed valuation was for the entire Lot 72 in Block 869, which will be apportioned into condominium tax lot number, in order to create this Condominium.

The exemption percentages described above are calculated against the difference between the assessed value of the property and improvements after completion of construction and the assessed value existing prior thereto.

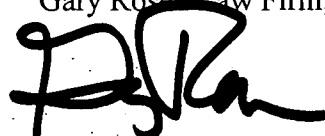
Based upon my review of the Plan and the application form submitted by the Sponsor to the City of New York Department of Housing Preservation and Development, it is my opinion that a 421-a tax exemption will be granted to the project. The 421-a tax exemption should be granted as the property was underutilized prior to the development of the subject condominium project and such underutilization permits the granting of 421-a tax exemption benefits. In such event an owner of a unit within the Condominium would receive an exemption from real estate taxes as indicated above.

I express no views as to any Federal, New York State or New York City tax consequences or as to any aspects of the Plan other than those expressly discussed in this opinion. Nor do I express any view as to the tax status and/or consequences of the Plan under the laws of any U.S. or foreign jurisdiction other than the laws of the State of New York. I strongly advise each person contemplating the purchase of a Unit to consult his or her tax advisor as to all tax matters as they relate to the Plan and this opinion and to each individuals own particular tax status.

The opinions expressed herein are not guarantees; they are based solely upon our current understanding and interpretation of laws, regulations, decided cases and ruling of administration agencies and upon information provided to us at the time of making this opinion. It should be specifically noted this opinion is not binding on the Internal Revenue Service, The New York State Department of Taxation and Finance and the New York City Department of Taxation and that such entities may not agree with any or all of the views stated herein. Moreover, the federal, state and city tax laws and regulations (and ruling and decisions thereunder) may change and thereby affect, in whole or in part, the views and opinions stated above.

I have been retained by you to provide the opinions expressed in this letter and consent to the inclusion of this letter in any Offering Plan with respect to the Building.

Very truly yours,
Gary Rosen Law Firm, P.C.



Gary Rosen

X. RESERVE FUND

At the time of the first closing of title to each Unit, a Reserve Fund will be established. Each purchaser / unit owner will be required to pay an amount equal to one month of common charges into a Reserve Fund at the closing of title to his Unit. There is also calculated into the budget for the first year of operation, a contingency fund of \$750.00 per year. It is anticipated that any moneys collected from common charges that are not expended during a fiscal year will be transferred to the Reserve Fund. There is no other provision for a reserve fund. The Reserve Fund shall be used solely to pay needed capital expenditures of the Condominium. The Reserve Fund will be a minimum fund and there will be no adjustments deducted from it. The Reserve Fund may not be sufficient to provide for needed capital expenditures within five (5) years following the first closing under the Plan. In the event that additional moneys are needed to finance needed capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase common charges or make special assessments on Unit Owners. Neither the Department of Law nor any government agency has passed upon the adequacy of the Reserve Fund.

The initial reserve fund contribution described herein is intended as a one time payment to be made at the time of the original purchase of the Unit (subject to the right of the Board of Managers to make assessments for additional working capital as permitted by law, the Condominium Declaration and By-Laws and the provisions of the Plan). Such payment shall not confer any rights thereto on the purchaser of the Unit, and shall be non-refundable to and non-transferable by such purchaser notwithstanding subsequent sale or transfer of the Unit by such purchaser.

The Sponsor is not required to make any contributions to the Reserve Fund.

While the sponsor is in control of the board of managers, the Reserve Fund may not be used to reduce projected common charges in the plan.

The condominium board could vote to obtain loans for required expenditures as provided by the New York Real Property Law.

Y. WORKING CAPITAL FUND

In addition to the payment of the first month of common charges, pro-rated for the remaining number of days in the month, if collected by Sponsor, each Unit Owner will also pay an amount equal to the \$250.00 at the closing of title to his or her unit. These monies will constitute the initial working capital fund for the Condominium. The initial working capital 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 may be used to pay common expenses of the Condominium.

No provision has been made for any Working Capital Fund other than the above. No representation is made that the Working Capital Fund will be sufficient to accomplish the purpose set forth above, or other purposes as determined by the Board of Managers in its discretion. If additional funds are required, it may be necessary to increase common charges or make special assessments On Unit Owners. Neither the Department of Law nor any governmental agency has passed upon the adequacy of the Working Capital Fund.

The Sponsor is not required to make any contributions to the Reserve Fund.

While the sponsor is in control of the board of managers, the Working Capital Fund may not be used to reduce projected common charges in the plan.

The condominium board could vote to obtain loans for required expenditures as provided by the New York Real Property Law.

Z. MANAGEMENT, AGREEMENTS, CONTRACTS AND LEASES

1. Management

The affairs and management of the Condominium shall be done by the Board of Managers. The duties of the Board with respect to management of the Condominium are set forth in Section "S" & "T" of this Offering Plan. It should be noted that in the event it becomes necessary to hire a managing agent, common charges may increase to cover such cost for management fees.

The condominium board will be responsible for, among others:

- (a) cause the Common Elements to be operated and maintained as required by the Condominium;
- (b) cause to be hired, paid and supervised, all persons needed for the proper operation and maintenance of the Common Elements;
- (c) do all things necessary to comply with laws, rules and orders applicable to the Common Elements;
- (d) enter into contracts for maintenance services and the purchase of supplies;
- (e) effect insurance coverage required by the Condominium;
- (f) cause prompt payment by the Condominium of accounts payable, real estate and other taxes and mortgage debt service applicable to any property owned by the Condominium, etc.;
- (g) maintain an operating bank account for the Condominium;
- (h) upon request by the Board of Managers, sell and lease reacquired Units of the Condominium;
- (i) supervise the collection of common charges and assessments from Unit Owners;
- (j) consider and, when reasonable, attend to complaints of Unit Owners, tenants and subtenants, provided that if it shall deem any complaint unreasonable it shall so advise the Board

of Managers and give reasons for its opinion;

(k) set up and keep in good order the minute books, records and files of the Condominium;

(l) prepare and file employee reports, forms, etc.;

(m) cooperate with the accountants and auditors engaged by the Board of Managers in regard to the preparation of all tax returns and annual statements;

(n) prepare, for consideration by the Board of Managers, proposed annual operating budgets;

(o) send all notices, reports, etc. to the Board of Managers and Unit Owners;

(p) supervise the moving in and out of Unit Owners, tenants and subtenants;

(q) submit monthly statements to the designated officers of the Condominium showing collections, disbursements and amounts necessary to reserve or withhold, if any, to meet the obligations of the Condominium;

(r) send to each Unit Owner each year a statement furnished by the accountant of the Condominium, showing tax data relevant to the Unit Owners;

(s) make all arrangements necessary for the holding of the meetings of the Unit Owners and the Board of Managers of the Condominium;

(t) at the direction of the Board of Managers carry out required procedures and give required notifications as set forth in the Condominium Declaration and By-Laws, in connection with the exercise of right of first refusal on proposed sale or lease of units; and

(u) generally, do all things reasonably deemed necessary or desirable by the Board of Managers of the Condominium for the proper management of the Property.

In the event that a managing agent is hired by the Board of Managers, then in that event, the manager's responsibility for supervising repairs and alterations to the Building is limited to those routine repairs and incidental alterations required in the course of the ordinary maintenance and care of the Building. Non-emergency repairs and alterations involving an expenditure in excess of \$1,000.00 for any one item will be made only with the prior approval of the Board of Managers.

2. Contracts

The Condominium will not be bound by any contracts.

3. Leases

The Condominium will not be bound by any leases.

AA. IDENTITY OF PARTIES

A) SPONSOR

The Sponsor of the Offering Plan and the Selling Agent is, 393 17th Street Realty Corp.

3707 15th Avenue, Brooklyn, NY 11218, is a New York corporation incorporated on July 19, 2002. The shareholders of the Sponsor owning a minimum of ten (10%) percent are Vincent Falcone, Michael Falcone and Joseph Cammarata. Vincent Falcone and Michael Falcone have been involved in the real estate, building and construction industry for over thirty years. They have experience constructing three family / multi-unit residences in Brooklyn, New York. Messrs. Falcone have been the principals and sponsors of other condominium projects, including: The Shalom Condominium, file number CD-01-0099, located at 2131, 2133, 2135, 2151, 2153, 2155, 2157 & 2159 57th Street, Brooklyn, New York; The Duryea Condominium, file number CD-00-0025, located at 1571 67th Street, Brooklyn, New York; The Bay Ridge Avenue Condominium, file number CD 95-0063, located at 861 Bay Ridge Avenue, Brooklyn, New York; The East 13th Street Condominium, file number CD-97-0072, located at 1854 East 13th Street, Brooklyn, New York; The 345 92nd Street Condominium, CD-97-0114, located at 345 92d Street, Brooklyn, New York. These plans have been completed and have been declared effective. The Sponsor is current in its maintenance in prior offering plans. The aforementioned offering plans are available for inspection in the office of the New York State Attorney General. Mr. Cammarata has over fifteen (15) years of experience building residential housing. Neither the sponsor nor any of its principals have been involved in any other prior offerings of shares or units in any other cooperative, condominium or home owners association other than those listed herein. There are no other shareholders in the Sponsor entity and only Vincent Falcone, Michael Falcone and Joseph Cammarata have participated in the planning or consummation of the condominium plan. Only Vincent Falcone, Michael Falcone and Joseph Cammarata are principals pursuant to 13 NYCRR §20.1(c)(2)

No principal of Sponsor has been convicted of a felony, has filed bankruptcy, has been convicted of a crime or subject to an injunction or judgment.

B) ATTORNEYS

GARY ROSEN LAW FIRM, a professional corporation, 249-02 Jericho Turnpike, Floral Park, New York 11001 represents the Sponsor in connection with all legal matters pertaining to this Plan. Gary S. Rosen, Esq. completed the preparation of the Offering Plan.

C) SELLING AGENT

Selling Agent - 393 17th Street Realty Corp., 3707 15th Avenue, Brooklyn, New York 11218. The Selling Agent is also the Sponsor.

D) ARCHITECT

Sponsor's Architect - Harry R. Simino, Architect, 68 Summit Street, Brooklyn, New York 11231. He has a B.S. in Architecture degree and is a member of the American Institute of Architects. His architectural practice concentrates on residential housing. Mr. Simino is a licensed Architect in the State of New York. Mr. Simino has more than ten (10) years experience in designing condominium projects and has designed numerous condominium projects for the principals of the sponsor.

E) INSURANCE

The estimated insurance rates have been passed upon by Rampart Brokerage Corp., 329 Hempstead Turnpike, West Hempstead, New York. The aforementioned estimate has been included in this Offering Plan in reliance upon the opinions of said agency and upon its authority as an expert but the Sponsor has no knowledge that this estimate is not correct.

F) MANAGING AGENT

The condominium will be managed by the Board of Managers of the Condominium. The Board of Managers with the Sponsor's consent may agree to manage the condominium or hire a managing agent.

G) RELATIONSHIPS

There is no relationship between the Sponsor or its principal and the architect and any person or firm who will provide services to the Condominium subsequent to the commencement of condominium operation other than the Selling Agent, which is also the Sponsor.

BB. REPORTS TO THE UNIT OWNERS

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

- (1) A certified financial statement of the Condominium prepared by a duly licensed certified public accountant by a specified date; such statement shall be compiled while the Sponsor is in control of the Board of Managers.
- (2) Prior notice of the annual Unit Owner's meeting; and
- (3) A copy of the proposed annual budget of the Condominium by a specified number of days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers such budget shall be certified in compliance with 20.4(d) of Part 20 of Title 13 NYCRR.

CC. DOCUMENTS ON FILE

The Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at a specified location for six years from the date of first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the

closing of the first unit.

DD. GENERAL

a) Pending Litigation

There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

b) Prior Offerings

The property has not been the subject of any prior cooperative or condominium offerings to Sponsor's knowledge. There have been no preliminary binding agreements entered into and no money has been collected from prospective purchasers.

c) Non-Discrimination

The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

d) Right of Rescission

A Purchaser shall have the right to rescind purchase agreements following a material adverse amendment to the Offering Plan that adversely affects the purchaser. The Purchaser shall have a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Sponsor must return any deposit or downpayment to purchasers who rescind. Sponsor may condition return of deposit to interim leases upon the vacating of the apartment.

e) Amendment of the Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty (30) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith 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.

EE. Sponsor's Statement of Specifications of Building Condition

Sponsor hereby adopts the description of property and building condition set forth in Part II, Section "LL" of the Plan and represents that Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property and Building Condition.

Date of Offering Plan: March 3, 2003
 Brooklyn, New York

**393 17th Street Realty Corp.
Sponsor**

PART II

FF. PURCHASE AGREEMENT

**Residential
Purchase Agreement**

THE SOUTH SLOPE CONDOMINIUM

393 17th Street,
Brooklyn, New York.

Purchaser(s) Name: _____

Address: _____

Telephone: _____

Social Security No.: _____

ADDRESS _____

UNIT NO. _____ Percent common interest: _____ %

393 17th Street Realty Corp., with an address of 3707 15th Avenue, Brooklyn, New York, 11218, a New York corporation ("Seller") has promulgated a Plan of Condominium Ownership of The SOUTH SLOPE CONDOMINIUM ("the Plan") pursuant to which the land with appurtenances and the residential units ("the Units") being constructed thereon by Seller, located in Brooklyn, Kings County, City of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. The Plan.

PURCHASER ACKNOWLEDGES HAVING RECEIVED AND READ A COPY OF THE OFFERING PLAN FOR THE SOUTH SLOPE CONDOMINIUM AND ALL AMENDMENTS THERETO, IF ANY, FILED WITH THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK AT LEAST THREE (3) FULL BUSINESS DAYS PRIOR TO EXECUTING THIS AGREEMENT. The Offering Plan, including the Schedules, the Declaration, By-Laws and Exhibits and any filed amendments are hereinafter collectively referred to as the "Plan". The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. Purchaser should carefully read the Plan as it contains important provisions regarding rights and obligations under this Contract. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

2. Unit.

Seller agrees to sell and convey and Purchaser agrees to purchase, the unit designated above together with the undivided percentage interest in the Common Elements and Limited Common Elements (as described in the Plan) appurtenant thereto equal to terms and conditions set forth herein.

3. Purchase Price.

The "initial purchase price" is equal to \$_____ plus an amount equal to \$_____ for upgrades and/or additions, if any, requested by Purchaser as evidenced on Addendum No. 1 attached hereto. The initial purchase price plus the cost of the upgrades and additions shall be referred to as the "Aggregate Purchase Price". Purchaser agrees to pay the Aggregate Purchase Price to Seller as provided below. Receipt of the downpayment is hereby acknowledged subject to the collection of any check tendered. If any check is returned for insufficient funds or for any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Seller to exercise any of the remedies set forth in Paragraph 13 hereof.

(a) \$_____ on signing of this Contract, by check made payable to GARY ROSEN LAW FIRM, a professional corporation The SOUTH SLOPE CONDOMINIUM ESCROW Account in an amount equal to 10% of the initial purchase price plus the full amount of the agreed cost for the upgrades and additions,

(b) \$_____ at closing of title, by unendorsed certified or official check made payable to 393 17th Street Realty Corp. drawn on or issued by any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York.

4. Closing of Title

(a) The closing of title shall be held at such place in the City and State of New York and at such date and hour as Seller may designate to Purchaser on not less than ten days' prior notice. It is anticipated that the closing shall take place on or about _____. The closing of title may be adjourned to such later date as the parties may agree upon in writing, or otherwise set forth in the following paragraph below, and such adjourned date shall then be deemed the closing date hereunder. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days upon written notice to Seller to be made at least five (5) days prior to the scheduled closing date. Any adjournment requested by the Purchaser will make the adjourned closing date "time of the essence".

(b) The Seller shall be entitled to reasonable adjournments of the closing of title. In the event the Seller shall be unable to convey title to the Unit on or before six months after the anticipated date of closing of title (as set forth in Paragraph 4(a) above) except for (i) delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities or governmental restrictions preventing Seller from obtaining necessary supplies and/or materials, in which event the period may be extended to nine months or (ii) the Purchaser's default, the Purchaser shall have the option to cancel this Agreement and to have the downpayment refunded with interest, if any.

(c) Title to the Unit will close only after or concurrently with the occurrence of the events required under the Plan.

(d) In the event the dwelling or its environs are not complete on the date set by the Seller for closing of title, same shall not constitute an objection to closing title, provided the Seller shall, by letter agreement to survive title closing, agree to complete any open items within a reasonable time after closing, weather and circumstances permitting.

(e) At the closing of title the Seller will deliver the usual certificates available and it is further agreed that title will not close without Purchaser's consent until either a temporary or permanent Certificate of Occupancy has been issued covering the building in which the Unit is located. Prior to issuance of a final certificate of occupancy no structural changes shall be made to either the interior or exterior of Purchaser's unit without prior written consent from the Seller. If any changes are made, by the Purchaser and final certificate of occupancy cannot be issued because of such changes, the Seller shall make such alterations to the structure to meet the building department requirements at full cost to the Purchaser, and the Purchaser shall further be liable to the Seller for any escrow monies held for the procurement of the final certificate of occupancy.

5. Delivery of Deed and Power of Attorney to the Board.

(a) At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser, free and clear of all encumbrances other than those set forth on Schedule A annexed hereto and made a part hereof.

The deed shall be prepared by Seller and be substantially in the form set forth in Part II, Section "KK" of the Plan and shall be executed and acknowledged by Seller and Purchaser in form for recording. Purchaser shall pay all New York State and New York City Real Property Transfer Taxes and the cost of recording all documents delivered or executed at the closing. Seller shall pay any New York State Real Property Transfer Gains Tax. Seller and Purchaser shall duly execute and swear to a New York City Real Property Transfer Tax return and any form then required by law, all of which shall be prepared by Seller.

(b) At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, the Purchaser shall execute and acknowledge a Power of Attorney to the Board of Managers prepared by Seller and substantially in the form set forth in Part II, Section "JJ" of the Plan.

(c) The Deed and Power of Attorney to the Board of Managers shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Seller's attorney) for recording in the New York City Register's Office. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Board of Managers.

(d) Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the acceptance of the delivery of the deed at the time of closing of title hereunder shall constitute full compliance by the Seller with the terms of this Agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All provisions contained in the Offering Plan shall survive delivery of the deed.

6. Marketable Title

At the closing of title, Seller shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or Prior to the closing of title to the proper party or Purchaser's title insurance company together with the recording or filing fee or (b) Purchaser's title insurance company will insure Purchaser that it will not be collected out of the Unit if it is a lien, or it will not be enforced against the Unit if it is not a lien. Title insurance will be available from Fidelity National Title Company through its agent Intercounty Abstract Corp., 99 Tulip Avenue, Floral Park, New York. In the event purchaser seeks title insurance from a different source, purchaser shall pay to Sponsor's attorney, at the time of closing, an additional \$295.00 to fund the cost to Sponsor's attorney of addressing title concerns which may be raised by a title insurer not familiar with the history of the property.

7. Closing Adjustments

The following adjustments shall be made as of the closing date with respect to the Unit:

- (a) Real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed), on the basis of the period to which assessed;
- (b) Common charges for the month in which title closes;
- (c) If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustments of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the unit has not been separately assessed as of the closing date for the then current tax period, the adjustment under subsection (a) hereof shall be based upon the assessment of the property and the percentage interest in the Common Elements appurtenant to the Unit.
- (d) The "Customs in Respect of Title Closings" recommended by the Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.
- (e) Other Adjustments.

8. Expenses of Closing

Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments," including the amount of any credit for mortgage recording tax as set forth in such Section. At closing, Purchaser shall make the contribution to the Working Capital Fund of the Condominium referred to in the Plan.

9. Payment; Moneys to be held in Trust

- (a) The required downpayment pursuant to this Agreement will be 10% of the Purchase Price for the Unit set forth in the Plan, as amended, which downpayment shall be increased by special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in Addendum No. 1 of this Agreement. All moneys received by the Seller through its agents or employees pursuant to this Agreement will be deposited with HSBC in an account entitled "GARY ROSEN LAW FIRM, a professional corporation The SOUTH SLOPE CONDOMINIUM ESCROW Account" at its branch located at 4930 Kings Highway, Brooklyn, New York 11234, in accordance with Section 71-a (3) of the Lien Law of the State of New York. Such funds will be held in trust in accordance with the escrow and trust provisions of Section 352 (h) and 352-e(2-b) of the General Business Law of the State of New York and the regulations, if any, promulgated pursuant to said Section 352-e (2-b). Such funds will be disbursed only upon signature of Gary S. Rosen, Esq. Seller's attorneys, in accordance with the

provisions of the Plan.

(b) **AS AN ALTERNATIVE TO DEPOSITING DOWNPAYMENTS IN AN ESCROW AS SET FORTH ABOVE, SELLER MAY POST A BOND OR INDEMNITY CONTRACT WITH A LICENSED SURETY COMPANY, IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE ATTORNEY GENERAL, INSURING RETURN OF SUCH MONEYS, A COPY OF WHICH BOND OR CONTRACT SHALL BE DELIVERED TO THE PURCHASER.**

(c) Downpayments will be retained in escrow or bonded as set forth above until: (i) Seller performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds (due to inability to obtain financing or otherwise) or defaults in performance, thereby excusing performance by Seller, or (iii) release or discharge of Seller's liability to refund such downpayment, or (iv) upon transfer of title to the Unit to the Purchaser, or by mutual consent of Seller and Purchaser.

10. Binding Effect of Declaration, By-Laws and Rules and Regulations

Purchaser hereby accepts and approves the Plan including the Declaration, By-Laws and Rules and Regulations contained therein and agrees to abide by and be bound by the terms and conditions thereof.

11. Agreement Subject to Mortgages

Purchaser agrees that all terms shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or, which may hereafter be made or incurred, pursuant to the terms thereof or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule or Payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 11, however, on the Closing Date the Unit will be delivered by Seller free of any mortgage liens.

12. Mortgage Contingency. (Delete if inapplicable)

(a) The obligations of Purchaser under this contract are subject to the issuance Of a commitment letter by a bank or other institution as defined in Section 274-a of the New York Real Property Law ("Institutional Lender") to Purchaser, on or before thirty (30) days after the date of receipt by Purchaser of a fully executed copy of this Agreement, pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally issued loan, to Purchaser, at Purchaser's sole cost and expense, **in the amount of \$ _____** or such lesser sum as Purchaser shall be willing to accept, at the prevailing fixed

or adjustable rate of interest for a term of at least twenty five years and on all other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender.

(b) Within three (3) days of the date of receipt by Purchaser of a fully executed copy of this Agreement, Purchaser shall apply for the loan and furnish to the Institutional Lender accurate and complete information on Purchaser and members of Purchaser's family, as required, and shall, within five (5) days of making application as required herein, advise Seller of the name and address of the institution to which such application has been made and the date upon which it was made. Purchaser shall pay all fees, points and charges required in connection with the application and loan, pursue such application with diligence and cooperate in good faith with such Institutional Lender to obtain such commitment.

(c) Purchaser shall accept any commitment letter complying with the terms of subparagraph "a" of this Paragraph, and if issued, shall pay any application, appraisal, commitment or other fees in respect of the loan, and shall comply with the requirements of the commitment letter.

(d) In the event that Purchaser is unable to obtain a commitment letter by the date stated in subparagraph "a" of this Paragraph, Purchaser must notify Seller of same within five (5) days of the expiration of such thirty (30) day period. Within seven (7) business days of receipt of notice by Purchaser that the commitment has not been procured within the contingency period, Seller shall elect by notice in writing to Purchaser to (i) cancel this Contract, (ii) extend the term of the contingency period unless Purchaser has theretofore delivered a written rejection from the Institutional Lender to which the original application was made, or (iii) attempt to procure or provide alternate financing (as provided below). If Seller elects to attempt to procure or provide alternate financing, Seller shall have thirty (30) days from the date of its election to either (a) secure a mortgage loan commitment for Purchaser from the same or another lending institution in the same amount and on substantially the same terms as stated in subparagraph "a" of this Paragraph or (b) take back a purchase money mortgage in the same amount and on substantially the same terms as set forth in subparagraph "all of this Paragraph, except that the term shall be for no more than fifteen (15) years. In the event that Seller is unable to obtain or provide alternate financing within such thirty (30) day period or any extended commitment period expires without Purchaser having obtained a mortgage commitment, and provided that Purchaser shall have fulfilled all of Purchaser's obligations under this Paragraph "12", either Seller or Purchaser shall have the right to terminate this contract on notice to the other in writing within seven (7) days of the later to occur of the expiration of the alternate financing period or extended commitment period, and this contract shall become null and void and both parties shall be released and discharged from all liability under this contract, except that the downpayment under this contract shall be promptly refunded to Purchaser without interest.

(e) If Purchaser fails to give notice of cancellation within the time provided above or if Purchaser shall accept a commitment that does not comply with the terms set forth above, Purchaser shall be deemed to have waived Purchaser's right to cancel this Contract and to receive a refund of the downpayment.

(f) Once the mortgage commitment is issued by the Institutional Lender, its withdrawal by the Institutional Lender based upon any willful change in Purchaser's circumstances shall still obligate Purchaser to close or his Purchaser will be deemed to be in default of this Agreement. It is the obligation of Purchaser to keep the mortgage commitment in full force until the closing of title.

13. Default by Purchaser

The time for the payment of the balance of the Purchase Price and the performance of Purchaser's other obligations hereunder, is of the essence of this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Seller may give notice to Purchaser of such default. If such default shall not be cured within fifteen (15) days thereafter, Seller may, at its option, cancel this Agreement by notice of cancellation to Purchaser. Notwithstanding the foregoing, in the event Purchaser fails to close title on the designated date and Seller does not elect to cancel this Agreement, Seller shall also have the right to approve a request from Purchaser to adjourn the Closing Date and in such event (a) Purchaser shall Pay Seller interest at the rate of twelve percent (12%) per annum on the entire amount of the purchase price computed from the original Closing Date until this transaction is actually closed, (b) all apportionments between Seller and Purchaser shall be made as of the original Closing Date and (c) Purchaser shall reimburse Seller for any additional costs incurred by Seller as a result of Purchaser's delay. If Seller elects to cancel this Agreement on account of Purchaser's default, (i) Seller may retain all sums deposited by Purchaser hereunder, together with interest earned thereon as liquidated damages (Seller's actual damages being difficult or impossible to ascertain), and upon retaining such sum, this Agreement shall be terminated and neither party shall have any further rights, obligations or liabilities or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan and (ii) Seller may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

14. Agreement Subject to Plan Being Effective

The performance by Seller of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Seller only under certain conditions and at certain times, as set forth in the Plan. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if title to the Unit does not close within the time set forth in this Contract for any reason other than Purchaser's default, this Agreement shall be deemed canceled and, not later than 30 days thereafter, Seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and upon making such payment, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. Seller's Inability to Convey the Unit

(a) If Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Seller shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and in such case, if Seller notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (i) take title to the Unit subject to such inability without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Seller for damages or otherwise or (ii) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Seller shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Seller within ten days after the giving of Seller's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy above to acquire title subject to such inability.

(b) The parties hereby agree that the Seller may cancel this Agreement by forwarding its check in the full amount paid by the Purchaser, together 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 thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials from its regular suppliers or from using same in the construction and/or completion of the unit; or (b) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements or national emergencies, or the installation of public utilities is restricted or curtailed; (c) that economic conditions are such that the Seller cannot obtain labor and or materials in quantities and/or at prices presently contemplated; (d) any occurrence, delay, accident, or act of God which limits Seller's ability to promptly perform under the terms of this Contract; or (e) that the installation of utilities is delayed, restricted or curtailed; (f) that should any zoning or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of the residential housing and appurtenances conveyed hereunder, either presently in effect, or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated, this Contract may be canceled with notice as hereinabove provided.

16. Fixtures, Appliances and Personal Property.

Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale.

17. Acceptance of Condition of Unit;
Changes in Materials; Selection of Colors; Exterior.

(a) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (i) minor details of the Unit or the Building in which it is located or (ii) other units or (iii) the landscaped areas or (iv) other portions of the common elements have not been completed. Purchaser will examine his Unit with a representative of the Seller during normal business hours prior to the Closing Date and will sign and deliver to Seller on or before the Closing Date an inspection statement acknowledging the condition in which he has received his Unit.

(b) The Seller reserves the right to (i) make changes or substitutions of materials or construction for items as set forth in the plan, models or Building Plans, provided any such changes are of substantially equal value and quality, (ii) determine the exterior color and design, location of buildings, grading and design of all plots and dwellings to fit into the general pattern of the community and to comply with requirements of law, (iii) determine elevation and location of foundations, walks, entrances, stoops and patios to conform with topographical conditions. The Seller agrees to notify Purchaser of any material changes, specifications, deviations, additions or deletions which may materially adversely affect Purchaser and as otherwise required by the Plan. If said major change affect Common Areas or Limited Common Areas, if any, it will be disclosed by a duly filed amendment to the Plan.

(c) It is further agreed that wherever the Purchaser has the right to make a selection of construction changes, optional extras, colors, fixtures and/or materials, he shall do so within five (5) days after demand therefore. The selections are to be made at Seller's sales and display offices or as otherwise directed by Seller. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be made by ordinary mail addressed to the Purchaser at the address herein set forth.

(d) Any extras by Purchaser shall be paid for in full at the time of the order. If for any reason the Sponsor fails to install said extras in accordance with the work order, the limit of the Sponsor's liability is a refund of the amount of the charge. Purchaser shall not be entitled to a refund of amounts paid on account of extras or changes for any reason whatsoever, including the failure of the lending institution to approve their Purchase Money Mortgage. Construction must proceed by a scheduled plan. Any items not paid for cannot be installed and construction will not be delayed for ordered items not paid for in advance. Selection of any extras also cannot hold up the Progression of any job. If delays are deemed unreasonable by Sponsor, Seller has the right to complete the job according to standard specifications, and will return to Purchaser any sums of money paid to him for extras not actually installed.

18. Damages to the Unit

If between the date of this Agreement and the closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

(a) The risk of loss to the unit by fire or other casualty until the earlier of closing of title or Possession of the Unit by Purchaser, is assumed by Seller, but without any obligation or liability by Seller to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Seller to repair or restore the Unit, this Agreement shall continue in full force or effect. Purchaser shall not have the right to reject title or receive credit against, or abatement in, the Purchase Price and Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Seller and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of the preceding sentence shall survive the closing of title.

(b) In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title, and if Seller notifies Purchaser that it does not elect to repair or restore the Unit or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force or effect and Seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller shall retain all such sums deposited by Purchaser hereunder, together with interest earned thereon, as and for liquidated damages.

19. Seller's Right to Enter

The Purchaser does hereby authorize and grant to the Seller the irrevocable right to enter into, upon and over and under the unit as provided in the Plan, for such purposes as may be reasonably necessary for the Seller or his agents to complete the project of which this Unit is a part. Any damages incurred shall be repaired at the cost of the Seller. Purchaser agrees to do nothing that will prevent the Seller from obtaining a certificate of occupancy for these premises. This provision shall survive delivery of the deed.

20. Restriction on Purchaser's Right to Enter

It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the premises as a squatter and

intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder, at the option of the Seller and, upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages and the contract shall be deemed canceled. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to the Purchaser, whether same is delivered to the property on or after the closing of title herein.

21. No Representations

Except as specifically set forth herein or in the plan, Purchaser acknowledges that he has not relied upon any architect's plan, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated common charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the common elements as shown on the floor plans or on the architectural plans and specifications for the Building or site plan are not accurate or correct provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan.

22. Limited Warranty

LIMITED WARRANTY – THE LIMITED WARRANTY SET FORTH IN PART II, SECTION “HH” ANNEXED HERETO AND INCORPORATED HEREIN BY REFERENCE (THE “LIMITED WARRANTY”) IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN ARTICLE 36-B OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT, WHICH EXTEND BEYOND THE FACT THEREOF.

PRIOR TO THE EXECUTION OF THIS CONTRACT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SELLER HAS SUPPLIED TO PURCHASER

FOR EXAMINATION AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY.

THIS PARAGRAPH "22" SHALL SURVIVE DELIVERY OF THE DEED.

PURCHASER ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE LIMITED WARRANTY WHICH IS ANNEXED HERETO AS EXHIBIT "1" HAS BEEN PROVIDED FOR THE PURCHASER'S EXAMINATION PRIOR TO THE TIME OF THE PURCHASER'S EXECUTION OF THIS AGREEMENT.

23. Broker

Purchaser represents to Seller that _____ is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction, and Seller agrees to pay the commission earned by said broker pursuant to separate agreement. Purchaser agrees that should any claim be made against Seller for Commissions by any broker, other than the broker named above, on account of any acts of Purchaser or Purchaser's representative, Purchaser will indemnify and hold Seller free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this article shall survive the closing of title.

24. Agreement May Not Be Assigned

Purchaser shall have no right to assign this agreement without the prior consent in writing of Seller. Any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

25. Binding Effect

This Agreement shall not be binding upon Purchaser or Seller until a fully executed counterpart hereof has been delivered by Purchaser and Seller. If this Agreement is not accepted by Seller within thirty (30) days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the deposit paid on the execution hereof shall be promptly returned to Purchaser.

26. Notices

Any notice to be given hereunder shall be in writing and sent by registered or certified mail postage prepaid or delivered in person or overnight mail via United States Postal Service, United Parcel Service, FedEx, or Airborne Express, with receipt acknowledged, to Purchaser at the address given above and to Seller at 3707 15th Avenue, Brooklyn, New York 11218 (with copy to GARY ROSEN LAW FIRM, a professional corporation 249-02 Jericho Turnpike, Floral Park, New York 11001) or such other address as either party may hereafter designate to the other

in writing. Each notice mailed as provided above shall be deemed given on the third business day following the date of mailing and each notice delivered in person or by overnight mail shall be deemed given when delivered.

27. Joint Purchasers.

If two or more persons are named as Purchaser herein, any one of them is hereby made agent for the others in all matters of any kind or nature relating to this Contract and their respective obligations shall be joint and several.

28. Liability of Seller

Seller shall not have any liability to any Purchaser with respect to any of Seller's obligations under this Agreement or the Plan or otherwise in excess of the net proceeds paid to Seller from the sale of all Unsold Residential Units after payment of, or reasonable reserve for, any liabilities of Seller arising out of the consummation of the transactions contemplated in the Plan, except as specifically set forth in the Plan provided that such limitation shall not apply to any violation of Article 23-A of the General Business Law.

The Purchaser understands and agrees that it may not under any circumstances file a notice of pendency or "lis pendens" on the condominium unit which is the basis of this Purchase Agreement and may not file a notice of pendency or "lis pendens" on any portion of the subject condominium. Purchaser's sole remedy against the Sponsor shall be to commence an action in any Court having jurisdiction over the Sponsor.

29. Further Assurances

Each party shall, at any time and from time to time, execute, acknowledge and deliver to the other party such instruments and documents, and take such other actions, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. This Paragraph shall survive closing.

30. Severability

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

31. Strict Compliance

Any failure by Seller to insist upon the strict performance by Purchaser of any of the

provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be Performed by Purchaser.

32. Governing Law.

The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be Performed wholly in the State of New York, without regard to principles of conflicts of law.

33. Waiver of Jury

The parties hereby expressly waive trial by jury in any action, proceeding or counterclaim arising out of, or connected with, or relating to this Agreement or the relationship created hereby.

34. Entire Agreement

This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof and no oral representations or statements shall be considered a part hereof.

35. Gender, etc

Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender whenever the context of this Contract requires.

36. Captions

The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any Provision hereof.

37. Amendment of Purchase Agreement

Neither this Agreement nor any provision hereof may be waived, amended, altered, modified or discharged except by agreement in writing by the party sought to be charged therewith.

38. Successors and Assigns

Subject to the provisions of Paragraph 24 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and its heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

39. Attorneys

The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided in this Contract. The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

40. Reporting

Seller and Purchaser shall comply with Internal Revenue Code reporting requirements, if applicable. This Paragraph shall survive closing.

41. No Third Party Beneficiaries

This Contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

42. New York State Real Property Transfer Gains Tax.

Purchaser agrees to cooperate fully with Seller and to complete, sign and deliver to Seller all forms and other documents to facilitate a pre-closing audit or other procedure required pursuant to Article 31-B of the New York State Tax Law, if required by law. Purchaser agrees to execute the Transferee Form annexed to this Agreement and to execute any other form required by the State of New York or Seller in connection with said tax. Failure by Purchaser to comply with this Paragraph shall be deemed a default under this Agreement.

43. Additional Money to Be Paid By Purchaser at Closing.

At Closing, Purchaser shall pay, or reimburse to Seller if Seller has already made payment, in addition to all other sums payable or reimbursable elsewhere under this contract, all charges for:

- (a) Inspections, if any;
- (b) Appraisals, if any;
- (c) survey and surveying services of \$200.00;
- (d) title examination and policy insuring the Lender's interest;
- (e) Lender's attorneys' fees for preparation of all loan documents;
- (f) All commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
- (g) Mortgage recording taxes, if any;
- (h) Governmental charges which may be assessed on account of the mortgage loan;
- (i) New York State real estate transfer tax on the deed;
- (j) New York City real estate transfer tax on the deed;

- (k) All recording and filing charges payable to any public official;
- (l) Water and sewer tap and connection fees, water meter deposit, water value, water meter reading equipment and water and sewer test fees, if applicable;
- (m) Advance sewer use payments, if any;
- (n) A sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
- (o) An initial non-reimbursable capital contribution in the sum of \$250.00 shall be paid to the Condominium;
- (p) Recordation or filing of the Power of Attorney to be executed by Purchaser at Closing;
- (q) First month's common charges to the Condominium;
- (r) Seller's Attorneys Fee of \$950.00;²
- (s) Fee of \$295.00 to Seller's Attorney if Title Company is other than Inter County Abstract Corp, in accordance with this Offering Plan; and
- (t) Amount equal to one and one half percent (1.5%) of the sales price of the Unit as a reimbursement of Seller's cost in obtaining partial tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law.

IN WITNESS WHEREOF, the parties have executed this Agreement the _____ day of

_____, 2003.

Purchaser

Social Security # _____

Purchaser

Social Security # _____

393 17th Street Realty Corp.
Sponsor

By: _____
Title:

² See Section P(I)(E) of the offering plan for possible other charges.

SCHEDULE A

1. Zoning and other regulations, resolution and ordinances and any amendments thereto now or hereafter adopted provided they are not violated by the existing building and improvements erected on the property or the use thereof.
2. Any state of facts which a survey or personal inspection of the property or the Unit would show, provided such facts would not prevent the use of the Unit for dwelling purposes or render title unmarketable.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from Purchaser to the Board of Managers and the floor plans, all as may be amended from time to time.
4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the property may abut.
5. Any easement or right of use in favor of any utility company for construction, use or maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the property and any covenant, restriction and agreement of record; provided same are not violated by the present structure and the use of the unit for dwelling purposes.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets.
7. Encroachments of the structure or structures now on the Premises and of structures in the neighboring premises encroaching on the subject Premises and upon any street or highway, or adjoining premises, if any, including but not limited to shrubs, retaining walls, windows, cellar steps and/or doors, stoops, ornamental projections, trim and cornices, fences, fire escapes, if any, upon streets or highways and/or record property lines; and any variation between record property lines, and fences and/or walls and the record map.
8. The lien of any unpaid common charge, real estate tax, water charges, sewer rent or vault charge provided the same are adjusted at the closing of title and/or are not yet due and payable.
9. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that Seller shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date.
10. Any proposed, adopted or actual widening of any street, abutting or adjacent to the property provided same do not affect the existing structure or the use thereof as a residential dwelling.

Waiver of Notice of Closing

_____, being duly sworn, does hereby depose and state:

- 1) I am the Purchaser of Unit ____ at ____ 393 17th Street, Brooklyn, New York, a unit at The SOUTH SLOPE CONDOMINIUM.
- 2) Pursuant to a Purchase Agreement dated _____, 2003, I am entitled to either thirty (30) or fifteen (15) days written notice of the closing for my Unit, depending upon whether or not the Offering Plan has been declared effective.
- 3) I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____, 2003.

Purchaser

Purchaser

Sworn to before me this

_____ day of _____, 2003

Notary Public

GG. ESCROW AGREEMENT

Agreement made this _____ day of _____, 2003 between

393 17th Street Realty Corp. ("SPONSOR") as sponsor of the Offering Plan
and

GARY ROSEN LAW FIRM, a professional corporation ("ESCROW AGENT") as
escrow agent.

WHEREAS, 393 17th Street Realty Corp. is the sponsor of an Offering Plan to convert to condominium ownership the premises located at 393 17th Street, Brooklyn, New York. which premises are known as The SOUTH SLOPE CONDOMINIUM and,

WHEREAS, the GARY ROSEN LAW FIRM, a professional corporation 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:

1.0 ESTABLISHMENT OF THE ESCROW ACCOUNT.

SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits of payments made by purchasers or subscribers. The escrow account has been opened with HSBC, at its depository bank branch located at 4930 Kings Highway, Brooklyn, New York 11234:

- 1.1 The account number is _____.
- 1.2 The name of the account is the GARY ROSEN LAW FIRM, a professional corporation The SOUTH SLOPE CONDOMINIUM ESCROW Account".
- 1.3 Escrow Agent is the sole signatory on the account.
- 1.4 The escrow account shall be an interest-bearing account as disclosed in the Offering Plan.

2.0 DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of the GARY ROSEN LAW FIRM, a professional corporation, as escrow agent for The SOUTH SLOPE CONDOMINIUM Offering Plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3.0 RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until (a) otherwise directed in a writing signed by both sponsor and purchaser, (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction, or (d) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be

paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4.0 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.

5.0 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.

6.0 RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7.0 TERMINATION OF AGREEMENT.

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

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment

with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

(d) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

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.

8.0 SUCCESSORS AND ASSIGNS.

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

9.0 GOVERNING LAW.

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

10.0 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.

11.0 SEVERABILITY.

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

12.0 ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e (2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13.0 NOTICES.

13.1 Any notice required to be given or given hereunder shall be given by depositing

such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, FedEx, Airbourne Express, facsimile transmission, messenger service (with proper receipt thereof), addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT: **GARY ROSEN LAW FIRM,**
 a professional corporation
 249-02 Jericho Turnpike
 Floral Park, New York 11001

IF TO SPONSOR: **393 17th Street Realty Corp.**
 3707 15th Avenue,
 Brooklyn, New York 11218

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

14.0 CAPTIONS AND HEADINGS

14.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

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

ESCROW AGENT
GARY ROSEN LAW FIRM,
a professional corporation

By: _____
 Gary S. Rosen, Esq.

393 17th Street Realty Corp.

By: _____

Name: _____

Title: _____

Part II,
Section "HH"

EXHIBIT "1"

Rider to Purchase Agreement
ATTACHED TO AND FORMING A PART
OF THE CONTRACT OF SALE

DATED _____, 2003

by and between _____, Purchaser

and 393 17th Street Realty Corp. , Seller

HH. HOUSING MERCHANT LIMITED WARRANTY

Limited Warranty

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASER(S): _____

ADDRESS OF UNIT WARRANTED: Unit _____,
393 17th Street, Brooklyn, New York

NAME OF SPONSOR: 393 17th Street Realty Corp.
3707 15th Avenue
Brooklyn, New York 11218

WARRANTY DATE: Earlier of date of closing of title or
date of possession

SPONSOR'S LIMIT OF TOTAL LIABILITY: In no event shall the Seller's total to Purchaser under this Limited Warranty exceed ten (10%) percent of the purchase price of the Residential Unit less, any insurance proceeds received by Purchaser (the "Maximum Liability of Seller").

THIS LIMITED WARRANTY SHALL BE ONLY TO THE REPAIR OF DEFECTIVE MATERIAL OR WORKMANSHIP AS PROVIDED HEREIN AND EXCLUDES ALL CONSEQUENTIAL AND INCIDENTAL DAMAGES, EXCEPT AS REQUIRED BY NEW YORK STATE LAW.

1. To Whom Given

This Limited Warranty is extended only to the Purchaser named on the condominium and only for so long as the Purchaser owns the Unit. It does not extend to subsequent owners of the Unit or other persons including, without limitation any mortgagee taking possession of the Unit whether by foreclosure or otherwise.

2. By Whom Made

This Limited Warranty is made exclusively by 393 17th Street Realty Corp.

3. Final Inspection of the Unit

Before the Purchaser moves into the Unit or accepts the deed, the Sponsor will set up an appointment for final inspection of the Unit with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature including, without limitation, mars, chips, dents, cracks, or scratches that may have occurred during the final stages of finishing the Unit, or any unfinished work. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and the Sponsor before occupancy of the Unit or transfer of the deed.

When the Purchaser moves into the Unit or accepts the deed, the Sponsor's responsibility is limited to:

- (a) completion of items shown and as provided on the Final Inspection Sheet.
- (b) performance of warranty obligations expressly provided under the provisions of this Limited Warranty. The purpose of the Limited Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

4. Limited Warranty.

This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties which extend beyond the express terms hereof.

5. Warranty Coverages and Periods.

The Warranty Period for all coverages begins on the date that the purchaser, or member of the purchaser's family takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier. It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE:

For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

- (a) defective workmanship performed by the Sponsor, and agent of the Sponsor or subcontractor of the Sponsor;
- (b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or
- (c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.
- (d) defective installation of appliances sold as part of the Residential Unit by the Seller or an agent, employee or subcontractor of the Seller.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for homes and Condominium Unit in New York City, the Building Code of the City of New York) or, in the event such standards do not exist in connection with any warranty item, if they fail to meet the locally accepted building practice.

TWO-YEAR MAJOR SYSTEMS COVERAGE:

For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if the Sponsor's workmanship upon

the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

The Plumbing Systems means: 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 Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are expressly exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE:

For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

By way of example and not in limitation of the foregoing, damage to the following non-load bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in the attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances; fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation and items of a similar nature.

6. Exclusions From All Coverages.

The following are expressly excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(d) Any fixtures, equipment or appliance included within, without limitation including, stoves, refrigerators, freezers, room air conditioners, dishwashers, washers, dryers and similar items, unless a latent defect is caused by the failure of Sponsor, its agent or subcontractor to have installed same in a skillful manner.

(e) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(f) Defects in outbuildings including but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); 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); off-site improvements or any other improvements not as part of the Unit itself.

(g) After the first year Basic Coverage, concrete floors of basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(h) Damage to real property which is not part of the Unit covered by the Limited

Warranty and which is not included in the purchase price of the Unit.

- (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 Sponsor, its employees, agents, or subcontractors; or
 - (ii) failure by the Purchaser or anyone other than the Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or
 - (iii) failure of the purchaser to give notice to the Sponsor of any defects or damage within a reasonable time; or
 - (iv) changes in the grading of the ground by anyone other than the Sponsor, its employees, agents or subcontractors; or
 - (v) changes, alterations or additions made to the Unit by anyone after the Warranty Date; or
 - (vi) dampness or condensation due to failure of the purchaser or occupant to maintain adequate ventilation;
- (j) Any condition which does not result in actual physical damage to the Unit;
- (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, lightening, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, changes in the underground water table or other matters not reasonably foreseeable and within the reasonable control of Sponsor;
- (l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;
- (m) Any damage caused by soil movement, settlement or lumber shrinkage;
- (n) Any damage which the Unit owner has not taken timely action to minimize;
- (o) Normal wear and tear and normal deterioration;
- (p) Insect damage;
- (q) Bodily injury or damage to personal property;

- (r) Failure of the Sponsor to complete construction of the Unit;
- (s) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes;
- (t) Loss or damage due to abnormal loading on floors by the Unit owner which exceeds design loads as mandated by the Building Code;
- (u) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair;
- (v) Consequential damages (except where required by state law);
- (w) Any claim not filed in a manner set forth below in paragraph 8, "Claims Procedures".

7. Warranty.

If a defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Sponsor.

In no event will the Sponsor's total liability for deficiencies under this Limited Warranty exceed the Sponsor's limit of total liability, which is ten percent (10%) of the purchase price of the Condominium Unit.

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 themselves which is necessary to restore their load-bearing function, and (ii) the repair of those items of the Unit damaged by the major structural defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Sponsor 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 and delivered to the Sponsor.

8. Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Sponsor, identified on page 1, no later than the first business day after warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to any complaint or demand,

and any or all claims may be rejected. **NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.**

(b) No steps taken by the Sponsor, purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Sponsor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Sponsor, including but not limited to the Sponsor'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, Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to the Sponsor and the Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Sponsor's control.

9. 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 Sponsor in any Court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above and Sponsor has had an opportunity to inspect and test the alleged problem as provided in paragraph 7 and 8 above.

(b) No suit, action and proceeding against the Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty calendar days after the Warrantor has given written notice of

rejection of claim or completion of corrective action as provided in clause 8(d) above.

10. 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 Sponsor and the Purchaser.
- (c) Should any term, provision or condition contained in this Limited Warranty be deemed unenforceable by a court of competent jurisdiction in any given circumstance, such determination will not affect the enforceability of such term provision or condition in any other circumstance and will not affect the enforceability of the remaining terms, provisions and conditions which shall be given full force and effect in all circumstances.
- (d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.
- (e) This Limited Warranty is to be governed by and in accordance with the laws of the State of New York.

SELLER / SPONSOR:

393 17th Street Realty Corp. ,
a New York Corporation
Sponsor

By: _____

Name:

Title:

PURCHASER:

signature

[Print Name]_____

signature

[Print Name]_____

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II. NOTICE OF WARRANTY CLAIM FORM

INSTRUCTIONS TO COMPLETE **NOTICE OF WARRANTY CLAIM FORM**

To ask the Sponsor to correct a defect in your Condominium Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor. Do not leave any item blank.

Notice of Warranty Claim Form

Your Name: _____

Mailing Address: 393 17th Street
Brooklyn, New York.
Unit No. _____

Phone: _____

Warranty Date: _____

The following is a / are defect(s) which I believe 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):

I first occupied the Condominium Unit on _____, 2003.

I closed title to the Condominium Unit on _____, 2003.

I understand that this form must be completed and signed by the Unit Owner and sent to the warrantor at its address on the first page of the warranty by Certified Mail R.R.R. or by Registered Mail.

(Signature)

(Date)

(Signature)

(Date)

PERFORMANCE STANDARDS

The Performance Standards list specific items (defects) within each separate area of coverage. The first section covers Workmanship and Materials; the second section covers Systems. The standards are expressed in terms of performance criteria. For each comprehension, the format is designed as follows: (The term "Unit" and "Home" are used interchangeably and have the same meaning for the purposes of the Performance Standards)

1. **"Possible Deficiency"** - a brief statement, in simple terms, of problems that may be encountered.
2. **"Performance Standard"** - a performance standard relating to a specific deficiency.
3. **"Responsibility"** - a statement of the corrective action required of the builder to repair the deficiency or a statement of the Unit Owner's maintenance responsibilities.

1.SITEWORK; **COVERAGE 1ST YEAR ONLY,** **WORKMANSHIP AND MATERIALS:**

A. Site Grading

Possible Deficiency: **Settling of ground around foundation, utility trenches or other areas.**

Performance Standard: Setting of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from the Home.

Responsibility: If the Builder has provided final grading: upon request by the Home Owner, Builder shall fill settled areas affecting proper drainage, one time only, during the first year of the Limited Warranty period. Home Owner shall be responsible for removal and replacement of shrubs or other landscaping affected by placement of such fill.

B. Site Drainage

Possible Deficiency: **Improper drainage of the site.**

Performance Standard: The necessary grades and swales shall have been established by the Builder to insure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours), except that in swales which drain other areas, or in areas where

sump pumps discharge, a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.

Responsibility: The Builder is responsible only for initially establishing the proper grades and swales. The Home owner is responsible for maintaining such grades and swales once they have been properly established.

2. CONCRETE: **COVERAGE 1ST YEAR ONLY,** **WORKMANSHIP AND MATERIALS**

A. Expansion and Contraction Joints

Possible Deficiency: **Separation or movement of concrete slabs within the structure at expansion and contraction joints.**

Performance Standard: Concrete slabs within the structure are designed to move at expansion and contraction joints.

Responsibility: None.

B. Cast-in-Place Concrete

a) Possible Deficiency: **Basement or foundation wall cracks.**

Performance Standard: Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.

Responsibility: Builder will repair cracks in excess of 1/8 inch wide.

b) Possible Deficiency: **Cracking of basement floor.**

Performance Standard: Minor cracks in basement floor are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.

Responsibility: Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.

c) Possible Deficiency: **Cracking of slab in attached garage.**

Performance Standard: Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch

in vertical displacement shall be repaired.

Responsibility: Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.

d) Possible Deficiency: Uneven concrete floors/slabs.

Performance Standard: Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 1/4 inch in 32 inches.

Responsibility: Builder will correct or repair to meet the Performance Standard.

e) Possible Deficiency: Cracks in concrete slab-on-grade floors with finish flooring.

Performance Standard: Cracks which rupture the finish flooring material shall be repaired.

Responsibility: Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place. (See also Performance Standards, "Finishes").

f) Possible Deficiency: Pitting, scaling or spalling of concrete work covered by this Limited Warranty.

Performance Standard: Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.

Responsibility: Builder will take whatever corrective action necessary to repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control.

g) Possible Deficiency: Settling, heaving or separating of stoops, steps or garage floors.

Performance Standard: Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures.

Responsibility: Builder will take whatever corrective action is required to meet the performance standard.

h) Possible Deficiency: Standing water on stoops.

Performance Standard: Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.

Responsibility: Builder shall take corrective action to assure drainage of steps and stoops.

3. MASONRY
COVERAGE: 1ST YEAR ONLY,
WORKMANSHIP AND MATERIALS

Unit Masonry

a) Possible Deficiency: **Basement or foundation wall cracks.**

Performance Standard: Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 1/8 inch in width shall be repaired.

Responsibility: Builder will repair cracks in excess of 1/8 inch by pointing or patching. These deficiencies shall be reported and repairs made during the first year of the Limited Warranty Period.

b) Possible Deficiency: **Cracks in masonry walls or veneer.**

Performance Standard: Small hairline cracks due to shrinkage are common in mortar joints in masonry construction.

Responsibility: Builder will repair cracks in excess of Performance Standard by pointing or patching. These repairs shall be made during the first year of the Limited Warranty Period. Builder will not be responsible for color variation between old and new mortar.

5. WOOD AND PLASTIC
COVERAGE: 1ST YEAR ONLY,
WORKMANSHIP AND MATERIALS

A. Rough Carpentry

a) Possible Deficiency: **Floors squeak or subfloor appears loose**

Performance Standard: Floor squeaks and loose subfloor are often temporary conditions common to new construction, and a squeak-proof floor cannot be guaranteed.

Responsibility: Builder will correct the problem only if caused by an underlying construction defect.

b) Possible Deficiency: **Uneven wood floors**

Performance Standard: Floors shall not have more than 1/4 inch ridge or depression within any 32 inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the applicable building code.

Responsibility: Builder will correct or repair to meet Performance Standard.

c) Possible Deficiency: **Bowed walls.**

Performance 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. Walls should not bow more than 1/4 inch out of line within any 32 inch horizontal or vertical measurement.

Responsibility: Builder will repair to meet Performance Standard.

d) Possible Deficiency: **Out-of-plumb walls.**

Performance Standard: Walls should not be more than 1/4 inch out of plumb for any 32 inch vertical measurement.

Responsibility: Builder will repair to meet Performance Standard.

B. Finished Carpentry (Interior)

Possible Deficiency: **Poor quality on interior trim workmanship.**

Performance Standard: Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 3/8 inch in width.

Responsibility: Builder will repair defective joints, as defined. Caulking is acceptable.

C. Finished Carpentry (Exterior)

Possible Deficiency: **Poor quality on exterior trim workmanship.**

Performance Standard: Joints between exterior trim elements, including siding and masonry, shall not result in open joints exceeding 3/8 inch in width. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.

Responsibility: Builder will repair open joints, as defined. Caulking is acceptable.

**5. THERMAL AND MOISTURE
COVERAGE 1ST YEAR ONLY,
WORKMANSHIP AND MATERIALS**

A. Waterproofing

Possible Deficiency: Leaks in basement.

Performance Standard: Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this Limited Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

Responsibility: Builder will take such action as necessary to correct basement leaks except where the cause is determined to result from Home Owner action or negligence.

B. Insulation

Possible Deficiency: Insufficient insulation.

Performance Standard: Insulation shall be installed in accordance with applicable energy and building code requirements.

Responsibility: Builder will install insulation in sufficient amounts to meet Performance Standard.

C. Louvers and Vents

Possible Deficiency: Leaks due to snow and rain driven into the attic through louvers or vents.

Performance Standard: Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure.

Responsibility: None.

D. Roofing and Siding

a) Possible Deficiency: Ice build-up on roof.

Performance 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.

Responsibility: Prevention of ice build-up on the roof is a Home Owner maintenance

item.

b) Possible Deficiency: Roof or flashing leaks.

Performance Standard: Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Home Owner action or negligence.

Responsibility: Builder will repair any verified roof or flashing leak not caused by ice build-up or Home Owner action or negligence.

c) Possible Deficiency: Standing water on flat roof.

Performance Standard: Water shall drain from flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.

Responsibility: None

d) Possible Deficiency: Delamination of veneer sliding or joint separation.

Performance Standard: All siding shall be installed according to the manufacturer's and industry's accepted standards. Separations and delaminations shall be repaired or replaced.

Responsibility: Builder will repair or replace siding as needed unless caused by Home Owner's neglect to maintain siding properly. Repaired area may not match in color and/or textures. For surfaces requiring paint, Builder will paint only the new materials. The Home Owner can expect that the newly painted surface may not match original surface in color.

E. Sheet Metal

a) Possible Deficiency: Gutters and/or downspouts leak.

Performance Standard: Gutters and/or downspouts shall not leak but gutters may overflow during heavy rain.

Responsibility: Builder will repair leaks. It is a Home owner responsibility to keep gutters and downspouts free of leaves and debris which could cause overflow.

b) Possible Deficiency: Water standing in gutters.

Performance Standard: When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth. Industry practice is to install gutters approximately level.

Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.

Responsibility: Builder will correct to meet Performance Standard.

F. Sealants

Possible Deficiency: **Leaks in exterior wall due to inadequate caulking.**

Performance Standard: Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.

Responsibility: Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies once, during the first year of the Limited Warranty period. Even properly installed caulking will shrink and must be maintained during the life of the Home.

6. DOORS AND WINDOWS **COVERAGE 1ST YEAR ONLY** **WORKMANSHIP AND MATERIALS**

A. Wood and Plastic Doors

a) Possible Deficiency: **Warpage of exterior doors.**

Performance Standard: Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall 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, measured diagonally from corner to corner).

Responsibility: Builder will correct or replace and refinish defective doors, during the first year of the Limited Warranty Period.

b) Possible Deficiency: **Warpage of interior passage and closet doors.**

Performance Standard: Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).

Responsibility: Builder will correct or replace the refinish defective doors to match existing doors as nearly as possible, during the first year of the Limited Warranty Period.

c) Possible Deficiency: **Shrinkage of insert panels show raw wood edges.**

Performance Standard: Panels will shrink and expand and may expose unpainted surfaces.

Responsibility: None.

d) Possible Deficiency: **Split in door panel.**

Performance Standard: Split panels shall not allow light to be visible through the door.

Responsibility: Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Limited Warranty Period.

B. Glass

Possible Deficiency: **Broken glass.**

Performance Standard: Broken glass not reported to Builder prior to closing is the Home Owner's responsibility.

Responsibility: None

C. Garage Doors on Attached Garages

a) Possible Deficiency: **Garage doors fail to operate properly, under normal use.**

Performance Standard: Garage doors shall operate properly.

Responsibility: Builder will correct or adjust garage doors as required, except where the cause is determined to result from Home Owner action or negligence.

b) Possible Deficiency: **Garage doors allow entrance of snow or water.**

Performance Standard: Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under abnormal conditions.

Responsibility: Builder will adjust or correct garage doors to meet manufacturer's recommendations.

D. Wood, Plastic and Metal Windows

a) Possible Deficiency: **Malfunction of windows.**

Performance Standard: Windows shall operate with reasonable ease, as designed.

Responsibility: Builder will correct or repair as required.

b) Possible Deficiency: **Condensation and/or frost on window.**

Performance 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, created by the Home Owner.

Responsibility: Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control, no corrective action required.

E. Weatherstripping and Seals

Possible Deficiency: **Air infiltration around doors and windows.**

Performance Standard: Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weatherstripping shall be adjusted or replaced. It may be necessary for the Home Owner to have storm doors and windows installed to provide satisfactory solutions in high wind areas.

Responsibility: Builder will adjust or correct poorly fitted doors, windows and poorly fitted weatherstripping.

7. FINISHES **COVERAGE 1ST YEAR ONLY** **WORKMANSHIP AND MATERIALS**

A. Lath and Plaster

Possible Deficiency: **Cracks in interior wall and ceiling surfaces.**

Performance Standard: Hairline cracks are not unusual in interior wall and ceiling surfaces. Cracks greater than 1/8 inch in width shall be repaired.

Responsibility: Builder will repair cracks exceeding 1/8 inch in width as required one time only, during the first year of the Limited Warranty Period. (See also Performance Standard 7.f "Painting").

B. Gypsum Wallboard

Possible Deficiency: **Defects which appear during first year of the Limited Warranty such as nail pops, blisters in tape, or other blemishes.**

Performance Standard: Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are

considered acceptable.

Responsibility: Builder will repair only cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Warranty period. (See also Performance Standard, "Painting").

C. Ceramic Tile

a) Possible Deficiency: **Ceramic tile cracks or becomes loose.**

Performance Standard: Ceramic tile shall not crack or become loose.

Responsibility: Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the Home owner action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile.

b) Possible Deficiency: **Cracks appear in grouting of ceramic tile joints or at junctions with other materials such as a bathtub.**

Performance Standard: Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions.

Responsibility: Builder will repair grouting if necessary one time only, during the first year of the Limited Warranty period. Builder will not be responsible for color variations or discontinued colored grout. Regrouting of these cracks is a maintenance responsibility of the Home Owner within the life of the Home.

D. Finished Wood Flooring

Possible Deficiency: **Cracks developing between floor boards.**

Performance Standard: Cracks in excess of 1/8 inch in width shall be corrected.

Responsibility: Builder will repair cracks in excess of 1/8 inch within the first year of the Limited Warranty period, by filling or replacing, at Builder's option.

E. Resilient Flooring

a) Possible Deficiency: **Nail pops appear on the surface of resilient flooring.**

Performance Standard: Builder will correct nail pops which have broken the surface.

Responsibility: Builder will repair or replace, at Builder's sole option, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued patterns or color variations in the floor covering.

b) Possible Deficiency: Depressions or ridges appear in the resilient flooring due to subfloor irregularities.

Performance Standard: Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken as the gap created at one end of a six-inch straightedge on one side of the defect, held tightly to the floor.

Responsibility: Builder will take corrective action as necessary, to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder will not be responsible for discontinued patterns or variations in floor covering.

c) Possible Deficiency: Resilient flooring loses adhesion.

Performance Standard: Resilient flooring shall not lift, bubble or become unglued.

Responsibility: Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Home Owner neglect or abuse.

d) Possible Deficiency: Seams or shrinkage gaps show at resilient flooring joints.

Performance Standard: Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not exceed 1/8 inch is permissible.

Responsibility: Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Home Owner neglect or abuse.

F. Painting

a) Possible Deficiency: Exterior paint or stain peels, deteriorates or fades.

Performance Standard: Exterior paints or stains should not fail during the first year of the Limited Warranty period. However, fading is normal and the degree is dependent on climatic conditions.

Responsibility: If paint or stain is defective, Builder will properly prepare and refinish affected areas, matching color as close as possible. Where finish deterioration affects the majority of the wall area, the whole area will be refinished.

b) Possible Deficiency: Painting required as corollary repair because of other work.

Performance Standard: Repairs required under this Limited Warranty shall be finished to match surrounding areas as closely as practicable.

Responsibility: Builder will finish repair areas as indicated.

c) Possible Deficiency: **Deterioration of varnish or lacquer.**

Performance Standard: Natural finishes on interior woodwork shall not deteriorate during the first year of the Limited Warranty period. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by the Limited Warranty.

Responsibility: Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible.

d) Possible Deficiency: **Mildew or fungus on painted surfaces.**

Performance 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.)

Responsibility: Mildew or fungus formation is a condition the Builder cannot control and is a Home Owner maintenance item unless it is a result of noncompliance with other sections of the Performance Standard.

G. Wall Covering

Possible Deficiency: **Peeling of wall covering.**

Performance Standard: Peeling of wall covering shall not occur.

Responsibility: Builder will repair or replace defective wall covering applications.

H. Carpeting

a) Possible Deficiency: **Open carpet seams.**

Performance Standard: Carpet seams will show. However, no visible gap is acceptable.

Responsibility: Builder will correct.

b) Possible Deficiency: **Carpeting becomes loose, seams separate or stretching occurs.**

Performance Standard: Wall to wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its point of attachment.

Responsibility: Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by Builder.

c) Possible Deficiency: **Spots on carpet, minor fading.**

Performance Standard: Exposure to light may cause spots on carpet and/or minor fading.

Responsibility: None.

I. Special coatings

Possible Deficiency: **Cracks in exterior stucco wall surfaces.**

Performance Standard: Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width shall be repaired.

Responsibility: Builder will repair cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Warranty period.

8. SPECIALTIES **COVERAGE 1ST YEAR ONLY** **WORKMANSHIP AND MATERIALS**

A. Louvers and Vents

Possible Deficiency: **Inadequate ventilation of attics and crawl spaces.**

Performance Standard: Attic and crawl spaces shall be ventilated as required by the approved building code.

Responsibility: The Builder shall provide for adequate ventilation. Builder will not be responsible for alterations to the original system.

B. Fireplaces

a) Possible Deficiency: **Fireplace or chimney does not draw properly.**

Performance Standard: A properly designed and constructed fireplace and chimney shall 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 homes may need to have a window opened slightly to create an effective draft, if they have been insulated and weatherproofed to meet high energy conservation criteria.

Responsibility: Builder will determine the cause of malfunction and correct, if the problem is one of design or construction of the fireplace.

b) Possible Deficiency: **Chimney separation from structure of which it is attached.**

Performance Standard: Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed 1/2 inch from the main structure in any 10 foot vertical measurement.

Responsibility: Builder will determine the cause of separation and correct if standard is not met. Caulking is acceptable.

c) Possible Deficiency: **Firebox paint changed by fire.**

Performance Standard: Heat from fires will alter finish.

Responsibility: None

d) Possible Deficiency: **Cracked firebrick and mortar joints.**

Performance Standard: Heat and flames from "roaring" fires will cause cracking.

Responsibility: None

9. EQUIPMENT **COVERAGE 1ST YEAR ONLY** **WORKMANSHIP AND MATERIALS**

Residential Equipment

a) Possible Deficiency: **Surface cracks, point delaminations and chips in high pressure laminates on vanity and kitchen cabinet countertops.**

Performance Standard: Countertops fabricated with high pressure laminate coverings shall not delaminate.

Responsibility: Builder will replace delaminated coverings to meet specified criteria. Builder will not be responsible for chips and cracks noted following first occupancy.

b) Possible Deficiency: **Kitchen cabinet malfunctions.**

Performance Standard: Warpage not to exceed 1/4 inch as measured from face frame to point of further most warpage with door or drawer front closed position.

Responsibility: Builder will correct or replace doors or drawer fronts.

c) Possible Deficiency: **Gaps between cabinets, ceiling or walls.**

Performance Standard: Acceptable tolerance 1/4 inch in width.

Responsibility: Builder will correct to meet Performance Standard.

10. PLUMBING
COVERAGE 1ST YEAR ONLY
WORKMANSHIP AND MATERIALS

A. Water Supply System

Possible Deficiency: **Plumbing pipes freeze and burst.**

Performance Standard: Drain, waste and vent, and water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, and as defined in accordance with ASHREA design temperatures, to prevent freezing.

Responsibility: Builder will correct situations not meeting the code. It is the Home Owner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

B. Plumbing System

a) Possible Deficiency: **Faucet or valve leak.**

Performance Standard: No valve or faucet shall leak due to defects in workmanship and materials.

Responsibility: Builder will repair or replace the leaking faucet or valve.

b) Possible Deficiency: **Defective plumbing, fixtures, appliances or trim fittings.**

Performance Standard: Fixtures, appliances or fittings shall comply with their manufacturer's standards.

Responsibility: Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by manufacturer.

c) Possible Deficiency: **Noisy water pipes.**

Performance Standard: There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.

Responsibility: Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer."

d) Possible Deficiency: **Cracking or chipping of porcelain or fiberglass surfaces.**

Performance Standard: Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when surface is hit with sharp or heavy objects.

Responsibility: Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy.

10. HEATING AND COOLING **COVERAGE 1ST YEAR ONLY** **WORKMANSHIP AND MATERIALS**

A. Heating

Possible Deficiency: **Inadequate heating.**

Performance Standard: Heating system shall be capable of producing an inside temperature of 70 F, 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 ASHREA handbook. Federal, state or local energy codes shall supersede this standard where such codes have been legally adopted.

Responsibility: Builder will correct heating system to provide the required temperatures. However, the Home Owner shall be responsible for balancing dampers, registers and other minor adjustments.

B. Refrigeration

Possible Deficiency: **Inadequate cooling.**

Performance 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 outdoor summer design conditions as specified in the ASHREA handbook. In the case of outside temperature 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.

Responsibility: Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

C. Condensation Lines

Possible Deficiency: **Condensation lines clog up.**

Performance Standard: None.

Responsibility: Condensation lines will clog eventually under normal use. This is a Home Owner maintenance item. Builder shall provide unobstructed condensation lines at time of first occupancy.

D. Evaporative Cooling

Possible Deficiency: **Improper mechanical operation.**

Performance Standard: Equipment shall function properly at temperature standard set.

Responsibility: Builder will correct and adjust so that blower and water system operate as designed.

11. VENTILATION **COVERAGE 1ST YEAR** **WORKMANSHIP AND MATERIALS**

Air Distribution

a) Possible Deficiency: **Noisy ductwork.**

Performance Standard: When metal is heated it expands and when cooled it contracts. The result is "ticking" or "cracking" which is generally to be expected.

Responsibility: None.

b) Possible Deficiency: **Oilcanning.**

Performance Standard: The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oilcan". The booming noise caused by "oilcanning" is not acceptable.

Responsibility: Builder will correct to eliminate this sound.

12. ELECTRICAL
COVERAGE 1ST YEAR
WORKMANSHIP AND MATERIALS

A. Electrical Conductors, Fuses, and Circuit Breakers

Possible Deficiency: Fuses blow or circuit breakers (excluding ground fault interrupters) "kick out."

Performance Standard: Fuses and circuit breakers shall not activate under normal usage.

Responsibility: Builder will check wiring circuits for conformity with local, state, or approved national electrical code requirements. Builder will correct circuitry not conforming to code specifications.

B. Outlets, Switches and Fixtures

a) Possible Deficiency: Drafts from electrical outlets.

Performance Standard: Electrical junction boxes on exterior wall may produce air flow whereby the cold air can be drawn through the outlet into a room. The problem is normal in new home construction.

Responsibility: None.

b) Possible Deficiency: Malfunction of electrical outlets, switches or fixtures.

Performance Standard: All switches, fixtures and outlets shall operate as intended.

Responsibility: Builder will repair or replace defective switches, fixtures and outlets.

C. Service and Distribution

Possible Deficiency: Ground fault interrupter trips frequently.

Performance Standard: Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.

Responsibility: Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect.

SYSTEMS: FIRST AND SECOND YEARS

13. PLUMBING SYSTEM **COVERAGE 1ST AND 2ND YEARS**

A. Water Supply

Possible Deficiency: Water supply system fails to deliver water.

Performance Standard: All on-site service connections to municipal water main and private water supply shall be the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.

Responsibility: Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the source of the supply, the Builder has no responsibility.

B. Septic Tank System

Possible Deficiency: Septic system fails to operate properly.

Performance Standard: Septic system shall function adequately during all seasons, under climatic conditions normal or reasonable anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, approved Code requirements.

Responsibility: Builder will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the builder's control. Builder will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or owner's contractors, not under the control of the builder, including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical of the system's functioning.

C. Piping

a) Possible Deficiency: Leakage from any pipe.

Performance Standard: No leaks of any kind shall exist in any soil, waste, vent, or water pipe. Condensation on piping does not constitute leakage, and is not covered.

Responsibility: Builder will make repairs to eliminate leakage.

b) Possible Deficiency: **Stopped up sewers, fixtures and drains.**

Performance Standard: Sewers, fixtures and drains shall operate properly.

Responsibility: Builder will not be responsible for sewers, fixtures and drains which are clogged through the Home owner negligence. If a problem occurs, the Home Owner should consult Builder for a proper course of action. Where defective construction is shown to be the cause, Builder will assume the cost of the repair; where Home Owner negligence is shown to be the cause, the Home Owner shall assume all repair costs.

c) Possible Deficiency: **Refrigerant lines leak.**

Performance Standard: Refrigerant lines shall not develop leaks during normal operation.

Responsibility: Builder will repair leaking refrigerant lines and re-charge unit, unless damage was caused by the Home Owner.

14. VENTILATION SYSTEM **COVERAGE 1ST AND 2ND YEARS**

Air Distribution

Possible Deficiency: **Ductwork separate or becomes unattached.**

Performance Standard: Ductwork shall remain intact and securely fastened.

Responsibility: Builder will re-attach and re-secure all separated or unattached ductwork.

15. ELECTRICAL SYSTEM **COVERAGE 1ST AND 2ND YEAR**

Wiring

Possible Deficiency: **Failure of wiring to carry its designed load.**

Performance Standard: Wiring should be capable of carrying the designed load for normal residential use.

Responsibility: Builder will check wiring for conformity with local, state, or approved national electrical code requirements. Builder will repair wiring not conforming to code specifications.

16. MAJOR STRUCTURE
COVERAGE THROUGH 6TH YEAR,

MATERIAL DEFECTS
Load-bearing Portions of the Home

Possible Deficiency: The failure of any of the following load-bearing portions of the Home: foundations systems and footings, beams, girders, lintels, columns, structural walls and partitions, floor systems, and roof framing systems. (Note: load bearing portions do not include, for example: roofing and sheathing, drywall and plaster, exterior siding, brick or stone or stucco veneer, floor covering material, wall tile or 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 systems, plumbing systems, heating or cooling systems, ventilation systems, appliances, fixtures and items of equipment, paint, doors and windows, trim, cabinets, hardware, or insulation.)

Performance Standard: The failure of these load-bearing portions of the Home shall not affect their load-bearing functions, making the Home unsafe, unsanitary or unlivable.

Responsibility: The Builder will repair or replace the defective item(s), or will pay the Home Owner the reasonable cost of such repair or replacement. The Builder's total liability is limited to the amount specified in the Limited Warranty. The choice as to repair, replacement or payment is solely that of the Builder. Repair of the defective item(s) is limited to (1) the repair of damage to the load-bearing portions of the Home which are necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Material Defect which make the Home unsafe, unsanitary or otherwise unlivable.

JJ. RESIDENTIAL UNIT POWER OF ATTORNEY

Unit Power of Attorney

Terms used in this Residential Unit Power of Attorney which are used in the Declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as The SOUTH SLOPE CONDOMINIUM and by the street number 393 17th Street, Brooklyn, New York under Article 9-B of the Real Property Law of the State of New York, dated and recorded in the office of the Register of the County of Kings, City of New York, on _____, 2003 in **Reel** _____ **Page** _____ or in the By-Laws of The SOUTH SLOPE CONDOMINIUM (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in the Power of Attorney as in the Declaration or the By-Laws.

The undersigned residing at 393 17th Street, Brooklyn, New York, the owner(s) of the Residential Unit (the "Unit") known as **Unit No.** _____ in The SOUTH SLOPE CONDOMINIUM and also designated as **Tax Lot** _____ in **Block 869** of the Borough of Kings on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The SOUTH SLOPE CONDOMINIUM, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Owners respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect: (1)(a) following due authorization by the Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer assign or lease the same, upon such terms and conditions as shall be approved by a majority of Unit Owners, (b) to acquire any unit, together with its Appurtenant Interests, whose Owner elects to surrender the same pursuant to Article "V", Section "4" of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board of its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote, the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Residential Section or (b) any consent,

covenant, restriction, easement or declaration, or any amendment thereto, affecting the Residential Section or the Common Elements which the Board deems necessary or appropriate. The Board of Managers shall also have the authority to retain one attorney to prosecute tax protest proceedings on behalf of all Unit Owners and no Unit Owner shall have the right to file an individual protest.

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

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 2003.

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 2003 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 _____ in the year 2003 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

Unit Power of Attorney

The SOUTH SLOPE CONDOMINIUM
393 17th Street,
Brooklyn, New York.

Title No. _____

Section _____

Block 869

Lot _____

Record and Return To:

GARY ROSEN LAW FIRM, a professional corporation
249-02 Jericho Turnpike
Floral Park, New York 11001
(516)-437-3400

KK. UNIT DEED

Unit Deed

THIS INDENTURE, made this ____ day of _____, 2003 between 393 17th Street Realty Corp. , a New York corporation, having an office at 3707 15th Avenue, Brooklyn, New York 11218 (the "Grantor"), and _____ (the "Grantee(s)"), residing at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. ____ (hereinafter called "the Unit") in the Building known as and by the street number 393 17th Street, Borough of Brooklyn, County of Kings, City and State of New York, designated and described as Unit No. ____ in the Declaration establishing The SOUTH SLOPE CONDOMINIUM (hereinafter called the "Property"), made by 393 17th Street Realty Corp. under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated _____, ____ and recorded in the Office of the Register of the City of New York, County of Kings, in Reel ____ , at Page ____ , (hereinafter called the "Declaration") and designated also as Block No. 869, Tax Lot No. _____ on the Floor Plans of said Building, certified by Harry R. Simino, R.A., and filed in the said Register's Office on _____, _____, as Condominium Plan No. _____.

TOGETHER with an undivided _____ % interest appurtenant to the apartment unit in the common elements of the Property (hereinafter called the ("Common Elements)).

The land on which the Building is located is described as follows: -

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, designated on the Tax Map of the City of New York, for the Borough of Brooklyn, as Tax Map was on February 16, 1972 as Section 3, Block 869, Lot 72 on the Tax Map of Kings County.

All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of The SOUTH SLOPE CONDOMINIUM. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws");

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

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having any title, interest or estate in the Unit as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the Property as more particularly described in the title insurance policy issued by _____; to have and to hold the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of Article 19 of the Declaration shall control.

Except as otherwise specifically permitted by the Board of provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as aforesaid.

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

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-laws) and agrees to comply with all terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

This conveyance is made in the regular course of business actually conducted by the Grantor.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

393 17th Street Realty Corp.

By: _____
(Grantor)

(Grantee) (Date)

(Grantee) (Date)

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 2003 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 _____ in the year 2003 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

Condominium Deed

The SOUTH SLOPE CONDOMINIUM
393 17th Street,
Brooklyn, New York.

Title No. _____

Section _____

Block 869

Lot _____

Record and Return To:

Attorney for Purchaser

LL. DESCRIPTION OF PROPERTY AND SPECIFICATIONS

The SOUTH SLOPE CONDOMINIUM

Report by Harry R. Simino, R.A.

**Harry R. Simino, R.A.
Architect
68 Summit Street
Brooklyn, New York 11231
(718)-596-5991
fax (718)-596-1666**

SOUTH SLOPE CONDOMINIUM
393 17th Street
DESCRIPTION OF PROPERTY
and SPECIFICATIONS

February 28, 2003

A. LOCATION AND USE OF PROPERTY

The condominium is located in Block 869, Zoning Lot 72; Kings County, Brooklyn, New York. The building lies within the residential zone district R5 recorded from Map 16d of the New York City Zoning Resolution dated 12/6/84. The New York City Zoning Resolution, as per Section 22-12, permits use Group 2 residential use as a matter of right. The plans were approved by the New York City Department of Buildings on September 17, 2002 under application # 301391054. This project is designed within the requirements of all applicable federal, state, and local codes and regulations governing accessibility to the disabled including the ADAAG standard and Local Law 58/87.

B. STATUS OF CONSTRUCTION

This building will comply with Section 27-282 of the New York City Building Code for Type II-B Construction.

There is one building on the site. The building will consist of three (3) residential units. A Certificate of Occupancy will be issued upon completion of the building and sidewalks.

C. SITE

The land and premises is situated on the north side of 17th Street 250.0' east of 7th Avenue

The land and premises:

- > begin at the aforementioned point
- > and runs east direction 25.0'
- > thence in a north direction 100.07'
- > thence in a west direction 50.0'
- > thence in a south direction 100.17' to the point of the beginning.

The area enclosed is 2,500 square feet or 0.06 acres. The street is owned and

maintained by the City of New York. The pavement is composed of asphalt and the sidewalk and curbs are concrete. The sidewalks and curbs will be new poured concrete. The sidewalk slopes away from the buildings providing positive drainage without ponding. Under current approved plans, this site will be graded to conduct storm water away from the buildings.

Street lighting is provided by the City of New York. Street lamps are located in front of the building and provide sufficient illumination to meet public safety. In addition to the lighting provided by the City, incandescent lamps will be provided to illuminate the entrance foyer.

D. UTILITIES

Water is furnished by the City of New York Water Distribution System and is obligated to the condominium owners in common. The Building contains a single water meter.

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

Electric service is provided by the Consolidated Edison Company of New York and is individually metered to each apartment unit. The electrical service provided to each unit is adequate for a full complement of modern appliances. A separate electric meter obligated to the condominium owners in common, services public areas, the cellar, meter room, and all other non-occupied spaces.

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

E. SUB-SOIL CONDITIONS

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

F. LANDSCAPING AND ENCLOSURES

The front and rear will consist of paved areas. Part of the front and rear of the building will consist of a landscaped grass area. The paved areas will be pitched to prevent storm water runoff. A 6'-0" high fence will enclose the rear and side perimeter of the property.

G. BUILDING SIZE

There is one building on the site, consisting of a cellar, first, second and third floors. The total number of residential units is 3:

two bedroom apartments	1
three bedroom apartments	2
	===
TOTAL	3

H. STRUCTURAL SYSTEMS

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

Foundation walls are supported on spread footings. Cellar Floor and foundation walls are poured concrete. Exterior bearing walls consist of solid brick and block bonded to each other. Interior bearing walls consist of metal studs. Floor construction consists of lightweight steel framing with 3/4" plywood and 1" nominal tongue and groove hard wood floors. All exterior walls should be insulated with three-inch batt insulation having an "R" factor of 13. The roof will be insulated with batt insulation having an average "R" factor of 21. Local Law 10 of the City of New York does not apply to this building.

I. WINDOWS

All Andersen casement, awning or double hung or equal, all with double pane glazing except for cellar windows which are manufactured by Capital or equal. The finish shall be vinyl clad wood. All windows and doors to be insulated glass as per minimum requirements of the New York State Energy Code.

Air Infiltration as per Andersen section 08611 Performance Requirements 1.04b : Total air infiltration to average 0.04 cfm per linear foot of perimeter crack at a static pressure of 1.57 psf when tested in accordance with ASTM E 283 Water Penetration as per Andersen section 08611 Performance Requirements 1.04c : No water penetration beyond the interior face of window unit when tested in accordance with ASTM E 547 at a static pressure of 6.24 psf.

Andersen Windows manufactures warranty for (20) twenty years limited to glass and (10) ten years for product and components other than glass. Contractors warranty for (1) one year.

J. CHIMNEY AND CAPS

Provide an approved type galvanized metal dual wall 'Ameri-vent' chimney flue with anti-down draft gas vent cap. Top of flue minimum 3'-0" above any part of roof within 10'-0" of flue. (Approved Ameri-vent or approved equal flue.)

K. BALCONIES AND TERRACES

The building has balconies located at the second and third floor front and rear facades and two rooftop terraces as limited common elements for units 2A and 2B.

L. EXTERIOR ENTRANCES

Front entrance doors to be metal type with integral weather stripping, 3'-0" x 7'-0" Stanley or equal. Doors to be fitted with a cylinder lock. Doors to comply with New York State Energy Code. Doors to have a minimum of five square feet of glass area.

Vestibule doors to be metal type with integral weather stripping. Doors to be fitted with key lock set. Doors to comply with New York State Energy Code.

Apartment entry doors to be metal type with cylinder lock and an approved type peephole.

Door to be 1 1/2 hour fire rated and self-closing.

Two way buzzer system will be provided.

Railings- Metal Railings for exterior stair to cellar shall be 2'-8" high. Metal Railings at grade shall be 3'-6" high.

Mail Boxes- Shall be U.S. Postal Service approved type.

M. ROOF AND ROOF STRUCTURES

The roof is constructed of lightweight steel framing, metal decking and poured concrete with a waterproof membrane.

All roof penetrations (eg: vent stacks, vents and fans) will be flashed with aluminum cap or base flashing where necessary.

All gutters and leaders as indicated on plan to be aluminum.

The roof is pitched to permit storm water to flow towards drains. Storm water drains without ponding. The drains carry the flow of water to the house storm line where it enters the New York City Sewer System.

All lintels to be steel angles with a standard brick course. All sills to be brick rowlock course, sloped away from windows.

The roof guarantee from the contractor is one (1) year the warranties from manufacturer is five (5) years.

N. STAIRS

Stair and handrails for stair to be 2'-8" high constructed of wood (childproof design).

O. INTERIORS DOORS

Swing type room entry doors to be hollow core wood with masonite. Closet doors to be swing type, sliding type, or bi-fold type, hollow core with masonite.

Apartment entry doors to be metal self-closing, 1 1/2 hour rated with an STC rating equaling 35.

Apartment Entry	Key Lock
Bedroom Doors	Passage
Closet Doors	Passage
Bathroom Doors	Privacy

P. RATED PARTITIONS BETWEEN UNITS

Party walls will consist of wood or metal studs. Each side of stud wall to be covered with two layers of 5/8" gypsum board and sound - proofing insulation.

Partitions enclosing the utility room to be 2-hour fire rated.

Q. FLOOR CONSTRUCTION & FINISHES

Floor construction to be lightweight steel framing with 3/4 thick plywood with hardwood finish floors (see page 2 section H.).

Cellar floor to be 5" concrete slab with welded wire mesh. Smooth finish to be provided.

Underside of floor beams to receive resilient channel clips and 5/8" sheetrock type "x".

All unit Living Rooms and Bedrooms, excluding Kitchens & Bathrooms, will be covered with hardwood flooring. All Bathroom floors will be ceramic tile with ceramic tile base. Kitchens to receive vinyl composition tile by Armstrong or equal.

Porches and balconies to be concrete arch construction consisting of 8" steel channels covered with minimum 2" concrete with 4" concrete slabs between steel. Protective rails to be 3'-6" high decorative wrought iron rails (child-proof). Access doors to be Andersen sliding patio doors or approved equal.

Public indoor space walls and ceilings to receive one coat of primer with one coat of white sand paint for ceilings and one coat of off-white semi-glass paint for walls.

All gypsum board unit walls to receive one coat of primer with one coat of off-white semi-glass paint.

R. METAL WORK AT ROOF LEVELS

Metal work at the roof level consists of vents. All metal work is weather protected and flashed at the roof penetration.

S. ROOFTOP FACILITIES

There are two rooftop terraces provided. The Roof terraces and flat roof are constructed of lightweight steel framing, metal decking and poured concrete with a waterproof membrane and a poured concrete wearing surface, the roof will be pitched to the front and rear walls to roof scuppers and leaders for drainage.

T. RECREATION FACILITIES

The building does not contain any common recreation facilities.

U. FIRE ESCAPES

The building does not contain fire escapes.

V. REFUSE DISPOSALS

Refuse will be stored in trash cans located in front of the building. Refuse is removed by the New York City Department of Sanitation. Refuse will be

collected as per Department of Sanitation requirements as per their schedule.

W. PLUMBING AND DRAINAGE

Water is provided by the New York City Water Supply System. Water is metered by a single meter obligated to the owners in common, located in the cellar. The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local city sewers. The roof storm drainage system is adequate to carry runoff without ponding. Water is disposed of by drains located in all paved areas to the NYC storm sewer.

Within the property line: soil and waste stacks are made of cast iron, vent stacks of cast iron. Domestic hot and cool water piping is "L" copper tubing. Water distribution system piping will be of hard temper type "K" copper tube below grade, hard temper type "L" copper tube above grade only.

Storm drainage is by a 6" extra heavy cast iron pipe on a 6" gravel bed connected by curb spur to a 15" combined city sewer.

X. HEATING

Each dwelling unit will have a gas-fired hot water boiler located at the cellar level of each unit with baseboard radiation units. Heating system will be thermostatically controlled. Domestic hot water will be supplied by a gas-fired hot water heater located at the cellar level with a 50 gallon capacity, for each Unit.

Boiler : Energet low pressure Slant/Fin, MEA # 100-A-60EP, 60,000 BTU'S, ANSI Z21 13B 1991 or approved equal.

Hot Water heater: AO SMITH, MEA # 402-93-E, Model # FSG-40-248, 40 gal., 32, 000 BTU's or equal.

Baseboard radiators: EMBASSY IND., KPT-D 1/2" or approved equal.

Systems to be approved for use in New York City under a Material Equipment Acceptance or Board of Standards and Appeals approved number. There shall be a water heating system with baseboard units. This system will maintain an inside temperature of 68 degrees Fahrenheit with an outside temperature of 0 degrees Fahrenheit with an allowance for a 3 degree Fahrenheit swing.

All heat piping to be 3/4" Pex tubing. Circulator to be manufactured by Taco Company of approved equal with 1/2 H.P. capacity.

Y. GAS SUPPLY

Natural gas for cooking, the boiler and domestic hot water is supplied by Keyspan Energy. Natural gas is metered through three individual meters in each building. A separate meter obligated to the condominium owners in common service public spaces. The meters are located in the cellar. Gas pipe is made of black iron.

Z. AIR CONDITIONING

Fredrick air conditioning sleeves are to be installed in the wall of living rooms and bedrooms. Air conditioning units will not be provided.

AA. VENTILATION

All interior bathrooms and kitchenettes are ventilated by exhaust fans through galvanized metal vent ducts.

The gas dryer will be vented through the boiler room directly to the exterior of the building.

BB. ELECTRICAL SYSTEM

Service to the units is from one separate service for each building with a 200 AMP feeder supplying 120/208 volts with 3/0 copper cables, each unit has (16) sixteen circuit breakers. Each apartment unit is individually metered. A separate meter obligated to the condominium owners in common service public spaces. Meters are located outside of the building. Only copper wire shall be used. Lighting circuits are 15 AMPs. Appliance and air-conditioning circuits are 20 AMP. First, second and third floors shall have 100 AMP sub-feeder and circuit breakers. Intercom system per apartment shall be low Voltage (24 Volts). Outside fixtures shall be waterproof type. The electrical service provided is adequate for a full complement of modern appliances.

CC. SMOKE DETECTORS

Smoke detectors to be provided for each dwelling unit are to be hard wired and to be installed as per local Law 62/81 and R.S. 17 of the New York City Building Code. All detectors to be approved by the Board of Standards and Appeals.

DD. ASBESTOS DISCLOSURE

This statement is to disclose that there will be no asbestos made products, partially or in whole, specified for the construction of this condominium as per approved plans.

EE. PERMITS AND INSPECTIONS

PERMITS

Before starting any work, builder is to obtain work permits from the Department of Buildings, City of New York.

INSPECTIONS

Builder to retain the service of an architect or engineer for controlled inspection for borings, soil percolation tests, subgrade, drywell installation, concrete, concrete test cylinders, concrete design mix, masonry units, structural steel, Sprinkler, mechanical ventilation and firestopping, all in accordance with the requirements of the New York City Building Code.

FF. PUBLIC AREA LIGHTING

Stair halls will be illuminated with ceiling hung incandescent light fixtures and public corridor will be illuminated with ceiling mounted incandescent fixtures. Cellar lighting consists of ceiling mounted incandescent lighting fixtures. All lighting, exterior lighting and night lighting in public parts of the buildings to comply with the New York State Multiple Dwelling Laws and New York City Housing and Maintenance Code.

GG. PARKING AREAS

There are two (2) parking spaces located at the front of the building, paved with an asphalt or concrete surface. The parking spaces will be assigned to unit 1A as a limited common element.

HH. GUARANTEES AND WARRANTIES

Roof and roof materials to be guaranteed by the contractor. The roof guarantee from the contractor is one (1) year the warranties from manufacturer is five (5) years.

II. UNIT DESCRIPTION

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

Each unit shall consist of the area enclosed horizontally by the unexposed faces of the dry walls located at an exterior wall of the buildings and the unexposed faces of the dry walls dividing the unit from corridors, stairs or other units, and

vertically by the upper face of the sub-floor of the unit up to the unexposed face of the dry wall forming the upper ceiling of the unit. Door and windows which open from a unit and interior walls of a unit shall be deemed to be part of the unit.

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. All dimensions are approximate. Plans and dimensions will vary from floor to floor.

JJ. UNIT INFORMATION

<u>Room</u>	<u>Floor</u>	<u>Wall/Ceiling</u>	<u>Fixtures</u>
Bath	Ceramic	Paint w/ 5'-4" Tile Tub Surround	Vitreous China Water Closet, Americast Lavatory & Americast Tub (Americast is porcelain bonded to enameling grade metal, bonded to a patented structural composite) American Standard fixtures or equal.

<u>Room</u>	<u>Floor</u>	<u>Wall/Ceiling</u>	<u>Fixtures</u>
Kitchen	Ceramic Tiles	Paint	Stainless Steel Sink Tappan gas range, model # M.G.F. 300T.B.W. or equal Tappan dishwasher, model # M.D.B.121R.F.M or equal

<u>Room</u>	<u>Floor</u>	<u>Wall/Ceiling</u>	<u>Fixtures</u>
Bedroom	Wood	Paint	One (1) - 60 watt incandescent lighting fixture
Living/ Dining	Wood	Paint	One (1) - 60 watt incandescent lighting fixture
Entry Hall	Wood	Paint	One (1) - 60 watt incandescent lighting fixture
Laundry	Ceramic	Paint	One (1) - 60 watt incandescent lighting fixture

Bath fixtures consist of: Tub by American Standard Model # 2391 or equal, Lavatory Basin by American Standard 'Affinity' model # 3420 or equal, Water Closet by American Standard 'Cadet RF 1.6/pa' model # 2172 or equal, Shower Head and Medicine Chest.

Kitchen fixtures consist of: Sink, Gas Range by Tappan model # M.G.F. 300T.B.W. or equal, Dishwasher by Tappan model # M.D.B.121R.F.M. or equal, Cabinets are Yorktowne laminate faced cabinetry or equal and countertops are Formica brand laminate or equal.

KK. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

<u>Room</u>	<u>Floors</u>	<u>Walls</u>	<u>Ceiling</u>
Public Halls	Vinyl Tiles	Paint	Textured Paint
Cellars	Concrete	Paint	Paint Note:

Notes: All wood flooring to be #2 grade oak or equal.
A coin operated washer and dryer will be located in the cellar.

LL. UNIT DIMENSIONS AND OTHER INFORMATION

Unit 1A (First floor & Cellar)

Two bedroom apartment with a recreation room in the cellar which contains approximately 1,665 square feet and a rear yard as a limited common element with 650 square feet and an areaway as a limited common element with 100 square feet.

Unit 2A (Second & Third floor)

Three bedroom apartment which contains approximately 1,185 square feet and a roof terrace as a limited common element with 585 square feet and balconies at the second and third floors, each 70 square feet.

Unit 2B (Second & Third floor)

Three bedroom apartment which contains approximately 1,185 square feet and a roof terrace as a limited common element with 585 square feet and balconies at the second and third floors, each 70 square feet.

Parking Spaces:

There are a total of two parking Spaces, each a limited Common Element: ps # 1 and ps # 2 which will be assigned to unit 1A.

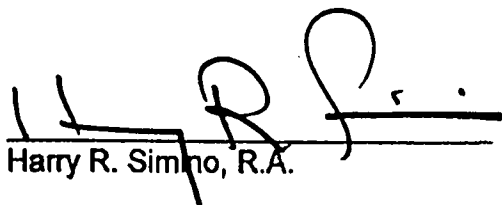
MM. GENERAL INFORMATION

The construction of the building is expected to begin in the fall of 2002. Plans and applications have been approved and a permit will be obtained from the Dept. of Buildings. The construction of the building is expected to be completed in the spring of 2003. It is expected that title to the first unit can be delivered on or about May, 2003.

The building and site will be constructed in accordance with the New York City Building Code, the Multiple Dwelling Code, the New York City Zoning Resolution and all other applicable authorities and in accordance with plans and applications on file with the Department of Buildings of the City of New York. With reference to the preparation of plans and specifications, the sponsor has retained the services of a

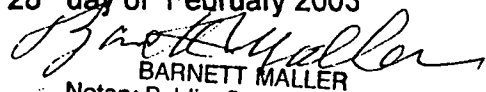
registered architect who prepared same. The sponsor represents to the best of its knowledge that the plans accurately describe the building units, common elements and equipment as the same which will be delivered upon the completion of construction.

As of the date of the first closing, the sponsor represents that it will have a Temporary or Final Certificate of Occupancy for the building contained therein, and deliver title without violations or liens on the premises and in accordance with the sponsor's undertakings elsewhere as set forth in this offering.


Harry R. Simino, R.A.

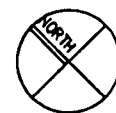
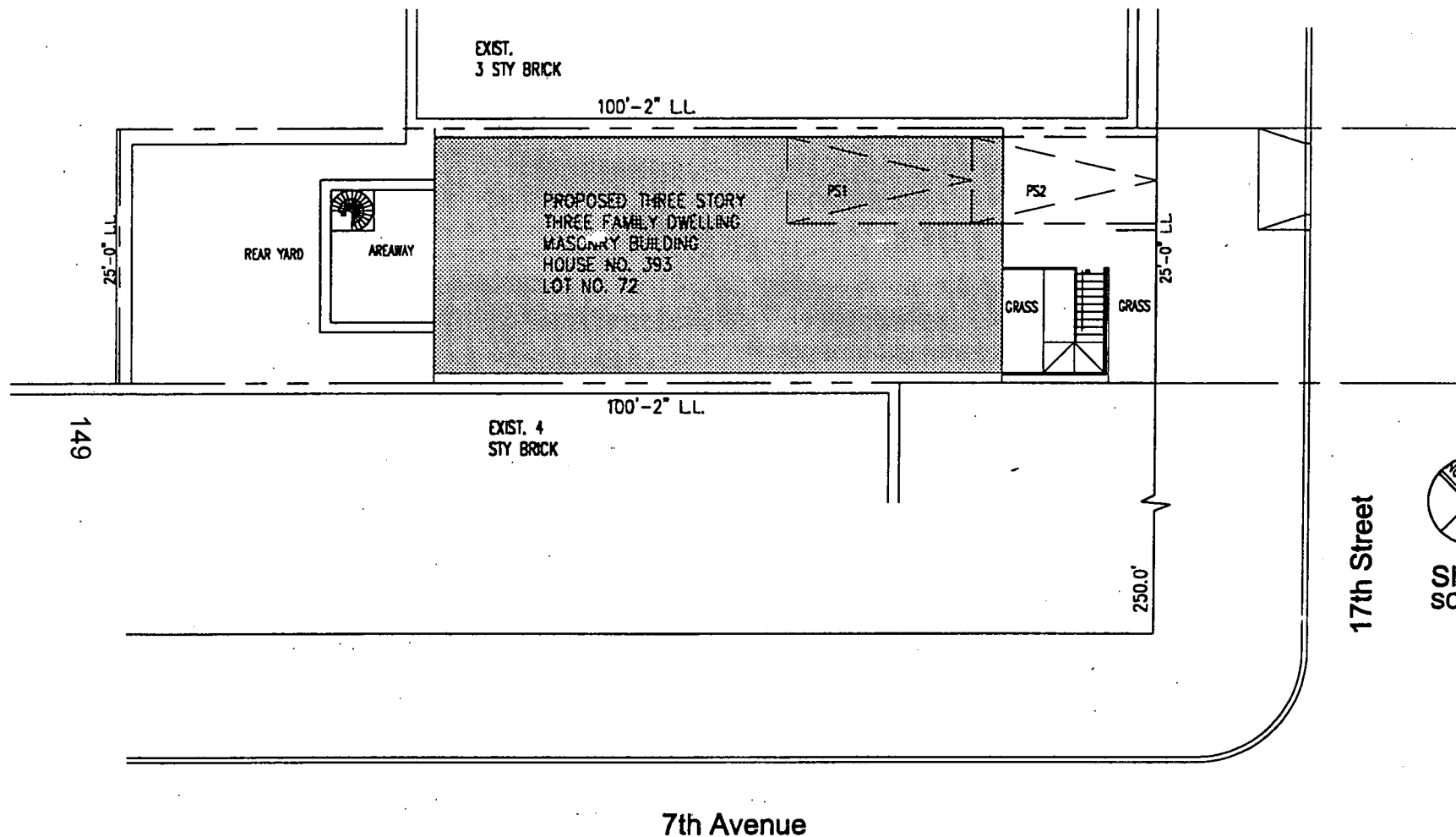


Sworn to before me this
28th day of February 2003

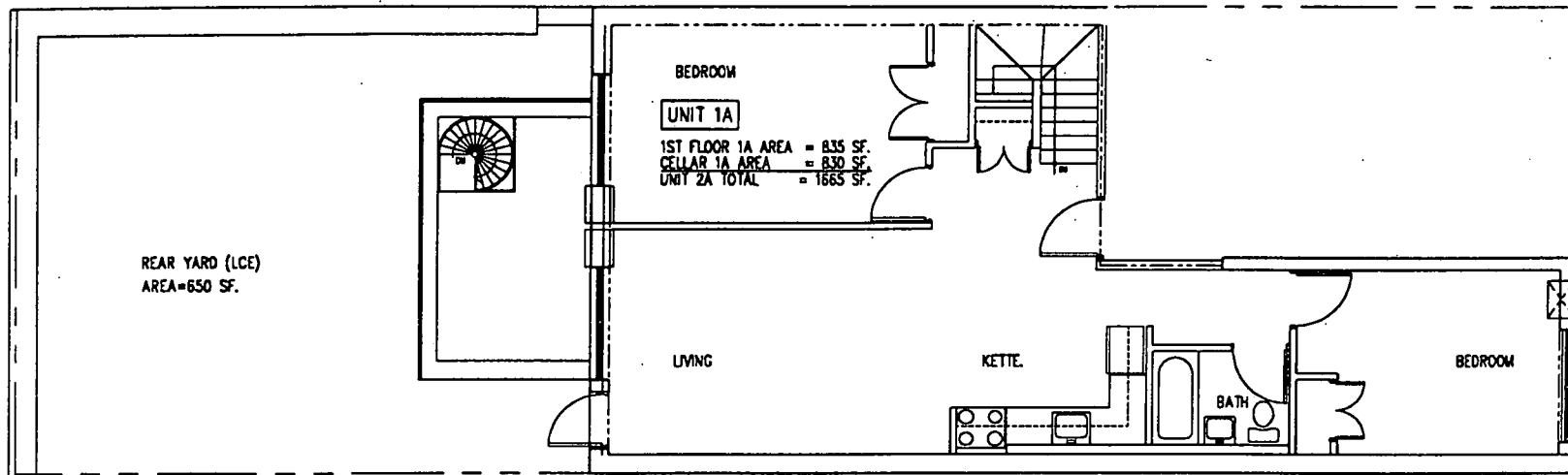

BARNETT MALLER

Notary Public, State of New York
No. 01MA4723281

Qualified in Nassau County
Commission Expires 10-31-06

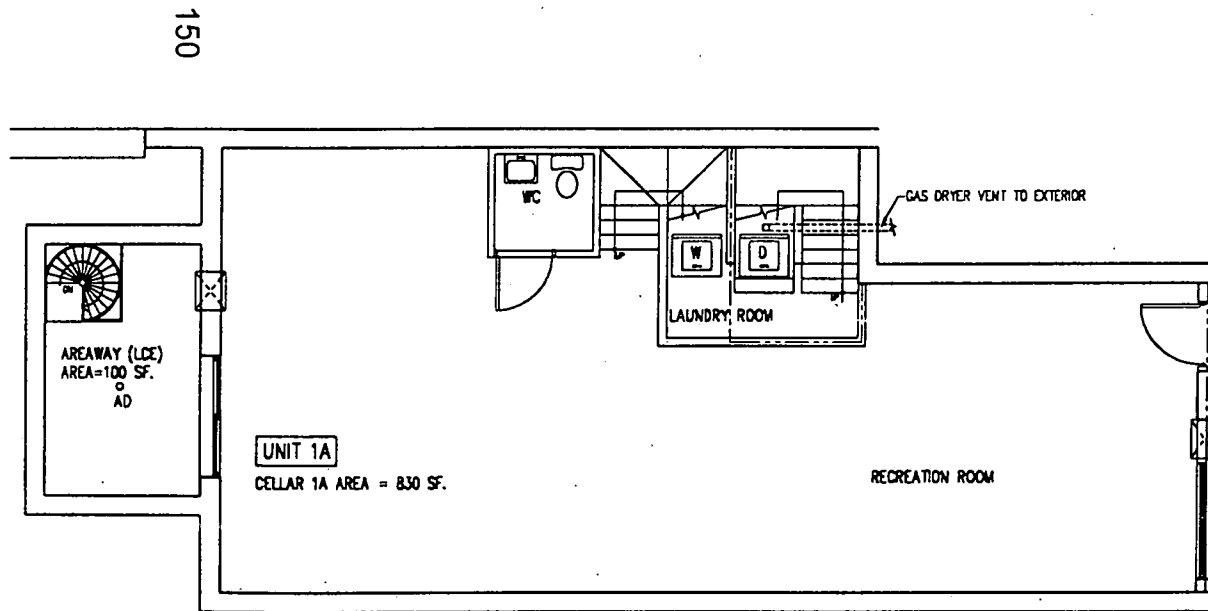


SITE PLAN
SCALE: 1/8"=1'-0"

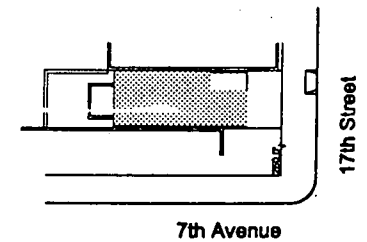


BEDROOM
UNIT 1A
 1ST FLOOR 1A AREA = 835 SF.
 CELLAR 1A AREA = 830 SF.
 UNIT 2A TOTAL = 1665 SF.

FIRST FLOOR PLAN
 SCAE: 1"=10'-0"



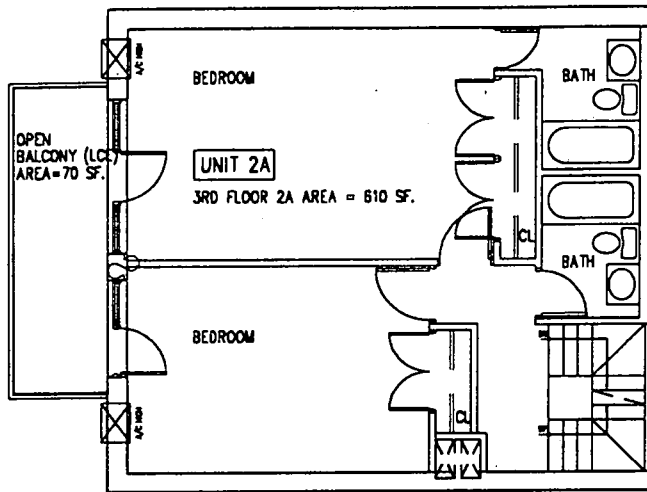
CELLAR FLOOR PLAN
 SCAE: 1"=10'-0"



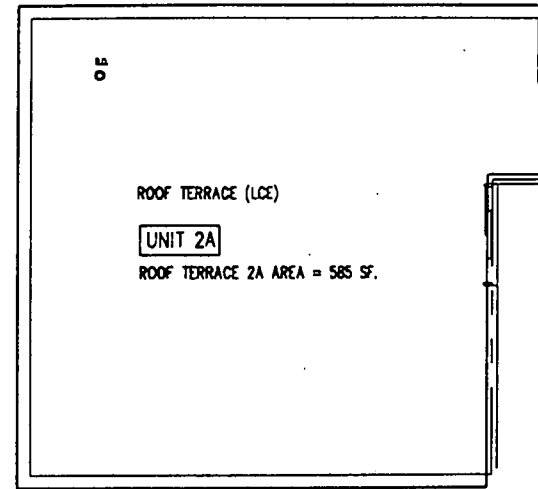
Site Plan
 393 17th Street

Rear Yard = 650 SF.
 Areaway = 100 SF.

Unit 1A
 First Floor Area = 835 sf.
 Cellar Floor Area = 830 sf.
 Unit 1A Total Area = 1665 sf.

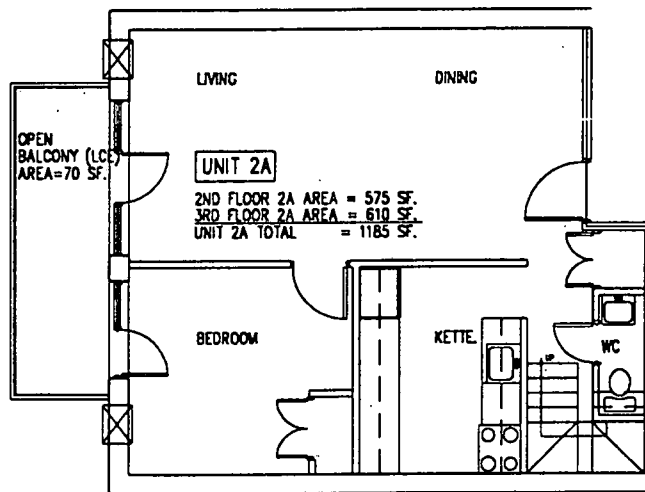


THIRD FLOOR PLAN
SCAE: 1"=10'-0"

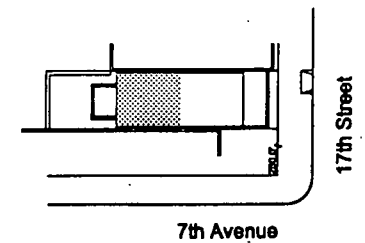


ROOF PLAN
SCAE: 1"=10'-0"

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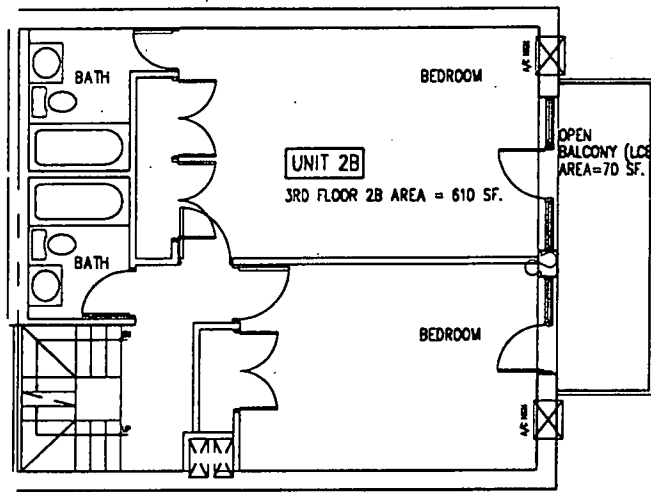
SECOND FLOOR PLAN
SCAE: 1"=10'-0"



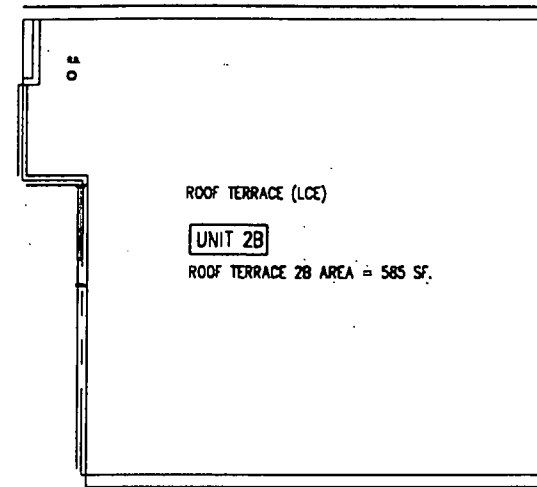
Site Plan
393 17th Street

Balcony Area 2nd Floor = 70 sf. (LCE)
Balcony Area 3rd Floor = 70 sf. (LCE)
Roof Terrace Area = 585 sf. (LCE)

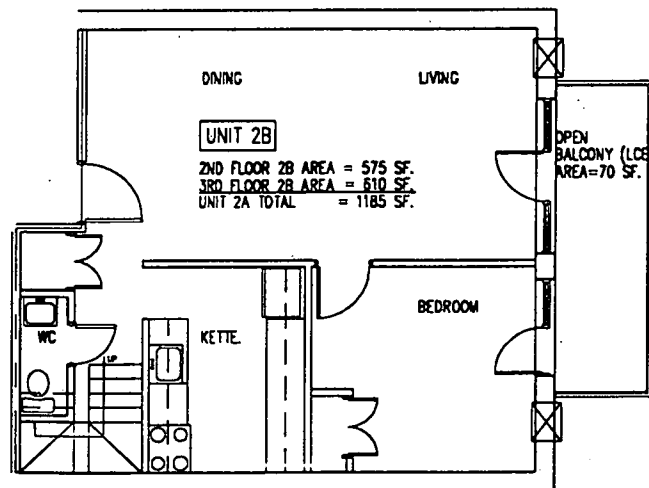
Unit 2A
2nd Floor Area = 575 sf.
3rd Floor Area = 610 sf.
Unit 2A Total Area = 1185 sf.



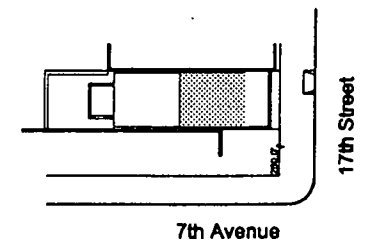
THIRD FLOOR PLAN
SCAE: 1"=10'-0"



ROOF PLAN
SCAE: 1"=10'-0"



SECOND FLOOR PLAN
SCAE: 1"=10'-0"



Site Plan
393 17th Street

Balcony Area 2nd Floor = 70 sf. (LCE)
Balcony Area 3rd Floor = 70 sf. (LCE)
Roof Terrace Area = 585 sf. (LCE)

Unit 2B
2nd Floor Area = 575 sf.
3rd Floor Area = 610 sf.
Unit 2B Total Area = 1185 sf.

PART II,
SECTION "MM"

Declaration

**Establishing a Plan of Condominium
Ownership of Premises Located at
393 17th Street,
County of Kings, Borough of Brooklyn, State of New York**

Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name: **THE SOUTH SLOPE CONDOMINIUM**

Sponsor: **393 17th Street Realty Corp.**
3707 15th Avenue,
Brooklyn, New York 11218

Date of Declaration: _____, 2003

Section Number: 16

Block Number: 869

Lot Numbers: FKA:
NKA:

County of Kings

Record and Return To:

GARY ROSEN LAW FIRM, a professional corporation
Attorneys at Law
249-02 Jericho Turnpike
Floral Park, New York 11001
(516)-437-3400

MM. INDEX TO DECLARATION

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**Declaration
Of
The SOUTH SLOPE CONDOMINIUM
Pursuant to Article 9-B of the
Real Property Law of the State of New York**

Declaration Establishing a Plan for Condominium ownership of Premises to be known as The SOUTH SLOPE CONDOMINIUM Located in Kings County, City and State of New York, Pursuant to Article 9-B of the Real Property Law of the State of New York.

393 17th Street Realty Corp. , a corporation organized and existing under the laws of the State of New York, whose principal office is situated at 3707 15th Avenue, Brooklyn, New York 11218, hereinafter referred to as "the Sponsor," does hereby declare:

**Article 1. -
Submission of Property.**

The Sponsor hereby submits the land described on Schedule A attached hereto and made part hereof, together with the building and improvements thereon erected, owned by the Sponsor in fee simple absolute (hereinafter called the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York ("the New York Condominium Act").

**Article 2. -
Area and Location of Land.**

The land is located in the County of Kings, City and State of New York and more particularly described on Schedule "A".

**Article 3. -
Description of the Building.**

The Sponsor has constructed or will construct upon the Property two buildings (hereinafter referred to as "the Building") containing three (3) stories and a cellar and a total of three (3) residential units. The building structure will consist of exterior masonry bearing walls and an interior steel skeleton supported on steel columns, supporting steel joints and/or wood floor joints and related materials. The building is located at 393 17th Street, Brooklyn, New York, and known on the New York City tax map as parcel: Block 869, Lot 72, located in the borough of Brooklyn. Tax Lot 72 will become new lots, whereby each condominium unit will be an individual lot number.

Article 4. –
Name of Condominium.

The Condominium shall be known as "The SOUTH SLOPE CONDOMINIUM".

Article 5. –
Units.

a) List and Description.

Annexed hereto and made part hereof as Exhibit B is a list of all Units, their designations and tax lot numbers, locations, approximate areas, number of rooms in each Unit, common elements to which each has immediate access all as shown on the floor plans of the Building, certified by Harry R. Simino, R.A. ("the floor plans"), intended to be filed in the Office of the Register of the City of New York, County of Kings, simultaneously with the recording of this Declaration, and the percentage of interest of each Unit in the common elements. The location of the Building is shown on the site plan intended to be filed in the said Office of the Register of the City of New York, County of Kings, as part of this Declaration.

b) Dimensions.

In addition to the meaning prescribed to it in Article 9-B of the Real Property law of the State of New York, a "Residential Unit" as hereinafter referred to shall be defined as follows: Each unit shall consist of the area enclosed horizontally by the unexposed sides of the dry walls of the exterior walls of the Building and by the unexposed sides of the dry walls or the exposed face of concrete of those walls and partitions which separate the unit from the corridors, stairs, mechanical equipment spaces and other Units, and enclosed vertically by the underside of the Unit's finished flooring and the exposed painted face of the concrete ceiling or the unexposed side of the Unit's drywall ceiling, where applicable. The doors and windows which open from the Unit shall be deemed part of the Unit. No Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one Unit.

Article 6. –
Definitions.

(a) The owner of each Unit is hereinafter referred to as the "Unit Owner" and shall have the meaning ascribed to it in Article 9-B of the Real Property Law of the State of New York. 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.

(b) The "**Building**" as hereinafter referred to shall be defined as a number of Units all of which are constructed under a continuous roof.

(c) "**Residential Unit**" shall mean an apartment suitable for residential living.

(d) "**Party Wall**" as hereinafter referred to shall be defined as a wall which is common to and separates two or more Units.

(e) "**Condominium**" as hereinafter referred to shall mean The SOUTH SLOPE CONDOMINIUM which is composed of the Unit Owners.

Article 7. –
Use of Building and Units.

Each Unit shall be used as a residence only. The Sponsor or its designees shall have the right to maintain a general sales office in any Unit owned by it and to use such Unit as a model and for other promotional purposes. The Building shall be used solely for the purposes for which the Units contained therein may be used under law. Recreation Rooms may not be used as bedrooms unless permitted by zoning regulations.

Article 8. –
Common Elements.

The common elements consist of the entire Property, including all parts of the Building, other than the Units and including, without limitation, the following:

A. General Common Elements.

- (1) The land described in Schedule A to this Declaration;
- (2) All roofs, foundations and concrete floors;
- (3) All columns, girders, joists, beams and supports;
- (4) All portions of the exterior walls beyond the hidden face of the interior gypsum board; all portions of the walls and partitions separating a Unit from other Units or common elements, located beyond the unexposed sides of the dry walls; the space between the hidden face of the ceiling board and the roof of the Building;
- (5) All central and appurtenant installations for services such as power, light, telephone, television water, waste piping and roof drains (including all pipes, flues, ducts, wires, cables and conduits used in connection therewith, whether located in common elements or in the Units);

(6) The lobby and halls, utility rooms, meter rooms and cellar designated for common use;

(7) All other parts of the Property and all apparatus and installations existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

B. Limited Common Elements.

The following portions of the common elements will be limited common elements:

(1) Each Unit Owner (his guests, invitees, lessees and residents of his Unit) shall have the exclusive use of any balcony or porch, if any, to which there is direct access from the interior of the Unit.

(2) Each Unit Owner (his guests, invitees, lessees and residents of his Unit) shall have the exclusive use of the entrance to his Unit. The unit entrances are limited common elements.

(3) The cost of maintaining and repairing the Unit entrances will be included in the common charges payable by all Unit Owners. All other limited common elements shall be repaired and maintained by the Unit Owners having exclusive use thereof.

(4) The area directly in front of (towards the street) parking space designated as PS # 2 is limited common element as set forth on the site plan made a part of and incorporated into this offering plan.

(5) The rear yard and an areaway as designated on the site plan is limited common element to Unit 1A.

(6) Roof terraces and balconies are limited common element to Units 2A and 2B as set forth on the site plan. No construction on or enclosures are permitted on any roof terraces or balconies. The Roof terraces and balconies may not be enclosed.

Article 9. -

Determination of Percentage of Common Elements.

The percentages of interest of the Units in the common elements have been determined by the Sponsor on the basis of floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit.

The common areas in the building shall be the interior stairs and hallways, which provides access to the units and the cellar areas where the mechanical spaces are located. The common interest in the condominium of each unit owner is as follows:

<u>House No.</u>	<u>Unit No.</u>	<u>Percentage of Common Interest</u>
393 17th Street	1A	34.00%
393 17th Street	2A	33.00%
393 17th Street	2B	33.00%

Article 10. – Encroachments.

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or by reason of the repair and/or restoration by the Board of Managers of the Building, any Unit or the Common Elements, a valid easement for the encroachment and for the maintenance of the same so long as the Building stands, shall exist. In the event the Building, a Unit, any adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, any and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

Article 11. – Easements.

(a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, flues, wires, ducts, cables, conduits, utility lines and other common elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, flues, ducts, cables, wires, conduits, utility lines and other common elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in the Building.

(b) The Sponsor, Sponsor-affiliates (hereinafter defined) and its designees, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation, maintenance, ingress to and

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

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

(d) The user of any easement granted by subparagraphs "b," and "c" of this Paragraph Eleven shall have the responsibility of repairing any damage resulting therefrom.

Article 12. – **Power of Attorney to Board of Managers**

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit, whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, or is acquired or leased pursuant to a right of first refusal, on behalf of all Unit Owners and to convey, sell, lease, mortgage or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

Article 13. –
Acquisition of Units By Board of Managers.

In the event any Unit Owner shall surrender his or her Unit together with: (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests") pursuant to the provisions of Section 339-x of the New York Condominium Act, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective common interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Residential Unit Owners, in proportion to their respective common interests.

Article 14. –
Person to Receive Service of Process.

Until the second meeting of Unit Owners (or the first meeting if only one meeting is necessary), 393 17th Street Realty Corp., 3707 15th Avenue, Brooklyn, New York 11218 is hereby designated to receive service of process in any action which may be brought against the Condominium. Following said meeting the New York Secretary of State as agent of the Board of Managers or any member of the Board of Managers of the Condominium from time to time and residing at the Condominium is hereby designated to receive service of process in any such action.

Article 15. –
Amendment of Declaration.

(a) This Declaration may be amended with the approval of at least 66 2/3% in number and in common interest of all Unit Owners, in accordance with the provisions of the By-Laws, provided, however, that the common interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected.

(b) The Sponsor or its designee shall have the right without vote or consent of other Unit Owners, 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 City of New York, County of Kings and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) any changes in Units and the reapportionment of the common interests resulting therefrom, made by the

Sponsor or its designees) in accordance with Paragraph Seventeenth hereof or (ii) the completion of construction of the Building which shall not have been completed on the date of recording of this Declaration, including, but without being limited to, the final location, dimensions or size of the Building and the Units therein.

(c) Except as provided in this paragraph "15" with regard to the right of the Sponsor or its designee(s) to amend this Declaration, paragraphs fifth (b), seventh, eleventh (a), eleventh (b), eleventh (c), seventeenth and eighteenth of this Declaration may not be amended without the consent of the Unit Owner of every Unit affected by such amendment. The provisions of this paragraph fifteenth may not be added to, amended or deleted, in whole or in part, without the consent of the Sponsor or its designee(s) so long as the Sponsor or its designee(s) owns any Unit.

Article 16. –
Changes in the Sponsor-Owned Units.

For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the common elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any pursuant to Purchase Agreements with Sponsor or its designees for a Unit adversely affected as result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. For purposes, of this paragraph, the above changes shall not be considered adverse changes if made in the Offering Plan.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior to subsequent to this Declaration.

Article 17. –
Covenants Running with the Land.

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitations, the provisions of this paragraph shall, to the extent applicable and unless otherwise expressly herein and therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

(b) If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the New York Condominium Act, such provision shall be deemed deleted from this Declaration or the By-laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

(c) Subject to the provisions of subparagraph nineteenth (b), if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws

shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of the Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land.

Article 18. –
Covenant of Further Assurances.

(a) Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transition.

(b) If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within 10 days after request therefore, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board which represents such Unit Owner or other party hereby authorized as attorney-in-fact for such Unit Owner, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

(c) If any Unit Owner, the Board or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within 10 days after request therefore, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

Article 19. –
Successors and Assigns.

The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of all then Unsold Residential Units. Subject to the foregoing, Sponsor, or its designee, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by merger, consolidation, lease, assignment or otherwise.

Article 20. –
Termination of Condominium.

The Condominium shall continue and shall not be subject to an action for partition until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in common interest of all Unit Owners. Sponsor or its designee will not vote its interests appurtenant to any Unsold Residential Units for such withdrawal unless at least 80% in number and in common interest of all other Unit Owners so elect for such withdrawal, at which time Sponsor or its designee may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective common interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

Article 21. –
Definition of "Sponsor-designee"; "Sponsor-affiliate".

The term "Sponsor-designated (alternatively referred to as designee of Sponsor or Sponsor-affiliate) as used in this Declaration 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 also be deemed a "Sponsor-designee".

Article 22. –
Invalidity.

The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

Article 23. –
Waiver.

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Article 24. –
Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

Article 25. –
Gender.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Sponsor has caused this Declaration to be executed this ____ day of _____, 2003.

393 17th Street Realty Corp.

By: _____

Name: _____

Title: _____

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 2003 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

SCHEDULE A
TO THE DECLARATION OF
THE SOUTH SLOPE CONDOMINIUM

PROPERTY DESCRIPTION

The land on which the Building is located is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, designated on the Tax Map of the City of New York, for the Borough of Brooklyn, as Tax Map was on February 16, 1972 as Section 3, Block 869, Lot 72 on the Tax Map of Kings County.

SCHEDULE B
TO THE DECLARATION OF
THE SOUTH SLOPE CONDOMINIUM

UNIT DESCRIPTIONS

The description of the Units is as follows:

393 17th Street, Brooklyn, New York:

Unit 1A, a two bedroom apartment with a recreation room which contains approximately 1,665 square feet, a rear yard as limited common element with approximately 650 square feet and an areaway as a limited common element with approximately 100 square feet. Block 869, Lot 1001.

Unit 2A, a three bedroom apartment which contains approximately 1,185 square feet with a roof terrace as a limited common element of approximately 585 square feet and balconies at the second and third floors each of approximately 70 square feet. Block 869, Lot 1002.

Unit 3A, a three bedroom apartment which contains approximately 1,185 square feet with a roof terrace as a limited common element of approximately 585 square feet and balconies at the second and third floors each of approximately 70 square feet. Block 869, Lot 1003.

The units are described further and in details in Section S, Unit Information.

There are two(2) parking spaces, each with a limited common element. The parking will be assigned as follows:

Parking Space # 1 and Parking Space # 2 will be assigned to Unit 1A in building known as 393 17th Street;

Units 2A and 2B do not have any parking spaces or parking rights.

All public streets and adjoining property will be improved with street pavement, curbs and sidewalks in accordance with Department of Highways rules and regulations. Off-site and on-site drainage will comply to the Department of Sewers and Building Code requirements. All storm water runoff shall be collected at yard drains and gutters and connected to the storm drywells, and to the storm sewer in the city street. All piping to be installed as per the Approved Drainage Plan.

NN. CONDOMINIUM BY-LAWS

Condominium By-Laws

Name: **THE SOUTH SLOPE CONDOMINIUM**

Sponsor: **393 17th Street Realty Corp.**
3707 15th Avenue,
Brooklyn, New York 11218

GARY ROSEN LAW FIRM, a professional corporation
Attorney at Laws
249-02 Jericho Turnpike
Floral Park, New York 11001
(516)-437-3400

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**BY-LAWS
of
THE SOUTH SLOPE CONDOMINIUM**

**ARTICLE I.
Plan of Unit Ownership**

**Section 1.
Unit Ownership.**

The land and building located in the County of Kings, City and State of New York, at 393 17th Street, Brooklyn, New York (hereafter called the "Property") has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the office of the Register of the City of New York, County of Kings simultaneously herewith and shall hereinafter be known as The SOUTH SLOPE CONDOMINIUM (hereafter called the "Condominium"). The apartments are herein sometimes called "the units." The owner of a unit is herein referred to as a "Unit Owner".

**Section 2.
Applicability of By-Laws.**

The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the building and all other improvements thereon (including the units, and the common elements and limited common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

**Section 3.
Application.**

All present and future owners, mortgagees, lessees, sublessees, and occupants of units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto, each as amended from time to time.

The acceptance of a deed or conveyance or the entering into of a lease or sublease for, or the act of occupancy of, a unit shall constitute an agreement that these By-Laws,

the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4.
Office.

The office of the Condominium and the Board of Managers shall be located at the Property or at such other place within the City of New York reasonably convenient thereto as may be designated by the Board of Managers.

ARTICLE II.
Board of Managers

Section 1.
Number and Qualification.

The affairs of the condominium shall be governed by a Board of Managers. Until the first meeting of Unit Owners held pursuant to Section 1(a) of Article III of these By-Laws, the Board of Managers shall consist of three (3) persons designated by 393 17th Street Realty Corp. (the Sponsor of the Condominium). After the first meeting of Unit Owners and until the second meeting of Unit Owners held pursuant to Section 1(b) of Article III of these By-Laws, the Board of Managers shall consist of three persons designated by the Sponsor and two persons elected by the Unit Owners other than the Sponsor. After the second meeting of Unit Owners, the Board of Managers shall consist of three members, all of which shall be elected by all Unit Owners (including the Sponsor or Sponsor-affiliate), but the Sponsor's or Sponsor-affiliate's right to elect members of the Board shall be subject to the limitations set forth in Section 1(d) of Article III of these By-Laws.

All members of the Board of Managers shall be owners, spouses of owners, or mortgagees of units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries, or in the case of the Sponsor or Sponsor-affiliates, shall be designees of the Sponsor. Persons designated by the Sponsor or Sponsor-affiliate under this Article need not be Unit Owners. As used in these By Laws, the term "Sponsor-affiliate" shall mean any person or entity which the Sponsor may designate to acquire title to a unit. Such term is used interchangeably with and is intended to have identical meaning with the term "Sponsor-designee" as used in the Declaration, Offering Plan and other documents related to the Condominium. A "Sponsor-affiliate" shall have the right to designate a person or entity to succeed to its rights, and any such designee shall also be deemed a "Sponsor-affiliate".

Section 2.
Powers and Duties.

The Board of Managers shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- (a) Operation, use, care, upkeep and maintenance of the common elements and limited common elements as described in the Declaration;
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property and the Units;
- (c) Collection from the Unit Owners of the common charges and expenses of the Condominium;
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements and the Units;
- (e) Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property;
- (f) Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefore;
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, units offered for sale or lease or surrendered by their owners to the Board of Managers;
- (h) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners;
- (i) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interest in real and personal property for use in connection with ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws;
- (j) Selling, leasing, mortgaging, or otherwise dealing with residential units acquired by, and subleasing units leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;
- (k) Organizing corporations to act as designees of the Board of Managers in

acquiring title to or leasing of units or rights and interest in real and personal property for use in connection with the ownership and operation of the property as a residential condominium, on behalf of all Unit Owners;

(l) Leasing portions of the common elements and granting of licenses for vending machines;

(m) Obtaining insurance for the Property, including the units, pursuant to the provisions of Article V, Section 2 hereof;

(n) Making of repairs, additions and improvements to or alterations of the property and making of repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(o) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of a majority of all Unit Owners in number and in common interest 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 \$3,000 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 consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (o) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the common elements bears to the interest of all the Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's unit;

(q) Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property;

(r) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners;

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-affiliate shall continue to own a unit, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate's prior written consent, (i) make any addition, alteration or improvement to the common elements or to any unit or (ii) assess any common charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium Ownership or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to an apartment unit or (v) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent

that existing reserves are insufficient) or (vi) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees. At no time will the Board of Managers interfere with: the offer and sale or leasing of units; operation of general or sales and leasing offices on the premises, actions necessary for construction, renovation, repair or correction on the premises, as required by Sponsor. The Sponsor or Sponsor-affiliate shall have the right to withhold its consent to any of the foregoing actions.

Section 3. **Managing Agent and Manager.**

The Board of Managers may employ a managing agent and/or manager (including the Sponsor or a corporation organized or controlled by the Sponsor) for the Condominium at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to any manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (o), (p) and (q) of Section 2 of this Article II. The Board of Managers may terminate or replace the managing agent, if any, employed for the operation of the property at any time by a majority vote of the Board of Managers.

Section 4. **Election and Term of Office.**

The term of office of the members of the Board of Managers elected by Unit Owners other than the Sponsor or a Sponsor-affiliate at the first meeting of Unit Owners held pursuant to Section 1(a) of Article III of these By-Laws shall expire on the date of the second meeting of Unit Owners held pursuant to Section 1(b) of Article III of these By-Laws. Except as provided in Section 1(d) of Article III, at the second meeting of the Unit Owners the term of office of the new members of the Board of Managers shall be fixed at one (1) year and the members of the Board shall serve until a new Board of Managers is elected at the next annual meeting.

Section 5. **Resignation and Removal of Members of the Board of Managers.**

Any member of the Board of Managers may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein provided no resignation shall be effective prior to receipt thereof by the President or Secretary. Acceptance of such resignation shall not be specifically requested or required. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-affiliate, may be removed with or without cause by a majority of the Unit Owners and a

successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-affiliate, may only be removed by the Sponsor or a Sponsor-affiliate, respectively, and only they shall have the right to designate a replacement. If a member of the Board of Managers ceases to be a Unit Owner or unit mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor or a Sponsor-affiliate, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 6. **Vacancies.**

Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners, at which meeting a successor shall be elected for such member.

Notwithstanding the foregoing, vacancies of members designated by the Sponsor or a Sponsor-affiliate, shall be filled only by the Sponsor or Sponsor-affiliate, respectively.

Section 7. **Organization Meeting.**

The first meeting of the members of the Board of Managers following each annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers in order legally to constitute such meeting, provided that a majority of the whole Board of Managers shall be present at the first meeting.

Section 8. **Regular Meetings.**

Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or facsimile transmission, at least three (3) business days prior to the day named for such meeting.

Section 9.
Special Meetings.

Special meetings of the Board of Managers may be called by the President on three (3) business days notice to each member of the Board of Managers, given by mail or facsimile transmission, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

Section 10.
Waiver of Notice.

Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11.
Quorum of Board of Managers.

At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing are filed with the minutes of the proceedings of the Board or the committee.

Section 12.
Fidelity Bonds.

The Board of Managers may obtain adequate fidelity bonds for all officers and employees of the Condominium and or the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity bonds as it deems proper. The premiums for such bonds shall constitute a common expense.

Section 13.
Compensation.

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

Section 14.
Liability of the Board of Managers.

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the Unit Owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner 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. Members of the Board of Managers designated by the Sponsor or a Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf of the Unit Owners with the Sponsor or a Sponsor-affiliate, respectively, provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the county of Kings, City and State of New York.

Section 15.
Executive Committee.

The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor, or a Sponsor-affiliate so long as the Sponsor, or a Sponsor-affiliate has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the common charges and expenses required for the affairs of the Condominium, (b) to determine the common charges payable by the Unit Owners to meet the common charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (o) of Section 2 of Article II.

Section 16.
Other Committees.

The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor, or a Sponsor-affiliate so long as the Sponsor, or a Sponsor-affiliate has the right to designate a member of the Board, shall be appointed by the President of the Condominium. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 15 of Article II.

ARTICLE III.
Unit Owners

Section 1.
Annual Meetings.

(a) First Meeting.

Within 90 days after the first closing of title to a unit, the Sponsor shall call the first meeting of Unit Owners for the election by Unit Owners other than the Sponsor or Sponsor-affiliate of one member of the Board of Managers. The Sponsor shall have the right to designate three members of the Board of Managers at such meeting. The full Board of Managers shall then be composed of three members. Persons designated by the Sponsor or Sponsor-affiliate under this Article need not be Unit Owners.

Second Meeting.

Within 90 days after (i) the Sponsor's conveyance of title to units representing 85% or more in common interest or (ii) the fifth anniversary of the first conveyance of title to a unit, whichever shall first occur, or sooner at the Sponsor's option, the Sponsor shall call the second meeting of Unit Owners for the election by all Unit Owners (including the Sponsor or Sponsor-affiliates) of a three member Board of Managers.

(b) Annual meetings.

Annual meetings of Unit Owners shall be held on the first anniversary of the second meeting of Unit Owners held pursuant to Section 1(b) of this Article III and annually thereafter unless such day shall fall on a Saturday, Sunday or legal holiday, in which event the meeting for that year shall be held on the succeeding Monday.

(c) Sponsor's Right to Elect Members of the Board of Managers.

The Sponsor or its designees shall have voting control of the Board of Managers until (i) the second meeting of Unit Owners or (ii) the annual meeting following conveyance to bona fide purchasers of Units representing a majority of the total common interest in the Condominium, whichever shall first occur. At that time, the existing three-member board will resign and a new three member board shall be elected by all Unit Owners. So long as the Sponsor or a Sponsor-affiliate shall continue to own: (i) units representing 15% or more in common interest, the Sponsor or Sponsor-affiliate shall have the right to designate three of the members of the Board of Managers; or (ii) units representing less than 15% in common interest, the Sponsor or Sponsor-affiliate shall have the right to designate two of the members of the Board of Managers. Members of the Board of Managers designated by the Sponsor or Sponsor-affiliate shall serve for a term designated by the Sponsor or Sponsor-affiliate. All other members of the Board of Managers shall be elected by the Unit Owners and shall serve for the terms prescribed by these By-Laws. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2.

Place of Meetings.

Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3.
Special Meetings.

It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4.
Notice of Meetings.

It shall be the duty of the Secretary to deliver or mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than twenty (20) days prior to such meetings, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The delivery or mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5.
Adjournment of Meetings.

If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6.
Order of Business.

The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers and/or Managing Agent.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

Section 7.**Title to Units; Status of Holder of Title as Unit Owner.**

Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary, non-profit organization or governmental entity (upon waiver of diplomatic immunity, as, if and when required by the Board of Managers). The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or approval of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8.**Voting.**

The owner or owners of each unit (except the Board of Managers), or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. The total number of votes of all Unit Owners shall be 100 and each Unit Owner (including the sponsor or Sponsor-affiliates, if the Sponsor or Sponsor-affiliates shall then own or shall then hold title to one or more units) shall be entitled to cast a vote at all meetings of the Unit Owners equal to his percent of interest in the common elements applicable to his unit. A fiduciary shall be the voting member with respect to any unit owned in a fiduciary capacity.

Section 9.**Majority of Unit Owners.**

As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10.**Quorum.**

Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11.
Majority Vote.

The vote of a majority of Unit Owners by percentage of common interest at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration, these By-Laws, or by law, a higher percentage vote is required.

Section 12.
Action Without Meeting.

Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV.
Officers

Section 1.
Designation.

The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2.
Election of Officers.

The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3.
Removal of Officers.

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

Section 4.
President.

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

Section 5.
Vice President.

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

Section 6.
Secretary.

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

Section 7.
Treasurer.

The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8.
Agreement, Contracts, Deeds, Checks, etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two persons who shall be officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9.
Compensation of Officers.

No officer shall receive any compensation from the Condominium for acting as such.

Section 10.
Liability of Officers.

No officer shall be liable to the Unit Owners for any mistake of judgment negligence or otherwise, except for willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all liability to others arising from their acts as, or by reason of the fact that such person was an officer. It is intended that officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by any officer or out of the aforesaid indemnity in favor of the officers shall be limited to such proportion of the total liability thereof as his interest in the common elements bears to the interests of all Unit Owners in the common elements. Every agreement made by any officer or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability of a Unit Owner thereunder as his interest in the common elements bears to the interests of all Unit Owners in the common elements. Officers designated by the Sponsor or Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by such officers on behalf of the Unit Owners with the Sponsor, or a Sponsor-affiliate, provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the County of Kings, City and State of New York.

ARTICLE V.
Operation of the Property

Section 1.
Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium, and allocate and assess such common charges and expenses among the Unit Owners according to their respective common interests. The common expenses shall include the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article V. The common expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of common charges and common expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such common charges and expenses are based to all Unit Owners (and their respective mortgagee, if required). Until the Sponsor or Sponsor-affiliate has conveyed title to all the units to purchasers thereof, the Board of Managers can reduce the amount of common charges allocated to the units and payable by Unit Owners (including the Sponsor or Sponsor-affiliate as owner of any unsold units) provided that so long as the Sponsor or Sponsor-affiliate controls the Board of Managers the common charges will not be reduced below the amount necessary to operate the Property.

The Sponsor or Sponsor-affiliate shall be responsible for the common charges assessed against a unit owned by it from the date of the first conveyance of title to a unit in the building in which such Sponsor-owned unit is located until such unit is sold to a bona fide purchaser.

Section 2.
Insurance.

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, including provision for "additional living expense" of unit-owners, vandalism and malicious mischief endorsements normal for a condominium of this type, insuring the building,

including all of the units and the bathroom and kitchen fixtures and any other equipment installed therein by the Sponsor, partitions, floors and ceilings within the units, (but not including any equipment not installed by Sponsor, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property within the unit installed by Unit Owners or tenants of Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the building (exclusive of the cost of excavation and foundations), without deduction for depreciation; each of said policies shall contain (1) 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; (2) rent insurance covering the common charges and expenses payable by the Unit Owners; (3) worker's compensation insurance; (4) boiler and machinery insurance; (5) water damage legal liability insurance; and (6) such other insurance as the Board of Managers may determine.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the second meeting of the Unit Owners shall be equal to 100%, replacement value. All policies of physical damage insurance shall, if possible, contain waivers of subrogation and waivers of any defense based on coinsurance or of pro-rata reduction of liability or of invalidity arising from any acts of the insured, 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 building (exclusive of the cost of excavation and foundations), including all of the units, and all of the common elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers 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, the manager, and each Unit Owner and covering all claims for bodily injury or property damage, arising out of any occurrence in the common elements or the units, except such policy shall not cover liability of a Unit Owner arising from an occurrence within his own unit. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year. Until the first meeting of the Board of Managers following the second meeting of the Unit Owners, such public liability insurance shall be a single limit of not

less than \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence and including property damage and water damage legal liability claims.

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

Insurance proceeds with respect to loss shall be payable to the Board of Managers or the Unit Owner entitled to adjust such loss.

Section 3.

Repair or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of the building as a result of fire or other casualty (unless such damage or destruction shall give a Unit Owner or lienor a right of partition as provided by Article 9-B of the Real Property Law of the State of New York), the Board of Managers shall arrange for the prompt repair and restoration of the building.

If, as the result of damage to or destruction of the building by fire or other casualty, the Property becomes subject to an action for partition commenced by any Unit Owner or lienor as if owned in common, in accordance with the provisions of Article 9-B of the Real Property Law of the State of New York, the Property will not be repaired and 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 among all the Unit Owners in proportion to their respective common interest, 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.

Section 4.

Payment of Common Charges.

All Unit Owners shall be obligated to pay to the Board of Managers the general common charges assessed to it by the Board pursuant to these By-Laws at such time or times (but not less than monthly) as the Board determines. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V which charges shall be payable in advance on the first day of each month or at such time or times as the Board of Managers shall subsequently determine. The common charges payable by each Unit Owner will be computed in accordance with his proportionate interest in the common elements.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. A purchaser of a unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for, and such unit shall not be, subject to a lien for the payment of common charges assessed prior to the foreclosure sale other than as permitted by existing law at the time of the foreclosure sale.

Section 5.
Default in Payment of Common Charges.

In the event of default by any Unit Owner in paying to the Board of Managers the common charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay together with all expenses, including attorneys fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges or assessments, the sum of twenty-five dollars (\$25.00) per month based on any Unit Owner's failure to pay the common charges or any assessment as determined by the Board of Managers, on the tenth (10th) day of the month in which they are due and such late payment charge or charges at the rate of \$25.00 per month will continue to be added to and charged on the tenth (10th) day of each succeeding month until payment in full is received, except that such date will be extended to the next business day if the tenth (10th) day of the month occurs on a Saturday, Sunday or public holiday. The Board of Managers shall have the right and duty to attempt to recover such common charges or assessments including \$25.00 late charges assessed pursuant to this section together with interest thereon, at the legal rate, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof.

Section 6.
Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Board of Managers to foreclose a lien on a unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (other than for the election of members of the Board of Managers), convey or otherwise deal with the same. An action to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

In the event the net proceeds received on a foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

Section 7.

Statement of Common Charges and Assessments.

The Board of Managers (or a managing agent on its behalf) shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges and assessments due from such Unit Owner.

Section 8.

Abatement and Enjoinment of Violations by Unit Owner.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the condominium; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In connection with the foregoing, the Board of Managers shall have all of the rights of enforcement granted pursuant to Section 339-j of Article 9-B of the Real Property Law of the State of New York.

Section 9.

Maintenance and Repairs.

(a) All maintenance, repairs and replacements to a unit and limited common elements to which a Unit Owner has exclusive use, whether structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of the unit. Each Unit Owner shall be responsible for all damages to any and all other units and/or to the common elements, that his failure to do so may engender. Notwithstanding this paragraph, the repairs and maintenance to the parking spaces shall be borne by the condominium.

(b) All maintenance, repairs and replacements to the common elements (other than the limited common elements described in Section 9(a) above), whether located

inside or outside of the units, (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense.

(c) Notwithstanding the above, the Board of Managers shall have the responsibility (which shall constitute its only responsibility regarding those items) of painting or refinishing the exterior of the frames of windows opening out of the units.

Section 10. **Violation of Maintenance Obligations.**

In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligations of his with respect to the painting, decorating, maintenance, repair or replacement of limited common elements or his Unit as provided in this Article V or any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within five days after receiving notice of such default by the Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 11. **Limited Common Elements.**

The following portions of the common elements will be limited common elements:

- (a) The parking spaces;
- (b) The entrance to each unit will be for the exclusive use of the owner of such unit, his guests, invitees, lessees, and the residents of such unit;
- (c) Roof terraces, balconies and areaways as indicated in the architectural reports in this offering plan.

The Board of Managers will have the responsibility of maintaining and repairing the entrance to each unit, and the cost thereof will be included in the common charges payable by all Unit Owners unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. All other limited common elements shall be repaired and maintained by the Unit Owners having exclusive use thereof;

Section 12.
Heating, Hot Water and Air-Conditioning Systems.

All maintenance, repairs and replacements to the heating and hot water system and to any air-conditioning system or unit serving a unit shall be made by the Unit Owner at the Unit Owner's expense;

Section 13.
Restrictions on Use of Units.

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

(a) All units shall be used by Unit Owners (other than the Sponsor or Sponsor-affiliates) for residences. The Sponsor or Sponsor-affiliates shall have the right, without charge, (i) to maintain general and sales offices in one or more units or elsewhere on the Property, to use one or more units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; and (iii) to do all things necessary or appropriate, including the use of the common elements, to sell or lease units and to complete construction of the building and to comply with its obligations;

(b) The common elements and limited common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units;

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by its residents or occupants;

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property;

(e) No portion of a unit (other than the entire unit and its appurtenant interests) may be rented, and no transient tenants may be accommodated therein;

(f) Rules and regulations concerning the use of the units, the common elements and the limited common elements may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are

furnished to each Unit Owner not less than 5 days prior to the time that they become effective. Any Rule or Regulation may be rescinded by vote of 70% of the Unit Owners at a meeting duly called for such purpose. No such Rule or Regulation shall interfere with the possession, maintenance, use or enjoyment of any unit owned by Sponsor or a Sponsor-affiliate. The Condominiums initial Rules and Regulations are attached hereto as Schedule A.

Section 14.

Additions, Alterations or Improvements by Board of Managers.

Subject to the provisions of Section 2 Article II of these By-Laws, whenever in the judgment of the Board of Managers the common elements or the limited common elements shall require additions, alterations or improvements costing in excess of \$3,000 and the making of such additions, alterations or improvements shall have been approved by more than 50% in number and in common interest of the Unit Owners (including the Sponsor or any Sponsor-affiliate if then a Unit Owner) in accordance with these By-Laws (and by the holders of first mortgages on units, if their approval is required), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a common charge. Any additions, alterations or improvements costing \$3,000 or less may be made by the Board of Managers without approval of the Unit Owners or mortgagees of units and the cost thereof shall constitute part of the common expenses. So long as the Sponsor or any Sponsor-affiliate shall own at least 15% of the apartment units, the Board of Managers may not make any addition, alteration or improvement to the common elements without the Sponsors prior written consent.

Section 15.

Additions, Alterations or Improvements By The Owners.

No Unit Owner shall make any structural addition, alteration or improvement in or to his unit or which may affect the value of other units, without the prior written consent thereto of the Board of Managers and, if required, of his mortgagee. The Unit Owner must submit a written request (along with documentation reasonably required by the Board of Managers) for approval the Board of Managers of a proposed structural addition, alteration or improvement in such Unit Owner's unit. The Board of Managers shall respond within thirty (30) days after such request advising of its approval or disapproval of the request; failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any governmental authority having or asserting jurisdiction, for a permit to make an addition, alternation or improvement in or to any unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

The provisions of this Section 15 shall not apply to a unit owned by the Sponsor or Sponsor-affiliate.

The Board of Managers shall 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 Sponsor-affiliate to any unit provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Non-structural alterations and improvements to units that do not affect the exterior of the building or the value of other units may be made without the prior approval of the Board of Managers.

Section 16.

Use of Common Elements and Facilities.

(a) A Unit Owner shall not store any furniture, packages or objects of any kind in any part of the common elements or limited common elements.

(b) The common elements and limited common elements and related facilities shall be used only for those purposes for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in or to any common element or limited common elements (including, but without limitation, the exterior of the building) without the prior written consent of the Board of Managers (and the holders of unit first mortgages, if required). The Sponsor, and any Sponsor-affiliate shall have the right to use the common elements, without charge, for the purposes set forth in Section 13 of this Article V.

(c) The Board of Managers has the authority to adopt or amend administrative rules and regulations governing the details of the operation and use of the common elements.

Section 17.

Right of Access.

A Unit Owner shall grant a right of access to his unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections when necessary or for the purpose of correcting any condition originating in his unit and threatening another unit or a common element or limited common element, or any condition originating in his unit constituting a violation of law or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common elements in his unit or limited common elements elsewhere in the building or to correct any

condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the proper use of the units. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 18.
Water, Gas Sewer and Electricity.

Electricity to units will be supplied by the public utility companies serving the area through individual meters and billed by such companies to each unit. The cost of electricity for the public spaces outside the units, as well as gas to units and common areas, as measured by one or more building meters, will be borne by the Unit Owners and will be included in the common charges therefore. Water will be supplied to all units and sewage treatment will be provided by the City of New York and the cost thereof will be included in the common charges.

ARTICLE VI.
Mortgages

Section 1.
Notice to Board of Managers.

A Unit Owner who mortgages his unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2.
Notice of Unpaid Common Charges or Other Default.

The Board of Managers, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common charges or assessments levied by the Board of Managers due from, or any other default by, the owner of the mortgaged unit.

Section 3.
Notice of Default.

The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Managers.

Section 4.
Examination of Books.

Each Unit Owner and each mortgagee of a unit shall be permitted to examine the books and records of the condominium at reasonable times, on business days, but not more than once each month, at the office of the condominium or the managing agent.

ARTICLE VII.
Sales, Leases and Mortgages of Units

Section 1.
Sales and Leases.

(a) No Residential Unit Owner other than the Sponsor or its designee may sell his unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer (hereafter called an "Outside Offer") for the sale of his unit together with: (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such Unit Owner in any units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (the interests in subsections (i), (ii), (iii) are hereinafter collectively called the "Appurtenant Interests") which he intends to accept, shall give prompt notice in writing to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other units, on the same terms and conditions as contained in such Outside offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer to the Board of Managers on behalf of the other Unit Owner who has received such offer to the Board of Managers on behalf of the other Unit Owners that such Unit Owner believes the outside offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice in writing to such Unit Owner, either (a) to purchase such unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the offering Unit Owner or (b) to produce a purchaser who will purchase such unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such unit, together with the Appurtenant Interests, or to cause the same to be purchased by its designee, corporate

or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner shall convey the unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale. Real estate taxes, mortgage interest and common charges and expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within said thirty (30) day period, the offering Unit Owner shall be free to contract to sell such unit, together with the Appurtenant Interests, within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the outside offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such outside Offer. Any such deed to an outside offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. In the event the offering Unit Owner shall not, within such 60 day period, contract to sell such unit, together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the outside Offer, or if the Unit Owner shall so contract to sell his unit (and Appurtenant Interests) within such 60 day period, but such sale shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such unit, together with the Appurtenant Interests, to the same or another outside offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VI.

Any purported sale of a unit in violation of this Section shall be voidable at the election of the Board of Managers.

(b) No Unit Owner may lease his or her unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for a lease of his or her unit which he intends to accept shall give written notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references, and such other information as the Board of Managers may reasonably require and shall offer to lease such unit to the Board of Managers, or its designee, corporate or otherwise, on the same terms and conditions. The Board of Managers shall have the same right of election to lease the unit on behalf of all Unit Owners or to produce a lessee for the unit as contained in subsection (a) above relating to the sale of units. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a lessee or fails to act within the time period set forth in

subsection (a) the Unit Owner shall be free to lease such unit to the outside offeror on the terms and conditions contained in the outside offer, provided such lease shall be executed within 60 days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer.

Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease, and that the Board of Managers shall have the right to terminate the lease on not less than 30 days prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as previously set forth herein, the form of any such lease shall be the then current form of apartment lease recommended by The Real Estate Board of New York with such modifications as shall be approved in writing or by the Board of Managers.

Any purported sale or lease of a unit in violation of this Section shall be voidable at the election of the Board of Managers.

(c) Every Unit Owner shall be required to pay a processing fee of \$100.00 per transaction to the managing agent for each sale (other than the initial purchase by the Unit Owner) or lease of his or her Unit. The Board of Managers shall guarantee collection of said fee by the Managing Agent.

Section 2.

Consent of Unit Owners to Purchase of Units by Board of Managers.

The Board of Managers shall not exercise any option previously set forth herein to purchase or lease any unit without the prior approval of a majority of the Unit Owners in number and in common interest present in person or by proxy at a meeting duly held in accordance with these By-Laws.

Section 3.

No Severance of Ownership.

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his or her unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or

described therein. No part of the Appurtenant Interests of any unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

Section 4.

Release by Board of Managers of Right of First Refusal.

The right of first refusal contained in Section 1 of this Article VI may be released or waived by the Board of Managers, in which event the unit, together with the Appurtenant Interests, may be leased, sold or conveyed, free and clear of the provisions of such Section.

Section 5.

Certificate of Termination of Right of First Refusal.

A certificate, executed and acknowledged and in recordable form by the President and Secretary of the Condominium, stating that the provisions of Section 1 of this Article VI have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VI or in respect to whom the provisions of such section have been waived, upon request.

Section 6.

Financing of Purchase of Units by Board of Managers.

Acquisition of units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and common charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his or her ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7.

Gifts and Devises, etc.

Any Unit Owner shall be free to convey or transfer his or her unit and Appurtenant Interests by gift, or devise his or her unit and Appurtenant Interests by Will, or to pass the same by intestacy, without restriction.

Section 8.**Waiver of Right of Partition with Respect to Such Units as Are
Acquired by the Board of Managers, or Its Designee, on Behalf of
All Unit Owners as Tenants in Common.**

In the event that a unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such units owners shall be deemed to have waived all rights of partition with respect to such unit.

Section 9.**Payment of Common Charges and Assessments.**

No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his or her unit unless and until he/she/they shall have paid in full to the Board of Managers all unpaid common charges and assessments and expenses previously assessed by the Board of Managers against his or her unit and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

Section 10.**Mortgage of Units.**

Each Unit Owner shall have the right to mortgage his or her unit without restriction provided that any such mortgage shall be substantially in the form of the New York Statutory form of mortgage, except for such changes or additions as may be necessary in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional lender to make the mortgage loan.

Section 11.**Exceptions.**

The provisions of Section 1 of this Article VI shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his or her unit and Appurtenant Interests to his or her spouse or to any of his or her children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one of more of them, or (b) the acquisition, conveyance, sale or lease of a unit and Appurtenant Interests by the Sponsor, a Sponsor-affiliate or a designee of same, or (c) the acquisition, sale or lease of a unit, together with the Appurtenant Interests, by a mortgagee who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure. The Board shall be required to cooperate in providing appropriate physical access to any unit (and related common elements) described in Subdivision "a" and "b" of this Section 11, as well as all financial information regarding same.

ARTICLE VIII.
Condemnation

In the event of the taking in condemnation or by eminent domain of all or any part of the common elements, the Board of Managers subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the common elements so taken which, pursuant to the provisions of these By-Laws are required to be maintained by the Board. The award made for any such taking shall be payable to the Board of Managers as aforesaid. Such award shall be held by the Board of Managers and shall be disbursed to the contractors engaged in the repair and restoration, if any, of the common elements in appropriate progress payments. If the net proceeds of any such award are insufficient to cover or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be will be (a) borne and shared by all Unit Owners with respect to any taking of the general common elements pro rata in accordance with their common interests and (b) borne and shared by all Residential Unit Owners with respect to any taking of the residential limited common elements pro rata in accordance with their common interests.

Notwithstanding any provisions contained herein to the contrary, in the event that 75% or more in common interest of all Residential Unit Owners and all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the residential limited common elements or general common elements, respectively, such repairs or restorations shall not be made and net proceeds of any such award with respect thereto shall be divided among the Unit Owners in proportion to their respective common interests, after first paying out the shares of each Unit Owner the amount of any unpaid liens on such units other than mortgages which are not permitted mortgages. As used in this paragraph, the words "promptly resolved" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE IX.
Records

The Board of Managers or the Managing Agent shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

ARTICLE X.**Arbitration**

(a) General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Notwithstanding the foregoing, any arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners, shall be non-binding except as provided in subparagraph (c) hereof. In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in the City of New York before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of Kings. The decision of the arbitrator so chosen shall be given within ten (10) days after his appointment. All expenses of arbitration hereunder, including the fees and expenses of counsel and experts, shall be a General Common Expense. Any arbitrator appointed or selected in connection with the arbitration hereunder shall be a member of a law firm whose principal office is in the City of New York and which has at least three members.

(D) Agreement by Parties. The parties to any dispute required or permitted to be subject to arbitration hereunder may, by mutual agreement between them, vary any of the the provisions of (a) with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Determination of Disputes".

(E) Arbitration Procedure Relating to Submetered Electricity Charges During the Initial Control Period. In the event there is a dispute between any Unit Owner (the "Complaining Party") and the Board during the Initial Control Period only with respect to utility charges assessed by the Board, the Complaining Party and the Board shall first attempt to resolve the dispute within twenty (20) days of the Board receiving written notice of such dispute ("Settlement Period"). In the event the Board and the Complaining Party shall be unable to resolve such dispute during the Settlement Period, then, within 30 days after the expiration of the Settlement Period, the Complaining Party shall submit to the Board a written notice setting forth the exact nature of the Complaining Party's grievance ("Complaint"). The Board shall promptly transmit the Complaint to an arbitrator selected and paid for by the Board (the "Utility Arbitrator"). The Utility Arbitrator shall provide a full and fair hearing within ten (10) days after receipt of the Complaint unless the Complaining Party requests additional time. At such hearing, both parties may be represented by counsel or other designated persons, produce witnesses, submit documentary evidence, and cross-examine adverse witnesses. The Utility Arbitrator shall issue a written decision specifying the reasons and evidence relied upon

by him in reaching his decision within ten days after the hearing, and such decision shall be conclusive and binding upon all parties. Records of all such Complaints and decisions will be maintained for a period of at least three years at the offices of the Board.

ARTICLE XI. **Miscellaneous**

Section 1. **Notices.**

All notices hereunder shall be sent by registered or certified mail to the Board of Managers in care of the managing agent or if there is no managing agent, at the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all Unit Owners and to all mortgagees of units. All notices to any Unit Owner shall be delivered to the unit or sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees of units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers except that notice of meetings sent pursuant to Article III, Section 4 hereof may be sent by regular mail. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. **Invalidity.**

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

Section 3. **Captions.**

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. **Gender.**

The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5.
Waiver.

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

Section 6.
Definition of "Mortgagee".

As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

ARTICLE XII.
Amendments to By-Laws

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by approval of 66 2/3% in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purposes.

The following provisions of these By-Laws may not be amended without the consent in writing of the Sponsor or Sponsor-affiliate so long as it shall be the owner of one or more units.

(a) Section "1" of "Article III" - Insofar as it provides that the Sponsor or Sponsor-affiliate so long as it is the owner of a unit, shall be entitled to elect members of the Board of Managers, which members need not be Unit Owners.

(b) Section "2" of "Article II" - Insofar as it provides that the, Board of Managers may not exercise certain powers without the Sponsor's or Sponsor-affiliate prior written consent so long as the Sponsor or Sponsor affiliate shall continue to own any unit.

(c) Section "15" and "16" of "Article II" - Insofar as they provide for representation of the Sponsor or Sponsor-affiliate on the Executive Committee or any other committee created by the Board of Managers so long as it is the owner of one or more units.

(d) Section "8" of "Article III" - Insofar as it provides that the Sponsor, or Sponsor-affiliate, so long as it is the owner of one or more units, may vote the votes appurtenant thereto.

(e) Section "14" of "Article V" - Insofar as it provides that the provisions of such Section shall not apply to any units owned by the Sponsor, Sponsor-affiliate or any designee of the same.

(f) Section "11" of "Article VII" - Insofar as it applies to the Sponsor or a Sponsor-affiliate.

(g) This "Article XII".

Notwithstanding anything to the contrary herein contained, no provision of these By-Laws may be amended so as to adversely affect the Sponsor, Sponsor-affiliate or any designee of same, without the consent thereof.

ARTICLE XIII.

Conflicts

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

SCHEDULE A
Rules and Regulations

1. The units shall be used for residences only.
2. No industry, business, trade, occupation or professional of any kind, commercial, educational or otherwise, designed for profit, altruism, or otherwise shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any unit therein nor shall any unit be used or rented for transient, hotel or motel purposes. Notwithstanding the above, the right is reserved by the Sponsor or Sponsor-affiliate or the Board of Managers, or their agent, to (a) place, "For Sale", "For Rent" or "For Lease" signs on any unsold or unoccupied units, and (b) to erect, lease, manage and maintain commercial and recreational facilities on various portions of the property as permitted by applicable law and regulation, and as contemplated by the Offering Plan, as amended.
3. Nothing shall be done or kept in any unit or the common elements or limited common elements which will increase the rate of insurance of any of the buildings, or contents thereof, without prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his unit in the common elements or limited common elements which will result in the cancellation of insurance on any of the buildings, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his unit, any limited common element appurtenant thereto, or vestibule, any flammable, combustible or explosive fluid, material, chemical or substance (except gasoline in automobile tanks). No waste shall be committed in the common elements or limited common elements.
4. All radio, television or other electrical equipment of any kind or nature installed or used in each unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction thereof, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such unit. No such installation shall interfere with reception of the Master-T.V. antenna.
5. Nothing shall be done in any unit or in, on or to the common elements or limited common elements which will impair the structural integrity of the building or which would structurally change the building.
6. Nothing shall be altered or constructed in or removed from the common elements or limited common elements, except upon the written consent of the Board of Managers.

7. No animals, birds, or reptiles of any kind shall be raised, bred, or kept in any unit or in the common elements or limited common elements, except that dogs, cats or other household pets, not to exceed two per unit without the written consent of the Board of Managers, may be kept in 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 that 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 in any portion of the common elements unless carried or on a leash, or in any grass or garden plot under any circumstances.

8. No noxious or offensive activity shall be carried on in any unit or in the common elements or limited common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance to the other Unit Owners or occupants.

9. There shall be no obstruction of the common elements or limited common elements nor shall anything be stored in the common elements or limited common elements without prior written consent to the Board of Managers except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own unit and limited common elements to which such Unit Owner has exclusive use in accordance with the provisions of the By-Laws.

10. Except in recreational or other areas designated as such by the Board of Managers or in the Declaration, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs, on any part of the common elements (except that limited common elements may be used for the intended purposes). Storage by owners in areas designated by the Board of Managers or in the Declaration shall be at their own risk.

11. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out of a unit or exposed on any part of the common elements or limited common elements. The common elements and limited common elements shall be kept free and clear of rubbish, debris and other unsightly materials, nor shall any rugs or mops be shaken or hung from or on any of the windows, doors railings, or vestibules, nor shall a Unit Owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

12. Each Unit Owner shall keep his unit or limited common elements to which such Unit Owner has exclusive use in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his own unit and limited common elements to which such Unit Owner has exclusive use in accordance with the provisions of the By-Laws.

13. The sidewalks, entrances, passages, courts, lobby and stairways of the building shall not be obstructed or used for any other purpose than ingress to and egress, from the units.

14. Unless express written consent to the contrary is given by the Board of Managers as to the particular unit in question, 50% of the floor area of each unit (with the exception of baths, kitchens, closets and foyers) shall always be covered with carpet, rugs or material equally efficient for noise reduction.

15. Each Unit Owner shall be responsible for the cleaning and repair of all windows and window panes forming a part of the respective owner's unit.

16. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or unit in the building at any reasonable hour of the day for the purpose of inspecting such unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

17. The Board of Managers, or its designated agent, may retain a pass key to the unit. No Unit Owner shall alter any lock or install a new lock or a knocker on any door of the units without the written consent of the Board of Managers. In case such consent is given, the Unit Owner shall provide the Board of Managers, or its agent, with an additional key pursuant to its right of access to such premises. If entry is required in an emergency and the key has not been furnished to management as required by these Rules, the managing agent (with authorization from an officer of the Board) may forcibly enter the Unit without liability for damages or trespass, provided that reasonable care is exercised.

18. If any key or keys are entrusted by a Unit Owner or occupant or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers, whether for such unit or in an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

19. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

20. In order to retain the structural integrity and aesthetic appearance of the buildings, no additional window or through-the-wall air-conditioning appliances may be installed in any unit and no radio, television aerial or awning shall be attached to or hung from the exterior of the building by the Unit Owner without consent of the Board and otherwise in accordance with applicable laws and rules. Individual satellite dishes, not to

exceed 18" in diameter may be installed by Unit Owners with express written permission by the Board of Managers pursuant to Federal Law.

21. Painting or enclosing of balconies, terraces, gardens or patios (or any portion thereof), if any, shall be prohibited. Balconies, porches, patios, and terraces shall not be used for storage or for any purpose that would interfere with the aesthetic appearance of the buildings.

22. Repairs, alterations or improvement may only be made to a condominium unit on weekdays, excluding Saturday and Sunday, between the hours of 9:00 a.m. and 5:00 p.m., unless the Board of Managers grants written permission to perform the work at other times.

23. These Rules and Regulations may be altered or amended by vote of the Board of Managers, as set forth in the By-Laws.

OO. CERTIFICATIONS

CERTIFICATION BY SPONSOR AND PRINCIPAL OF SPONSOR

We are the sponsor and the principal of sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in 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:

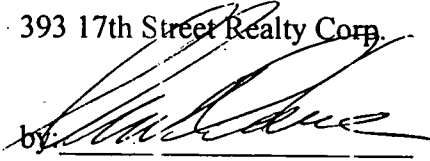
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (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 representation or statement made.

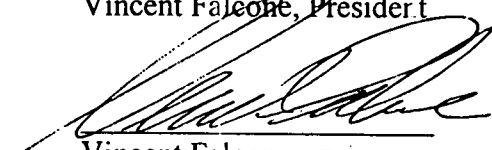
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

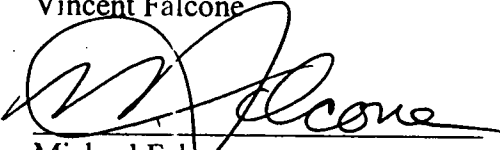
We understand that violations are subject to civil and criminal penalties of the General Business Law and Penal Law.

Subscribed to and sworn to by sponsor and sponsor's principals.

393 17th Street Realty Corp.

by 
Vincent Falcone, President

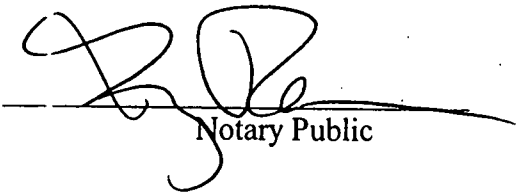

Vincent Falcone


Michael Falcone


Joseph Cammarata

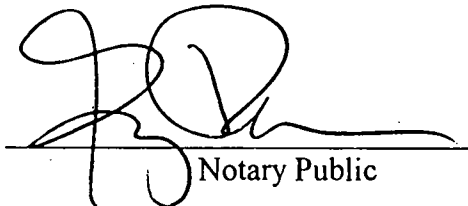
On the 29th day of October in the year 2002 before me, the undersigned, a Notary Public in and for said State, personally appeared Vincent Falcone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

GARY ROSEN
Notary Public, State of New York
No. 01RO4747968
Qualified in Queens County
Commission Expires March 10, 2008


Notary Public

On the 29th day of October in the year 2002 before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Falcone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

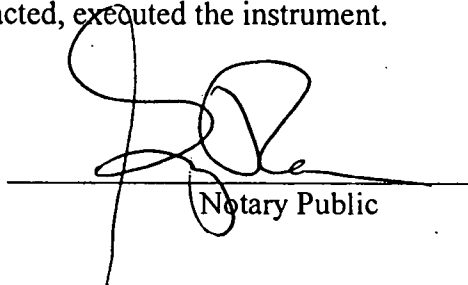
GARY ROSEN
Notary Public, State of New York
No. 01RO4747968
Qualified in Queens County
Commission Expires March 30, 2003



Notary Public

On the 29th day of October in the year 2002 before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph Cammarata, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

GARY ROSEN
Notary Public, State of New York
No. 01RO4747968
Qualified in Queens County
Commission Expires March 30, 2003



Notary Public

CERTIFICATION BY ARCHITECT OR ENGINEER
PURSUANT TO 13 NYCRR 20.4(C) (1)

March 3, 2003

State of New York
Department of Law
120 Broadway - 9thFloor
New York, New York 10271

RE: THE SOUTH SLOPE CONDOMINIUM
393 17th Street,
Brooklyn, New York 11218

The sponsor of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property. We have examined the building plans and specifications that we prepared for Building Department Application # 301391054, approved on September 17, 2002, and prepared the Report dated October 7, 2002, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

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

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

I certify that the Report:

(i) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

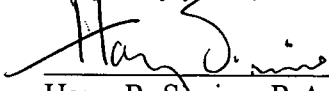
(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

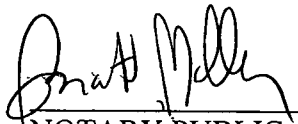
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

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

Very truly yours,


Harry R. Simino, R.A.

Sworn to before me this
3RD DAY OF MARCH 2003


NOTARY PUBLIC

BARNETT MALLER
Notary Public, State of New York
No. 01MA4723281
Qualified in Nassau County
Commission Expires 10-31-06

CERTIFICATION BY SPONSOR'S EXPERT CONCERNING
THE OF ADEQUACY OF OPERATING BUDGET -
SCHEDULE B AND SCHEDULE C
PURSUANT TO 13 NYCRR 20.4 (d)

BARNETT MALLER
CONDOMINIUM, CO-OP, AND CONSTRUCTION CONSULTANT
LICENSED REAL ESTATE BROKER
249-02 JERICHO TURNPIKE
Bellerose, N.Y. 11001-4003
516-437-1224

March 3, 2003

State of New York
Department of Law
120 Broadway - 9th Floor
New York, NY 10271

Re: THE SOUTH SLOPE CONDOMINIUM
393 17th Street,
Brooklyn, New York 11218

Gentlepeople:

The sponsor of the Condominium Offering Plan for the captioned property retained me to review the Condominium Schedule B and Schedule C containing projections of Income and Expenses for the first year of Condominium Operation.

My experience in this field includes :

I have been actively involved in the construction and development of residential real estate for over 25 years; and have built and developed more than 750 homes in Nassau, Suffolk and Queens Counties. For such developments, I handled all phases of the construction operation. I am past President of the Long Island Builders Institute, New York State Builders Association, Honorary Life Director of the National Association of Home Builders and Life Director of the Long Island Builders Institute.

I have been involved in Condominium consulting work for sponsor/developers since June 1985. In addition to preparing certifications of budgets for submission to the New York State Department of Law, I have been actively involved in the day to day management as a consultant with the sponsors until such times as management was turned over to the Unit Owners of more than twenty five (25) separate condominium developments in the metropolitan area since 1985. In addition, I have been involved in management of two (2) family homes in Queens for over fifteen (15) years.

Some of the condominiums with which I have been involved include Paerdegat Bay condominium II, Brooklyn, New York; Flatlands Gardens Condominium, Brooklyn, New York; Canarsie Gardens Condominium Brooklyn, New York; Bay Ridge Plaza Condominium, Brooklyn New York; Dyker View Condominium, Brooklyn, New York; Forest Hills Royale Condominium, Queens, New York; Cambridge Gardens Condominium, Queens, New York; and Woodview Condominium, Brooklyn, New York, Bergen Cove Condominiums I, U, III & IV, Brooklyn, New York.

I have been a member of the Deepdale Gardens Board of Directors, a self-managed co-op of 1,396 units in Queens, New York for more than ten years. During this period I have been President, Chairman of the Operations Committee and have worked on budgetary matters for the preparation of the annual budgets.

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

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

I certify that the projections in Schedule B and Schedule C 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 Schedule B and Schedule C:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords 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;

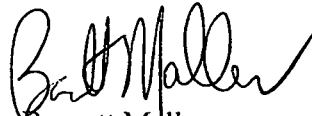
(vii) does not contain any representation or statement which is false, where I:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

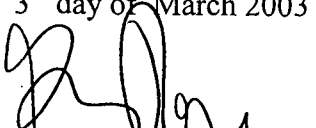
I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This 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.

Very truly yours,


Barnett Maller

Sworn to before me this
3rd day of March 2003


NOTARY PUBLIC

GARY ROSEN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01RO4747968
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES APRIL 30, 2003

**PP. 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: **The SOUTH SLOPE CONDOMINIUM**
393 17th Street,
Brooklyn, New York 11218

File Number: **CD-02-**_____

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:

☐ cooperative.

☒ condominium.

☐ homeowners association.

☐ timeshare.

other: _____

7. Name and Address of Sponsor:

**393 17th Street Realty Corp.
3707 15TH AVENUE
BROOKLYN, NEW YORK 11218**

8. Name and Address of Escrow Agent:

**GARY ROSEN LAW FIRM, a professional corporation
249-02 JERICHO TURNPIKE
FLORAL PARK, NEW YORK 11001**

9. If down-payments are maintained in an escrow account:

(a) Name of account: GARY ROSEN LAW FIRM, a professional corporation
THE SOUTH SLOPE CONDOMINIUM ESCROW ACCOUNT

(b) Name and address of bank (if known):

**HSBC
4930 KINGS HIGHWAY
BROOKLYN, NEW YORK 11234**

(c) Account number (if known) _____

(d) Initial interest rate (if known):

10. If down-payments have been secured by bonds:

(a) Name and address of bond issuer or surety:

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included explain:

11. If down-payments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit:

(b) Date of expiration of the letter of credit, if known: _____

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.

(c) Down-payments 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 down-payment(s) _____

(d) Total amount of down-payment(s): _____

(e) Names and addresses of affected by this application 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: _____

Signature: _____ Date: _____

Name (Printed): _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____
