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

THE BROADWAY ARMS CONDOMINIUM

Located at
170 Broadway
Brooklyn, New York 11211

12 Residential Units	\$ 5,660,000
1 Community Facility Unit	not currently offered for sale
6 Parking Space Units	not currently offered for sale
TOTAL AMOUNT OF OFFERING	\$ 5,660,000

The Condominium will consist of 12 Residential Units, 1 Community Facility Unit and 6 Parking Space Units. The Community Facility Unit and the Parking Space Units will be retained by the Sponsor and are not currently offered for sale.

<i>Name and Address of Sponsor:</i>	<i>Name and Address of Selling Agent:</i>
Broadway-Driggs Associates, LLC 96-20 Atlantic Avenue Ozone Park, New York 11416	Douglas Elliman 60 East 56 th Street, 8 th floor New York, New York 10022

Name and Address of Sponsor's Attorney:
Sonnenschein, Sherman & Deutsch, LLP
888 Seventh Avenue, Suite 501
New York, New York 10106

The Approximate Date of the First Offering Plan to the Public is January 15, 2004
The Offering Plan May not be Used After January 14, 2005 Unless Extended By Amendment.

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

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

PART I

SPECIAL RISKS	1
INTRODUCTION	5
Features of Condominium Ownership	6
Legal Documents	8
Copy of the Plan	8
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	9
The Property	9
The Building	9
The Residential Units	9
Building Services and Facilities	11
LOCATION AND AREA INFORMATION	11
Location and Services	11
Police, Fire, Snow Removal & Road Maintenance	12
Medical, Educational and Religious Facilities	12
SCHEDULE A	13
THE BROADWAY ARMS CONDOMINIUM	
FOOTNOTES TO SCHEDULE A	14
SCHEDULE B	18
THE COMMUNITY FACILITY UNIT AND PARKING SPACE UNITS	24
CHANGES IN PRICES AND UNITS	26
PROCEDURE TO PURCHASE	27
ESCROW FUNDS	30
ASSIGNMENT OF PURCHASE AGREEMENTS	33
EFFECTIVE DATE OF THE PLAN	33
TERMS OF SALE AND CLOSING OF TITLE TO UNITS	34
STATUS OF TITLE AT CLOSING	37
EASEMENTS	39
CLOSING COSTS AND ADJUSTMENTS	40
Estimated Closing Costs	40
Estimated Expenses and Adjustments	44
Penalty for Adjourned Closings	44
RIGHTS AND OBLIGATIONS OF THE SPONSOR	45
CONTROL BY THE SPONSOR	51
BOARD OF MANAGERS	52

RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS	55
Sale or Lease of Residential Units by Unit Owners	55
Mortgaging of Units by Unit Owners	57
Common Charges and Assessments	57
Repairs	58
Insurance	59
Additions, Alterations and Improvements	61
Restrictions on Occupancy and Use	63
Compliance with Declaration, By-Laws, Rules and Regulations	64
Amendments to Condominium Documents	64
No Partition of Common Elements	65
Termination of Condominium	65
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	65
Real Estate Tax Exemption Benefits (Section 421-a)	68
RESERVE FUND FOR CAPITAL EXPENDITURES	69
WORKING CAPITAL FUND	69
MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	70
Insurance	72
Service Contracts	72
IDENTITY OF PARTIES	73
Sponsor	73
The Selling Agent	73
Managing Agent	73
Attorneys for Sponsor	73
Architect	74
REPORTS TO UNIT OWNERS	74
DOCUMENTS ON FILE	74
GENERAL	74
SPONSOR'S STATEMENT OF SPECIFICATIONS AND BUILDING CONDITION ..	75

PART II

- EXHIBIT A - Unit Floor Plans
- EXHIBIT B - Description of Property
- EXHIBIT C - Unit Description
- EXHIBIT D - Purchase Agreement and Power of Attorney
- EXHIBIT E - Unit Deed
- EXHIBIT F - Declaration of Condominium
- EXHIBIT G - Condominium By-Laws
- EXHIBIT H - Counsel's Tax Opinion and Real Estate Tax Consultant's 421-a Tax Opinion
- EXHIBIT I - Expert's Opinion and Counsel's Opinion re: Compliance with Real Property Law §339(i)
- EXHIBIT J - Certifications:
 - Sponsor
 - Sponsor's Architect
 - Sponsor's Expert Concerning Adequacy of Budget
 - Sponsor's Expert Concerning Adequacy of Common Charges Payable by the Community Facility Unit Owner and the Parking Space Unit Owners
- EXHIBIT K - Escrow Agreement for Purchaser's Down Payments
- EXHIBIT L - Application to Attorney General for Determination on the Disposition of Down Payments

PART I

I. SPECIAL RISKS

A. Although Sponsor is obligated to complete the Units and the Common Elements, as described in this Offering Plan, and to obtain a permanent Certificate of Occupancy for the Building, each Purchaser shall be obligated to close on the purchase notwithstanding that on the Closing Date Sponsor has not obtained a permanent certificate of occupancy for the Building or completed construction of (a) details of the Unit or the Property, (b) other Units, or (c) the Common Elements which do not prevent Purchaser's use of the Unit and Purchaser's access to the Unit, provided that Sponsor has obtained a temporary certificate of occupancy with respect to the Unit, and all required services are being reasonably supplied or furnished to the Unit. Sponsor represents that currently its assets and funding sources are sufficient to meet its obligations under the Offering Plan, including, but not limited to, its obligation to complete the Building and obtain a permanent certificate of occupancy for the Building. Except upon issuance of a temporary certificate of occupancy and the closing of the first Unit, in which event a bond or escrow deposit in the amount estimated by the Architect to be necessary for the Sponsor to complete its obligations in order to obtain the permanent certificate of occupancy will be provided, no bond or other security will be given to secure Sponsor's obligations to complete construction and perform its other obligations, including but not limited to its obligation to pay Common Charges, assessments and real estate taxes with respect to Unsold Units under this Plan. See "Rights and Obligations of Sponsor."

B. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations and tax rates, when actually made by the City of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation and tax rates are to be considered opinions and are not intended, and should not be construed as warranties as to future assessed valuations and tax rates. The Sponsor has applied for tax exemption benefits under Section 421-a of the Real Property Tax Law described in Schedule A to the Plan and has obtained a Preliminary 421-a Certificate of Eligibility. However, in no event will the Sponsor, its principals, sales agents, consultants, Sponsor's counsel or any other person be liable if any assessed valuation or tax rate, when actually made, is lesser or greater than that projected herein or if Section 421-a benefits are not granted by the City of New York, or if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed. See Schedule A for more details.

C. 1. A purchaser must submit a copy of a so-called "pre-approval letter" from an institutional lender doing business in the New York City metropolitan area along with the executed Purchase Agreement and down payment check. See "Procedure to Purchase" and the Purchase Agreement for further information.

2. The Sponsor currently projects the first closing of a Unit to occur on or about April 1, 2004. In the event a Purchaser obtains a mortgage loan commitment to purchase a Unit, and does not close on the purchase of the Unit, even if the Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, before the expiration of the commitment, and the Purchaser incurs additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or loses its commitment, Sponsor, its principals, selling agents and counsel shall not be responsible for the payment of any of such fees or costs incurred by or imposed upon the Purchaser, or any other loss, and Purchaser must pay all of same. However, if the

Purchaser obtains a Loan Commitment (as defined in the Purchase Agreement) and the Commitment lapses or expires prior to the Closing Date not due to action or inaction on the part of the Purchaser, and Purchaser has made a good faith effort to extend the Loan Commitment including payment of any additional fees and/or provision of additional documents required by the Lender, but such Loan Commitment has not been extended notwithstanding Purchaser's good faith efforts, then Sponsor will grant the Purchaser a right to rescind the Purchase Agreement within fifteen (15) days of Purchaser's receipt of notice from the Lender or mortgage broker that the Loan Commitment has not been extended. Purchaser must provide a copy of such notice from the Lender or mortgage broker to the Sponsor, along with Purchaser's notice to the Sponsor of Purchaser's exercise of such right or rescission, following receipt of which notice, Sponsor shall promptly return Purchaser's down payment, with interest, if any has been earned, and the Purchase Agreement shall be terminated. See "Procedure to Purchase" and the Purchase Agreement.

D. If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that Purchaser has thirty (30) days from the mailing date or personal delivery of such notice within which to cure such default. Time is of the essence for Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement, and, in such event, the monies held by the Escrow Agent, but not more than ten (10%) percent of the Purchase Price, and the actual costs incurred for any special work ordered by Purchaser (even though the total amount of liquidated damages thereby exceeds ten (10%) percent of the Purchase Price) shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Additionally, if a Purchaser fails for any reason, other than due to Sponsor, to close title to a Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of such default, the apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date and Purchaser will be required to pay to Sponsor an amount equal to 0.05% of the Purchase Price for each day that the Closing is adjourned. See "Closing of Title to Units". The Sponsor reserves the right to modify any of the foregoing, in its sole discretion, in any Purchase Agreement.

E. Sponsor shall have control of the Board of Managers for up to two (2) years after the first Unit closing or until more than fifty (50%) percent of the Common Interests in the Condominium have been sold. Therefore, while Sponsor is in control of the Board of Managers, Sponsor will have control of the maintenance and operation of the Condominium and will, as controlling party on the Board of Managers, determine the Common Charges to be paid for all Unit Owners (including Sponsor); provided, however, Sponsor shall vote to authorize the expenditures set forth in Schedule B of this Plan or any other expenditure required: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer. See "Control by the Sponsor".

F. Until Sponsor has conveyed title to Units representing seventy-five (75%) percent of the Common Interests, but in no event later than five (5) years after the First Unit Closing, whichever shall first occur, the Board of Managers may not amend the Declaration or the By-Laws nor take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make or allow any addition, alteration or improvement to the Common Elements unless required by law, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the

number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Unit Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit, or, (g) reduce any services; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board of Managers to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium. Sponsor may not exercise veto power over expenses described in Schedule B or over expenses required (i) to comply with applicable laws or regulations, (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer.

As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board of Managers may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium except as specifically permitted in such documents; or (ii) interfere with the offer and sale or leasing of Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary for construction, renovation, repair, or correction of the Property as required by Sponsor or a Sponsor-designee, as the case may be. See "Control by the Sponsor".

G. A Purchaser may not commence any alteration, addition, or improvement which would require a construction, alteration or building permit issued by the New York City Department of Buildings, including but not limited to, the combination of two or more Residential Units, until the permanent Certificate of Occupancy for the Building has been obtained, nor may any work be undertaken which will alter the layouts or plumbing of the Units. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary Certificate of Occupancy. Any Purchaser (as Unit Owner) who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for all such fines, as well as for direct and consequential damages. See "Rights and Obligations of the Unit Owners and the Board of Managers."

H. The Residential Units will contain hook-ups for clothes washers and clothes dryers. Purchasers who wish to install such appliances must purchase and install them at the Purchaser's sole expense. The Residential Units will each have a private balcony or terrace with direct access from the Unit, with concrete floors. The Sponsor will not provide any decking material on such balcony or terrace.

I. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units. However, in the event that the Sponsor is not able to sell such Units at prices equal to the prices of the Units included in the amendment which declares the Plan effective, less ten (10%) percent, the Sponsor reserves the right to rent, rather than sell, such Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers shall include: listing unsold Residential Units with brokers, showing unsold Residential Units to brokers and prospective purchasers or their representatives, filing updated amendments to the Offering Plan and otherwise engaging in customary sales activities. Pursuant to existing law and regulations, the Sponsor may declare the Offering Plan effective by selling a minimum of fifteen (15%) percent of the Units offered for sale (i.e., two (2) Residential Units). Even if the Offering

Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close on the conversion with fewer than the minimum number of sales, if Purchasers counted toward effectiveness default under their Purchase Agreements or otherwise do not ultimately close thereunder. Purchasers should note that banks and other lenders impose various restrictions on mortgage loans secured by condominium units. Such restrictions usually include a requirement that a certain percentage of the condominium units in a building be sold before the lender will make or 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 particular lender's minimum requirements. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a Purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

J. Prospective purchasers should be aware that since there is no legal requirement that condominium unit owners personally occupy their Units, it is possible that the building will be occupied by both owner-occupants and tenants of Unit Owners, whose interests in the Condominium management may differ. See "Effective Date of the Offering Plan."

K. The number of parking spaces to be created in the cellar of the Building (6) is less than the number of Residential Units of the Condominium (12). Thus, not all purchasers of Residential Units will be able to lease parking spaces. The Sponsor makes no representation concerning the availability of parking spaces for lease at any given time. However, parking spaces may only be leased to Unit Owners and tenants.

L. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical, structural and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operation, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, air-conditioning, heating, ventilating and elevators, may require more than a year after any Unit closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require months or more after the First Unit Closing to be completed. Sponsor may not complete the decoration of the lobby or corridors in the Building, until that particular floor is fully occupied by Residential Unit Owners. Furthermore a Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations, dust, debris and odors and temporary interruption of services may interrupt their enjoyment of their Units during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. See "Description of Property and Improvements" and "Easements."

M. the Sponsor hereby reserves the right to execute and record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration or By-Laws at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purposes of (i) filing revised Floor Plans, (ii) changing the Unit designation, tax lot number, the approximate square footage area, and number of Unsold Units (iii) changing the number of rooms and/or layout in an Unsold Unit and the percentage of

Common Interest allocated thereto, (iv) subdividing one or more Units into separate Units; (v) combining separate Units into one or more Units or altering the boundary walls of Units; (vi) incorporating Common Elements into Units; (vii) making insubstantial changes to the Declaration; or (viii) making changes required by applicable law or regulations as more fully set forth in the Declaration. The amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Sponsor or its designee. See "Board of Managers" and the By-Laws.

OFFERING PLAN FOR THE BROADWAY ARMS CONDOMINIUM

INTRODUCTION

Broadway-Driggs Associates, LLC, a New York Limited Liability Company (the "Sponsor"), with an office at 96-20 Atlantic Avenue, Ozone Park, New York 11416, presents this Offering Plan (the "Plan") of condominium units located in a building being newly constructed at 170 Broadway, Brooklyn, New York 11211 (the "Building") and the land upon which the Building stands (the "Land"). The Land, Building and appurtenances are hereinafter sometimes referred to as the "Property" and/or the "Condominium". The name of the Condominium will be The Broadway Arms Condominium.

The purpose of this Plan is to set forth all the material terms of the offer. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served on all Purchasers and Unit Owners unless the Department of Law consents to service on a specified class of offerees.

The Sponsor is offering twelve (12) residential condominium apartment units located on the second through sixth floors of the Building. There will be one Community Facility Unit on the basement level and six (6) parking space Units on the cellar level. **Special Risk: Since the number of Residential Units exceeds the number of parking spaces, it is possible that not all purchasers of Residential Units will be able to lease parking spaces at any given time. Sponsor makes no representation concerning the availability of parking spaces at any given time. However, parking spaces may only be leased to Unit Owners and tenants.** The Sponsor is not currently offering the Community Facility Unit or the Parking Space Units for sale. The residential condominium apartments are referred to individually as a "Residential Unit" or collectively as the "Residential Units," and the Community Facility Unit is referred to as the "Community Facility Unit." The Residential Units, the Community Facility Unit and the Parking Space Units are collectively referred to as the "Units". A general description of the Units is set forth in Part I of the Plan. Legal descriptions of the Units and the Common Elements are found in the proposed Declaration contained in Part II. The Unit floor plans showing the approximate layout and approximate dimensions of the Units are also set forth in Part II of this Plan.

The Residential Units are being offered in accordance with the schedule of sales prices (Schedule A) contained herein. **These prices have been set by the Sponsor alone and are not subject to review or approval by the Department of Law or any other governmental agency.**

The Plan, contains all of the material terms of the Sponsor's offer of condominium Units. Copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with filing the Plan will be available for inspection by prospective Purchasers, without charge, and for copying, at a reasonable charge, at the sales office (if any) at the office of the Sponsor, during normal business hours, and at the Department of Law.

Broadway-Driggs Associates, LLC acquired the land on which the Building will be erected, and the land adjacent thereto on which the Sponsor is constructing a six story rental building to be known by the street address 158 Broadway, by deed from 158 Broadway Corp. dated January 23, 2003 and recorded on February 6, 2002 in Reel 5467 Page 2225 in the Kings County Office of the Register of the City of New York (the "Register's Office"). The Sponsor has applied to subdivide the property into two tax lots (170 Broadway to be designated as Lot 18 and 158 Broadway to be designated as Lot

16). The Sponsor will cause to be executed and recorded a Declaration of Condominium and By-Laws in substantially the form set forth in Part II of this Plan prior to the conveyance of a Unit to a Purchaser. References made hereafter in this Plan to "Declaration", "By-Laws", and "Floor Plans" shall mean the Declaration and By Laws of The Broadway Arms Condominium and the Floor Plans to be filed by the Sponsor, unless otherwise indicated. Reference made hereafter in this Plan to "Sponsor" shall mean Broadway-Driggs Associates, LLC, and its successors, assigns and designees.

The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units. However, in the event that the Sponsor is not able to sell such Units at prices equal to the prices of the Units included in the amendment which declares the Plan effective, less ten (10%) percent, the Sponsor reserves the right to rent, rather than sell, such Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers shall include: listing unsold Residential Units with brokers, showing unsold Residential Units to brokers and prospective purchasers or their representatives, filing updated amendments to the Offering Plan and otherwise engaging in customary sales activities. The Sponsor has obtained construction financing for the renovation of the Property and the creation of the Condominium. The terms of such financing include provisions for minimum amounts which must be paid to the construction lender in order for Units to be released from the lien of the mortgages.

Features of Condominium Ownership

An Owner of a Condominium Unit owns the Unit outright, in fee, and is entitled to the exclusive possession of that Unit. The Unit Owner is also the owner, in common with the owners of all the other Units, of all parts of the Property other than the Units themselves (the "Common Elements", as hereinafter defined) and to use the Common Elements. Certain of the Common Elements have exclusive advantages or substantially exclusive advantages which are enjoyed by one or more but less than all Unit Owners, and are known as "Limited Common Elements". An example of Limited Common Elements are the balconies and portions of the roof appurtenant to certain Units. The Common Elements and Limited Common Elements are described in Article 6 of the proposed Declaration, found in Part II.

The owner of a Unit can sell or lease the Unit, without restriction or limitation, subject (in the case of Residential Units) to a right of first refusal in favor of the Board of Managers of the Condominium exercisable at the same price offered to the Unit Owner (see the section of the Plan entitled "Sale or Lease of Units by Unit Owners").

Unit Owners may decorate the interior of the Unit in any way that they desire. Unit Owners are obligated to pay the cost of interior decoration and repair after closing. Residential Unit Owners are responsible for maintenance and repairs to the Unit (excluding entrance doors and windows, unless the repair is necessitated by the Unit Owner's act or omission and excluding exterior walls) and to electrical and plumbing installations and fixtures (other than electrical and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units, which are the responsibility of the Board of Managers). Unit Owners are responsible for repair or replacement of appliances, including clothes washers and clothes dryers and fireplaces (if any) in individual Units, and repair or replacement of the heating and air conditioning units within the Units.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. With respect to those Units which have balconies or roof terraces, the maintenance and repair responsibility of the Unit Owner is limited to any railings, pavers, fencing, etc. (and to any surface or roofing

material damaged by the Unit Owner). No planters may be placed on the roof or balconies. Any damage caused by excessive weight placed on the roof or balconies will be the Unit Owner's sole responsibility to correct and restore. The owner(s) of the Community Facility Unit and the Parking Space Units are responsible for the repair and maintenance of Limited Common Elements appurtenant to those Units, utility lines, equipment and installations servicing only those Units, the mechanical equipment servicing only those Units, the entrance and exit doors leading to the street, any other Community Facility or Parking Space Limited Common Elements shown on the Floor Plans and said Community Facility Units' or Parking Space Units', as the case may be, proportionate share of repairs and maintenance to the General Common Elements described in the Declaration. With respect to the Residential lobby and lobby entrance doors and utility installations servicing the Residential Units only, among other items which are Limited Common Elements for the exclusive use of the Residential Unit Owners, the responsibility of the Unit Owners is for repair, replacement and ongoing maintenance which will be provided by the Board of Managers and charged to all Residential Unit Owners only as a Residential Common Expense.

Unit Owners may mortgage their Units in any amount. No Unit will be subject to the lien of any mortgages placed by other Owners on their Units.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and Unit Owners will not be responsible for real estate taxes on Units other than their own. In the opinion of Sponsor's counsel, as set forth in this Plan, under present tax laws a Residential Unit Owner may deduct the real estate taxes assessed against the Unit, and paid by the Unit Owner, from his or her income for income tax purposes, and, in the case of a primary residence, subject to the limitations set forth in the opinion, the interest paid on the mortgage encumbering the Unit.

Although the Board of Managers will carry fire insurance covering the Building and public liability insurance, Unit Owners are encouraged to carry insurance covering the interiors of their Units, their furniture and furnishings and personal property (which will not be covered by the Condominium's insurance). Owners of the Community Facility Unit and Parking Space Units will pay their proportionate share of fire and multi-peril insurance policy premiums and the Community Facility Unit Owner and Parking Space Unit Owners will be responsible for any increase in insurance costs to the Condominium resulting from the use of such Community Facility Unit or Parking Space Units.

Managing the affairs of the Condominium will be the responsibility of its Board of Managers. Subject to the rights of the Sponsor as described in this Plan, the members of the Board of Managers are elected by the Unit Owners. The Board of Managers does not have the right to approve or disapprove prospective Unit Owners other than exercising a right of first refusal, as described in "Rights and Obligations of the Unit Owners and the Board of Managers". There is no limit on the number of Unit Owners who purchase their Units for investment rather than for personal occupancy, and there may always be a substantial percentage of Unit Owners who are not residents of the Building. However, the By-Laws require that after the expiration of the initial Sponsor Control Period described in "Control by the Sponsor", a majority of the members of the Board of Managers must be owners-occupants who are unrelated to the Sponsor and its principals or members of an owner-occupant's household. The Board of Managers will assess charges against each Unit Owner ("Common Charges"), in proportion to the respective interests in the Common Elements (or, with respect to the Community Facility Unit and Parking Space Units, as set forth in Schedule B and in the Declaration), for the maintenance of the Common Elements and for the operating costs of the Property ("Common Expenses"). A budget containing estimates of Common Expenses for the projected first year of Condominium operation is contained in

Schedule B. Unit Owners are obligated to pay their Common Charges in accordance with Sections 339(i) and 339(m) of the New York Condominium Act.

Each Residential Unit Owner and the Community Facility Unit Owner will pay for all electricity which is consumed within a Unit for air conditioning, lighting and appliances, and for gas for cooking. Those charges will be separately metered and billed directly to the Unit Owner by the applicable utility. The Condominium will pay for the cost of gas for hot water, and to heat the hot water utilized by the cellar boiler supplying the Unit heating units and for the cost of electricity for the Common Elements (including the lobby, hallways, elevator and mechanical equipment) as part of the Common Expenses, and each Unit Owner will pay his or her proportionate share as part of the Common Charges as shown on Schedule B.

Legal Documents

The Condominium is subject to and complies with the New York Condominium Act. The agreement to purchase a Unit is called a "Purchase Agreement". A Purchase Agreement for the Units is set forth in full in Part II of this Plan as Exhibit D.

The Declaration and By-Laws which will govern the operation of the Condominium are set forth in Part II as Exhibits F and G respectively. Each Unit Owner is required to comply with the Declaration, the By-Laws, and the rules and regulations thereunder and any other requirement of the Condominium's Board of Managers. They are summarized in the section entitled "Rights and Obligations of Unit Owners and the Board of Managers".

Copy of the Plan

To accommodate prospective Purchasers who desire to purchase a Unit but who are not ready to execute a Purchase Agreement, a prospective Purchaser may request a copy of the Plan from the Selling Agent. Such person shall tender a check made payable to "Broadway-Driggs Associates, LLC", in the amount of \$100. The deposit assures the return of the copy of the Plan to the Selling Agent in good condition. If, within thirty (30) days of collection of the aforesaid check, a prospective Purchaser enters into a Purchase Agreement or returns the copy of the Plan in good condition to the Selling Agent, the deposit will be refunded. Any such deposit will not bear interest. After the expiration of such thirty (30) day period, if the copy of the Plan is not returned in good condition or the prospective Purchaser has not entered into a Purchase Agreement, then the aforesaid deposit will be released to the Sponsor.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property

The Property is located in the Williamsburg section of Brooklyn, on the south side of Broadway between Bedford Avenue and Driggs Avenue.

The Building

The Building will consist of a cellar, basement, ground or first floor and six (6) stories above the lobby floor. There will be twelve (12) Residential Units located on floors two through six, there will be one Community Facility Unit located on the basement level and six (6) Parking Space Units located in the cellar, described in the section of the Plan entitled "The Community Facility Unit and the Parking Space Units." The cellar will also contain various mechanical and utility rooms.

The Residential Units

There will be twelve (12) Residential Units. The Residential Units will each contain a gas range, refrigerator and dishwasher. The Sponsor will not provide clothes washers or clothes dryers. Unit Owners who wish to install such appliances in their Units must purchase and install the appliances at the Unit Owners' sole expense. There will be hook-ups provided for a clothes washer and clothes dryer. See Exhibit B in Part II for more detail.

Each Residential Unit will have a private balcony or terrace with direct access from the Unit, which balconies and terraces are Limited Common Elements for the use of the respective Owners of said Units. It will be the responsibility of such Unit Owners to maintain the surface of the balcony or terrace covering the concrete (if any) and any railings, fencing, etc. and to make any and all repairs of damage caused by any installations placed by the Unit Owner on such terraces. No planters may be placed on the balcony or terrace, no balcony or terrace may be enclosed, and no structures may be erected on any balcony or terrace.

Part II sets forth a description of the Building and Units, including the equipment supplied by Sponsor which is included in the Purchase Price, and any optional extra features which may be available. Purchasers should review the general description and outline of the specifications for the Building and the Units that appears in Part II as Exhibit B, "Description of Property and Specifications".

The Units and Building containing them will be constructed substantially in accordance with the plans prepared by Maurice Brezel, Registered Architect, and the specifications thereon, copies of which are available in the office of the Sponsor, and will conform to all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. These authorities are the New York State Building Code as applied and interpreted by the New York State Code Commission and the New York City Department of Buildings, the Board of Fire Underwriters and the Board of Health. The plans for the construction of the Building were approved by the New York City Department of Buildings on September 11, 2002. The Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto. If there is a variation between the plans and specifications and the applicable rules, regulations, laws and other requirements including those governing

zoning and construction, said applicable rules, regulations, laws and other requirements of governmental authorities having jurisdiction shall govern and control over the plans and specifications, and the plans and specifications shall be amended accordingly.

Sponsor has projected the First Closing of a Residential Unit for April 1, 2004 ("First Unit Closing") based upon the current construction and permit approval schedule. The actual date for the First Unit Closing is not guaranteed or warranted and may be earlier or later depending on the progress of construction and compliance with the other prerequisites to closing of title. Construction may be delayed by the late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. The Units in the Building will be completed at varying times over a period that could extend well beyond the First Unit Closing. The order in which these Units will be completed is in the discretion of Sponsor, however, Sponsor expects that all of the Residential Units will be completed within six (6) months of the First Unit Closing. Except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Unit Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor, including any fees, costs or expenses which Purchaser may incur due to the extension of the closing date.

Notwithstanding the aforesaid, if title to a Residential Unit for which a Purchase Agreement was executed prior to the date of the notice declaring the Plan effective has not been conveyed to a Purchaser within twelve (12) months after the projected date for commencement of the first year of Condominium operation set forth above, (except where such failure is due to the default or delay of Purchaser), then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of such twelve (12) month period, to cancel the Purchase Agreement. A Purchaser desiring to so cancel must deliver a written notice to the Sponsor so as to be received by Sponsor during that aforesaid thirty (30) day period and the Purchase Agreement will thereupon be deemed canceled at the end of the aforesaid notice period (unless the Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, the Sponsor shall return the Downpayment (but not the cost of any extras paid for by Purchaser or any of Purchaser's other costs or expenses) paid under the terms of the Purchase Agreement, with interest earned, if any.

Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical, structural and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operation, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, air-conditioning, heating, ventilating and elevators, may require more than a year after any Unit closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require months or more after the First Unit Closing to be completed. Sponsor may not complete the decoration of the lobby or corridors in the Building, until that particular floor is fully occupied by Residential Unit Owners. Furthermore a Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations, dust, debris and odors and temporary interruption of services may interrupt their enjoyment of their Units during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of

services in the Building. See "Description of Property and Improvements" and "Easements."

Building Services and Facilities

Staffing: There will be a part-time superintendent who will work twenty (20) hours per week.

Trash Removal: There will be refuse storage closets on each residential floor and in the cellar. Refuse is collected by the New York City Department of Sanitation.

Mailboxes: The mailboxes for Residential Units will be located in the lobby. A U.S. Postal Service employee will deliver incoming mail.

Elevator Service: There will be one automatic passenger elevator. The elevator will service the cellar through the sixth floor of the Building, with the elevator machine room located in the cellar.

Recreation Facilities: There will be a common passive use recreation area on the roof over the sixth floor of the Building.

Fire Protection: Smoke detectors will be provided in each Residential Unit in accordance with applicable code, and there will be sprinklers located throughout the Building.

Intercom System and Door Monitoring System: Each Residential Unit will be equipped with an intercom connected to the telephone lines, providing two-way private voice communication from the Residential Unit to the lobby of the Building and a buzzer system allowing Unit Owners to admit visitors.

Snow Removal: The Condominium will be responsible for the removal of snow and ice from the sidewalk adjacent to the Building's entrances on Broadway.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is located on the south side of Broadway between Bedford Avenue and Driggs Avenue in the Williamsburg section of Brooklyn in the City of New York. The Condominium is not located in a landmark district. The zoning district is R6, permitting community facility and residential use as of right.

New York City is one of the leading cultural centers of the world with some of the finest universities, museums, libraries, theaters and cultural institutions. It is renowned as a medical center and is a popular national and international tourist attraction. New York City is also one of the nation's leading business centers. New York City is the home of the New York and American Stock Exchanges and the National Over the Counter Stock Market. It is headquarters to many of the country's "Fortune 500" companies, largest commercial banks, leading investment banks, largest law firms, and large accounting firms.

New York City is one of the nation's center for communications, publishing, advertising, legal and financial services, business consulting and public relations. It is also a center for visual and performing arts and the fashion industry. Virtually every

industrial, technical, commercial and professional skill is available in the City's vast labor pool. In addition, New York City is the home of the United Nations and associated international consulates and missions. It is a major sports city with professional basketball, baseball and hockey franchises.

The New York City area is well served by transportation facilities of every kind. Taxi and limousine service is readily available. Railroad service is provided by Long Island Railroad and Metro North. Passenger railroad service is provided from Grand Central Station and Pennsylvania Station. The subway rail systems and bus routes afford travel throughout Manhattan, Brooklyn, Queens and the Bronx. New York City is served by three (3) major airports, Kennedy International and LaGuardia in New York and Newark International in Newark, New Jersey. These three (3) airports, provide air service to nearly all major destinations in the United States and the world.

New York City is also a recognized center for culture. Its vast number of museums and institutions for the performing arts make it one of the great cultural capitals of the world.

Police, Fire, Snow Removal & Road Maintenance

The Property is located within blocks of a police station, a fire station, shopping facilities, public transportation and public recreation. Police and fire protection and road maintenance services (including snow removal from the street but excluding snow removal from the sidewalk) are provided by the City of New York.

Medical, Educational and Religious Facilities

The area is served by several hospitals including Long Island College Hospital, Brooklyn Hospital Center and New York Methodist Hospital and several private physicians and dentists have offices in the vicinity of the Condominium.

Schools on the elementary, middle school and high school levels are located within the vicinity of the Condominium including P.S. 16, P.S. 19, P.S. 319, J.H.S. 50, J.H.S. 71 and HS 685, among others (Region 8).

There are houses of worship of most major denominations in the vicinity of the Condominium.

THE BROADWAY ARMS CONDOMINIUM
170 BROADWAY, BROOKLYN, NY
Projected First Year of Condominium Operation
April 1, 2004 through March 31, 2005

Total Estimated Carrying
Charges for 1st Year
(Common Charges and
Real Estate Taxes)
With 421A

Unit	BR/ Baths	Square Footage	Terrace/ Balcony	Purchase Price	Common Interest	Estimated Common Charges For 1st Year		Estimated Real Estate Taxes For 1st Year With 421A		Estimated Real Estate Taxes For 1st Year Without 421A		Total Estimated Carrying Charges for 1st Year (Common Charges and Real Estate Taxes) With 421A	
						Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
(1)	(2)	(2)	(3)	(4)	(5)	(5)	(6)	(6)	(7)	(7)	(7)	(7)	(7)
BA		2542		Not For Sale	20.59535	\$937.94	\$11,255.32	\$211.48	\$2,537.73	\$1,544.38	\$18,532.52	\$1,149.42	\$13,793.05
1A	2/1	807	831(i)	\$525,000	7.11706	\$324.12	\$3,889.46	\$42.13	\$505.51	\$533.68	\$6,404.22	\$366.25	\$4,394.97
1B	2/1	807	831(i)	\$525,000	7.11706	\$324.12	\$3,889.46	\$42.13	\$505.51	\$533.68	\$6,404.22	\$366.25	\$4,394.97
2A	2/1	807	61(b)	\$435,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
2B	2/1	807	61(b)	\$435,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
3A	2/1	807	61(b)	\$445,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
3B	2/1	807	61(b)	\$445,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
4A	2/1	807	61(b)	\$455,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
4B	2/1	807	61(b)	\$455,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
5A	2/1	807	61(b)	\$475,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
5B	2/1	807	61(b)	\$475,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
6A	2/1	807	61(b)	\$495,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
6B	2/1	807	61(b)	\$495,000	6.11706	\$278.58	\$3,342.96	\$36.21	\$434.48	\$458.70	\$5,504.38	\$314.79	\$3,777.44
Parking													
P1		153		Not For Sale	0.66666	\$30.36	\$364.33	\$3.95	\$47.35	\$49.99	\$599.89	\$34.31	\$411.68
P2		153		Not For Sale	0.66666	\$30.36	\$364.33	\$3.95	\$47.35	\$49.99	\$599.89	\$34.31	\$411.68
P3		153		Not For Sale	0.66666	\$30.36	\$364.33	\$3.95	\$47.35	\$49.99	\$599.89	\$34.31	\$411.68
P4		153		Not For Sale	0.66666	\$30.36	\$364.33	\$3.95	\$47.35	\$49.99	\$599.89	\$34.31	\$411.68
P5		153		Not For Sale	0.66666	\$30.36	\$364.33	\$3.95	\$47.35	\$49.99	\$599.89	\$34.31	\$411.68
P6		153		Not For Sale	0.66666	\$30.36	\$364.33	\$3.95	\$47.35	\$49.99	\$599.89	\$34.31	\$411.68
		13,144	2272	\$5,660,000	100	\$4,554.15	\$54,649.85	\$681.47	\$8,177.66	\$7,498.67	\$89,984.03	\$5,235.63	\$62,827.51

THE BROADWAY ARMS CONDOMINIUM
FOOTNOTES TO SCHEDULE A

1. Unit floor plans depicting the layouts of the Units are contained in Part II of this Plan. All dimensions shown on such plans are approximate and subject to construction variances and square footage variations. Plans and dimensions may also contain minor variations from floor to floor. Each Residential Unit will have a cellar storage area to be designated by the Sponsor at closing. Bedrooms and baths are computed in accordance with the floor plans set forth in Part II of the Plan. Room count of each Residential Unit, computed by the Sponsor's architect in accordance with the standards established by the N.Y.C. Building Code, is three (3) rooms and 1 bath, since the living/dining/kitchen is considered one room according to such code.
2. Any Unit floor plan or sketch shown to a prospective Purchaser is only an approximation of the interior dimensions of the Unit. The dimensions of the Units as listed in Schedule A reflect the approximate distance from the inner face of the masonry of the outer walls of the building to the center line of the wall separating the Unit from corridors, stairs, elevators, mechanical spaces and other Units. Thus, as is not uncommon in New York City, these measurements may exceed the usable net floor area of each Unit.
3. These prices have been set by Sponsor. Prices are not subject to the approval of any governmental agencies. For an explanation of conditions affecting these prices, see the section of the Plan entitled "Changes in Prices and Units". Prices and other terms of the sale are negotiable; see the section of this Plan entitled "Changes in Prices and Units". For closing costs payable by Purchasers (in addition to the price) and adjustments at closing, see the section of the Plan entitled "Unit Closing Costs and Adjustments".
4. The allocation of common interests is based upon method (iv) contained in Section 339-i(1) of the New York Condominium Act--that is, upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use and the overall dimensions of the particular Unit.
5. The Projected Common Charges are based upon the "Projected Schedule of Receipts and Expenses for the First Year of Condominium Operation" (Schedule B). The figures shown do not include the cost of electricity consumed within Units for air conditioning, lighting and appliances, nor the cost of gas for heating, hot water and cooking, nor the costs to maintain the interior of the Unit or any Limited Common Elements appurtenant thereto. A Unit Owner who obtains a mortgage loan to purchase a Unit will also pay the debt service on that mortgage and all accompanying expenses associated with such mortgage including real estate tax escrows, insurance escrows, title charges and closing fees.
6. The estimated taxes for the Units are based on the City's fiscal year commencing July 1, 2003 since the anticipated commencement date (anticipated date of first Unit closing) is April 1, 2004. These estimates reflect the 18.5% increase in real estate tax rates imposed by the City of New York effective January 1, 2003. Assuming that the Units of the Property qualify for tax benefits under Section 421-a of the Real Property Tax Law, the real estate taxes for the Residential Units would be reduced as described in Footnote 7. See "Income Tax Deductions to Unit Owners and Tax Status of the Condominium," and "Real

Estate Tax Consultant's 421-a Tax Opinion" set forth in Part II for further information.

The real estate tax amount due for the Condominium's projected first year of operation commencing April 1, 2004 includes part of the City's 2003/2004 fiscal year (April 1, 2004 to June 30, 2004) and part of the City's 2004/2005 fiscal year (July 1, 2004 to March 31, 2005).

The taxable assessed value for the 2003/2004 fiscal year is $\$51,120 \div 2 = \$25,560$ and the current (2003/2004) tax rate is 12.517% (applicable to Class 2 properties), so that the taxes for the projected first year of Condominium operation equal approximately \$800. ($\$25,560 \times 12.517\% = \$3,199.34 \div 12 = \$266.61 \times 3$.)

The taxable assessed value for all of the Units in the aggregate for the 2004/2005 fiscal year is estimated to be \$950,000 (based on the current assessed value plus 45% (the equalization rate) of the estimated total value of renovations and improvements to the property if the property was to be a rental building) and an anticipated tax rate of 12.517%, the current (2003/2004) tax rate applicable to Class 2 residential properties, so that the real estate taxes for the first nine months of the 2004/2005 fiscal year for all of the Units in the aggregate (assuming no 421-a benefits) are anticipated to be approximately \$89,184. ($\$950,000 \times 12.517\% = \$118,911.50 \div 12 = \$9,909.29 \times 9 = \$89,183.62$.)

The total taxes anticipated to be payable for the year commencing April 1, 2004 therefore equal approximately \$89,984. Assuming Section 421-a benefits, the total taxes anticipated to be payable in such year equal \$8,177.66 for all Units (with a higher amount added to the Community Facility Unit's anticipated taxes as described below). It is anticipated that upon completion of the construction of the property that the actual assessed valuation will be \$950,000. If over the following years the actual assessment is not further increased the projected full taxes (assuming no Section 421-a benefits are) approximately \$118,912. Based on the past practice of the City of New York, the Units should be divided into separate tax lots for the 2005/06 fiscal year, resulting in separate tax bills thereafter.

The estimates of real estate taxes without 421-a exemption benefits set forth in Schedule A for the projected first year of Condominium operation have been calculated based upon each Unit's respective percentage interest in the common elements multiplied by the total anticipated taxes payable (with a higher amount added to Unit BA, assuming Section 421-a benefits, as described below). The Sponsor does not represent or guarantee that this method of allocation will be utilized by the City of New York in allocating taxes to the Units of the Condominium as separate tax lots.

After the Units are divided into separate tax lots, each Unit will be taxed as a separate lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is no assurance that The City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interests. If it does not, Owners of Units having the same Common Interest will pay different amounts of real estate taxes.

If the First Unit Closing occurs prior to the separate assessment of the Units of the Condominium, and there is still only a single real estate tax bill with respect to all of the Units in the aggregate, then each of the Unit Owners shall be

obligated to pay to the Condominium Board (or to the Sponsor, if the Sponsor had previously paid said bill) at such Unit's closing, a pro rata share of the full tax bill for all of the Units due for the next tax period following such closing based on the Unit's percentage interest in the Common Elements and the Condominium Board or the Sponsor shall pay the single tax bill. The Condominium Board will hold such payments on account of the real estate tax bill in an escrow account. See "Estimated Expenses and Adjustments".

Although the estimate of New York City Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations and tax rates, when actually established by the City Of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation and tax rates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or of the actual real estate taxes to be assessed. In no event will the Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuation or tax rate, when actually established, is lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to "Taxes - Deductions to Unit Owners" for more details.

Real estate taxes are deductible for income tax purposes for Residential Unit Owners who itemize deductions in accordance with current IRS regulations. The deductible amount of real estate taxes may vary due to changes in assessed valuations of Units, in tax rates or in the method of assessing real property which may result in a change in real property taxes or such other changes as may reasonably be expected to affect tax deductions. The interest portion of monthly mortgage payments made by a Purchaser who obtains mortgage financing for his or her Residential Unit and designates same as a primary qualifying residence, although not shown in this column, is also deductible for tax purposes by a person who itemizes deductions in accordance with current IRS regulations. The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage or the allocation of constant debt service payments between interest and principal. Sponsor makes no representation or warranty concerning tax deductions for any Unit Owners.

7. This column represents the total of the Projected Monthly Common Charges and Projected Monthly Real Estate Taxes, with and without section 421-a benefits. The Sponsor's real estate tax consultant has advised, but it is not guaranteed, that construction period exemption benefits will be in effect during the period of construction of the property. Thereafter, any increase in the assessed value of the property above the prior assessment in effect for the 2001/2002 tax year will be 100% exempt for the first 21 years, decreasing by 20% per year in the following five years which will reduce the real estate taxes for a period of 25 years. Sponsor makes no representation or warranty that the City of New York will grant Section 421-a tax benefits, nor that the extent or allocation of such benefits will be as set forth herein, nor that the applicable rules and regulations of the City of New York with respect thereto will not be changed in the future. The applicability and amount of Section 421-a benefits depends in part on future increases in the assessed valuation of the Property, as discussed in the section of the Plan entitled "Real Estate Tax Exemption". See "Real Estate Tax Consultant's Opinion" in Part II for more detail.

If a Purchaser obtains mortgage financing to purchase a Unit, debt service on such mortgage will be an additional expense. The projected carrying costs shown in Schedule A do not include certain costs for which a Unit Owner is responsible, such as repairs to the interior of the Unit, individually metered electricity for appliances, air conditioning and lighting and individually metered gas for heating, domestic hot water and cooking.

SCHEDULE B**BROADWAY ARMS CONDOMINIUM****170 Broadway, Brooklyn, NY****PROJECTED BUDGET FOR THE FIRST YEAR OF OPERATION
COMMENCING April 1, 2004****INCOME**

1.	A. Common Charges Residential	\$ 53,556.85
	B. Common Charges Commercial	\$ 1,093.00
	Total Income	<u>\$ 54,649.85</u>

EXPENSES

2.	Electricity and Gas	\$ 6,461.55
3.	Water & Sewer	\$ 3,205.80
4.	Repairs and Maintenance	\$ 3,000.00
5.	Labor	\$ 12,947.50
6.	Service Contracts	\$ 1,530.00
7.	Supplies	\$ 1,500.00
8.	Insurance	\$ 14,700.00
9.	Legal	\$ 500.00
10.	Accounting	\$ 1,250.00
11.	Corporate and Franchise Taxes	\$ 455.00
12.	Management	\$ 7,500.00
13.	Contingencies	\$ 600.00
14.	Reserves for Maintenance and Replacement:	
	a. Roof Replacement	\$1,000.00

TOTAL PROJECTED EXPENSES*	<u>\$ 54,649.85</u>
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FOOTNOTES TO SCHEDULE B

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

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

The estimates of the Common Charges to be collected from the Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the year from April 1, 2004 to March 31, 2005. The actual first year of operation may begin earlier or later. The common charges allocated to the community facility unit and the parking units are based on such units respective percentage interest in the condominium common elements.

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

2. **Electricity and Gas for Common Areas:** The cost of electricity and gas for the Common Elements of the Condominium is based on an estimate of energy calculations prepared by Mehandes Engineering, P.C., 2 Executive Blvd., suite 2048, Suffean N.Y. 10901, dated September 25, 2003.

The cost of gas was estimated as follows:

Heating Cost:

$$\frac{120\text{MBH}}{\text{hr}} \times 10\text{hr/day} \times 30\text{days/month} \times 7\text{months} = 2520\text{therms/yr}$$
$$100\text{MBH/therm}$$

$$2520\text{therms/yr} \times \$1.019/\text{therm} = \$834.00\text{ yr.}$$

The cost of electricity was estimated as follows:

Lighting Cost:

$$13,140\text{ kw/yr} @ \$0.1781/\text{kw} = \$2,340.00\text{ per year.}$$

Domestic Water Pump:

$3\text{kw} \times .25\% \times 365\text{days/year} \times 24\text{hr/day} \times \$1.781 = \$1,202.00$ per year

Elevator:

$12\text{apts} \times 4\text{pple./apt} \times 8\text{trips per day} \times 20\text{sec./trip} \times 365\text{days} \times 1\text{min./60sec.} \times 1\text{hr./60min} \times 30\text{kw} \times 50\%\text{LF} = \$2,080.00$

3. **Water and Sewer:** This is a meter based figure calculated at \$2.74/CCF X 12 apartments X 100 CCF per year based on an estimate from Mehandes Engineering P.C. dated September 25, 2003. \$3,205.80

4. **Repairs and Maintenance:** This figure is based on an estimate from Advanced Management Services, dated October 15, 2003. \$3,000.00

5. **Labor:** This figure is based on an estimate from Advanced Management Services, dated October 15, 2003 and includes hiring of one part-time, non-resident superintendent working one (1) three (3) hour shift, five (5) days per week at \$15.00 per hour, for a yearly salary of \$11,700.00. The projected labor cost also includes the following payroll and related benefits: (1) Payroll Taxes of \$1,247.30 based on cost of FICA (Gross $\times 7.65\% = \$895.05$), (2) FUI (\$7,000 $\times 8\% = \$280.00$) and (3) SUI (\$8,500 $\times 1.7\% = \$72.25$). NYC Law does not require the superintendent to reside at the property, he must reside within 200 feet or one block of the property, whichever is greater.

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

<u>Service</u>	<u>Vendor</u>	<u>Annual Cost</u>
Exterminator	Done Rite Exterminating Service, Inc. 699 Broadway Lynbrook, NY 11563-0669	\$1,080.00
Fire/Sprinkler System	Goldman Fire Prevention 20 West 22 nd Street New York, NY 10010	\$ 450.00

7. **Supplies:** This figure is based on an estimate from Advanced Management Services, dated October 15, 2003, 2003. \$1,500

8. **Insurance:** The figure of \$14,700.00 is based on an estimate provided by Kaye insurance Associates, Inc. dated October 15, 2003. The proposal provides coverage for an agreed amount, which waives the co-insurance provision. The estimate provides for the following type(s) of insurance:

i. **Property**

Building-\$2,550,000 "All Risks" Agreed Amount Replacement
Cost \$2,500 Deductible
Maintenance Fees-"All Risks" Actual Loss Sustained up to \$25,000
Flood- \$500,000 Limit \$25,000 Deductible
Back Up of Sewers & Drains included in flood
Earthquake-\$500,000 Limit-\$25,000 Deductible

ii. **Comprehensive General Liability**

\$1,000,000 Bodily Injury & Property Damage, \$2,000,000 general aggregate
\$1,000,000 Products Aggregate
\$ 250,000 Water Damage Legal
\$1,000,000 Auto Non Ownership Liability & Hired Car
\$ 25,000 Elevator Collison
\$1,000,000 Directors & Officers Liability (Claims Made) \$1,000
Deductible
\$ 25,000 Employees Dishonesty (\$1,000 Deductible)
\$ 1,000,000 unit Umbrella Liability

Annual Premium-\$13,250.00

iii. **Workers Compensation**

Based on one superintendent, statutory limits

Annual Premium-\$600.00

iv. **Hartford Steam Boiler**

Boiler & Machinery (Equipment Breakdown)
Property Damage Limit \$2,550,000
Business Income \$25,000
Combined Deductible \$1,000

Annual Premium-\$850.00

It is strongly recommended that every owner obtain their own homeowner's insurance to cover against such risks as fire and casualty losses to the Unit and contents, and liability coverage for occurrences within the Unit.

9. Legal: \$500.00 per year is based upon an estimate received from Michael J. Smith, PLLC, 115 E 9th Street, New York, NY 10003, dated October 14, 2003 and provides for minor miscellaneous legal services.

10. Accounting: \$1,250.00 per year is based upon an estimate received from Hirall & Cookler, LLP, 45 Magnolia Lane, Jericho, NY 11753, September 29, 2003.

11. Corporate and Franchise Taxes. This figure is based on the minimum taxes due with projects of this size. \$455.00

12. Management. This figure is based on a bid from Advanced Management Services, 26 Court Street, Suite 804, Brooklyn, New York 11242, dated October 15, 2003, to manage the Condominium. \$7,500.00

13. Contingencies. This figure is based on the Sponsor's familiarity with projects of this kind. The Contingency Fund is for unanticipated expenses and is to be used at the discretion of the Board of Managers. No representation is made by Sponsor that this amount will be adequate to cover all such expenses. \$600.00

14. Reserves for Maintenance and Replacement. These figures are based on the Sponsor's familiarity with projects of this kind. \$1,000.00

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

MEHANDS ENGINEERING CO

ELECTRICAL AND MECHANICAL ENGINEERS

September 25, 2003

Broadway-Driggs Association
C/O Mr. George Roth
European Builders
141-04 73rd Terrace
Flushing, NY 11367

Attn: Mr. Jack Korn
Re: Energy Consumption Estimates
-----170 Broadway-----

Dear Mr. Korn:

The following are the estimated energy and public utility consumption costs for the residential floors of the mixed occupancy building located at 170 Broadway, Brooklyn, N.Y.

A. Estimated Cost of Consolidated Edison Co. Gas

Apartment 1A, 1B thru Apt. 5A, 5B
(Hot water boiler, hot water heater, gas stove and gas dryer)

1. Space heating

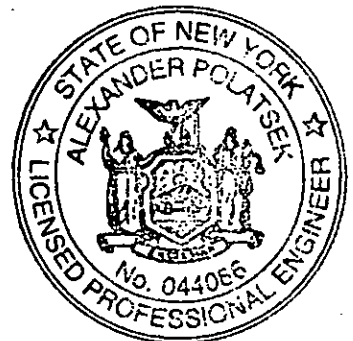
a. Heating Load: 272 Therms/yr. x \$1.019/therm = \$277.17

2. Domestic Hot Water

- a. Estimated annual gas consumption: 250 Therms/yr.
- b. Annual cost: 250 x \$1.019/Therms = \$254.75

3. Gas for cooking

- a. Estimated annual gas consumption: 60 Therms/yr.
- b. Annual cost: 60 Therms x \$1.019/Therms = \$61.14



A handwritten signature in black ink, appearing to read "Alex Polatsek", written over the bottom right of the professional seal.

MEHANDS ENGINEERING CO

ELECTRICAL AND MECHANICAL ENGINEERS

4. Gas Dryer

- a. Estimated annual gas consumption: 50 Therms/yr.
- b. Annual cost: $50 \times \$1.019/\text{therms} = \$50.95$

Total estimated gas consumption per year: \$644.01

Apartments 6A, 6B

(Hot water boiler, hot water heater, gas stove and gas dryer)

1. Space Heating

- a. Heating Load: $313 \text{ Therms/yr.} \times \$1.019/\text{therm} = \$318.95$

2. Domestic Hot Water

- a. Estimated annual gas consumption: 250 Therms/year
- b. Annual cost: $250 \times 1.019/\text{therms} = \$254.75$

3. Gas for cooking

- a. Estimated annual gas consumption: 60 Therms/yr.
- b. Annual cost: $60 \text{ Therms} \times \$1.019/\text{Therms} = \$61.14$

4. Gas Dryer

- a. Estimated annual gas consumption: 50 Therms/yr.
- b. Annual cost: $50 \times \$1.019/\text{Therms} = \$50.95$

Total estimated gas consumption per year: \$685.79

Medical Office:

1. Space Heating

- a. Heating Load: 1,230 Therms

Estimated annual gas consumption: $1,230 \text{ Therms/yr} \times \$1.019/\text{therms} = \$1,253.37$



AP

B. Estimated cost of electricity for individual apartments:**1. Apartment 2A, 2B thru Apt. 5A-5B**

- a. Air conditioning load: $4,681 \text{ kwhr/yr.} \times \$0.1781/\text{kw} = \$833.69$
 b. Power/Lighting: $3,745 \text{ kwhr} \times \$0.1781/\text{kw} = \$666.98$

Total annual electric cost for apartment: \$1,500.67

2. Apartment 6A-6B

- a. Air conditioning load: $5,383 \text{ kwhr/yr.} \times \$0.1781/\text{kw} = \$958.71$
 b. Power/Lighting: $3,745 \text{ kwhr} \times \$0.1781/\text{kw} = \$666.98$

Total annual electric cost for apartment: \$1,625.69

3. Estimated Cost of Electricity for Medical Office

- a. Air conditioning Load: $14,043 \text{ kwhr} \times \$0.1781/\text{kw} = \$2,501.06$
 b. Power/ Lighting: $6,160 \text{ kwhr} \times \$0.1781 = \$1,097.10$
 c. Hot water: $1,624 \text{ kwhr} \times 0.1781/\text{kw} = \$289.23$

Total annual electrical cost for medical space = \$3,887.39

C. Estimated cost for common electric charges

System	Kw-hr
1. Domestic water pump: $3 \text{ KW} \times 25\% \times 365 \text{ d/yr} \times 24 \text{ hr/d}$	6750
2. Automatic Garage Door, 6 cars $\times 4 \times 1 \text{ minute} \times 3 \text{ kw} \times 365/60$	438 kwhrs
3. Two elevators: $12 \text{ apts} \times 4 \text{ pple./apt} \times 8 \text{ trips/day} \times 20 \text{ sec/trip} \times 365 \text{ d/yr}$ $\times 1 \text{ min./60 sec} \times 1 \text{ hr/60min} \times 30 \text{ kw} \times 50\% \text{ L.F.}$	11,680
4. Lighting	
Interior: $1.4 \text{ KW} \times 365 \text{ d/yr} \times 24 \text{ hr/d}$	12,264
Exterior: $0.2 \text{ KW} \times 365 \text{ d/yr} \times 12 \text{ hr/d}$	876
Total KW-hr per year:	32,008
Total annual costs for common areas: $32,008 \times 0.1781 =$	\$5700.62



Alexander Polak

MEHANDS ENGINEERING CO

ELECTRICAL AND MECHANICAL ENGINEERS

D. Estimated cost for common gas charges

1. Heating of common areas: 820 Therms/yr.

Estimated annual gas consumptions: 820 Therms x \$1.019 = \$835.58

E. Estimated Cost for water and sewer per apartment

1. Water use per day: 200 gallons/day

2. Water use per year in CCF "(100 cubic feet): 97.5 CCF

3. Cost per CCF = \$2.74/CCF

Total annual cost per apartment: \$2.74 x 97.5 = \$267.15

Very truly yours,

Alexander Polatsek, P.E.



A handwritten signature in black ink, appearing to read "Alex Polatsek", located below the professional seal.

THE COMMUNITY FACILITY UNIT AND THE PARKING SPACE UNITS

The Community Facility Unit

The Building contains one Community Facility Unit located on the basement level, which may be used for any lawful community facility purpose. The Unit is not currently offered for sale in this Plan, but the Sponsor may choose to offer it for sale at a later date, by amendment to this Plan. It is anticipated that this Unit will be leased as a medical office. The Unit has its own entrance from Broadway. The Unit will be constructed with an opening between the Unit and the basement level of the adjacent property located at 158 Broadway which will be constructed by the Sponsor as a community facility office. This opening will not impair the structural integrity of either building. The Sponsor reserves the right in its sole discretion to lease the Community Facility Unit along with the adjacent community facility office to a single tenant, or to lease the Community Facility Unit separately.

Sponsor reserves the right on behalf of itself and its designee(s) and principals thereof to at any time combine or divide the Community Facility Unit into multiple Community Facility Units and to reallocate the common interest percentages among them, and the Condominium and its Board of Managers shall fully cooperate and without fee or charge execute an amendment to the Declaration and Floor Plans concerning any such changes.

A Community Facility Unit Owner may use its Community Facility Unit for any lawful purpose, at its sole discretion and without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with applicable governmental regulations and with the Declaration and By-Laws of the Condominium, including, without limitation, the rules and regulations that are a part of the By-Laws.

Sponsor makes no representation or warranty that any noise, odors or vibrations, if any, emanating from the Community Facility Unit or from mechanical equipment belonging to the Condominium or to the Community Facility Unit located on portions of the Common Elements and shall have no liability for any such disturbance.

A Community Facility Unit Owner can sell or lease a Community Facility Unit to anyone, without restriction or limitation, except as set forth above, and without a right of first refusal of the Condominium.

The Sponsor, its designee(s) and principals thereof as Owner of the Community Facility Unit, have the right to make structural or non-structural alterations to the Community Facility Unit and such Unit's appurtenant Limited Common Elements without requiring consent of the Board of Managers or anyone else, subject to compliance with all applicable governmental codes and regulations. A Community Facility Unit Owner other than the Sponsor, its designee(s) or principals thereof may only make non-structural alterations to the interior of such Community Facility Unit without requiring the consent of the Board of Managers or Unit Owners. Such non-Sponsor Owner may not make structural alterations to the Unit or the Unit's appurtenant Limited Common Elements without first obtaining the approval of the Board of Managers or Unit Owners and complying with all requirements of the Board of Managers and applicable governmental agencies, as set forth in the Declaration and By-Laws.

The Sponsor, its designee(s) and principals thereof as Owners of the Community Facility Unit may install or maintain signage of any type or size without the requirement

of consent of the Sponsor or of the Board of Managers, provided that such signs comply with all applicable municipal codes and the Owner of the Community Facility Unit pays all charges and fees in connection with same on an ongoing basis (including permits and/or license fees and maintenance costs). The costs for any such permitted signs and any necessary permits therefor will be the responsibility of the Community Facility Unit Owner. A Community Facility Unit Owner other than the Sponsor, its designee(s) or principals thereof may not install any signage on the exterior of such Unit or in its Limited Common Elements without first obtaining the approval of the Board of Managers (which may be controlled by the Sponsor at the time such approval is required) or Unit Owners and complying with all requirements of the Board of Managers and applicable governmental agencies, as set forth in the Plan, the Declaration and/or By-Laws. Without limiting the rights of the Board of Managers or Unit Owners with respect to such prior approval (and with the exception of the Sponsor), no sign, canopy or awning may extend above the top of the first floor of the Building. No illuminated sign may be placed on the exterior of the Unit or in its appurtenant Limited Common Elements so as to shine or reflect light into any Residential Unit.

The percentage of interest of the Community Facility Unit in the Common Elements is based, as in the case of the Residential Units, on method (iv) contained in Section 339-i(1) of the New York Condominium Act as described in Schedule A. The share of expenses attributable to the Community Facility Unit has been projected in accordance with such Unit's estimated usage of services and facilities of the Condominium, as provided in the New York Condominium Act and the By-Laws. The Sponsor believes, as is confirmed by the Certification regarding the Community Facility Unit contained in Part II of this Plan, that the Common Charges payable by the Community Facility Unit Owner are sufficient to cover the expenses fairly attributable to the such Unit.

In addition to paying Common Charges, the Owner of the Community Facility Unit will have the obligation to repair and maintain all windows and doors within or leading to the Unit from public streets or from common areas and all glass, and will pay electric, water and gas charges for the Community Facility Unit to the extent utilized by such Unit.

If the cost of insurance on the Building is increased as a result of the particular use of the Community Facility Unit, then the Community Facility Unit Owner will reimburse the Condominium the amount of such increased cost within thirty (30) days after demand by written notice from the Board to the Community Facility Unit Owner.

The Parking Space Units

The Building contains six (6) Parking Space Units located in the cellar, which will be retained initially by the Sponsor and not initially offered for sale. The Sponsor may choose to offer the Units for sale at a later date by amendment to this Plan or the Sponsor may choose to rent the parking spaces. Pedestrian access to the Parking Space Units from the Building will be via elevator and stairs. The cellar of the Building will be connected to the cellar of the adjacent building known as 158 Broadway, which is currently under construction by the Sponsor. A ramp leading to the cellar of 158 Broadway from Broadway will be the means of access and egress for cars to the Parking Space Units. Prior to the First Unit Closing, the Sponsor will cause to be executed and recorded an easement agreement between the Condominium Board of Managers and the owner of 158 Broadway which will (i) require the owner of 158 Broadway to maintain the ramp and provide access over the ramp and through the cellar of 158 Broadway to the cellar of the Building for Owners of Parking Space Units; and (ii) require the Condominium to provide emergency pedestrian egress from the

cellar of the Building to the street for users of the parking spaces at 158 Broadway. All expenses with respect to operation and maintenance of the Parking Space Units, including electricity (which is separately metered), insurance and repairs and any required employees, will be borne solely by the Owners of said Units (initially the Sponsor).

CHANGES IN PRICES AND UNITS

The prices for the Units may be changed from those set forth in this Plan. Purchasers may pay different prices for similar Units. No price change which (a) is across-the-board or affects one or more lines or types of Units, or (b) is to be advertised, or (c) is a price increase, will be made except pursuant to a duly filed amendment to this Plan.

The Sponsor reserves the right to negotiate various aspects of the offering of Condominium Units. The Sponsor also reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

The Sponsor reserves the right on behalf of itself and its designee(s) and principals thereof to (i) change the layout of or number of rooms in any Unit, (ii) change the number of Unit types, (iii) reverse the layout of a Unit from that shown on the Floor Plans, and (iv) change the size and/or number of Units, including subdividing one or more Units into separate Units, combining separate Units into one or more Units or altering the boundary walls of Units, incorporating Common Elements into Units. In that event, the Sponsor will have the right to reapportion among the Units affected by such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements, provided that unless the affected Purchaser is offered the right to rescind his or her Purchase Agreement, no material change will be made in the Unit size (allowing for structural and mechanical modifications), location, layout or percentage of Common Interest allocated to any Unit for which a Purchase Agreement has been accepted and is not then in default. Unless all Unit Owners consent in writing, and all affected contract vendees are offered a right of rescission no material change will be made in the size and no materially adverse change will be made in the quality of Common Elements. A change in the size or number of Residential or Community Facility Units and/or their respective percentage interests in the Common Elements, and a material change in the size or quality of common elements (other than the alteration of interior partitions) will be reflected by a duly filed amendment to this Plan and if required, by a duly recorded amendment to the Declaration.

The Sponsor reserves the right to make changes in any and all architectural, structural, mechanical or electrical plans and specifications provided that prior approval is first obtained from the municipal agencies having jurisdiction, and further provided that any material changes are made with the approval of an architect or professional engineer, and are reflected by a duly filed amendment to this Plan. Any substitution of materials, equipment, appliances or fixtures shall be of substantially equal or better quality than the item substituted for. No such change, if material and adverse, shall be made with respect to any Unit for which a Purchase Agreement has been executed and is in effect and the Purchaser is not in default thereunder unless the Purchaser consents in writing. If such Purchaser consents in writing to such change, the Purchaser may not thereafter rescind the Purchase Agreement based on a claim of a material adverse change in the Unit. As long as the layout and dimensions of a Unit conform substantially to the Floor Plans, a Purchaser will not be excused from performing under a Purchase Agreement, and will have no claim against Sponsor by reason of any variance in such layout or dimensions.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute four (4) copies of a Purchase Agreement in the form set forth in Part II of this Plan, and to return it to the Selling Agent, Douglas Elliman, at its offices located at 90 Hudson Street, New York, New York 10013, together with the pre-approval letter described below and a check for the required down payment drawn on a New York City bank to the order of "Sonnenschein, Sherman & Deutsch, LLP, as Attorneys". The down payment will be 10% of the Purchase Price of the Unit. When (and only when) accepted in writing by the Sponsor, the Purchase Agreement will be binding upon the Sponsor, subject to the Sponsor's rights to abandon this Plan, as set forth in the section of this Plan entitled "Effective Date of the Plan". The Sponsor shall have thirty (30) days within which to accept or reject any Purchase Agreement, during which time the Sponsor will return to Purchaser either a fully executed counterpart of the Purchase Agreement or a refund of the down payment previously tendered, without interest. Failure by the Sponsor to act within this thirty (30) day period shall be deemed a rejection of the Purchase Agreement.

Purchasers will be afforded not less than three business (3) days to review the Plan and all filed amendments before executing a Purchase Agreement.

The Purchase Agreement provides that the purchase of a Unit is made contingent on the Purchaser obtaining financing of up to eighty percent of the Purchase Price of the Unit. The Sponsor, at its sole and absolute discretion, may agree to a Purchaser obtaining financing for an amount greater than 80%, on an individually-negotiated basis. A purchaser must submit a pre-approval letter from an institutional lender doing business in the New York City metropolitan area with the executed Purchase Agreement and required Down Payment. See the Purchase Agreement in Part II for an explanation of the financing contingency. In no event will Sponsor be liable for any costs, fees or expenses of Purchaser relating to or resulting from Purchaser's inability to obtain financing, delay in Purchaser obtaining financing, or any delay for any reason (even if Sponsor's fault) in closing with financing. However, if the Purchaser obtains a Loan Commitment (as defined in the Purchase Agreement) and the Commitment lapses or expires prior to the Closing Date not due to action or inaction on the part of the Purchaser, and Purchaser has made a good faith effort to extend the Loan Commitment including payment of any additional fees and/or provision of additional documents required by the Lender, but such Loan Commitment has not been extended notwithstanding Purchaser's good faith efforts, then Sponsor will grant the Purchaser a right to rescind the Purchase Agreement within fifteen (15) days of Purchaser's receipt of notice from the Lender or mortgage broker that the Loan Commitment has not been extended. Purchaser must provide a copy of such notice from the Lender or mortgage broker to the Sponsor, along with Purchaser's notice to the Sponsor of Purchaser's exercise of such right or rescission, following receipt of which notice, Sponsor shall promptly return Purchaser's down payment, with interest, if any has been earned, and the Purchase Agreement shall be terminated.

Any notice or other communication required or permitted to be given under the Purchase Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested, to the last address provided by the addressee. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the third (3rd) day after mailing, except that a notice of change of Purchaser's address shall be deemed given when actually received by Seller.

Upon the closing of title, the Purchaser will be required to (i) pay the balance of the purchase price of the Unit and all closing costs, charges, adjustments and mortgage

recording tax reimbursement to Sponsor, if applicable, in connection with the closing; (ii) execute a Power of Attorney substantially in the form set forth in Part II; and (iii) if a mortgage loan is being obtained by Purchaser, execute the mortgage note or bond and mortgage and any other documents required by the mortgagee in connection with the loan. The Purchaser will then receive a deed substantially in the form set forth in Part II. At closing, or at such earlier time as Purchaser enters into possession of the Unit pursuant to a written agreement with the Sponsor, the risk of loss from fire or other casualty will pass from Sponsor to the Purchaser. The Sponsor is under no obligation to allow a Purchaser to take possession of a Unit prior to closing and a Purchaser has no right to do so, absent Sponsor's written agreement.

If a Purchaser (i) does not pay the balance of the Purchase Price or any closing costs or adjustments when due or execute the Power of Attorney to the Board of Managers or (ii) fails to perform any other obligation under the Purchase Agreement and/or this Plan, and if Purchaser does not remedy such default within thirty (30) days after written notice to the Purchaser, the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event, the down payment as described above, if any, with interest if earned, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the foregoing, the Sponsor may not retain as liquidated damages a sum in excess of ten (10%) percent of the Purchase Price plus interest, if any has been earned, plus 100% of the cost of optional extras and custom work ordered and any installation costs connected therewith, if any, as incurred.

After this Plan is declared effective, the Sponsor or Selling Agent will give written notice to each Purchaser fixing the closing date for such Purchaser, which shall be no sooner than thirty (30) days thereafter unless such period is waived in writing by the Purchaser. The notice of closing date may also state when Common Charges will begin to be due and payable. The Sponsor may adjourn a closing date and reset it upon five (5) days' prior written notice. Any costs or expenses incurred by Purchaser as a result of any adjournment shall be payable solely by Purchaser. Sponsor shall not be responsible for any such costs or expenses.

Time is of the essence with respect to Purchaser's obligation to pay the balance of the Purchase Price and to pay or perform all of Purchaser's obligations under the Purchase Agreement after notice is given as provided above.

The Purchase Agreement provides that the Purchaser is purchasing the Unit without relying upon any warranties or representations as to financial data or estimated income tax deductions, except as specifically represented in this Plan and the Exhibits hereto.

The Purchase Agreement provides that if after the effective date of this Plan, title to a Unit for which a Purchase Agreement was executed prior to the date of the notice declaring the Plan effective, has not been conveyed to a Purchaser within twelve (12) months after the estimated date of commencement of the projected first year of condominium operation set forth in Schedule B to this Plan, (except where such failure is due to the default of Purchaser) or any adjourned date which has been agreed upon by both Sponsor and Purchaser (except where such failure is due to the default of Purchaser), then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of such twelve (12) month period, to cancel the Purchase Agreement. A Purchaser desiring to so cancel must tender a written notice to the Sponsor during that thirty (30) day period and the Purchase Agreement will be deemed canceled at the end of the notice period, which shall be at least thirty (30) days from the sending of such notice (unless the Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, the Sponsor shall return any monies paid under

the terms of the Purchase Agreement, with interest earned, if any. (See the section of this Plan entitled "Escrow Funds").

Residential Units will be delivered at the closing of title free and clear of all occupancy leases, tenants and rights of occupancy.

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any unsold Units as sales offices and model units. If the Sponsor or its designee thereafter elects to sell any such unsold Unit, the Sponsor, or its designee, may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the Purchase Price for such Unit, such amounts for the furnishings, equipment or decorations as Sponsor or its designee may determine, which shall be more fully set forth in a rider to the Purchase Agreement. The presence of any furniture, furnishings, equipment, cabinetry, appliances or decorations in any model Unit is for display purposes only and does not and will not imply or represent that any Unit will contain such furniture, furnishings, equipment, cabinetry, appliances or decorations. Model apartments do not necessarily represent the interior finishing or decoration of any Unit offered for sale.

Final Inspection of Unit

At least five (5) business days before the Closing date, the Sponsor will notify the Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser will promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or Purchaser's duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor, and may complete, date and sign a "punchlist" and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. The failure of the Purchaser either to inspect the Unit within ten (10) days of receipt of said written notice or to so sign and deliver a "punchlist," shall not excuse Purchaser from paying the balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. A Purchaser is obligated to pay the entire balance of the Purchase Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the construction items noted on Purchaser's "punchlist," if any, provided a temporary certificate of occupancy has been obtained for the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor."

Any inconsistency between the Purchase Agreement and this Plan will be resolved in favor of this Plan.

Neither the Plan nor the Purchase Agreement shall contain or be modified to contain any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his or her right to thirty (30) days written notice prior to closing of title to the Unit, or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the New York General Business Law.

Purchasers are prohibited from assigning Purchase Agreements without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole and absolute discretion.

All Purchase Agreements will be subject to the provisions of the section of the Plan entitled "Escrow Funds" which provides for, among other things, Sponsor's compliance with the escrow and trust fund provisions of the General Business Law and Attorney General regulations.

ESCROW FUNDS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto and Lien Law Section 71(a)(3).

Any provision of any Purchase Agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

In accordance with Lien Law Section 71(a)(3), all deposits, Down Payments or advances made by Purchasers prior to closing of each sale of a Unit (the "Escrowed Funds"), whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, and provided the Purchaser's social security number has been supplied to the Escrow Agent, in a segregated special escrow account of Sonnenschein, Sherman & Deutsch, LLP (the "Escrow Agent"), whose address is 888 Seventh Avenue, Suite 501, New York, New York 10106 and whose telephone number is (212) 245-6754. The signatories on this account authorized to withdraw funds are any one of: Sander Srulowitz, Richard E. Feldman and/or Martin J. Friedman, all of whom are attorneys with the law firm that is the Escrow Agent.

The name of the account is "Sonnenschein, Sherman & Deutsch Attorney Escrow Account", and it is located at North Fork Bank at its branch at 1745 Broadway, New York, New York 10019. Federal bank deposit insurance covers deposits (including interest earned thereon) to a maximum of \$100,000 per deposit. Downpayments tendered by Purchasers in excess of \$100,000 (and any interest earned thereon) will not be federally insured in excess of \$100,000.

The account will be an interest-bearing account and, unless the Purchaser defaults, interest will be credited or paid to the Purchaser at closing. The interest rate to be earned will be the rate provided by the bank for these accounts, which currently is approximately less than 1% per annum. Interest will begin to accrue on the Down Payment in accordance with the bank's policy.

All checks and other instruments shall be made payable to or endorsed to the order of "Sonnenschein, Sherman & Deutsch, as Attorneys".

In accordance with Lien Law Section 71(a)(3) within ten (10) business days after tender of a Down Payment submitted with a Purchase Agreement, and return of a fully executed Purchase Agreement to Purchaser or his/her attorney, and provided Purchaser's social security number has been supplied to the Escrow Agent, the Escrow Agent is to notify the Purchaser or his/her attorney that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the Purchaser or his/her attorney does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment with Purchaser's social security number, the Purchaser may forward a notice of cancellation and cancel the Purchase Agreement within 90 days after tender of the Down Payment or may apply to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations. Rescission may not be afforded where proof

satisfactory to the Attorney General is submitted establishing that the Escrowed Funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

If insufficient funds are raised through this Plan, or otherwise, to effectuate the contemplated transaction, or if the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, then such monies will be fully returned to the Purchaser, with interest earned, if any, after deducting monies paid toward special work or options which have been ordered or installed.

Since all Purchase Agreements are contingent upon the Plan's becoming effective, under no circumstances shall Sponsor have the right to release of the Escrowed Funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan is defined as declaration of effectiveness by the Sponsor and acceptance of the amendment by the Department of Law confirming the declaration of effectiveness. Consummation of the Plan will not relieve Sponsor of its obligations pursuant to General Business Law §352-h.

If, instead of closing, the Sponsor terminates the Purchase Agreement because of the Purchaser's default, as set forth above in the section "Procedure to Purchase", then the Escrowed Funds (but in no event more than ten (10%) percent of the Purchase Price plus interest, if any, plus the cost of optional extras and custom work ordered and any installation costs connected therewith if any, as incurred) will be released to the Sponsor by the Escrow Agent as liquidated damages.

Subject to the foregoing, the Escrow Agent will hold funds in escrow until the closing under the Purchase Agreement or until otherwise directed in

- i. a writing signed by both the Sponsor and Purchaser (the issuance and acceptance of a deed and execution of closing documents shall be deemed such a writing); or
- ii. a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- iii. a judgment or order of a court of competent jurisdiction.

If Escrowed Funds are to be released from escrow and no closing under the related Purchase Agreement has occurred, and if there is no written agreement between the parties to release the Escrowed Funds, the Escrow Agent will not pay the Escrowed Funds to the Sponsor until the Escrow Agent has given the Purchaser at least ten (10) days prior written notice of the intended release. Thereafter, the Escrowed 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 of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such dispute resolution provisions.

The Sponsor will 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;
- (2) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

The Escrow Agent is acting as an accommodation to the Sponsor and will not be liable for any action taken or omitted under this Plan or any Purchase Agreement except for its negligence or willful misconduct. It will incur no liability to the Sponsor with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine. Upon payment of the Escrowed Funds in accordance with the terms of the escrow agreement and this Plan, the Escrow Agent will be discharged from liability by the Sponsor.

Any provision of a Purchase Agreement by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is void.

In the event of a dispute, Purchasers and the Escrow Agent may apply to the Attorney General for a determination of the disposition of the Escrowed Funds, and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute as to the disposition of the Escrowed Funds. A form for this purpose is included in Part II of this Plan. The party applying for such a determination must send a copy of the application to all other parties.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent will abide by any interim directive issued by the Attorney General. If the application permitting release of the Escrowed Funds is granted, the Escrowed 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.

A copy of the Escrow Agreement which incorporates the terms set forth above is included in Part II of this Plan.

If a conflict arises over the disposition of the Escrowed Funds, the attorneys serving as Escrow Agent may represent the Sponsor in such dispute.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of Escrowed Funds.

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan will be amended to provide disclosure with respect to the new account, new Escrow Agent and the new Escrow Agreement.

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Payments made for special work, upgrades or extras ordered by Purchasers, if any, must be initially placed in the escrow account held by Sponsor's attorneys; any such funds shall be in addition to the downpayment required in the Purchase Agreement. However, these funds may be released from escrow so long as the Sponsor uses these funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission of the Purchase Agreement, the Purchaser will not receive a refund of any funds used for the upgrades or extras.

ASSIGNMENT OF PURCHASE AGREEMENTS

Prior to closing, a Purchaser is prohibited from assigning the Purchase Agreement or any rights therein or any interest in Purchaser, without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole and

absolute discretion. Purchasers may not list the Unit with any broker, advertise, publicize or otherwise offer the availability of the Unit for sale.

EFFECTIVE DATE OF THE PLAN

All Purchase Agreements are contingent upon the Plan being declared effective in compliance with the time periods and conditions set forth herein. The First Unit Closing may not occur before this Plan has been declared effective.

This Plan will become effective at Sponsor's option, but not before there are binding Purchase Agreements from bona fide Purchasers for 15% in number of all of the Residential Units of the Condominium, (i.e., two (2) Units). The Sponsor must declare this Plan effective when Sponsor has entered into valid and binding Purchase Agreements for 80% in number of the Residential Units of the Condominium (i.e., ten (10) Units). For the purpose of this Plan, a Purchase Agreement will be valid and binding if executed by both Purchaser and Sponsor.

For purposes of effectiveness, Purchase Agreements will not be included if (i) they were signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) the Purchaser was not afforded the protection required by Section 20.3(o)(15) of the Attorney General's Regulations (i.e., the Purchaser was not afforded at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement); or (iii) they were signed by any Purchaser who is the Sponsor, the Selling Agent or the Managing Agent or who is a principal of any of them, or who is related to any of them by blood, marriage or adoption or as a business associate, employee, shareholder or limited partner. Notwithstanding the foregoing, such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide purchaser.

Pursuant to existing law and regulations, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential 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 close on the conversion with fewer than the minimum number of sales, if Purchasers counted toward effectiveness default under their Purchase Agreements or otherwise do not ultimately close thereunder. Purchasers should note that banks and other lenders impose various restrictions on mortgage loans secured by condominium units. Such restrictions usually include a requirement that a certain percentage of the condominium units in a building be sold before the lender will make or 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 particular lender's minimum requirements. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

This Plan may be abandoned by the Sponsor at any time before Sponsor has declared the Plan effective or before Sponsor has obtained valid and binding Purchase Agreements for 80% of the Residential Units. If the Plan is abandoned, all Purchasers will be promptly notified, and within twenty (20) days of such notification, Sponsor will refund all monies paid under the Purchase Agreements to Purchasers, with interest, if earned. The Sponsor will promptly submit an amendment to the Department of Law confirming such abandonment together with form RS-3 or such other form as the Department of Law may require.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within five (5) business days after such notice is given, an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. The closing of title to the first Unit will not occur until this Plan has been declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Sponsor may not abandon this Plan after it has been declared effective for any reason other than (i) a defect in title which cannot be cured without litigation or which cannot be cured for less than \$28,300 for all Units, which is not less than one half of one (.005%) percent of the total amount of the offering; or (ii) substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than \$28,300; or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Except as specifically set forth above, Sponsor or its designee shall have no obligation to incur any expenses or engage in litigation to cure title defects. The figures computed for purposes of (i) and (ii) above shall not include attorneys' fees and title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record.

If requested, Sponsor will submit copies of all Purchase Agreements, and any amendments or modifications thereto, to the Department of Law within five (5) business days after a request is made.

TERMS OF SALE AND CLOSING OF TITLE TO UNITS

The closing of title to each Unit will take place only after or concurrently with the following events:

1. Sponsor's declaration of the Plan's effectiveness as described in the section of the Plan entitled "Effective Date";
2. Service on Purchaser of written notice of the Closing Date no less than thirty (30) days in advance of closing (unless such time period is waived in writing by Purchaser), giving Purchaser the opportunity to inspect the Unit and other property (the Common Elements) subject to the Declaration prior to Closing, provided that Purchaser shall be obligated to make an inspection appointment with the Sponsor or Selling Agent and shall be accompanied at all times by a representative of the Sponsor or Selling Agent;
3. Recording of the Declaration and By-Laws in the Kings County office of the Register of the City of New York. In addition, to the extent required by law, a set of Floor Plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, with tax authority certification as conforming to the official tax lot number for each such Unit and an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built or to be built, will be filed in said office;
4. Issuance of a temporary or permanent Certificate of Occupancy for the entire Building, or, alternatively, the issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit under contract and being closed (ongoing construction in other Units or in common areas is not a basis for failure or refusal to close if the foregoing is met);

5. Release of the Unit to be closed and its undivided common interest as required by Section 339-r of the New York Condominium Act from the liens of all mortgages except the Purchaser's mortgage, if any, and free and clear of all other liens and encumbrances except those described in the section of this Plan entitled "Status of Title at Closing" and in the proposed Unit deed set forth in Part II;

6. Delivery to Purchaser of a Bargain and Sale Deed with Covenants against Grantor's Acts, in substantially the form as set forth in Part II of this Plan and in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law;

7. Assignment to Purchaser of any manufacturer's warranties with respect to equipment and appliances installed in the Unit, and, upon receipt by the Sponsor of the applicable warranties, assignment to the Board of Managers of any warranties with respect to equipment and appliances installed in Common Elements and actually received by the Sponsor. All personal property located within the Unit on the date of execution of the Purchase Agreement or located within the Common Elements on the date of recording of the Declaration which is owned by the Sponsor, is included in the conveyance unless specifically excepted herein and noted in the Purchase Agreement;

8. The execution by the Purchaser of a Power of Attorney in substantially the form contained in Part II, designating the Board of Managers as the Purchaser's attorney-in-fact, coupled with an interest, for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board on behalf of all Unit Owners or, in certain instances, on behalf of all Residential Unit Owners, authorizing the Board to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, to prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws. The Power of Attorney will not be effective for the election of managers.

9. At or prior to the first conveyance of a Unit, the holder of a mortgage encumbering the Unit to be conveyed will either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to unsold Units; or (b) release its lien on the Unit being conveyed.

10. The Purchaser's obligation for payment of the Common Charges and expenses applicable to such Purchaser's Unit will begin to accrue on the date on which title is closed unless otherwise provided in this Plan concerning closings adjourned by Purchaser, notwithstanding work which may remain to be completed in the Unit or Common Elements.

11. (a) The Purchaser shall not be entitled to possession of the Unit until the deed is delivered to Purchaser at Closing.

(b) All risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit or its contents except as set forth in the Plan. If Sponsor or (in the event the Declaration is recorded) the Unit Owners elect to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect. In such an event, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Board of Managers to complete, such repairs or replacements. Purchaser shall not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been completely repaired as near as is reasonably possible to its condition immediately prior to the casualty, (ii) its essential

services (such as gas, electricity, and heat) and a reasonable means of ingress and egress have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of Purchaser as tenant or occupant to cure or that are caused by the act or omission of Purchaser, its licensees, invitees and/or workmen. (Sponsor will endeavor in good faith, and with reasonable diligence, to remove or cause to be removed subsequent to Closing all violations of record it is obligated to correct.) Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board of Managers or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the three preceding sentences shall survive the Closing.

(c) In the event that Sponsor notifies the Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to the Purchaser all sums deposited, whereupon the parties shall be released and discharged from all obligations and liability hereunder including interest and under the Plan, except that, if Purchaser is then in default (beyond the applicable grace period, if any), Sponsor shall retain the Downpayment, together with sums received on account of special work to be performed by the Sponsor.

12. At the First Unit Closing, the Sponsor and the Condominium Board will adjust various charges to the extent they are incurred in accordance with the period that each owns or operates the Property. These items include, but are not limited to, water charges and sewer rents on the basis of the fiscal year for which assessed, cost of fuel on hand plus sales tax, charges for electricity and gas for Common Elements, charges for service and maintenance contracts, wages and payroll expenses for employees, deposits with utility companies and fees for assignable permits and licenses, premiums on transferable insurance policies, management fees, cost of supplies on hand plus sales tax, and other customary adjustments. If there is a net credit in favor of Sponsor, the credit will be paid by the Board of Managers in twelve (12) equal consecutive monthly installments commencing one month subsequent to the First Unit Closing, with interest at eight (8%) percent per year, pursuant to twelve (12) negotiable, serial promissory notes to be executed by the Board of Managers and delivered to Sponsor at the First Unit Closing. In lieu of notes, Sponsor may deduct the credit from Common Charges which would otherwise be due on Unsold Units or the Common Charges may be increased to cover the net credit in favor of the Sponsor. If any of the foregoing items to be apportioned cannot be adjusted at the First Unit Closing because they are not fully ascertainable, they shall be apportioned and adjusted on such date to the extent reasonably possible, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closing adopted by The Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters therein mentioned. If net closing adjustments are in favor of the Condominium, Sponsor shall pay such sum into the Working Capital Fund.

STATUS OF TITLE AT CLOSING

The deed conveying ownership of the Unit to the Purchaser will contain the provisions set forth in subdivision 5 of Section 13 of the Lien Law, and will convey title free and clear of all liens and encumbrances other than:

1. State of facts which an accurate survey would show providing such facts do not render title unmarketable.

2. Zoning and building laws, ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.

3. The Declaration and By-Laws, Maps and Floor Plans to be recorded and filed in the Kings County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of the Offering Plan and amendments thereto.

4. Power of Attorney from Purchaser to the Condominium Board of Managers.

5. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.

6. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand.

7. Any easement or right of use required by Sponsor or its designee to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof.

8. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units.

9. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.

10. Easement Agreement between the Condominium Board of Managers and Broadway-Driggs Associates, LLC for access to the public street via the ramp in the cellar of the building at 158 Broadway, Brooklyn, New York. (See "Cellar Easement".)

11. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

12. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the Closing of Title.

13. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

14. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

15. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

16. Any violations against the Property (other than the Unit).

17. Variations between tax map and premises described in Schedule A.

18. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.

The Title Company will affirmatively insure that none of the foregoing easements, covenants or agreements will interfere with the projected use of the premises as a condominium.

In the opinion of counsel to the Sponsor, none of the foregoing exceptions to title will materially adversely affect the proposed uses of the Property as set forth in this Plan.

Any lien, encumbrance, or condition not included in the liens and encumbrances listed above (the "Non-Permitted Exceptions") shall not be an objection to title if: (i) the instrument required to remove it "as of record" has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees and a copy of said instrument is delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); (ii) the Title Company is willing to insure (without additional premium) Purchaser against its collection or enforcement out of the Unit; or (iii) Sponsor, at its sole option, pays and discharges any lien or encumbrance upon the Property not provided in the Plan from monies paid by Purchaser at Closing. Sponsor has no obligation to cure violations against the Property prior to Closing which are not specific to the Unit being conveyed.

Sponsor shall be entitled to adjourn the Closing to remove or correct any Non-Permitted Exception that cannot be dealt with as set forth above. Sponsor shall give, and Purchaser shall accept, such title as National Granite Title Insurance Agency, Inc. ("National Granite"), as agent for the Title Company will approve and insure, without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the encumbrances listed above or the Non-Permitted Exceptions, provided that each Non-Permitted Exception has been resolved in the manner provided above. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception if National Granite is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to Purchaser's title company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title abstract company or title insurance company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender). However, should Purchaser wish to obtain title insurance other than through National Granite, Purchaser shall at closing pay the attorneys for Sponsor an additional legal fee of \$1,000 for clearing title with such other abstract company or title company.

EASEMENTS

Each Unit Owner shall have an easement in common with the Owners of other Units to use all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any Common Element, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of the Building settling or shifting, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands.

The Board of Managers, through the managers, Managing Agent, or their employees shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

The Sponsor reserves to itself, its designees and each of their successors, assigns, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and the Common Elements and Limited Common Elements consistent with the purposes of this Offering Plan and Sponsor's rights and obligations thereunder. Sponsor is obligated to repair any damage to Units and Common Elements caused by Sponsor's construction and renovation of the property. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. During the first year of condominium operation, it is anticipated that construction workers and related personnel will be at the property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, air conditioning, heating, ventilating and elevators, may require more than a year after any Unit closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require months or more after the first closing to be completed. Sponsor may not complete the decoration of the lobby or corridors in the building, including, but not limited to, installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Residential Unit Owners. Furthermore a Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations and odors may interrupt their enjoyment of their Units during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the building.

Cellar Easement

Prior to the First Unit Closing, the Sponsor will cause to be executed and recorded an easement agreement between the Condominium Board of Managers and Broadway-Driggs Associates, LLC, the owner of 158 Broadway, which will require (i) the owner of 158 Broadway to maintain the ramp leading from the cellar of 158 Broadway to the Street and provide access over the ramp and through the cellar of 158 Broadway to the cellar of the Building for Owners of Parking Space Units, and (ii) the Condominium to provide emergency pedestrian egress from the cellar of the Building to the street for users of the parking spaces at 158 Broadway.

CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs

The estimated closing costs to be borne and paid by each Purchaser of a Unit are set forth below. Recording charges, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

1. The premium for fee title insurance, if ordered, from National Granite Title Insurance Agency, Inc., an agent for Fidelity National Title Insurance Company of New York (the "Title Company") or another title insurance company authorized to do business in New York, is, pursuant to the bulk rate schedule applicable to new condominium projects containing at least ten (10) Residential Units filed with the New York State Department of Insurance, \$402 for the first \$50,000 of fee insurance, Premiums then increase as follows:

Fee Amount	Premium
\$50,000-100,000	\$3.80/1,000
100,000-500,000	3.05/1,000
500,000-1,000,000	2.78/1,000

2. If the Purchaser elects to obtain both fee title insurance and mortgage title insurance simultaneously from the Title Company, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Bulk Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the fee policy is calculated at thirty (30%) percent of seventy (70%) percent of the regular scheduled rate for loan policies. For example:

Loan Amount	Premium
\$ 300,000	\$ 308
500,000	\$ 443

The premium for fee title insurance issued simultaneously is computed as in section 1 above.

3. Recording fee for recording the deed, power of attorney and other documents of \$42.00 for each instrument plus \$5.00 per page, a service charge to the Title Company of approximately \$20.00 per instrument, and a filing fee to the City of \$50.00 to file Form RP-5217 NYC.

4. New York State Real Estate Transfer Tax, calculated at .4% of the purchase price, but when paid by the Purchaser is increased to approximately .4016% since the shifting of the statutory obligation from the Sponsor, as seller, to Purchaser, is deemed additional consideration to the Sponsor.

5. New York City Real Property Transfer Tax (RPT Tax), currently at the rate of 1% of the purchase price where the purchase price is \$500,000 or less but when paid by the Purchaser is increased to approximately 1.01% since the shifting of the statutory obligation from the Sponsor, as seller, to Purchaser, is deemed additional

consideration to the Sponsor, or at the rate of 1.425% of the purchase price where the purchase price is more than \$500,000, or approximately 1.445% when paid by Purchaser, plus a \$50 filing fee to the City of New York.

Where a Purchaser purchases two (2) or more Residential Units, the RPT Tax rate where the Purchase Price is \$500,000 or less will be 1.425%, and where the Purchase Price is in excess of \$500,000, the RPT Tax rate will be 2.625%; however, the lesser residential RPT Tax rate (1% where the Purchase Price is \$500,000 or less, and 1.425% for more than \$500,000) will apply if the certificate of occupancy of the Building shows the combined Units as one Unit or, according to informal confirmation from the Department of Finance of the City of New York, if there is included with the RPT form an affidavit stating that (a) the transfer involves the two or more Units combined into a single Unit, (b) the second kitchen has been eliminated, (c) the combination of Units has been approved by the Department of Buildings, and (d) the approval was issued pursuant to Technical Policy and Procedure Notice #3/97 of the Department of Buildings.

6. If a Purchaser obtains a mortgage, the Purchaser shall pay all costs in connection with the mortgage. The costs that will be charged by the Title Company are as follows:--However, no Purchase-Agreement is contingent upon obtaining such financing.

- a. Mortgage title policy, the rates for which are as indicated in paragraph 2 above;
- b. Mortgage recording tax, currently at the rate (for Residential Units) of one and three-quarters (1-3/4%) percent of the mortgage amount for those mortgages securing a loan of less than \$500,000, less \$25, and at the rate of one and seven eighths (1.875%) percent of the mortgage amount for those mortgages securing a loan of \$500,000.00 or more (see information concerning reimbursement to Sponsor of mortgage recording tax credit in paragraph 7 below);
- c. Recording charges to record the mortgage at the rate set forth in paragraph 3 above; and

In addition, the Purchaser shall pay all other costs in connection with Purchaser's mortgage. These costs may include, but may not be limited to the following.

- a. Loan origination fee or "points";
- b. Charge for appraisal, underwriting, document preparation and credit check;
- c. Legal fees of lender's attorney;
- d. Private mortgage insurance premium, if required by the Purchaser's lender.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor at Closing, without a corresponding reduction in the Purchase Price or any costs or adjustments. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in

excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

7. The following closing fees of the Sponsor's attorneys:
 - a. \$1,500.00 closing fee if the closing is held at the offices of Sponsor's attorneys, 888 Seventh Avenue, New York, New York;
 - b. \$1,000.00 travel fee if the closing is held in another location in the City of New York, Borough of Manhattan (the closing shall not be held outside the Borough of Manhattan);
 - c. \$300.00 if the Purchaser requests a change in the name(s) of the grantee(s) on the deed and other conveyance documents, and informs Sponsor's attorney of such change less than five business (5) days prior to the scheduled closing date; and
 - d. \$1,000.00 if the Purchaser does not elect to order title insurance from National Granite Title Insurance Agency, Inc.

The costs in (7) are cumulative to the extent applicable to an individual closing.

If any of the costs in (1) through (7) above are advanced by Sponsor, Purchaser will reimburse Sponsor, at the Closing, for any costs so advanced.

The Sponsor has obtained a construction loan or a blanket mortgage for the construction of the Condominium and has paid a mortgage recording tax on that loan. Because of this, a mortgage recording tax credit will become available to the Purchaser. PLEASE NOTE that at the closing, the Sponsor will be reimbursed by the Purchaser to the extent of any such mortgage recording tax credit, and Purchaser will be obligated to execute at closing any and all affidavits presented by Sponsor in this regard. Therefore, the Purchaser will not receive the benefit of any such credit, and such benefit will be received by the Sponsor instead. Such credit will not reduce the consideration paid for the Unit nor reduce any closing costs or adjustments.

A mortgage loan may require a Purchaser, as mortgagor, to make monthly deposits of one-twelfth (1/12th) of the estimated annual real estate taxes assessed or to be assessed against the Unit with the mortgagee, and at the closing of title Purchaser may be required to deposit a portion of the annual real estate taxes assessed against the Unit for the forthcoming period with the Purchaser's mortgagee.

8. At the closing of title, each Purchaser, except Sponsor and its designees will be required to pay a sum equal to two (2) months' Common Charges to the Board of Managers as an initial, non-reimbursable contribution to the Condominium's Working Capital Fund. The contribution to the Working Capital Fund will be in addition to, and not in lieu of, monthly payments of Common Charges and will not be credited against Common Charges payable with respect to the Unit.

In addition to the foregoing, a Purchaser will be required to pay other costs, such as costs relating to Purchaser's mortgage financing, if any and the Purchaser's own legal fees, if applicable. These will vary significantly among lenders and attorneys, and are therefore cannot be estimated by the Sponsor.

EXAMPLE OF ESTIMATED CLOSING COSTS FOR TYPICAL RESIDENTIAL UNIT

Unit 3B: Purchase Price \$445,000 with an estimated mortgage of \$356,000 (80%)

Fee title insurance and searches	\$ 1,870.00 (bulk rate)
Lender's title insurance	\$ 333.20 (bulk rate)
Recording deed, power of attorney and mortgage:	\$ 535.00
NYC RPT Tax and filing fee:	\$ 4,612.30
NYS Real Estate Transfer Tax:	\$ 1,806.00
Fee of Sponsor's attorney (basic):	\$ 1,500.00
Mortgage recording tax	\$ 6,205.00
Working capital contribution (two month's common charges):	\$ 557.16

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, additional legal fees payable to Sponsor's attorney as set forth in paragraph 7 above, recording or filing fees for additional documents, penalty for late closing, or adjustments with the Sponsor (including mortgage recording tax reimbursement), apportionment of real estate taxes and insurance as described below, or new taxes or tax rates which may be imposed in the future.

Estimated Expenses and Adjustments

Each Purchaser will be required to pay Common Charges to the Board of Managers monthly in advance, even if work may remain to be completed in the Unit or Common Elements by the Sponsor. Common Charges assessed during the month in which title closes will be adjusted with the Sponsor as of the closing date, with the Purchaser paying common charges for the day on which the Closing occurs. The amount of Common Charges to be assessed against each Unit will be fixed by the Board of Managers.

Sponsor and Purchaser will adjust real estate taxes for the Unit for the tax year in which title closes, as of midnight of the day preceding the date of closing of title. The adjustment will be based on the actual taxes paid by the Sponsor for the tax year in which title closes and the Unit's respective percentage interest in the Common Elements. In addition, if, prior to the first closing of title to a Unit, the Units have not been separately assessed for real estate tax purposes and separate tax bills have not been issued for the Units for the tax year following said date, the Sponsor will (i) create an escrow account in the name of the Board of Managers in an amount equal to the estimated unpaid real estate taxes which will be levied against the Units for the six (6) month tax period following the first closing of title, (ii) collect from the Purchaser at the closing of each Unit in an amount equal to the real estate taxes which will be due for the next following six (6) month tax period, based on the Unit's respective percentage interest in the Common Elements, and (iii) either pay the real estate taxes from this escrow account when they become due and payable, or direct the Condominium Board to do so. Purchaser shall be required to pay the amount specified in (ii) above notwithstanding any requirement of Purchaser's lender to escrow funds for future real estate tax payments with respect to the Unit closed.

Each Purchaser will be required to reimburse the Sponsor, at closing for such Purchaser's pro rata share of the Condominium's insurance policy (as described in the footnotes to Schedule B) for the first year of operation of the Condominium, the premium for which will be prepaid by the Sponsor prior to the first closing of title to a Unit. The amount of reimbursement will vary depending on the Unit's percentage interest in the Common Elements and the date of closing of title to the Unit. The actual

reimbursement will be determined by multiplying the amount of prepaid premium by the Unit's percentage interest in Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

Penalty for Adjourned Closings

If, through no fault of the Sponsor, a Purchaser fails to close title to the Unit for any reason on the date originally scheduled for closing of title to the Unit and is not held in default by the Sponsor, (including, but not limited to, Purchaser's request to adjourn the closing date, Purchaser's failure to send timely notice of a Non-Permitted Exception to title, or the inability of Purchaser's lender to attend the closing on such scheduled date) then the Purchaser shall reimburse the Sponsor (for construction interest expenses incurred and/or loss of earnings on the Purchase Price as a result of the Purchaser's delay), an amount equal to 0.05% of the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date and all adjustments shall be made as of the date originally fixed for the closing of title.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor has certain rights and obligations under this Plan and applicable law with respect to the offering, including, without limitation, the following:

1. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units. However, in the event that the Sponsor is not able to sell such Units at prices equal to the prices of the Units included in the amendment which declares the Plan effective, less ten (10%) percent, the Sponsor reserves the right to rent, rather than sell, such Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers shall include: listing unsold Residential Units with brokers, showing unsold Residential Units to brokers and prospective purchasers or their representatives, filing updated amendments to the Offering Plan and otherwise engaging in customary sales activities.
2. The Sponsor will defend any suits or proceedings against the Condominium arising out of either the Sponsor's acts or omissions or representations made by Sponsor in this Plan, and it will indemnify the Board of Managers and the Unit Owners against liability imposed as a result of such suits or proceedings.
3. All obligations pursuant to the General Business Law and such additional obligations under this Plan which are to be performed subsequent to the closing of title to a Unit will survive delivery of the deed.
4. The Sponsor, its designee(s) or principals thereof will pay all Common Charges, real estate, taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor, its designee(s) or principals thereof shall continue to own the same. The Sponsor currently has the financial resources to meet its obligations with respect to unsold Units. In the first instance, these obligations will be funded from projected sales. However, no bond or other security has been furnished or will be furnished to secure the performance of the Sponsor's obligations. The ability of the Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform.

No representation can be made as to its financial ability to perform any such obligations.

5. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the Condominium, whichever is less, to a single entity or individual, 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 Plan, applicable laws or regulations.
6. The Sponsor shall initially procure, on behalf of the Condominium, fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. The cost of such insurance shall be a Common Expense. See the Budget, Schedule B to the Offering Plan, and the footnote relating to insurance.
7. The Sponsor has obtained financing for the construction and marketing of the Condominium units from North Fork Bank. The lien of said mortgages will be released from each Unit prior to that Unit being conveyed to a purchaser. The mortgages provide for minimum amounts which must be paid to the lender in order for Units to be released from the lien of such mortgages.
8. The Sponsor will, at its sole cost and with reasonable diligence, complete the construction of the Property substantially in accordance with the plans and specifications described in this Plan and its Exhibits, and with a quality of construction comparable to currently prevailing standards. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in the Plan and in the architectural plans on file, but due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of substantially equal or better quality and design without the consent of any Purchaser. Sponsor also reserves the right to make modifications of layout or design, as more fully set forth in the section entitled "Changes in Prices and Units" provided, however, that the Sponsor may not change the size, location of Building or Units, other improvements or Common Elements 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. If a permanent Certificate of Occupancy for the Building has not been issued at the time of closing of title to any Unit, the Sponsor will, at its sole cost and expense, do and perform or cause to be performed all work as required by Sponsor under this Plan and will supply or cause to be supplied all materials necessary as required by Sponsor under this Plan for its issuance, and will within two (2) years after closing, secure the permanent Certificate of Occupancy for the Unit, unless it is prevented from doing so by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations or any other reason not the fault of the Sponsor (including the performance of alterations or other work in a Unit by a Unit Owner prior to the issuance of such permanent Certificate of Occupancy, which work delays the Sponsor's completion or sign-offs of the Sponsor's work

obligations). In any of such events, the two (2) year period will be extended for a period equivalent to the period of such delay.

10. If a closing takes place prior to the issuance of a permanent Certificate of Occupancy for the entire Building or for an individual Unit, Sponsor will maintain in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law an amount the Sponsor's engineer or architect certifies as will be yet necessary from Sponsor to complete the work necessary to complete Sponsor's obligations in order to obtain a permanent Certificate of Occupancy for the Unit (and all sums exceeding the amount so certified by the Sponsor's engineer or architect may be released from or initially not deposited into escrow). Alternatively, Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan.
11. Notwithstanding Sponsor's obligation to correct original defects resulting from improper construction of the Units and Common Elements in violation of applicable building codes, Sponsor assumes no responsibility and will not be liable to repair or replace any of the following:
 - a. any condition resulting from normal wear and tear or natural deterioration or from the normal movement, settlement and shrinkage of the Building and/or Building materials; or
 - b. defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, slight scratches in plastic laminate, vitreous china, stainless steel, tile, porcelain or stone surfaces, bathroom finish, grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor;
 - c. normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building;
 - d. deviations in the level of ceilings, and imperfections in ceiling finishes;
 - e. imperfections in painting finishes;
 - f. deviations in the level of a floor, or buckling or sinking due to expansion or shrinkage;
 - g. alignment of bathroom finishes and variation in grouting thickness;
 - h. air infiltration and water infiltration from windows in accordance with the Architectural Aluminum Manufacturers Condominium Standard A-Z;

- i. noise and vibration from normal plumbing, heating, ventilating, air conditioning and elevator operation, including boiler, water heaters, elevator machine room and other equipment;
- j. floor noises and creaking;
- k. carpet or floor discoloring or stretching;
- l. variations in width, length, thickness, finish or color range of wood flooring;
- m. minor chips, scratches, mars, breaks, dents, cracks, imperfections, or other defects in windows, window glass, frames and hardware; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, backsplashes and counter tops; vanity tops and cabinets; all tile, stone or marble floors; saddles; all appliances; woodwork, millwork and doors; mirrors; all hardware; appliance cabinets; ceilings and flooring;
- n. after the Unit Closing, paint touch-ups, repair dented appliances, or replace light bulbs;
- o. leaching or color variation in exterior color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks and window surfaces;
- p. ponding and/or controlled drainage on the roof, terrace or balcony surface; or
- q. television, radio or other telecommunications reception; or
- r. discoloration to hardware and plumbing finishes; or
- s. any other imperfection or defect, except as expressly warranted pursuant to this Plan.

Sponsor shall have discharged its obligation to repair abnormal scratches in tile, stone, wood, marble, plastic laminate, vitreous china, porcelain and stainless steel surfaces by filling or refinishing and Sponsor shall not be obligated to replace such surfaces.

- 12. At the closing of title to each Unit, the Sponsor will assign to the Purchaser any assignable manufacturers' warranties relating to equipment and appliances installed in the Unit, and actually received by the Sponsors, and prior to the closing of title to the first Unit, or when received by the Sponsor if at a later date, the Sponsor will assign any warranties with respect to equipment and appliances installed in the Common Elements and actually received by the Sponsor, to the Board of Managers.
- 13. If any work still remains to be done to complete portions of the Condominium at the time of the first closing of title to a Unit, including completion of the Units and Common Elements, the Sponsor, at its own cost and expense, will perform or cause all such work to be performed

and will supply or cause all such work to be supplied, will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium, and will discharge by bonding or otherwise all mechanics' liens which may have been filed as a result of the construction of the Units or Common Elements. Purchasers who close during the construction or renovation of other Units and Common Elements acknowledge that their enjoyment of their Units may be interrupted by construction, noise, vibrations and odors as is common in construction or renovation projects, and possible interruption in services.

14. The Sponsor will bear all costs and expenses incurred by Sponsor in connection with the creation of the Condominium and the initial sale of Units, including, but not limited to, selling expenses and commissions, if any, advertising and printing expenses, architect's fees, organization costs and engineering costs, whether incurred prior or subsequent to the effective date of the Condominium.
15. All references in this Plan to "plans and specifications" shall mean the plans for the Condominium filed with the appropriate governmental authorities, as the same have been amended or changed. After completion of construction and prior to the transfer of control of the Board of Managers to the Unit Owners, the Sponsor shall provide to the Board of Managers a copy of "as built" architectural plans of the Building.
16. Real Property Law Section 339-kk: The law is intended to provide financial protection for a condominium if a non-occupying owner fails to make required monthly payments for a dwelling unit which is sublet. The law provides in pertinent part, as follows:
 - a. If a Unit Owner who does not occupy the Unit rents any dwelling unit and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period following the earliest date payment is due, then, upon notice from the Board of Managers as described below, all rental payments due from the tenant shall be payable directly to the condominium.
 - b. If common charges, assessments or late fees due for any Unit have not been paid in full within 60 days after the expiration of any grace period following the earliest date they were due, the Board of Managers shall provide written notice to the tenant and to the non-occupying owner providing that commencing immediately, and continuing until such time as all payments for common charges, assessments and/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. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy of their Units, the Board may elect not to require that rental payments be made payable to the condominium.
 - c. 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 by the Board of Managers within

three (3) business days to the rental tenant and non-occupying owner. Thereafter, all rental payments for the unit shall be made payable to the non-occupying owner or to said non-occupying owner's designated agent.

- d. A non-occupying owner who disputes the Board of Manager's claim to a rental payment pursuant to this law 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 30 days of the date that the Board receives notice that the owner seeks to dispute such claim.
- e. Payment by a rental tenant to the condominium made in connection with said section shall relieve the 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.
- ~~f.~~ Nothing in the statute shall limit any rights of Unit Owners or the Board of Managers existing under any other law or agreement.

17. The Sponsor makes no express or implied representations or express or implied warranties except as provided in this Plan. Any claim based upon Sponsor's representations of the condition of the Building, the Units and their equipment or appliances or the Common Elements or upon Sponsor's obligations referred to in the Plan under "Rights and Obligations of Sponsor" must be presented by written notice to the Condominium Board and to Sponsor: (a) in the event of a defect concerning the Common Elements, one (1) year from the date earlier to occur of the issuance of a temporary or permanent Certificate of Occupancy for the building or the date of substantial completion of the portion(s) of Common Elements which is claimed to be defective; or (b) in the event of a defect concerning the Unit, within one (1) year from the date of issuance of a temporary or permanent Certificate of Occupancy for the Unit, unless such claim is based upon a defect which can be detected only by occupancy of the Unit, in which event such claim must be presented within one (1) year from the earlier of the Closing Date or the execution and delivery of an interim lease for the Unit. Sponsor shall not be liable to the Condominium Board or the Purchaser for any matter as to which an assignable warranty, guarantee or bond has been assigned to the Board or to Purchaser and, in such case, the sole recourse of the Board or Purchaser, as the case may be, shall be against the warrantor, guarantor or obligor, as the case may be, except that in the event that a contractor or subcontractor shall not be excused from its obligations enumerated in this section of the Plan. Nevertheless, Sponsor shall not, under any circumstances, be liable with respect to equipment as to which assignable warranties or guarantees are transferred to the Purchaser. Purchaser agrees: (i) to purchase the Unit, without offset or any claim against, or liability of Sponsor, whether or not any layout or dimension of the Unit or any part thereof or of the Common Elements, as shown on the Floor Plans on file in Sponsor's office and filed in the City Register's Office, is accurate or correct provided the layouts and dimensions conform substantially to such Floor Plans; and (ii) that Purchaser shall not be relieved of any of Purchaser's obligations by reason of any minor inaccuracy or error in such Floor Plans.

18. Except as expressly set forth in this Plan, Sponsor has no obligation to correct or repair any other defect or conditions in the Unit, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor's obligation to correct, subject to the terms and conditions set forth above, is the sole and exclusive remedy for any defects. Sponsor makes no warranties other than as set forth in this Plan. The Housing Merchant Implied Warranty Law (New York State General Business Law Article 36-B) does not apply to any Units under this Plan since the Building will be greater than five stories.

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

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the descriptions of the Building or a Unit set forth in the Plan or variations from the Plans and Specifications or description of the Building or a Unit set forth in the Plan which are neither in violation of applicable Law, provided such variations are of substantially similar or better quality.

The Condominium is required to maintain and manage the Building, to keep the Common Elements therein clean and properly lighted, to keep structural and mechanical equipment in good working order, and to repair those portions of the Building which are not required to be maintained by the Unit Owners. Sponsor's warranty as set forth in this Plan will not be applicable to any defects caused by the negligence or lack of maintenance of the Units or Common Elements by the Unit Owners or the Condominium.

CONTROL BY THE SPONSOR

Title to all unsold Units will remain with the Sponsor until such Units are sold by the Sponsor and a deed delivered to a Purchaser. Such a sale by the Sponsor does not and will not require the approval of, or a first offer to, or a right of first refusal by the Board of Managers. No fee or cost of any kind may be imposed by the Board of Managers upon the Sponsor or the Purchaser in connection with any such sale of an Unsold Unit by the Sponsor.

The Sponsor, as owner of unsold Units, may have voting control of the Board of Managers, except that the Sponsor may not control the Board for more than two (2) years from the date of the first closing of title to a Residential Unit, or after the sale of Units representing, in the aggregate, fifty (50%) of the Common Interests, whichever occurs first. While in control of the Board, the Sponsor will designate three (3) of the members of a five (5) member Board, and the other two (2) members will be elected by the Unit Owners. The first annual meeting of Unit Owners will be held no later than sixty (60) days following the conveyance of title to the first Unit. At the first annual

meeting of Unit Owners during the period of the Sponsor's control, one member will resign and a new election will be held.

Notwithstanding any contrary provision of this Plan, a special meeting of Unit Owners will be held on fifteen (15) days notice, within thirty (30) days of either the second anniversary of the date of the first closing of title to a Residential Unit, or the sale of Units representing, in the aggregate, fifty (50%) percent or more of the Common Interest, whichever first occurs. At such meeting, all of the non-Sponsor members of the Board of Managers shall resign and a new Board will be elected by the Unit Owners.

After the Sponsor has turned over control of the Board to the Unit Owners, so long as the Sponsor or its designee owns at least one (1) Resident Unit or the Community Facility Unit, or the Parking Space Units, the Sponsor or its designee shall be entitled to designate one (1) less than a majority of the Board of Managers. If at any time it is determined to increase the size of the Board, the representation of the Sponsor shall be changed proportionately.

Notwithstanding the foregoing, so long as the Sponsor or its designee owns Units representing at least 25% of the Common Interests, but not longer than five (5) years from the first closing of title to a Residential Unit, the Board of Managers may not, without the Sponsor's or such designee's prior written consent: (i) make any addition, alteration or capital improvement to the Common Elements or to any Unit except those required by law; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (iii) increase or decrease the number or change the kind of employees in addition to or enter into any service or maintenance contract for work not required by law or contemplated by the Schedule of Projected Receipts and Expenses for the First Year of the Condominium's Operation set forth in the Plan; or (iv) borrow money on behalf of the Condominium, or (v) exercise a right of first refusal to lease or purchase a Unit; or (vi) reduce services. As long as the Sponsor or its designee owns one or more Units, the Board of Managers may not amend the Declaration or By-Laws of the Condominium except as specifically permitted by such document or interfere in any way with the Sponsor's construction, renovation or repair of the Property or the offer, sale or leasing of Units. However, the Sponsor may not veto expenses described in Schedule B or any expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order of an insurer.

All references to "Sponsor" in the foregoing section shall apply to Sponsor, its designees and successors.

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than five (5) persons. Other than members designated by the Sponsor and its designees, the Community Facility Unit Owner or Parking Space Unit Owners, all members of the Board of Managers must be Unit Owners, spouses of Unit Owners or officers, directors, members or principals of a Unit Owner that is not a natural person. The By-Laws require that after the expiration of the initial two (2) year period of Sponsor's voting control of the Board of Managers, a majority of the members of the Board of Managers must be owner-occupants (or member of an owner-occupant's household) who are unrelated to the Sponsor or its principals.

The first Board of Managers will consist of the following three (3) persons designated by the Sponsor:

Anthony Gurino
Jack Korn
Angelo Gurino

Principal of Sponsor
Principal of Principal
Relative of Principal of Sponsor

One of these members will resign upon the election of the first Unit Owner representative to the Board at a meeting to be held within sixty (60) days after the first closing of title to a Residential Unit.

As provided in the By-Laws, no member of the Board of Managers or officer of the Condominium will have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as member of the Board or officer, provided that this provision does not eliminate or limit the liability of a member of the Board or officer if a judgment or other final adjudication adverse to such member establishes: (a) that such member's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that such member personally gained a financial profit or other advantage to which such member was not legally entitled.

The Condominium will indemnify, to the fullest extent permitted by law, any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise, which any member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that such person or such person's testator or intestate, was a member of the Board or officer of the Condominium, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, provided that no indemnification may be made to or on behalf of any member of the Board or officer if a judgment or other final adjudication adverse to the member of the Board or officer establishes that such member's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that such member personally gained a financial profit or other advantage to which such member was not legally entitled. The liability of any Unit Owner on account of the indemnification described in this paragraph shall be limited to such proportionate share thereof as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

Members of the Board of Managers will serve without compensation, and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor is in control of the Board of Managers.

Members of the Board of Managers may be removed for cause at any time by the Unit Owners. Members of the Board who are not designated by the Sponsor or by the Community Facility Unit Owner may also be removed without cause by the Unit Owners. Successors may be elected at any regular meeting of the Board of Managers or any special meeting called for such purpose, provided that successors to members designated by the Sponsor or by the Community Facility Unit Owner may not be removed without cause except by the Sponsor or its designee or by the Community Facility Unit Owner. The Board of Managers will have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determining the Common Charges, adopting rules and regulations covering the details of the Property, borrowing, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling or mortgaging Units owned by the Board of Managers, applying to the Tax Commission of the City of New York for a reduction in the assessed

valuation of Units, applying, as necessary, for construction, alteration or other approvals to any and all municipal authorities having jurisdiction over the Property, and generally managing or supervising the Condominium Property as provided in the Declaration and By-Laws.

The Unit Owners will hold annual meetings to elect members of the Board of Managers. The first annual meeting will be held no later than sixty (60) days following the conveyance of title to the first Residential Unit. Each Unit Owner (including Sponsor) will be entitled to cast one vote for each .001% of the interest in the Common Elements attributable to the Unit or Units owned by such Unit Owner on all matters put to a vote at all meetings of the Unit Owners. The presence, in person or by proxy, of a majority of Unit Owners will constitute a quorum at all meetings of Unit Owners and unless otherwise provided, the vote of a majority of Unit Owners at a meeting at which a quorum is present will be binding upon all Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning said Unit must agree among themselves to cast the votes for their Units as a block.

The Declaration or By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) any amendment which materially and adversely alters the allocation of Common Interest appurtenant to any Unit will only be made with the consent of the affected Unit Owner; (ii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee; and (iii) no amendment may be made which adversely affects the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owner so long as the Sponsor or such designee or the Community Facility Unit Owner owns any Units.

Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purposes of (i) filing revised Floor Plans; (ii) changing the number of Unsold Units and/or the Unit number, tax lot designation, the approximate square footage area, the layout, and/or the number of rooms in an Unsold Unit, (iii) making insubstantial changes to the Declaration; (iv) dividing or combining Units into additional or fewer units; (v) conveying a portion of the General or Limited Common Elements to a purchaser (only in connection with a conveyance of a Unit) if such Common Element consists of hallway space between Units, or (vi) making changes to the Declaration to comply with applicable law or regulations, as more fully set forth in the Declaration. The Community Facility Unit Owner also has the right to record (or on request of such Community Facility Unit Owner) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee, in connection with the subdivision or subsequent combination of the Community Facility Unit, and filing revised Floor Plans to effectuate such subdivision or combination.

Special meetings of Unit Owners will be called by the President if directed by resolution of the Board of Managers or upon petition by Unit Owners representing at least twenty-five (25%) percent of the Common Interests, upon at least five (5) days notice.

The terms of the members of the Board of Managers will be for one (1) year.

The principal officers of the Condominium will be: the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers will serve without compensation from the Condominium.

In order to limit the liability of the Unit Owners, the members of the Board of Managers and the managing agent, any contract or other commitment made by the Board of Managers, a managing agent or the manager will state that it is made by the Board of Managers or the managing agent, as the case may be, only as agent for the Unit Owners, and that the members of the Board of Managers the managing agent, as the case may be, will have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment will be limited to such proportionate share of the total liability thereunder as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

Members of the Board who handle Condominium funds may, at the option of the Board, be bonded.

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

Sale or Lease of Residential Units by Unit Owners

Subject to the right of first refusal more fully set forth in By-Laws (to which the Sponsor and its designees, the Community Facility Unit Owner and Parking Space Unit Owners are not subject), each Owner of a Residential Unit is free to sell or lease his or her Unit to anyone, without restriction or limitation. Any lease will be substantially in the Real Estate Board form, a copy of which is available for review at the office of the Sponsor, with such modifications as may be approved in writing or required by the Board of Managers. Any Purchaser or lessee of a Residential Unit will be bound by, and his or her Unit will be subject to, the Declaration and By-Laws, including the foregoing restrictions.

The By-Laws of the Condominium require that, with certain exceptions as described below, a Residential Unit Owner desiring to sell or lease a Unit must first give the Board of Managers, on behalf of all Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as offered by the proposed purchaser or lessee.

Within forty-five (45) days after receipt of notice from a Unit Owner of such Unit Owner's intention to sell or lease the Unit, which notice must be accompanied by a fully executed copy of the contract or lease, as the case may be, the Board must notify the Unit Owner whether it elects to exercise the right of first refusal. If the Board (i) waives its right of first refusal, or (ii) does not respond within the forty-five (45) day period following receipt of the notice, such failure to respond being deemed a waiver of the right of first refusal, the Unit Owner will be free to sell or lease the Unit to the proposed purchaser or lessee within ninety (90) days of the Board's waiver on the terms and conditions set forth in the contract of sale or lease annexed to the Unit Owner's notice to the Board of Managers. The Board of Managers must purchase or lease the Unit within the longer of (i) forty-five (45) days after the giving of a notice by such Board of its election to exercise its right of first refusal; or (ii) the time fixed in the contract of sale as the last date for the Purchaser to close thereunder. The time limits contained in this paragraph may be extended in the sole discretion of the Board of Managers.

The right of first refusal with respect to sales or leases of Units, as described above, is not applicable to sales or leases of Units by or to the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owners, sales of any Units at foreclosure sales, conveyances by deed in lieu of foreclosure, or conveyances by a party who has acquired a Unit in foreclosure or by deed in lieu of foreclosure. A Residential Unit Owner may sell or lease his Unit to his spouse or to any of his children, his parents or siblings, or to any one or more of them, or to a trust for their benefit, or to a limited liability company or corporation whose sole members and shareholders, respectively, are the Unit Owner, his/her spouse, parents, siblings, children or any of them without any right to transfer membership interests or shares, respectively, except among each other, without first offering to sell or lease such Unit to the 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, as a Common Charge, and/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 to be acquired by the Board of Managers, together with the appurtenant interest of such Unit in the Common Elements.

All Units acquired or leased by the Board of Managers or its designee, corporate or otherwise, will be held by it on behalf of all Unit Owners in proportion to the interest in the Common Elements appurtenant to their Units. No such Units held by the Board of Managers will carry voting rights. If any Unit is acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners will be deemed to have waived all rights of partition with respect to such Unit. The proceeds from the sale of any Unit acquired by the Board of Managers will be disposed of at the discretion of the Board.

The Board of Managers may establish reasonable fees for the processing of sale or lease applications from Residential Unit Owners, which will be payable by the selling or leasing Unit Owner, as the case may be, to the managing agent.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law, in its sale or lease of any Unit which it acquires.

Each Unit Owner, on the closing of title to the Unit, will be required to execute a Power of Attorney substantially in the form contained in Part II of this Plan, appointing the Board of Managers and their successors, as such Unit Owner's attorneys in fact, coupled with an interest, for the purpose of managing, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or its designee, on behalf of the Unit Owners, authorizing the Board to retain attorneys and apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws.

Each conveyance of a Unit by a Unit Owner will include such Unit Owner's undivided interest in the Common Elements and in any Unit or Units acquired by the Board of Managers from Unit Owners, in accordance with the provisions of the By-Laws.

Mortgaging of Units by Unit Owners

Each Unit Owner is free to mortgage his or her Unit, provided that the Unit Owner notifies the Board of Managers in writing indicating the name and address of the lender. Prior to or simultaneously with the closing of any such mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges and discharge any liens therefor. A Unit Owner selling the Unit may grant a purchase money mortgage to the purchaser of the Unit.

Common Charges and Assessments

The Board of Managers will prepare a budget for the Condominium from time to time but at least once a year. The budget may provide for the accumulation of reserves for capital expenditures, subject to the Sponsor's right to veto same, as described in the section entitled "Control by Sponsor." Copies of the budget will be furnished to Unit Owners and, if requested, to their mortgagees. The monthly Common Charges to be paid by Unit Owners in accordance with his or her Unit's percentage interest in the Common Elements (or such other formula with respect to the Community Facility Unit and the Parking Space Units described in Schedule B or in the Declaration and By-Laws) will be based upon such budget. The proposed budget for the first year of Condominium operation is incorporated as part of this Offering Plan, as Schedule B.

The financial estimates contained in Schedule B have been prepared by the Sponsor and its experts based upon its experience in the ownership and operation of residential properties. Although the Sponsor believes these estimates to be dependable, actual expenditures may differ from the estimated expenditures and because of possible changes in the future income and expenses of the Property, the estimates are not intended nor should they be considered as representations, guarantees or warranties of any kind whatsoever, including without limitation, that the amounts deductible for income tax purposes or the actual expenses for any period of operation will not vary from the amounts estimated, that the Condominium will not incur additional expenses, or that its Board of Managers will not provide for such additional reserves or other sums not reflected in Schedule B.

The Sponsor believes that subject to the foregoing contingencies and assumptions, the projected Common Charges are adequate to meet the estimated normal operating expenses enumerated on Schedule B for the first year of operation of the Condominium. The Sponsor further believes that the Common Charges payable by the Community Facility Unit Owner and the Parking Space Unit Owners are sufficient to cover the expenses fairly attributable to such Units.

The Board of Managers is authorized to impose a reasonable late charge for late payment of Common Charges, which will be added to the Unit owner's Common Charges due on the first day of the following month, and which will be a lien upon the Unit Owner's Unit if not paid.

No Unit Owner will be liable for the payment of any part of the Common Charges first assessed against his/her Unit after a permissible transfer of such Unit, or subsequent to a conveyance of such Unit by such Unit Owner, with or without consideration, to the Board of Managers on behalf of all Unit Owners in accordance with the provisions of the Declaration and By-Laws, provided that such Unit is, at the time of the conveyance, free and clear of all liens and encumbrances other than a permissible first mortgage and a statutory lien for Common Charges, none of which is outstanding at the time of conveyance.

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

Pursuant to Section 339-jj of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, may incur debt for specific purposes set forth in the By-Laws. Provided that such debt was incurred no earlier than five (5) years following the conveyance of title to the first Residential Unit and the incurring of such debt was authorized by a majority of the Unit Owners in common interest, the Board of Managers may (a) assign the rights in and to receive future income and Common Charges; (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law Section 339(1)(2), all Common Charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and (d) agree that at the lender's direction it will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. However, the Board of Managers is not authorized to create a lien on the Common Elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid Common Charges pursuant to applicable law and the right to foreclose such liens pursuant to applicable law.

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

Repairs

Residential Unit Owners will be responsible for all maintenance of and repairs to the Unit, ordinary or extraordinary (but not to the exterior side of Unit entrance doors and windows unless damaged by the Unit Owner), and to the Units providing heat, ventilation and air conditioning within the Unit, kitchen appliances, clothes washers and clothes dryers (if any), electrical and plumbing installations and fixtures within the Unit or any of the above belonging to or installed by the Unit Owner, which shall be at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. The Board of Managers is responsible for electrical, gas and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units. The Community Facility Unit Owner is, in addition to the above, responsible for the

maintenance and repair of any and all entrance doors (including exterior side), windows and all pipes, lines and wires providing utility service to such Unit. The Parking Space Unit Owners are responsible for a share of the Condominium's Common Expenses as set forth in Schedule B.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. However, with respect to the balconies and terraces with direct access from any Unit, the maintenance responsibility of the Unit Owner is limited to any surface material over the roofing material or concrete, and all installations, railings, fencing and the like, and any repairs of damage caused by any installations or surface material placed by the Unit Owner on such balcony or terrace, as well as for damage to the concrete floors or roofing material caused by act or omission of the Unit Owner or his or her lessees, invitees, licensees or agents. No planters may be placed on any balcony or terrace, and no balcony or terrace may be enclosed.

All maintenance, repairs and replacements to the General Common Elements, including but not limited to the exterior walls, common stairs, sidewalks adjacent to the Building's entrance, roof and roof members, pipes, wires, risers, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit or as to pipes, wires, risers, conduits and public utility lines that are located in the Common Elements and serve such Common Elements or one or more Units, except for those which serve only the Community Facility Unit or Parking Space Units, which shall be maintained and repaired by such Community Facility Unit Owner or Parking Space Unit Owner, will be made by the Board of Managers with the cost thereof to be charged to all Unit Owners as a Common Expense, subject to restrictions set forth in the By-Laws. The painting of the exterior side of Residential Unit entrance doors and windows will be made by the Board of Managers and charged as a Common Expense. However, to the extent maintenance, repairs and replacements to the Common Elements are necessitated by the negligence, misuse or neglect of a Unit Owner or the Unit Owner's lessees, invitees, licensees or agents, they will be charged to such Unit Owner.

Unit Owners must grant access to the Unit to the Board of Managers and/or the manager or Managing Agent, and persons acting at their direction, for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or its appurtenant Limited Common Elements elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the 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, and for other purposes permitted by the By-Laws.

Insurance

The Board of Managers will obtain and maintain, to the extent obtainable, the following insurance: Fire insurance with extended coverage normal for a condominium building of this type, vandalism and malicious mischief endorsements, insuring the Building (together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, furniture, furnishings, appliances or other property in any Unit and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a co-insurer in the event of casualty loss (exclusive of the cost of excavations and

foundations) without deduction for depreciation, as determined by the Board of Managers.

All such policies will provide that adjustment of loss will be made by the Board of Managers and that the net proceeds thereof, if \$250,000 or less, will be payable to the Board of Managers and if more than \$250,000 will be payable to the Insurance Trustee, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. No portion of the insurance proceeds will be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building. Prior to the closing of title to the first Unit, the fire insurance coverage on the Building will be at least \$2,550,000 and said coverage will be maintained while Sponsor is in control of the Board of Managers.

All policies of physical damage insurance will contain waivers of subrogation and of any defense based on coinsurance or of pro-rata reduction of liability of the insurer as a result of any insurance carried by Unit owners or of the invalidity arising from any acts of the insured or any Unit Owners, and will provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause will be attached to all policies.

The Board of Managers will also be required to obtain and maintain, to the extent obtainable and required: (1) public liability insurance covering each member of the Board of Managers, the managing agent, if any, 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 occurring in the Common Elements; (2) Officers and Directors liability insurance; (3) workers' compensation insurance for the Condominium's employees (if any); (4) fidelity bonds covering members of the Board of Managers of the Condominium who handle Condominium funds; (5) boiler and machinery insurance and (6) disability benefits insurance covering any employees of the Condominium. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, such public liability insurance carried by the Board of Managers will be at least in a single limit of \$1,000,000. The public liability insurance will cover cross liability claims of one insured against another but said policy does not cover the liability of a Unit Owner arising from occurrences within his or her own Unit. The cost of such insurance policies will be paid by the Board of Managers and will constitute a Common Expense. However, if the cost of insurance on the Building is increased because of the use of the Community Facility Unit or the Parking Space Units, then such insurance cost increase will be repaid to the Condominium by the Unit Owner whose use has caused the increase, within thirty (30) days after the increased cost has been demanded of the Condominium and written notice has been given by the Board to the Unit Owner.

The Board of Managers will review all insurance carried by it once each year.

Unit Owners are encouraged to carry other insurance for their own benefit, provided that all such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers will not be affected or diminished by reason of any such additional insurance carried by Unit Owners. It is advisable for insurance obtained by Unit Owners to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements and Unit Owner's liability coverage for occurrences within the Unit, or where applicable, on Limited Common Elements.

In the event of damage to or destruction of the Building as a result of fire or other

casualty, unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers will arrange for the prompt repair and restoration of the Building (including any damaged Units, and any kitchen or bathroom fixtures, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment installed in the Units by the Unit Owners or a tenant of a Unit Owner), and the Board of Managers or the Insurance Trustee, as the case may be, will disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds will constitute a common expense and the Board of Managers will assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and will be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies will be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective common interests, after 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.

Additions, Alterations and Improvements

A Unit Owner may not commence any alteration, addition, or improvement which would require a construction or alteration permit issued by the New York City Department of Buildings, including but not limited to, the combination of two or more Units, until the permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Unit Owner (as Unit Owner) who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for any such fines, and for direct and consequential damages.

A Unit Owner (except for the Sponsor, its designee(s) and principals thereof and the Community Facility Unit Owner) may not make any alterations in the Unit or Limited Common Element appurtenant thereto unless and until the Unit Owner's proposed alteration plans have been reviewed and approved by Sponsor and Sponsor's experts or, if the Condominium has been established, by the Board of Managers (which may be controlled by Sponsor at such time of such application). The Unit Owner shall be free to hire any contractor to perform such custom work in his or her Unit as the Unit Owner desires. The cost of such work, including, but not limited to, building permits and drawings, will be at the sole cost and expense of the Unit Owner. The Unit Owner shall be required to comply with the procedures and requirements pertaining to alteration of Units more fully set forth in the By-Laws and the Condominium's Rules and Regulations. Architectural drawings shall be submitted to the Sponsor's or the Board's Architect for approval and such architect's fees of \$1,000 per submission shall be paid by the Unit Owner, as billed. If such proposed alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to the Sponsor's or the Board's mechanical engineer for approval whose fee of \$250 per review shall be paid by the Unit Owner as billed. The fees of any other expert required by the Sponsor, the Board or their respective Architects or engineers for a proper review of proposed

plans shall be the responsibility of the Unit Owner, provided the Architect or engineer notifies the Unit Owner in writing of the need for such additional opinion or review.

A Unit Owner (except for the Sponsor, its designee(s) and principals thereof and the Community Facility Unit Owner) wishing to do any such construction in his Unit shall pay \$1,000 to a Coordinator designated by Sponsor or, if the Condominium has been established, by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with the Sponsor's and/or Board's experts, arrange elevator use by the Unit Owner's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to Sponsor (or, as the case may be, the Board) shall be delivered to the Coordinator prior to the commencement of any work along with an agreement, in form and substance reasonably satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and indemnifying and holding harmless the Sponsor, the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner will also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when the Unit Owner submits his proposed building plans to Sponsor or the Board for approval and the when work commences in the Unit.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or appurtenant Limited Common Elements will be completed by the Unit Owner and executed by the Board of Managers (if it is factually accurate), without however, incurring any liability on the part of the Board of Managers, or any member, to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

The Community Facility Unit Owner has the right to make structural or non-structural alterations to the interior of the Unit and appurtenant Limited Common Elements, subject to compliance with all applicable governmental codes and regulations. The Sponsor as owner of the Parking Space Units has the right to make structural or non-structural changes in the parking garage, subject to compliance with all applicable governmental codes and regulations.

The foregoing provisions for approval, and restrictions concerning alterations, do not and will not apply to Units (and such Unit's appurtenant Limited Common Elements) owned by the Sponsor or its designee until such Units have been initially sold and conveyed by the Sponsor or such designee, or to the Community Facility Unit Owner (provided and only for so long as the Community Facility Unit is owned by the Sponsor or its designee(s) or principals thereof). In addition, prior to the closing of the sale of the first Unit, Sponsor may review and approve any application for alterations, as set forth herein.

The Board of Managers will make all additions, alterations or improvements in or to any Common Elements and the costs and expenses thereof will be charged to all Unit Owners as a Common Expense or to all Residential Unit Owners as a Residential Common Expense, as the case may be.

Whenever in the judgment of the Board of Managers the Common Elements require additions, alterations or improvements that will cost in excess of \$50,000 in the aggregate in any calendar year, the making of such additions, alterations, or improvements and source of funds therefor must be approved by a majority of the Unit Owners present and voting at a meeting of which a quorum is present. However, if such addition, alteration or improvement only pertains to Residential Limited Common Elements', approval of a majority of the Residential Unit Owners only is required.

When and if the required approvals of the Unit Owners (and to the extent required, mortgagees) are received, the Board of Managers will proceed with such additions, alterations or improvements and will assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing in the aggregate \$50,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners or mortgagees and the cost thereof will constitute part of the Common Expenses.

Restrictions on Occupancy and Use

The Residential Units may be used only as residences. The Sponsor or its designee may however, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, leasing, business or administration offices and may place signage of any size and in any location on the Property as it may determine in its sole discretion in connection with the sale or rental of Units in this Condominium.

The Community Facility Unit may be used for any lawful community facility purpose at the Unit Owner's sole discretion and without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with applicable governmental regulations and with the Declaration and By-Laws of the Condominium, including, without limitation, the rules and regulations that are a part of the By-Laws. The Sponsor reserves the right, at its sole discretion, to lease the Community Facility Unit, along with the basement level of the adjacent building located at 158 Broadway to a single tenant or to lease such Unit separately. The Parking Space Units may be used only as parking spaces. No combustible materials or household possessions may be stored in such parking spaces, including, but not limited to, flammable liquids, tires and cardboard boxes.

The Common Elements may 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.

No nuisances will be allowed on the Property nor will any use or practice be allowed which is a source of annoyance to its residents or occupants or which interferes with the peaceful possession or proper use of the Property by its residents or occupants.

Unit Owners may not use any portion of the Property for an immoral, improper, offensive, or unlawful use and must observe all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction. Violations of laws, orders, rules, regulations or requirements that are issued by any governmental agency having jurisdiction thereof, relating to any portion of the Property, must be complied with, by and at the sole expense of the party (that is the appropriate Unit Owner or the Board of Managers), having the obligation to maintain or repair the portion of the Property to which the violation pertains.

No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated in any Residential Unit.

Compliance with Declaration, By-Laws, Rules and Regulations

Pursuant to Section 339-j of the New York Condominium Act, each Unit Owner will be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Failure to comply will constitute grounds for an action against the offending Unit Owner for damages or injunctive relief or both. The obligation of the Unit Owners to pay Common Charges is enforceable by the Board of Managers by suit to collect the same or by foreclosure of its statutory lien against the Unit for the amount of any such unpaid Common Charges. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law or any provision of the Declaration will give the Board of Managers the right to enjoin, abate or remedy the continuance of any such breach by appropriate legal proceedings, either at law or in equity. The Board of Managers may also fine a Unit Owner for such violations. Failure to comply with the Declaration, By-Laws and Rules and Regulations of the Condominium or to pay the Common Charges levied by the Board of Managers may also constitute an event of default under the terms of the Unit Owner's mortgage.

Amendments to Condominium Documents

The Declaration and By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) any amendment which materially and adversely alters the allocation of Common Interest appurtenant to any Unit may only be made with the consent of the affected Unit Owner; (ii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee (iii) no amendment which adversely affects the Community Facility Unit Owner may be made without the written consent of such Unit Owner; and (iv) no amendment may be made which adversely affects the Sponsor or its designee so long as the Sponsor or such designee owns any Units.

Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to execute and record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration or By-Laws at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purposes of (i) filing revised Floor Plans, (ii) changing the Unit designation, tax lot number, the approximate square footage area, and number of Unsold Units (iii) changing the number of rooms and/or layout in an Unsold Unit and the percentage of Common Interest allocated thereto, (iv) subdividing one or more Units into separate Units; (v) combining separate Units into one or more Units or altering the boundary walls of Units; (vi) incorporating Common Elements into Units; (vii) making insubstantial changes to the Declaration; or (viii) making changes required by applicable law or regulations as more fully set forth in the Declaration. The amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Sponsor or its designee.

The Community Facility Unit Owner also has the right to record (or on request of such Community Facility Unit Owner) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee, in connection with the subdivision or subsequent combination of the Community Facility Unit, and filing revised Floor Plans to effectuate such subdivision or combination.

No Partition of Common Elements

As provided in Section 339-i(3) of the Real Property Law, the Common Elements will remain undivided and no right exists to partition or divide any portion of the Common Elements, except as otherwise provided therein (and described in this Section of the Plan) in the event of condemnation, destruction of more than 75% of the Building, or termination of the Condominium.

Complete copies of the proposed Declaration and proposed By-Laws are set forth in Part II of this Plan.

Termination of Condominium

The Condominium will continue (unless terminated by casualty loss or by condemnation) until such time as the Property is withdrawn from the provisions of Article 9B of the Real Property Law of the State of New York as a result of the vote of at least 80% in number and in Common Interests of the Unit Owners. In that event, the Property will be subject to an action for partition by any Unit Owner or any lienor, as if owned in common, following which the net proceeds of the sale resulting therefrom will be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner, to the payment of any liens on his or her Unit, in order of the priority of such liens.

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

The Sponsor has been advised by Sonnenschein, Sherman & Deutsch, LLP, that each Residential Unit Owner who itemizes deductions will be entitled under present law to deduct the real estate taxes assessed against the Unit and paid by such Unit Owner, for Federal and New York State income tax purposes as well as the amount paid by the Unit Owner representing interest on any mortgage indebtedness covering the Unit if the Unit is the Unit Owner's primary residence. The deductions are subject to certain exceptions and limitations which are more particularly discussed in the Counsel's Tax Opinion which is set forth as Exhibit H in Part II of this Plan.

The Sponsor has also been advised by counsel that, under present law, persons who become Residential Unit Owners and (a) who are veterans of the United States Armed Forces may be entitled to Veterans' Exemptions; or (b) are senior citizens may be entitled to "Star" exemptions covering part of the real estate taxes otherwise assessed to their respective Units.

With respect to the taxability of the Condominium, Section 528 of the Internal Revenue Code provides that condominiums are generally taxable in a manner similar to corporations, except to the extent that the Condominium qualifies as a "homeowners

association" under section 528, which requires, among other things that substantially all of the Units (calculated in terms of square footage) are used as residences and that substantially all of the expenditures are for management, maintenance and care of the Condominium Property. It is not expected that the Condominium would qualify under current Section 528 of the Internal Revenue Code since less than 85% of the square footage of the Condominium will be used for residential purposes.

No warranties are made that either the Internal Revenue Service or the New York State Department of Taxation and Finance will continue to allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners. The Sponsor and Sonnenschein, Sherman & Deutsch, LLP, will not be liable under any circumstances if it is determined that the Unit Owners are no longer entitled to such income tax deductions for real estate taxes and/or mortgage interest, as aforesaid, because of changes in fact or statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. The opinion of Sonnenschein, Sherman & Deutsch, LLP is limited to the state of the law existing on the date this Plan was filed with the Department of Law.

Estimated Real Estate Taxes

As discussed below, assuming that the Property qualifies for tax benefits under Section 421-a of the Real Property Tax Law, the real estate taxes for the Residential Units would be reduced for up to 25 years. See "Real Estate Tax Consultant's 421-a Tax Opinion" set forth in Part II for further information.

The real estate tax amount due for the Condominium's projected first year of operation commencing April 1, 2004 includes part of the City's 2003/2004 fiscal year (April 1, 2004 to June 30, 2004) and part of the City's 2004/2005 fiscal year (July 1, 2004 to March 31, 2005). These estimates reflect the 18.5% increase in real estate tax rates imposed by the City of New York effective January 1, 2003.

The taxable assessed value for the 2003/2004 fiscal year is $\$51,120 \div 2 = \$25,560$ and the current (2003/2004) tax rate is 12.517% (applicable to Class 2 properties), so that the taxes for the projected first year of Condominium operation equal approximately \$800. ($\$25,560 \times 12.517\% = \$3,199.34 \div 12 = \$266.61 \times 3$.)

The taxable assessed value for all of the Units in the aggregate for the 2004/2005 fiscal year is estimated to be \$950,000 (based on the current assessed value plus 45% (the equalization rate) of the estimated total value of renovations and improvements to the property if the property was to be a rental building) and an anticipated tax rate of 12.517%, the current (2003/2004) tax rate applicable to Class 2 residential properties, so that the real estate taxes for the first nine months of the 2004/2005 fiscal year for all of the Units in the aggregate (assuming no 421-a benefits) are anticipated to be approximately \$89,184. ($\$950,000 \times 12.517\% = \$118,911.50 \div 12 = \$9,909.29 \times 9 = \$89,183.62$.)

The total taxes anticipated to be payable for the year commencing April 1, 2004 without Section 421-a benefits therefore equal approximately \$89,984. It is anticipated that upon completion of the construction of the property that the actual assessed valuation will be \$950,000. If over the following years the actual assessment is not further increased the projected full taxes, assuming no Section 421-a benefits, are approximately \$118,912. Based on the past practice of the City of New York, the Units should be divided into separate tax lots for the 2005/06 fiscal year, resulting in separate tax bills thereafter.

It is estimated but not guaranteed that the total amount of taxes payable, with Section 421-a benefits, for the projected first year of condominium operation will be \$8,177.66 for all the Units.

The estimates of real estate taxes set forth in Schedule A for the projected first year of Condominium operation with and without such benefits have been calculated based upon each Unit's respective percentage interest in the common elements multiplied by the total anticipated taxes payable except that for the Community Facility Unit (Unit BA), the taxes with 421-a benefits are higher because of the reduction in Section 421-a benefits for such Unit as described below. The Sponsor does not represent or guarantee that this method of allocation will be utilized by the City of New York in allocating taxes to the Units of the Condominium as separate tax lots.

After the Units are divided into separate tax lots, each Unit will be taxed as a separate lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interests. If it does not, Owners of Units having the same Common Interest will pay different amounts of real estate taxes.

If the First Unit Closing occurs prior to the separate assessment of the Units of the Condominium, and there is still only a single real estate tax bill with respect to all of the Units in the aggregate, then each of the Unit Owners shall be obligated to pay to the Condominium Board (or to the Sponsor, if the Sponsor had previously paid said bill) at such Unit's closing, a pro rata share of the full tax bill for all of the Units due for the next tax period following such closing based on the Unit's percentage interest in the Common Elements and the Condominium Board or the Sponsor shall pay the single tax bill. The Condominium Board will hold such payments on account of the real estate tax bill in an escrow account. See "Estimated Expenses and Adjustments."

Although the estimate of New York City Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation and tax rates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or of the actual real estate taxes to be assessed. In no event will the Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuation or tax rate, when actually established, is lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future.

Real Estate Tax Exemption Benefits (Section 421-a)

Sponsor has applied to the New York City Department of Housing Preservation & Development ("HPD") for a real estate tax exemption for the Units under Section 421-a of the New York Real Property Tax Law ("Section 421-a"). NEITHER SPONSOR, SPONSOR'S CONSULTANT, SPONSOR'S COUNSEL, THE SELLING AGENT, THE MANAGING AGENT NOR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY THAT EXEMPTION FROM REAL ESTATE TAXES UNDER SECTION 421-A WILL BE GRANTED OR, AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX WHICH WILL BE ASSESSED AGAINST THE UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY UNIT OWNER. There is no guaranty or assurance that the criteria for Section 421-a benefits

will be satisfied at any particular time and neither Sponsor nor Sponsor's real estate tax consultant offers any opinion with respect to the eligibility of any Unit for Section 421-a benefits or when such benefits would be granted by New York City. If, for any reason, an application is not approved by HPD, the Units will be subject to full taxation and will receive no benefits under Section 421-a. See Schedule A which sets forth the projected monthly real estate taxes for each Unit with and without benefits under Section 421-a for the projected first year of Condominium operation.

The 421-a real estate tax exemption is an exemption from real property taxes, other than assessments for local improvements, on the amount of increased assessed value resulting from the new construction of multiple dwellings. The exemption will last for 25 years. During construction and during the 25 years subsequent to the construction period exemption, the exemption will equal 100% of the amount of the increase in assessed value attributable to such construction. During the following five years, the exemption will be reduced by 20% every year.

The tax exemption will be reduced by approximately 5.8 percent because of the amount of non-residential space in the Building. This reduction applies to the Community Facility Unit only.

The above estimated 421-a exemption amounts will remain constant throughout the benefit period. Any subsequent increases in assessed value not attributable to the physical improvement of the building will not be exempted. Increases in the real estate taxes due to subsequent increases in the tax rate will not be abated. As such, during the benefit period, increases in assessed value and increases in the tax rate will result in increases in the real estate taxes owed by the Unit Owners.

Prospective purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in every five fiscal tax years in annual increments of twenty percent each. Any further increase in assessed valuation during such five-year period resulting from a still higher market value is similarly phased in over an additional five-year period from the date of such increase. The full increased assessed valuation is targeted to be in effect after the end of the five-year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the five-year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such five-year period is called the "transitional" assessed valuation.

For the duration of the benefit period HPD requires that a Certificate of Continuing Use be filed on an annual basis. Such Certificate must verify that the use of the property has not changed from the description provided in the 421-a application. Any changes must be described in the Certificate of Continuing Use. Any changes on the use of the property, or parts of the property, may result in the revocation or reduction in 421-a benefits. Failure to file the Certificate may result in revocation of 421-a benefits.

A preliminary 421-a Certificate of Eligibility was issued by HPD on June 20, 2003. Sponsor will make its best efforts to obtain the 421-a benefits and will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided. Upon recording of the Condominium Declaration, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits. The Board of Managers shall thereafter assume the responsibility to file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

Pursuant to Article II of the By-Laws (Section 2), the Board of Managers has the power to apply on behalf of all Unit Owners in a single application to the Tax Commission of the City of New York for a reduction in the assessed valuation of all Units and to retain counsel for this purpose.

RESERVE FUND FOR CAPITAL EXPENDITURES

There are no restrictions on the Board's right to accumulate available funds for reserves. Although Common Charges may also be assessed from Unit Owners for this purpose, as long as the Sponsor or its designee owns Units representing at least 25% of the common interest during the initial five (5) year control period, the prior consent of Sponsor or its designee is necessary in order to assess Common Charges to create, add to or replace a reserve, emergency or surplus fund unless required by law.

The budget for the first year of Condominium operation set forth in Schedule B includes a reserve fund of \$1,000 for future roof replacement.

WORKING CAPITAL FUND

In addition to paying regular monthly payments of Common Charges, each Purchaser of a Unit (except for Sponsor or its designees) will be required to pay to the Condominium at Closing a non-refundable payment equal to two (2) months estimated Common Charges as set forth in Schedule A. These payments will be accumulated to provide the Condominium with working capital for capital items and/or repairs, emergencies and other appropriate purposes as determined by the Board of Managers. The sale of all Residential Units will result in a Working Capital Fund of approximately \$8,926 (based on the projected budget set forth in Schedule B, which may be amended prior to the first closing), before calculation of adjustments as set forth below.

So long as the Sponsor controls the Board of Managers, the Working Capital Fund may not be used to reduce projected Common Charges as set forth in Schedule B to this Plan.

The Working Capital Fund may be used to cover closing adjustments between Sponsor and the Condominium as described in the section "Terms of Sale". Individual closing adjustments, consisting of pro-rated monthly common charges, real estate taxes and insurance premiums, are payable by Purchasers as more fully set forth in the section of the Plan entitled "Unit Closing Costs and Adjustments".

The Working Capital Fund is to be distinguished from the contingency fund provided for in the proposed Budget, Schedule B to the Offering Plan, and which may in fact be used during the period of Sponsor's control of the Board of Managers.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium will enter into a one (1) year management agreement with Advance Management Services with offices at 26 Court Street, Suite 804, Brooklyn, New York 11242, effective as of the date of the first closing of title to a Unit, at an

annual fee of \$7,500.00. All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. See "Budget for the First Year of Condominium Operation" (Schedule B). The management agreement provides that Managing Agent will return the books and records held by it to the Condominium upon termination.

The Managing Agent will, among other things:

1. cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Common Elements, all of whom will be the Condominium's employees;
2. cause the Common Elements to be maintained in such condition as may be deemed advisable by the Board of Managers, provided that ordinary repairs or alterations involving an expenditure of over \$1,000 for any one item which is not part of a previously approved operating or capital budget will be made only with the prior approval of the Board of the Condominium, although emergency repairs, i.e., those immediately necessary for the preservation and safety of the Common Elements or for the safety of Unit Owners or other persons, or required to avoid the suspension of any necessary service to the Property, may be made by the Managing Agent without prior approval irrespective of the cost thereof, but with notice to the Board as soon as practicable thereafter. Notwithstanding the foregoing, the Managing Agent will not be required to supervise any alteration or repair item (or program) although it will solicit bids, if requested by the Board;
3. recommend, and with the approval of the Board of Managers, cause all such acts and things to be done in or about the Common Elements that may be necessary or desirable to comply with any and all laws, rules and orders or violations affecting the Common Elements, placed thereon by any federal, state or municipal authority having jurisdiction thereover;
4. enter into contracts for any necessary services and supplies, as authorized by the Board of Managers;
5. act as a liaison between the Board of Managers and an insurance agent to arrange for the appropriate insurance coverage of the Condominium, and notify the general liability insurance carrier and the Board of Managers in writing promptly of any personal injury or property damage occurring to or claimed by any Unit Owner or third party on or with respect to the Condominium. If the Managing Agent places such insurance, the Agent shall be entitled to a commission;
6. check and approve all bills received for services, work, and supplies ordered in connection with maintaining and operating the Common Elements, and pay or cause to be paid all such bills and all water charges, sewer rents and assessments imposed on the Building as and when they become due and payable;
7. supervise the moving in and out of Unit Owners and tenants;
8. bill or cause to be billed Unit Owners for Common Charges, late charges and other charges, use its best efforts to collect such Common Charges and other charges, and deposit the same promptly in an account approved by the Board of Managers;

9. consider, and when reasonable, attend to complaints of Unit Owners. If the Managing Agent deems any complaint unreasonable, it will advise the Board of Managers of the complaint and the reason for its opinion that the complaint is unreasonable;
10. if requested by the Board, carry out required procedures and give required notice as set forth in the Condominium Documents in connection with the exercise of the right of first refusal on proposed sales or leases of Units;
11. retain experts and consultants as required to conduct special studies, subject to the approval of the Board and at the expense of the Condominium;
12. notify the Board of Managers promptly (together with copies of supporting papers) of any notice of violation of any governmental requirement, imposition of any lien, non-payment action regarding the Building or any defect in the Condominium;
13. cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of Condominium employees;
14. on or about the 15th day of each month, render or cause to be rendered to the Board of Managers regular monthly statements, supported by bills and/or authorizations required pursuant to the management agreement;
15. set up and keep in good order a separate, accurate and full set of receipts and disbursements, and maintain files containing all documents pertaining to the Building, maintain accurate and complete accounting records and a checkbook on the Condominium's bank account.
16. cooperate with the Condominium's accountants and auditors in regard to the annual audit of the books of account of the Condominium and in the preparation of tax returns and the annual report of the operations of the Building for the year then ended. If requested by the Board, send a copy of such annual report to each Unit Owner;
17. prepare and submit annually to the Board of Managers, as soon as practicable in each calendar year, an operating budget setting forth the anticipated income and expenses for the Condominium for the ensuing year, and notify the Unit Owners of all assessments determined by the Board;
18. prepare and send out all letters and reports to members of the Board of Managers as the Board of Managers may request;
19. attend not more than one Board meeting each month and all Unit Owner meetings unless specifically advised by the Board of Managers that such attendance is not required at a particular meeting, provided meetings are held at reasonable times and reasonable notice is given;
20. process applications by Unit Owners for consent to alterations, assemble proposed plans and coordinate with the Unit Owner for use of Building services but without supervising the renovations, at a fee to the Unit Owner which will be set by the Board of Managers;
21. if requested to do so, record the minutes of the meetings of the Board of Managers; and

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

Additionally, the Managing Agent will be entitled to collect from every Unit Owner, other than the Sponsor or its designee as owner of Unsold Units, a fee for processing applications for sale, rental or renewal rental of Units.

Pursuant to the Management Agreement, the Board of Managers will indemnify the Managing Agent against any judgment rendered in or settlement of any claim, action or proceeding brought against the Managing Agent and the Board of Managers jointly or severally arising out of or connected with the proper performance by the Managing Agent of its duties. Such obligations will also be covered by insurance obtained by the Condominium. If requested by the Board of Managers, the Managing Agent will procure and maintain, at the Condominium's cost and expense, a fidelity bond to protect the Condominium against loss caused by acts of the Managing Agent, its directors, officers or employees.

The Management Agreement may be canceled by either party at any time, upon thirty (30) days prior written notice. It may not be assigned by either party.

If, after the transfer of control of the Board of Managers to the Unit Owners and the expiration of the Management Agreement, the Condominium Board elects to employ a different managing agent or manager of its own choice, any additional cost thereof will be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by the Sponsor as to cost, terms or availability of such management services.

Insurance

Prior to the first closing of title to a Unit, the Sponsor will obtain the insurance coverage described in the footnotes to Schedule B on behalf of the Condominium.

Service Contracts

The service and maintenance contracts listed in the footnotes to Schedule B, as extended or replaced, will be binding on the Condominium after the first closing of title to a Unit.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Plan is Broadway-Driggs Associates, LLC, a New York limited liability company (the "Sponsor"), which was formed on January 15, 2002 and which maintains an office at 96-20 Atlantic Avenue, Ozone Park, New York 11416. The managing member of the Sponsor is Anthony Gurino. The members of the Sponsor are Anthony Gurino, Jack Korn, Greater Brooklyn Realty LLC, a New York limited liability company whose managing member is Jack Korn and Gurino Management Corp., a New York corporation whose president is Anthony Gurino.

Mr. Gurino is a real estate investor and building contractor. Mr. Gurino has been a principal of the Sponsor of The Ozone Park Condominium located at 101-01, 101-05, 101-07 81st Street, Ozone Park, N.Y. The Offering Plan for that property was

abandoned by the Sponsor after acceptance for filing. No purchase agreements were accepted. Mr. Gurino is not now a principal of any other entity which owns in excess of ten (10%) percent of the unsold shares or units in any cooperative or condominium projects.

Mr. Korn is a real estate investor and businessman. He was a principal of the Sponsor of The 5316 14th Avenue Condominium located at 5316 14th Avenue, Brooklyn, New York, in which all of the units were sold by September 21, 2001. The Offering Plan for the above condominium is on file with the Department of Law and is available for public inspection and copying. Mr. Korn is not now a principal of any entity which owns in excess of ten (10%) percent of the unsold shares or units in any cooperative or condominium project.

The Selling Agent

Douglas Elliman, with an office at 60 East 56th Street, New York, New York 10022 is the Selling Agent retained by the Sponsor in connection with the offering of Condominium Units. Douglas Elliman is engaged in the brokerage and sale of residential properties in the New York metropolitan area. The firm has no financial relationship, past or present, to the Sponsor except as Selling Agent.

Managing Agent

Advance Management Services, the Managing Agent, with an office at 26 Court Street, Suite 804, Brooklyn, New York 11242, is a real estate management firm which has been engaged in real estate management for over 15 years and whose principals have been involved with the operation and management of residential properties in the New York metropolitan area for more than 25 years. The company has managed approximately ten apartment buildings in Brooklyn, including the following properties: 142 Joralemon Street, 60 Plaza Street, 50 Plaza Street, 45 Plaza Street, 25 Plaza Street, 1 Plaza Street, 60 Pineapple Street, 59 Pineapple Street, 225 Lincoln Place and 125 Eastern Parkway.

Attorneys for Sponsor

Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, New York, New York 10106 is the law firm retained by Sponsor to represent it in connection with this Plan. Such law firm has, on behalf of Sponsor, prepared this Plan, the Declaration and By-Laws, the form of Purchase Agreement, Deed and the related Exhibits referred to herein. It has also rendered an opinion to Sponsor with respect to the availability of income tax deductions to purchasers of Residential Units, which opinion is set forth in Part II of the Plan. Jane Rosenberg, Esq. and Richard E. Feldman, Esq. were primarily responsible for preparing the Plan. Sonnenschein, Sherman & Deutsch, LLP has not undertaken any responsibility for the business or financial terms of this Plan and has no financial interest in the Plan, the Property, the Sponsor or other parties to this transaction, except for its fee for service rendered.

Architect

Maurice Brezel, Registered Architect, with an office at 1482 Fifty-Second Street, Brooklyn, New York 11219 has been retained by Sponsor as architect for the Property. Said architect has prepared the report and Unit floor plans set forth in Part II of the

Plan, as well as similar reports for other condominium Offering Plans. The architect has prepared numerous reports for offering plans and has no financial relationship, past or present, to the Property or to the Sponsor, except as architect.

REPORTS TO UNIT OWNERS

All Unit Owners are entitled to receive copies of the following reports and/or notices annually, from the Condominium, at the Condominium's expense.

1. annual financial statements of the Condominium, prepared and certified by independent certified public accountants, to be mailed within five (5) months after the end of the fiscal year;
2. notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) nor more than forty (40) days in advance of the meeting, stating the purpose thereof as well as the time and place where it is to be held;
3. a copy of the proposed annual budget of the Condominium to be sent not less than ten (10) days prior to the date set for adoption thereof. While the Sponsor is in control of the Board of Managers, the budget shall be certified in accordance with the Attorney General's regulations.

DOCUMENTS ON FILE

Pursuant to Section 352-e(9) of the General Business Law, Sponsor will keep copies of this Plan, all documents referred to herein 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 the office of the Sponsor for six (6) years from the first closing of title to a Unit during normal business hours and upon reasonable notice, by prospective Purchasers and any person who has purchased a Condominium Unit offered by this Plan or who has otherwise participated in this offering.

GENERAL

There are no lawsuits, administrative proceedings or other legal proceedings now pending, the outcome of which could materially affect this offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation thereof.

The Property is not and has never been the subject of any prior cooperative or condominium public offerings. As of the date of the Plan, neither the Sponsor, the Selling Agent nor any other representative or agent of Sponsor has raised funds from, made any preliminary offering to or made any binding agreement with, prospective purchasers with respect to condominium Units nor collected any money from prospective purchasers.

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

The Sponsor reserves the right, from time to time, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the

Units are sold, including changes affecting the rights, obligations and liabilities of the Condominium, Unit Owners, Purchasers and/or prospective Purchasers under this Plan. All material revisions will be contained in a duly filed amendment to this Plan. In the event of a material revision adversely affecting the rights, or materially increasing the obligations or liabilities, of then existing Purchasers or the Condominium, or materially reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right, for fifteen (15) days after the presentation date of the amendment, to rescind their Purchase Agreements in writing, delivered to the Sponsor within such fifteen (15) day period and have all monies paid thereunder (with interest earned on their Down Payment, if any) refunded, provided such persons comply in all respects with any procedure for rescission set forth in an amendment to this Plan.

No binding obligation between the Sponsor and a Purchaser may arise unless and until a Purchase Agreement has been executed by both the Purchaser and the Sponsor, and delivered.

This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents referred to herein, cannot be relied upon. This Plan does not intentionally omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

All references in this Plan to the Sponsor will be deemed to include any assignee or designee of Sponsor.

This Plan may not be changed or modified orally.

SPONSOR'S STATEMENT OF SPECIFICATIONS AND BUILDING CONDITION

The Sponsor adopts the Description of Property and Specifications (the "Report") prepared by Maurice Brezel, Registered Architect, which is set forth in Part II of this Plan, and has relied solely on this Report. The Sponsor represents that it does not know of any material defect or need for major repairs except as set forth in the Report.

The Sponsor will comply with the provisions of 42 U.S.C. 4852d any other applicable federal, state and local laws concerning lead based paint, and any laws and regulations promulgated thereunder.

Broadway-Driggs Associates, LLC
Sponsor

EXHIBIT A

FLOOR PLANS

PLOT PLAN AND ROOF PLAN
NTS

BRIGGS AVE

80'-8"

43'-5"

74'-1"

46'-0"

2-5-TON

12-3-TON

LOW ROOF

R.D.

R.D.

PART OF UNIT
1A

PART OF UNIT
1B

COMMON RECREATION

HIGH ROOF

(COMMON)

C.L.F.

C.L.F.

STAIR
BULKHEAD
(COMMON)

ELEVATOR
BULKHEAD
(COMMON)

VENTS

VENTS

PLAZA
COMMON

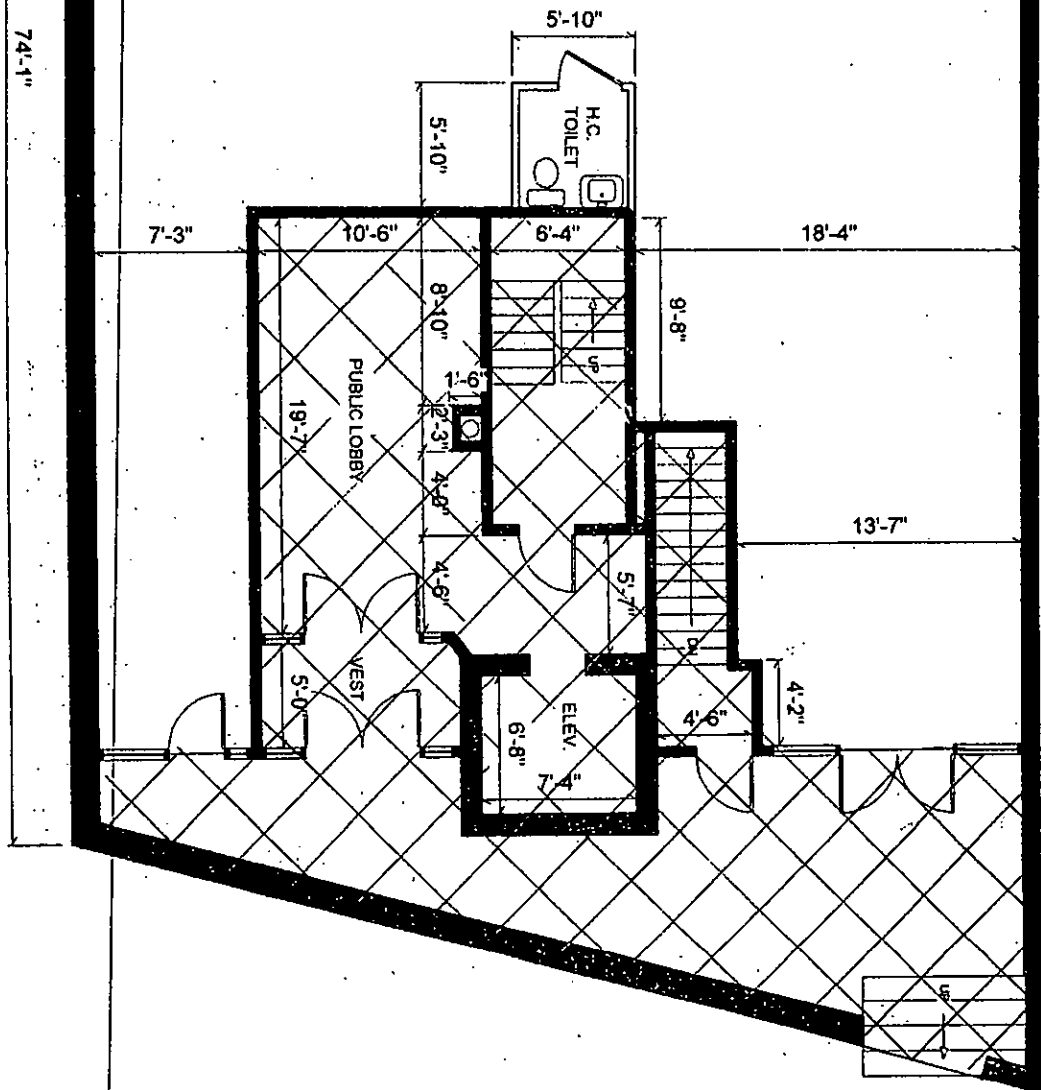
170 BROADWAY

130'-11 5/8"

DN

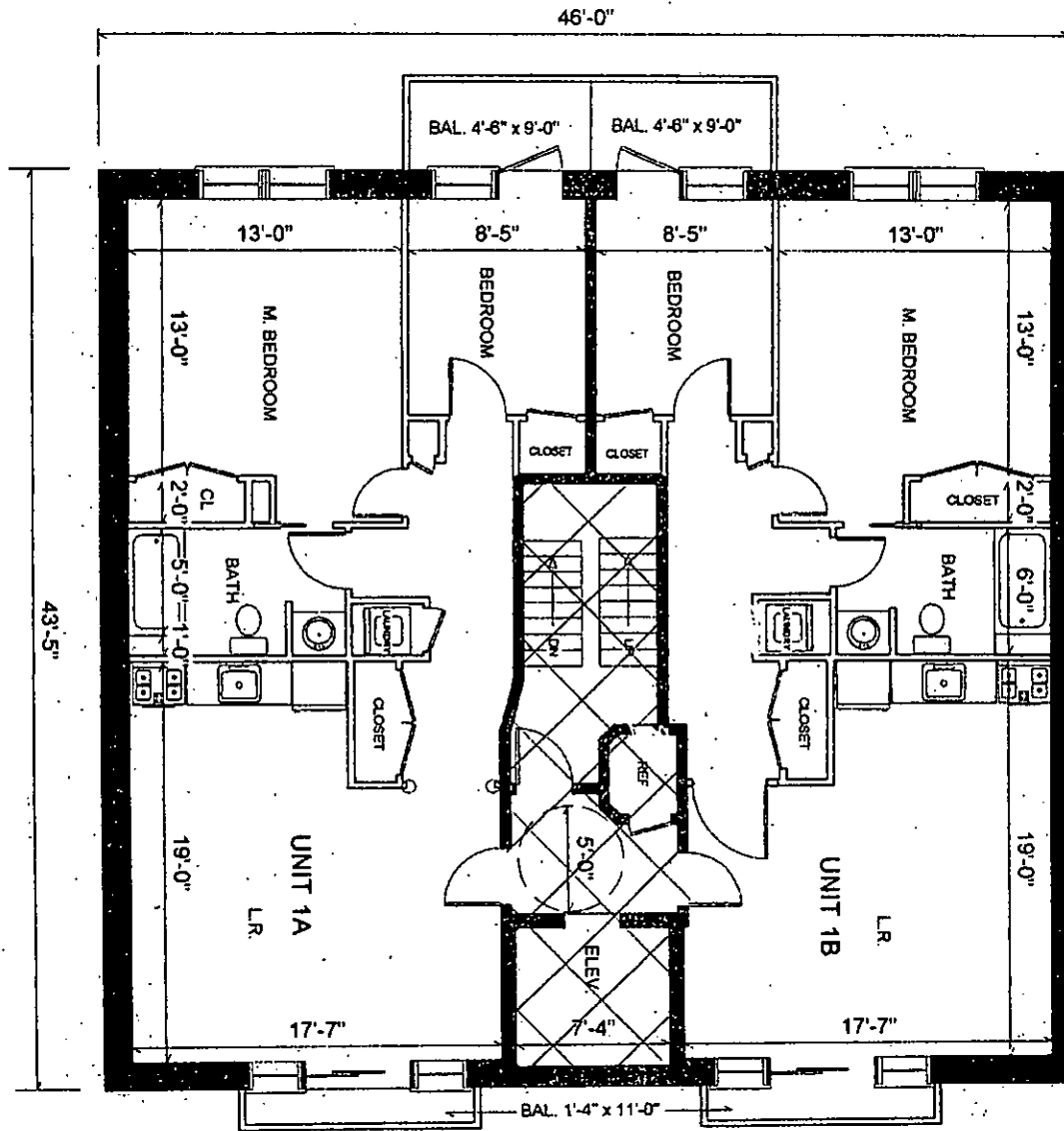
MEDICAL OFFICE

MEDICAL OFFICE

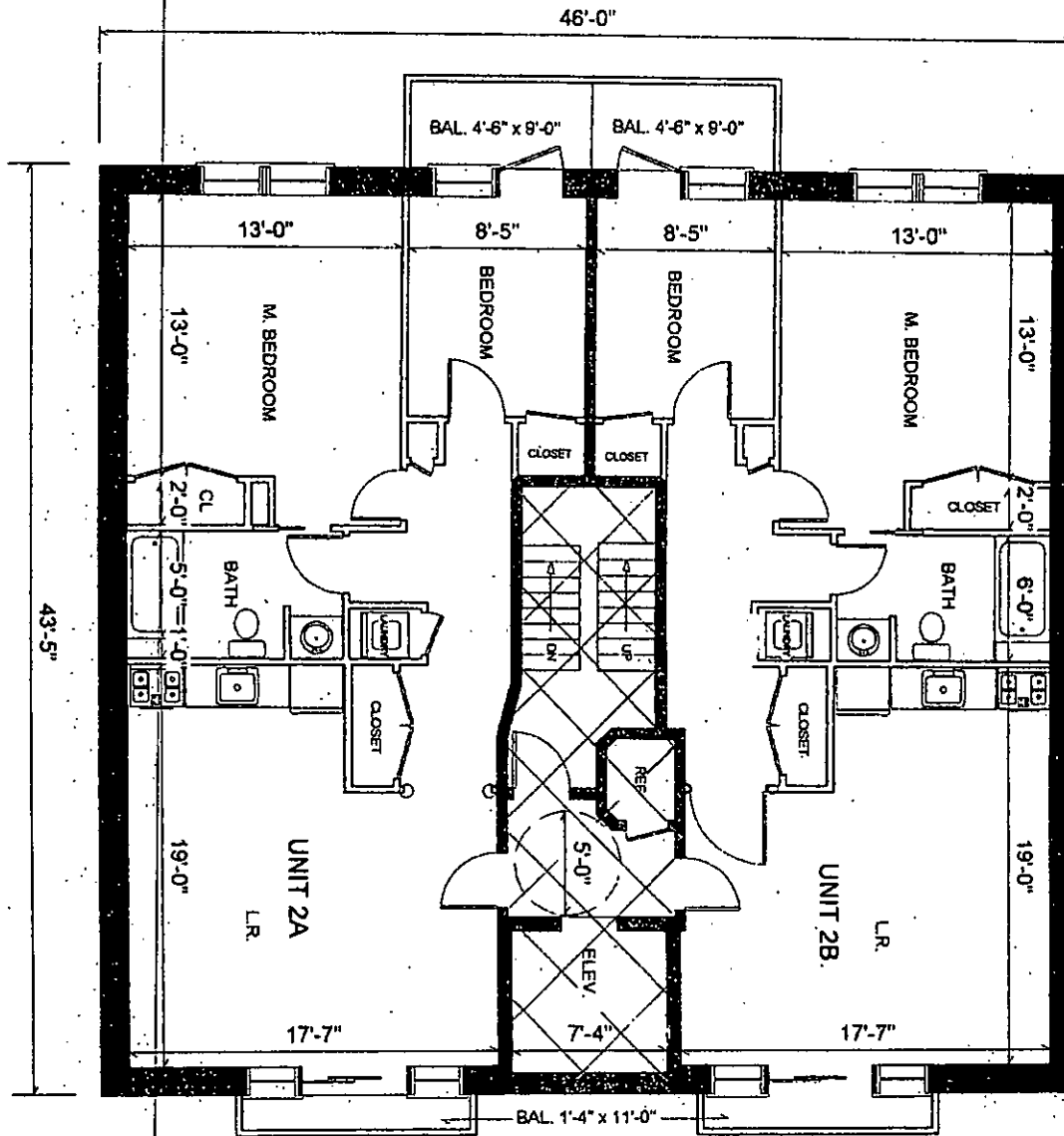


BASEMENT FLOOR

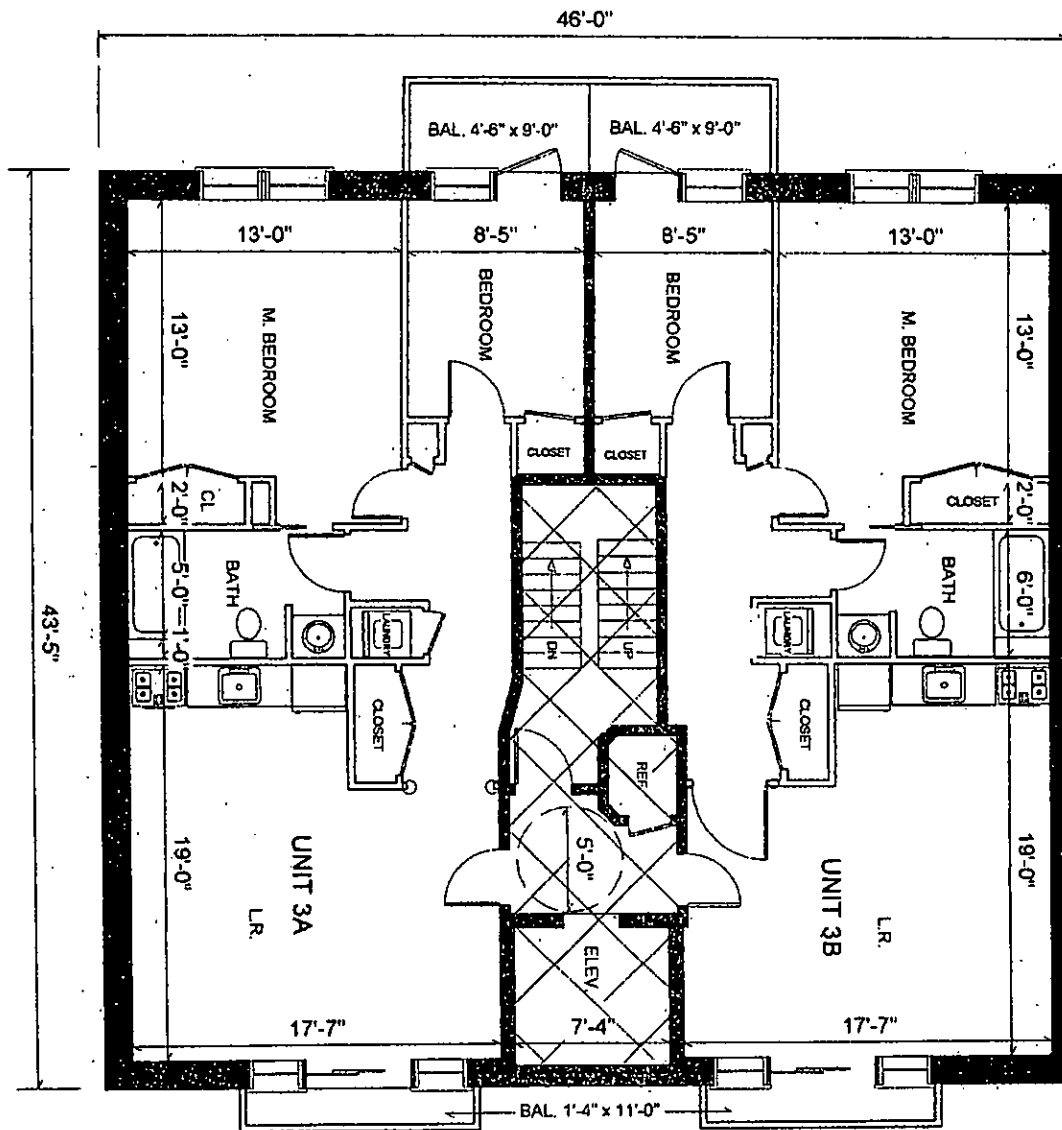
1ST. FLOOR



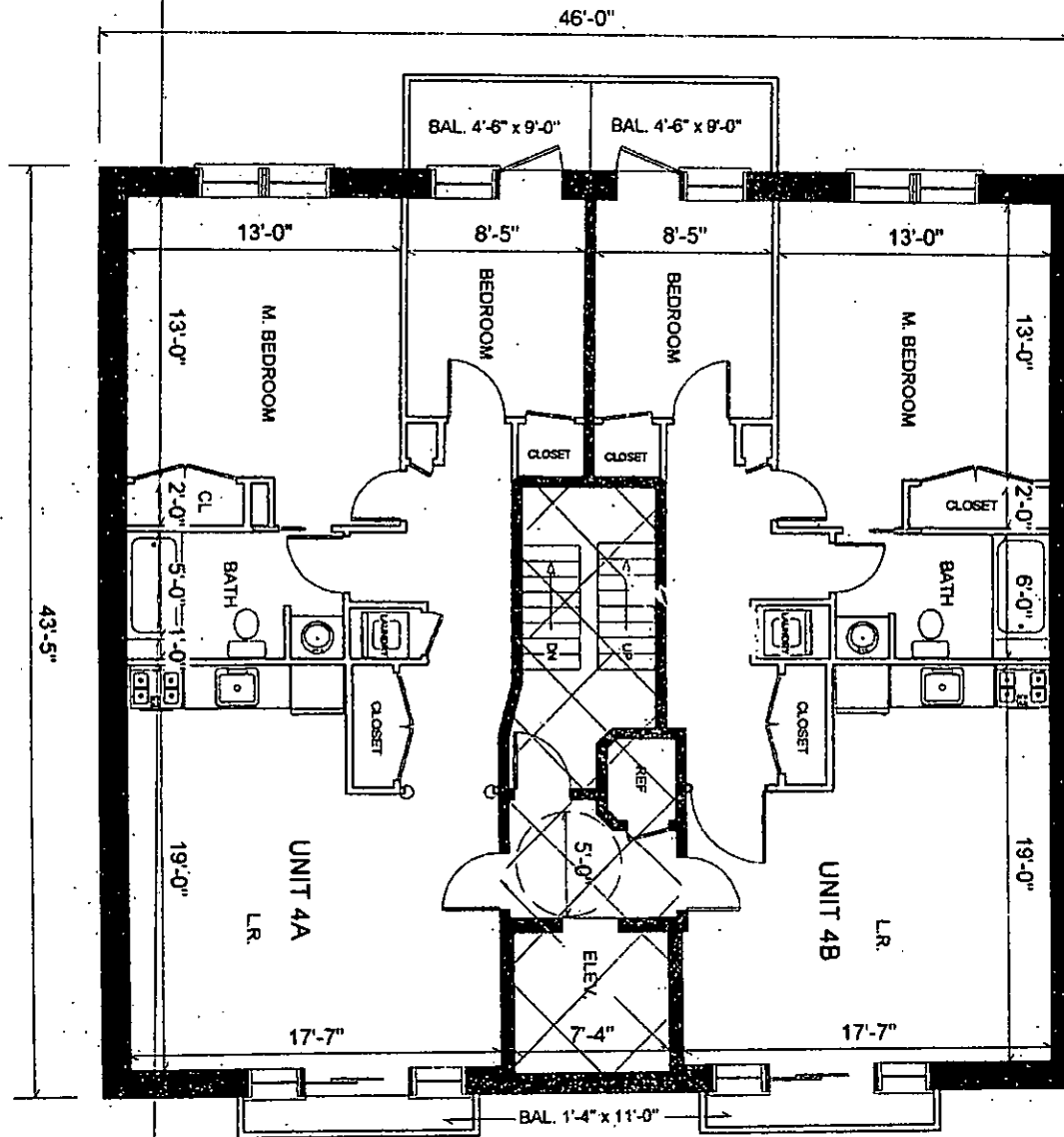
2ND. FLOOR



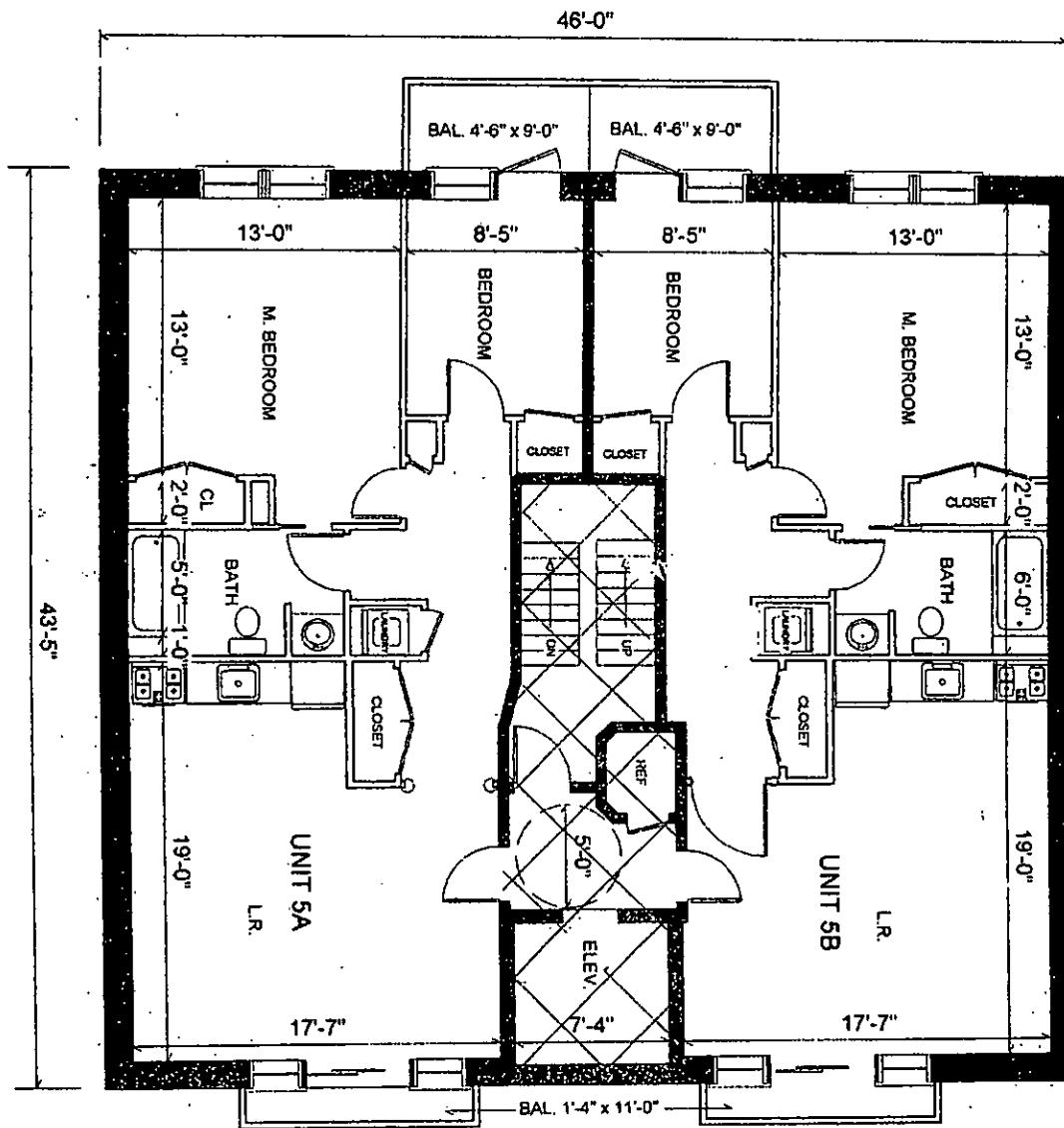
3RD. FLOOR



4TH. FLOOR



5TH. FLOOR



6TH. FLOOR

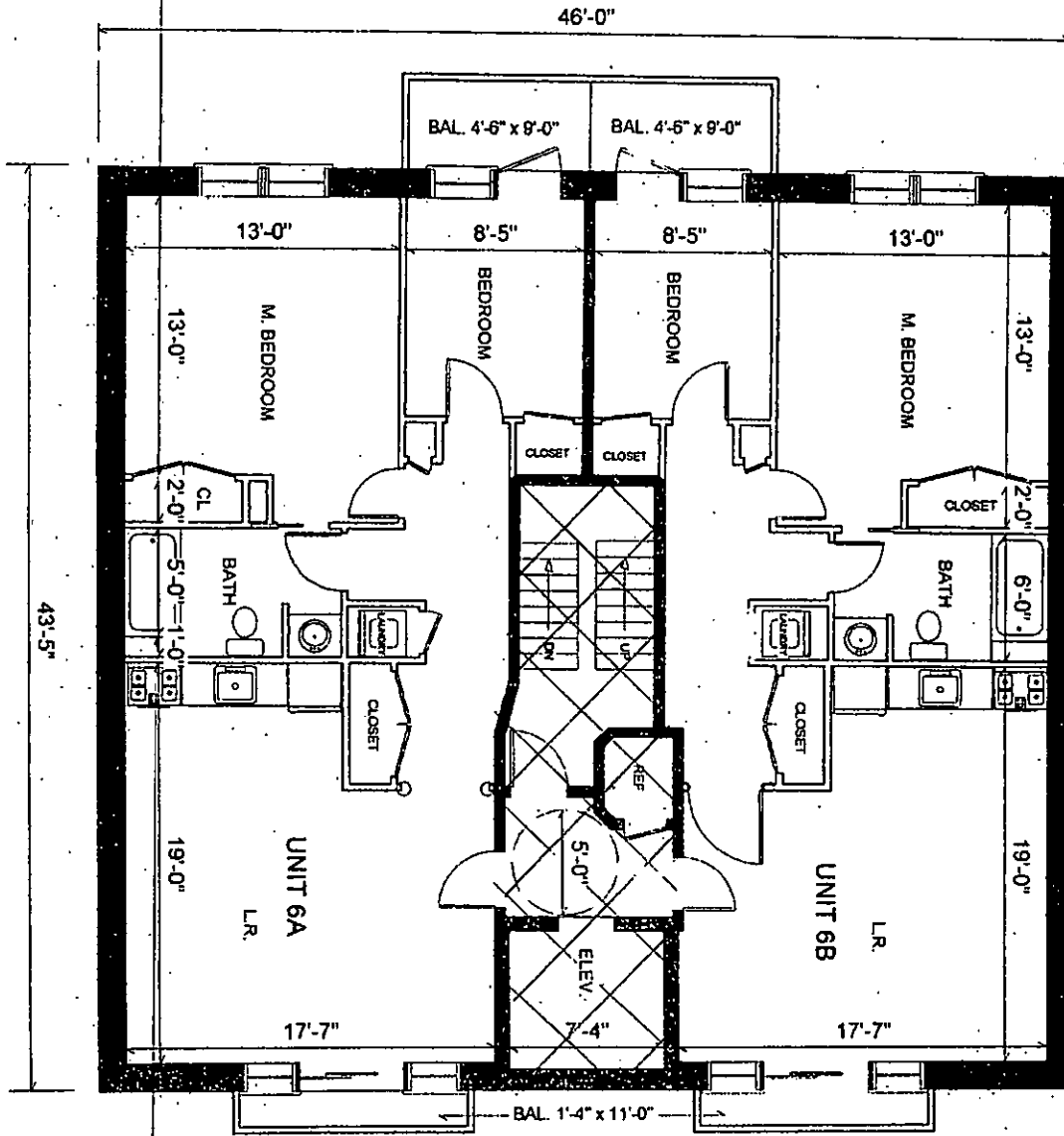


EXHIBIT B

**DESCRIPTION
OF
PROPERTY**

EXHIBIT A

Architectural report for the structures to be known as The Arms Broadway Condominium located at 170 Broadway in Borough of Brooklyn County of Kings City and State of New York. The plans have been filed with the Department of Building under the following application:

170 Broadway D.O.B. Job # 301093108 Approved on August 24, 2001.

The building will comply with Local Law 58/87 handicap access requirements.

LOCATION AND USE OF PROPERTY

The condominium is located in block 2132 lot 18. Zoning district R6 map 12d of the New York City Zoning Resolution dated 1961 as amended on February 26, 1998. The Zoning Resolutions permits residential and community facility use as of right.

STATUS OF CONSTRUCTION

The building under construction will comply with Section 27-296 of New York City Building Code for type 1 D (non-combustible) construction. The building contains 12 residential units, a medical unit in the basement, and 6 parking units located in the cellar. The parking units are accessible by easement through the adjoining building (158 Broadway) being built at the same time.

THE SITE

The land is located on the south side of Broadway 130'-11 5/8" East from the intersection of Driggs Avenue and Broadway.

The pavement is composed of asphalt and the sidewalks and curbs will be concrete. The sidewalks will slope away from the building providing positive drainage.

Street lighting is provided by New York City.

UTILITIES

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

Natural gas service is provided by Keyspan Energy Delivery. Natural gas service is metered to each unit for cooking purposes, domestic hot water and heating. The meters are located in the cellar. All gas piping is to be threaded black iron.

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

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

SUB-SOIL CONDITIONS

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

LANDSCAPING

The sponsor will not provide any landscaping or recreational equipment. Sidewalks will be 4" thick concrete. The buildings distance from the front line varies from 0'-0" to 12'-4" from the lot line creating a triangular plaza. That triangular space contains steps to the plaza which in turn leads to the entrances of the residential and medical facilities.

BUILDING SIZE

The width of the building is 46'-0" on all floors and the depth of the cellar and basement floors are 74'- 1 1/2", the remaining 6 floors are 43'-5" in depth. The total height of the building is 60'-0" measured from the adjoining grade. There will be six stories.

The following are floor to ceiling heights:

Cellar	6'-8"
Basement Floor	8'-0"
First	8'-0"
Second Floor	8'-0"
Third Floor	8'-0"
Fourth Floor	8'-0"
Fifth Floor	8'-0"
Sixth Floor	8'-0"

STRUCTURAL SYSTEMS

The structure is of non-combustible construction. This type of structure has exterior walls and interior load bearing walls of non-combustible materials cut the span of the steel joists and floors and roofs constructed of non-combustible materials and assemblies as specified by the Building Department requirements of the City of New York. Openings between the buildings of 158

Broadway and 170 Broadway have been provided in the cellar and basement to provide access between the two buildings for parking space in the cellar, and interconnected in the basement for possible future shared use. These openings are provided with 3HR> FPSC sliding doors that are released by a fusible link. The openings are approximately 10'-0" wide..

The footings are spread. Foundation walls are poured concrete. Both bearing and non-bearing exterior walls are constructed as follows: 4" brick, 8" concrete masonry units (CMU), 2 1/2" metal studs, 3" insulation and 1/2" sheet rock. The side lot line walls are 12" masonry units without brick. Floor construction consists of steel joist with 2 1/2" poured concrete over metal decking, supported by the exterior walls and interior steel columns and beams.

All exterior walls are designed to be insulated with three inch batt insulation having an "R" factor of 11. The roof will be insulated with 9" fiberglass insulation having an average "R" factor of 19. Periodic inspections and reports as per Local Law 11 will be required.

The roof over the basement extension, over the sixth floor and over the stairs and elevator bulkheads are flat and composed of 4 ply roofing pitched to drains. The Sponsor warrants the roofing surface for one year.

Lintels over masonry interior or exterior openings are steel or reinforced concrete. Window sills will be brick on the exterior of the premises and finished with 1/2" thick sheet rock painted on interior of the premises.

WINDOWS

All front windows are casement type and sliding doors to front balconies, manufactured by "Anderson" or equal. The rear windows are double hung and swinging doors to rear balconies, manufactured by "Stanley" or equal. All windows and doors to be insulated as per minimum requirements of the New York State Energy Code.

There are no lot line windows.

BALCONIES AND ROOF TERRACES

The balconies and roof terraces as shown on the plans are constructed of concrete floors over cantilevered steel and over lower roof terraces. Metal guard railing 3'-6" minimum height on all 3 sides. Roof terraces are constructed of steel joist with 2 1/2" poured concrete over metal decking with tapered insulation and built up roofing. The terraces are designed to carry a live load of 60 lbs.

The owners of units who are allocated roof areas as shown on the floor plans shall be responsible for the repair and maintenance of said roof areas, provided, however, that the Board of Managers shall have an easement for inspection and repair at reasonable times.

Nothing may be built on said areas without a permit from the Department of Buildings and/or a variance from the Board of Standards and Appeals. In the event a permit and/or a variance is obtained and construction is done, the Board of Managers will have access for inspection and repair and the Board of Managers may regulate any one or more of the following aspects of construction:

1. Time periods which work is permitted;
2. The manner in which construction debris will be handled;
3. Measures which must be taken to prevent compromising the security of the building during construction;
4. The interruption of services during construction;
5. Liability insurance during construction.

EXTERIOR ENTRANCES

The building has two front entrances and one exit. The front entrances and vestibule doors and sidelights to be aluminum and glass, 1" thermal barrier with integral weather stripping. Doors to be fitted with an entry lock. The third door will be metal clad used for exit only and will have no hardware on the exterior. Doors to comply with New York State Energy Code.

Two way buzzer system to be located in vestibules providing voice contact to each unit.

Mail boxes - Shall be U.S. Postal Service approved type (Superior Steel Door Co. or equal), vertically recessed.

INTERIOR DOORS

Interior doors shall be as follows:

Apartment doors 3'-0" x 7'-0" x 1-3/4" hollow metal 1-1/2 hr.

F.P.S.C. with peep hole and chime self closing an STC equal to 35.

Fire stair doors - 3'-0" x 7'-0" x 1-3/4" hollow metal 1-1/2 hr.

F.P.S.C. with 8"-12" wire glass vision panel.

Bedroom doors - 2'-10" x 6'-8" x 1-3/4" solid core wood.

Bathroom doors - 2'-10" x 6'-8" x 1-3/4" solid core wood.

Closet doors - size varies from 2'-10" to 5'-0" x 6'-8" x 1-3/8" masonite core paneled doors.

Laundry closet doors 2'-8" x 6'-8" x 1-3/8" masonite paneled doors.

Refuse closet doors 3'-0" x 7'-0" x 1 3/4" metal 1 1/2 HR.F.P.S.C.
Meter and gas room and cellar storage rooms - 3'-0" x 7'-0" x 1-3/4" hollow metal 1-1/2 hr. F.P.S.C.

Hardware shall be as follows:

Apartment doors - Mortise Lock
Bedroom doors - Privacy
Bathroom doors - Privacy
Closet doors - Passage
Refuse closet door - Passage

ROOF, ROOF TERRACES AND ROOF STRUCTURES

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

The sponsor warrants the roof surface for 1 year with respect to defects and failure of the roof surfacing performed in a skillful manner. The warranty period with respect to material defects in the structural components of the roof shall be 6 years. The warrantee period shall begin on the date of conveyance of title to the first unit.

STAIRS

Public stairs are to be metal pan stair construction with concrete filled treads with 1" noising.

Handrails for stair to be 2'-8" high constructed of metal.

RATED PARTITION

The partitions between units are 1 hr. rated and between the units and public halls, stair, elevator and duct spaces will be two hour rated.

FLOOR CONSTRUCTION

Floor construction to be of steel joists at 16" o.c. Cellar floor to be 7" concrete slab with welded wire mesh. Smooth finish to be provided. All other floors to be of 2-1/2" concrete slab over metal decking.

ELEVATOR

The building will have a dual roped hydraulic passenger elevator, as manufactured by CNCO Corp. The elevator will be as follows; the

capacity will be 2,000 lbs., the speed will 150 f/p/m, the travel distance will be 63'-0", the elevator will serve eight landings, and the car platform will be 6'-8" x 7'-4". The operation will be simplex selective collective. The doors will be single slide, 3' x 7'. The power supplied will be 208 volt three phase. The hoistway will have standard steel tee section. The rail support brackets will be supported approximately 14'-0" apart held by forged clips, the roller guide shoes will be rigid nylon.

Machine unit will be self contained; all components will be inside a tank. The motor is especially designed for hydraulic elevator duty.

Controllers are microprocessor type with on board diagnostic devices.

SIGNAL OPERATING STATIONS

Car operating panel will have the following; illuminated push buttons, stop switches, door open, door close push buttons, keyed car light, fan switches, alarm bell push button, telephone, emergency light, handicap symbols and #4 stainless steel cover.

Hall operating station and car direction indicator will have one gang to indicate car to level up and two gangs to indicate car to level down. The cover plate will be #4 stainless steel. Car frame and platform will be structural steel shapes. The platforms, will also be structural shapes, double layer plywood flooring, fireproofed underside. Finish floor in elevator will be vinyl tile.

Hoistway Entrances

Door frames will have a square profile, 14 gauge steel, door panels will be 16 gauge hollow metal doors normally parked closed. The wall of the cabs will be wood core faced with plastic laminate on the inside and fireproof on the hatch side. The car door on the cab side will be plastic laminate with stainless steel binder, the chase will be #4 stainless steel, 4" high. The ceilings will be eggcrate with florescent light above. The handrail will 3/8" x 2" #4 stainless steel. The canopy will be 12 gauge steel painted with escape hatch. An exhaust fan will be provided with an aluminum grille.

The elevator contractor shall guarantee the materials and workmanship of the elevator installed by him under this specification are new and first class in every respect, and that he will make good any defects not due to ordinary wear and tear or improper use of car, which may develop within one year from the date of completion.

The elevator will be installed in accordance with accepted

manufacturer's directions and ANSIA17.1 and all applicable codes. The machine room equipment will be installed with clearance complying with ANSIA17.1. Items will be installed so that they may be removed by portable hoists or other means for ease of maintenance.

All the work shall be done in accordance with the requirements of the National Electrical Code and the latest American Standard Safety Code for Elevators, Dumbwaiters and Escalators, including all revisions and authorized changes in effect and all local codes which govern the requirements of this installation.

The elevator contractor shall furnish at his expense, all necessary inspections and permits pertaining to the elevator, elevator installation and functioning, and make such tests as are required by the regulations of such authorities. Tests shall be made in the presence of the authorized representatives of such authorities.

SKYLIGHTS.

There will be a skylight in the stairwell bulkhead of the building.

FIRE ESCAPES

The building has no fire escapes.

ROOF TOP FACILITIES

There are no roof top facilities. There will be no roof metal work. The building will have roof bulkheads, over the stair and the elevator shaft. A large portion of the roof area over the sixth floor will be used as a common recreation areas. The remaining portion will be used to place air condition compressors.

YARDS AND COURTS

There are no rear yards or courts.

PARKING AREAS

There are parking facilities in the building in the cellar area. Parking is provided for six cars in the building. The parking area in the cellar are interconnected by openings in the foundation walls, protected by 3HR. rated fire doors. Parking in the building 170 Broadway is through a ramp to the cellar located in building 158 Broadway.

RECREATION FACILITIES

There are on-site recreation facilities on the roof over the sixth floor of the building. No special equipment will be provided. The

roof will be fenced in with a chain linked fence. Also the compressors will be fenced in.

REFUSE DISPOSAL

Refuse storage closets are available on each of the residential floors. Refuse disposal is the responsibility of each individual unit occupant. Refuse is brought by the occupants to the front of the building or left in the refuse closet which is located on each floor and brought down by the Superintendent. Refuse is collected twice a week by the City of New York Sanitation Department.

SMOKE DETECTOR

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

BATHROOM AND KITCHEN MATERIAL AND FIXTURES

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

- Bath Tubs: 1. Manufactured by Kohler or app'd. equal
 Style: Mendota
 Model No. K-505/506
 Material: Cast iron enamel
 Color: Almond
 Size: 60" x 32" x 16"
- Bath Tub Hardware: 1. Manufactured by: Delta
 Item: Single lever
 Model No. 1448
- Shower Hardware: Manufactured by : Gerber or app'd. equal
 Item: Shower body 2 valve
 Model No. 48-221
- Water Closet: Manufactured by: Kohler or app'd. equal
 Style: Elongated tank and bowl
 Model No. K-3422
 Material: Vitreous China
 Color: Almond

Wash Basin:	Manufactured by: Kohler or app'd. equal Style: Radiant Model No. K-2099-4 19 x 16 Material: Cast Enamel Iron Color: Almond
Wash Basin Hardware:	Manufactured by: Delta Item: Faucet Style: Crystal handle Model No. 524 MPU
Kitchen	The sponsor will provide wooden maple base and wall cabinets and granite counter tops.
Refrigerator:	Manufactured by: General Electric Model No. PDS225BN8S Style: Bottom Freezer Color: Stainless steel
Gas Range:	Manufactured by: General Electric Model No. JS96BSFSS Style: Electric slide-in Size: 30" range Color: Stainless steel
Dishwasher:	Manufactured by: General Electric Model No. PDW7880GSS Size: 24" built in Color: Stainless steel
Sink:	Manufactured by: Kohler or app'd. equal Style: Mayfield Model No. K-5964-4 Material - Cast Enamel Iron Color: Almond Size: 25" x 22"
Sink Hardware:	Manufactured by: Delta Item: Faucet Style: 8" deck Model No. 400 with spray

Hook ups for washer and gas dryer will be provided. No washer or dryers will be provided.

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

PLUMBING AND DRAINAGE

Water is supplied to the units through connections from the building to the New York City water distribution system. There is

a 2" copper water main conveying the water into the building. Each unit is supplied hot and cold water from 3/4" copper piping. Moreover, the building relies on normal New York City water pressure for raising the water to the sixth floor so that no water tanks are required. According to New York City Law, a water meter will be installed. Each kitchen will have a cast iron sink and a gas range connection.

FIRE PROTECTION

The building will be fully sprinklered. The sprinkler heads are usually of the upright kind equipped with a fusible link set to go off at a temperature of 160 degrees Fahrenheit.

SANITARY SEWER SYSTEM

The sanitary waste conveyed to the New York City sewer system via two 4" no hub cast iron sewer pipes in the building leading to a house trap of 4" extra heavy cast iron in its own concrete pit in the cellar. From the pit there is a 6" extra heavy cast iron pipes conveying the sewage to the existing combined sewer in the street. There will also be roof retention and controlled flow devices as required by the Sewer Department.

HEATING AND COOLING

The units are heated by a split unit system. Each unit will have an air handler as manufactured by Goodman, model number GMTN60-3, 3 ton, located within the unit. A compressor also manufactured by Goodman model number CKL-36, 3 ton, located on the roof. The system operates on natural gas. The heating units are normally designed to maintain an inside temperature of 70 degrees Fahrenheit when the outside temperature is 0 degrees Fahrenheit and a wind of 15 m.p.h. The units are prefabricated containing all the controls which are solid state, fan switches, and limited switches. The limit switches are designed to cut out the system when the predetermined temperature is reached.

The system works in conjunction with ducts, registers and grilles. The registers are used to bring air into the rooms and to intake the return air. The air condition units shall provide adequate cooling to the units.

DOMESTIC HOT WATER SUPPLY

Hot water will be supplied to each unit by an A.O.Smith domestic water heaters. All hot water heaters are A.O.Smith 75 gallon model #PGC 75 MEA # 180-78-E (or equivalent), with a five year guarantee.

The system uses natural gas supplied by the Keyspan Gas Company.

VENTILATION

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

ELECTRICAL SYSTEMS

Electrical service to the building is brought in from the terminal point of the Con Edison Company. The total amperage for the building will be 600 AMPS 3 phase. The main panels in the cellar will provide each residential unit with 100 amp circuit breaker, and the medical unit with 200 amp. There is one extra panel for the public space and elevator in the building.

There is a separate circuit breaker box in each unit. The riser is #6 wire and will branch off into each individual unit with #12 BX cable. Each unit has a minimum of 12 circuits with a 100 amp rating. These circuits include circuits for air conditioning, dishwasher, kitchen appliances and the lights. The service provides about 100 amps per unit 120/208 volt. However, the maximum fuse capacity is 30 amps. Above this amperage, it would be necessary to draw a line from the main panel box in the cellar. There is one ceiling fixture per room, one in the kitchen, and one in the dinette. The kitchen has two appliance outlets in the backsplash.

Each unit is wired as per New York City Electrical Code. There is one thermostat in each unit. The electrical system within the units is adequate for modern appliances.

Lighting for the units will consist of ceiling mounted incandescent fixtures one or two bulbs, in the bedrooms, bathrooms, hallways, kitchen, dining rooms, living rooms, laundry rooms, and walkin closets.

INTERCOMMUNICATION/DOOR SIGNAL SYSTEM

There will be a voice communication system, including interlock system, which controls the main entrance from each apartment.

TELEVISION ANTENNA AND CABLE

There are no television antennas or cable system.

PEST CONTROL

Service intervals should be once a month to be paid by all owners as common charge.

ASBESTOS MATERIAL

The entire building will contain only non asbestos material.

PERMIT AND INSPECTION

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

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

PUBLIC AREA LIGHTING

Lights outside of each unit will be in the stairwell and in the elevator hall, it will be 8" circular florescent fixture. The front entrances and rear and side yard will be illuminated by a weatherproof incandescent light fixture, which shall give an illumination of at least two foot candles and shall be operated by a light sensor device or timer. All lighting, exterior lighting and night lighting in public parts of the building shall comply with the New York State Multiple Dwelling Law and New York City Housing and Maintenance Code and charged in common.

FINISH SCHEDULE OF SPACES OTHER THAN UNITS

ROOM	FLOOR	BASE	WALLS AND CEILING
Vestibule	Vinyl Composite Tile Flooring	Rubber	G.W.B. Painted
Stair Halls	Vinyl Composite Tile Flooring	Rubber	G.W.B. Painted
Refuse Closet	Concrete	Rubber	G.W.B. Painted
Cellar	Concrete	Rubber	G.W.B. Painted

FINISH SCHEDULE OF UNIT SPACES

ROOM	FLOOR	BASE	WALLS AND CEILING
Living/Dining	Hardwood	Wood	G.W.B. Painted
Bedroom	Hardwood	Wood	G.W.B. Painted
Kitchen	Hardwood	Wood	G.W.B. Painted
Bathroom	Ceramic Tile	Ceramic Tile	G.W.B. Painted
Laundry Closet	Ceramic Tile	Tile	G.W.B. Painted
Mechanical Room	Concrete		Wall-Concrete Block Ceiling-Concrete

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

UNIT INFORMATION

170 BROADWAY

UNIT	LOCATION	ROOM COUNT	BATHROOM	BALCONY/TERRACE
BA	BASEMENT	MEDICAL FACILITY		
1A	FIRST	3	1	ROOF TERRACE
1B	FIRST	3	1	ROOF TERRACE
2A	SECOND	3	1	2 BALCONIES
2B	SECOND	3	1	2 BALCONIES
3A	THIRD	3	1	2 BALCONIES
3B	THIRD	3	1	2 BALCONIES
4A	FOURTH	3	1	2 BALCONIES
4B	FOURTH	3	1	2 BALCONIES
5A	FIFTH	3	1	2 BALCONIES

5B	FIFTH	3	1	2 BALCONIES
6A	SIXTH	3	1	2 BALCONIES
6B	SIXTH	3	1	2 BALCONIES

PARKING

P-1	CELLAR
P-2	CELLAR
P-3	CELLAR
P-4	CELLAR
P-5	CELLAR
P-6	CELLAR

The number of rooms in each Unit is computed in accordance with the standards established by the New York City Building Code.

GENERAL INFORMATION

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

Dated: June 15, 2003

Maurice Brezel
MAURICE BREZEL, R.A.



October 25, 2003

ADDENDUM TO ARCHITECTS REPORT FOR
170 BROADWAY, BROOKLYN N.Y.

1. A temporary Certificate of Occupancy will be obtained prior to closing.
2. Roof plan submitted.
3. Dryers will be vented by a sheet metal duct exhausting to the roof.
4. All windows are manufactured by "Anderson". The material is wood vinyl clad. The guarantee is for one year.
5. The roofs are roofed over with a 4 ply built up roofing.
6. The skylight over the stair has been eliminated and replaced with a window in the stair bulkhead.
7. The ventilation system for the garage consists of a 3 H.P. Greenheck exhaust fan, model #SWB-218-30-CW-TH-X. Roof drains have been provided.
9. The piping for the sprinkler system is Schedule 40 steel piping.
10. Following are the make, model numbers and capacity of the heating/cooling units:

The basement floor - 2 Goodman furnaces, model #GMNT-120-05 with a capacity of 5 ton each, and a 5 ton compressor model #CUL-60.

The first, second, third, fourth, fifth and sixth floor each have 2 apartment units. Each apartment unit will have one 3 ton Goodman furnace, model #GMNT-060-3, and a 3 ton compressor model #CUL-36-1H. Compressor are located on the roof over the basement extension.

11. The hot water heaters are located in the cellar. They consist of 12 hot water heaters manufactured by "American Water Heater Company", model #G-61-50-140-3NV, with a capacity of 50 gallons. No hot water heater is provided for the basement unit.

12. The parapet walls are constructed of brick capped by cast concrete coping stones.



maurice brezel / registered architect

1462 FIFTY-SECOND STREET, BROOKLYN, NEW YORK 11219 (718) 633-0783

EXHIBIT C

UNIT DESCRIPTION

UNIT DESCRIPTION

The dimensions of the units shown on the floor plans reflect the appropriate interior dimensions of each unit. Accordingly, they measure the approximate distance from the inner face of the masonry of the outer walls of the building to the center line of the wall, separating the unit from corridors, stairs, elevators, mechanical spaces and other units.

EXHIBIT D

PURCHASE AGREEMENT

PURCHASE AGREEMENT

**Broadway-Driggs Associates, LLC
Sponsor-Seller**

to

Purchaser

Unit _____

**The Broadway Arms Condominium
170 Broadway
Brooklyn, NY 11211**

TABLE OF CONTENTS

	<u>Page</u>
Definitions	1
Plan	2
Agreement to Purchase and Sell	2
Purchase Price	3
Purchase Monies to be Held in Trust	4
Release of Funds	4
Closing Contingent on Plan Being Declared Effective	5
Closing Date and Place	6
The Deed and Other Deliveries by Sponsor	6
State of Title	7
Title Company Approval	8
Sponsor's Inability to Convey Title	8
Closing Adjustments	9
Purchaser's Closing Costs	10
Mortgage Recording Tax Credit	10
Power of Attorney to Condominium Board and Sponsor	10
Transfer Tax Returns	10
Events of Default	11
Appliances and Equipment	12
Condition of the Unit; Building Alteration	13
Final Inspection of Unit	14
Possession; Risk of Loss	15
No Representation	16
Notices	16
Broker	17
No Lien; Agreement Subordinate to Mortgage	17
Entire Agreement	17
Agreement May Not Be Assigned	18
Prohibition Against Advertising	18
Joint Purchasers	18
Liability of Sponsor	18
Further Assurances	18
Severability	19
Strict Compliance	19
Governing Law	19
Waiver of Jury Trial	19
Gender	19
Certain References	19
Captions	20
Successors and Assigns	20
No Oral Changes	20
Acceptance of Purchase Agreement	20
Mortgage Financing	21
Tax Certiorari Proceedings	22
Special Work (If Any)	22
SCHEDULE A	24

PURCHASE AGREEMENT

For Unit _____ of
The Broadway Arms Condominium
170 Broadway
Brooklyn, New York 11211

(Please execute in quadruplicate)

THIS AGREEMENT is made as of _____, 200__, by and between
Broadway-Driggs Associates, LLC, a New York limited liability company, having an office at
96-20 Atlantic Avenue, Ozone Park, New York 11416 (hereinafter referred to as "Sponsor") and
_____ having an address at
_____ (hereinafter referred
to as "Purchaser").

Purchaser's Social Security Number: _____

Co-Purchaser's Social Security Number: _____

Form of Ownership as listed on Deed: _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Telephone: _____

Attorney's Facsimile: _____

WITNESSETH:

1. Definitions

The following terms shall have the meanings ascribed to them:

- a. "Building" shall mean the building known as The Broadway Arms Condominium, located at 170 Broadway, Brooklyn, NY 11211.
- b. "Closing Date," "Closing," "Closing of Title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in this Agreement.
- c. "Condominium" shall mean The Broadway Arms Condominium.
- d. "Declaration" shall mean the Declaration of The Broadway Arms Condominium, establishing condominium ownership of the Property.
- e. "Escrow Agent" shall mean Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Fifth Floor, New York, New York 10106.

f. "Plan" shall mean the Offering Plan for Condominium Ownership of the Property and any amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

g. "Sponsor" shall mean Broadway-Driggs Associates, LLC, its successors, assigns and designees.

All other capitalized terms not defined elsewhere in this Purchase Agreement shall have the meanings ascribed to them in the Plan or in the By-Laws to the Declaration, unless the context in which the same are used otherwise requires.

2. Plan

Purchaser acknowledges having received the Plan at least three (3) business days prior to Purchaser's signing and submitting this Purchase Agreement and Purchaser's Downpayment check.

Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor (including without limitation, amendments involving any changes, modifications, or updating of the projected Common Charges, the projected real estate taxes to be paid by Purchaser, or Schedule B to the Plan, the "Projected Budget for the First Year of Condominium Operation"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. However, if the Sponsor files an amendment to the Plan that materially and adversely affects the Purchaser and provides for a right of rescission, Purchaser shall be given 15 days from the date of presentation of the amendment within which to rescind this Agreement in writing delivered to the Sponsor within such 15 day period and receive a refund of Purchaser's Downpayment (as defined below). The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth in its entirety herein. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell (or cause to be sold) to Purchaser, the unit designated as Unit Number ____ (hereinafter called the "Unit") in the Declaration, together with its ____ percentage undivided interest in the Common Elements (hereinafter called the "Common Interests"), on, and subject to, the terms and conditions set forth herein.

4. Purchase Price

a. The total purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13, 14, 15 and 45 below) is _____ (hereinafter called the "Purchase Price"), which Purchaser agrees to pay to the Sponsor, as follows:

- i. _____ (hereinafter called the "Downpayment") is due when Purchaser signs and submits this Agreement, and is to be paid either by Purchaser's good personal check or (at Sponsor's option) Purchaser's good personal certified check or an official cashier's check, subject to collection, receipt of which is hereby acknowledged by Sponsor; and
- ii. _____ (hereinafter called the "Balance") constituting the balance of the Purchase Price, is due at the Closing and must be paid by Purchaser's good certified personal check or bank or official cashier's check.

All checks shall be unendorsed, made payable to the direct order of "Sonnenschein, Sherman & Deutsch, LLP as Attorneys" unless Purchaser is otherwise instructed in a writing given at least one (1) business day prior to Closing, and drawn on or issued by a bank or trust company that is a member of the New York Clearing House Association unless otherwise agreed to by Sponsor.

b. Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed all of those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to Closing including all work performed in Purchaser's Unit. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of Purchasers under Article 23-A of the New York State General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

c. Purchaser is not required to pay the Balance or accept title to the Unit unless all of the prerequisites set forth under "Terms of Sale and Closing of Title to Units" in Part I of the Plan are met concurrently with, or prior to, Closing. However, Purchaser is required to pay the full amount of the Balance, without provision for escrow, and all of the closing costs and adjustments set forth in the Plan as amended notwithstanding Sponsor's obligation to complete or correct the construction of other Units or Common Elements or the construction items noted on Purchaser's inspection statement.

5. Purchase Monies to be Held in Trust

a. Sponsor will hold in trust all monies due to Sponsor and receive by it directly or through its agents, employees, or Escrow Agent (as defined above) until the Unit is transferred to Purchaser or this Agreement is canceled in accordance with its terms. All monies due to Sponsor and received hereunder will be deposited with North Fork Bank,

1745 Broadway New York, NY 10019 in an interest-bearing escrow account entitled "Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account". Interest will be paid at the prevailing rates for similar accounts, and will be paid to Purchaser. The funds so deposited will be disbursed only in accordance with the provisions of this Agreement, the Plan and the Escrow Agreement between Sponsor and the Escrow Agent set forth in Part II of the Plan. The signature of a member of the law firm of Sonnenschein, Sherman & Deutsch, LLP, will be required before any funds held in trust may be released.

b. Within ten (10) business days after tender of the Downpayment, and provided the Purchaser's social security number has been provided to the Escrow Agent, the Escrow Agent will notify the Purchaser or his/her attorney of the account into which it has been deposited. If Purchaser or his/her attorney does not receive such notice within fifteen (15) business days after tender of the Downpayment with Purchaser's social security number, Purchaser may, at his election, forward a notice of cancellation and cancel this Purchase Agreement within ninety (90) days after tender of the Downpayment or Purchaser may apply to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations.

c. In the event the Plan is abandoned or withdrawn, such monies held in trust, together with any interest earned thereon, will be returned to Purchaser except as otherwise provided in the next sentence. If the Plan is abandoned or withdrawn after being declared effective, and the Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Downpayment, together with any interest earned thereon, plus any additional sums paid to or incurred by Sponsor on account of any special work, upgrades or extras in the Unit ordered by Purchaser.

d. Upon the payment and performance by Purchaser of all of Purchaser's obligations hereunder and the transfer to Purchaser of title to the Unit, the Escrow Agent shall pay to Sponsor all monies deposited with the Escrow Agent, pursuant to this Agreement. All funds due to Sponsor and received under this Purchase Agreement will be handled in accordance with Sections 352- (e)(2)(b) and 352-h of the New York General Business Law and with Section 71-a(3) of the Lien Law.

6. Release of Funds

Absent a closing hereunder, if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to Sponsor until the Escrow Agent has given Purchaser written notice of the intended release not fewer than ten (10) days. Thereafter, the funds may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions. In no case shall Sponsor apply for release of escrowed funds of a defaulting Purchaser until after consummation or abandonment of the Plan.

Sponsor will 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.

Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on disposition of the escrowed funds and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General. Any provision of a Purchase Agreement by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is void.

Sponsor and Purchaser hereby jointly direct the Escrow Agent as follows:

- a. if title to the Unit is transferred to Purchaser, the Downpayment shall be paid to Sponsor, and any interest earned on the Downpayment shall be paid to Purchaser; or
- b. if Purchaser becomes entitled to cancel this Agreement in accordance with the terms of this Agreement or the Plan, and actually cancels this Agreement as so provided, the Downpayment and any interest earned on the Downpayment shall be refunded in full.

In the event of an uncured default by Purchaser in his or her obligation, and unless otherwise directed, no more than (10%) of the Purchase Price plus any interest earned thereon may be retained as liquidated damages. Notwithstanding the above, the actual costs incurred by Sponsor for any special work in the Unit ordered, in writing, by Purchaser may also be retained as liquidated damages even though the sum total may then exceed 10% of the Purchase Price. No Downpayments for other monies shall be released pursuant to an uncured default by Purchaser prior to the first Unit Closing and/or the consummation of the Plan.

7. Closing Contingent on Plan Being Declared Effective

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

b. If the Plan is abandoned or if, after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder, with interest earned thereon, shall be disbursed in accordance with the provisions of Paragraph 5 above. After the funds are so disbursed, Purchaser and Sponsor shall each have no claim against the other in connection with this Agreement or the Plan, and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan.

8. Closing Date and Place

a. The Closing of title shall occur on the date and at the time and place in the City and State of New York which Sponsor shall designate to Purchaser upon notice served at least thirty (30) days' prior to such scheduled closing date, unless such time period is waived in writing by Purchaser. Unless otherwise designated, closings shall be held at the office of Sonnenschein, Sherman & Deutsch LLP, 888 Seventh Avenue, New York, New York 10106. Sponsor shall have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser. If the Closing is adjourned by Sponsor, then Sponsor shall fix a new date and time of the Closing of title and shall give Purchaser not less than five (5) days' prior written notice of the new scheduled date and time for Closing. Any costs or expenses incurred by Purchaser as a result of any adjournment shall be payable solely by Purchaser. Sponsor shall not be responsible for any such costs or expenses.

b. The closing of title shall occur only after or concurrently with compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan.

c. TIME IS OF THE ESSENCE with respect to Purchaser's obligation to pay the Balance of the Purchase Price and to pay or perform all of Purchaser's other obligations under this Agreement after notice is given pursuant to subparagraph (a) of this paragraph.

9. The Deed and Other Deliveries by Sponsor

a. A bargain and sale deed with covenants against grantor's acts (the "Deed") transferring to Purchaser fee simple title to the Unit, subject only to the liens, encumbrances and title conditions set forth in Schedule A to this Agreement, which is made part hereof. The Deed shall be substantially in the form reproduced in Part II of the Plan and shall be executed and acknowledged by the grantor in form for recording. The executed Deed shall be promptly delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser's attorney) for recording at the Office of the Register of The City of New York, in the County of Kings. After being recorded, the Deed shall be returned to Purchaser or Purchaser's attorney.

Acceptance of the Deed will evidence Purchaser's recognition that Sponsor has performed all of its obligations under this Agreement and the Plan, except such as may

expressly be stated to survive delivery of the Deed or except such as may be required under the Plan or by operation of law to be performed by Sponsor subsequent to Closing. The foregoing applies only to the Purchaser. This shall not relieve Sponsor from any liability for representations under the Plan. Nothing contained herein shall be in derogation of the rights of Purchasers pursuant to Article 23-A of the New York State General Business Law or other rights of Purchasers under the Plan.

b. Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Code Withholding Section and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

10. State of Title

a. Except as otherwise set forth in Paragraph 11 below, fee simple title to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Exceptions") that are set forth in the Deed, in Schedule A to this Agreement or as set forth in the Plan, as amended. The existence of the Permitted Exceptions shall not be deemed a breach of Sponsor's covenants in the Deed, even if the Deed shall not expressly provide it is given subject to the Permitted Exceptions. It is intended and agreed that the Deed to be given by Sponsor to Purchaser at Closing shall be deemed to be subject to the Permitted Exceptions to the same effect as if set forth therein at length.

b. Any lien, encumbrance, or condition not included in the Permitted Exceptions (the "Non-Permitted Exceptions") shall not be an objection to title if: (i) the instrument required to remove it "as of record" has been delivered to National Granite Title Insurance Agency, Inc. as agent for Fidelity National Title Insurance Company of New York (the "Title Company") for recording in the proper office, together with the requisite recording or filing fees and a copy of said instrument is delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); (ii) the Title Company is willing to insure (without additional premium) Purchaser against its collection or enforcement out of the Unit; or (iii) Sponsor, at its sole option, pays and discharges any lien or encumbrance upon the Property not provided in the Plan or this Agreement from monies paid by Purchaser at Closing.

c. Sponsor shall be entitled to adjourn the Closing to remove or correct any Non-Permitted Exception that cannot be dealt with as set forth above.

11. Title Company Approval

Subject to the terms of Paragraph 12 below, Sponsor shall give, and Purchaser shall

accept, such title as National Granite Title Insurance Agency, Inc. as agent for the Title Company ("National Granite") will approve and insure, without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the Permitted Exception or the Non-Permitted Exception, provided that each Non-Permitted Exception has been resolved in the manner provided in Paragraph 10 above. As a result, Sponsor is not obligated to cause Purchaser's title company (if not National Granite) to omit any exception if National Granite is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to Purchaser's title company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance abstract company or title company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender). However, should Purchaser wish to obtain title insurance through any title company or abstract company other than National Granite, Purchaser shall pay Sponsor's attorney an additional legal fee of \$1,000 for clearing title pursuant to the Offering Plan with such other title or abstract company.

12. Sponsor's Inability to Convey Title

If Sponsor (a) is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement or (b) if Sponsor would be required to commence a lawsuit or expend in excess of the "Cure Amount", which for purposes of this Agreement shall equal \$28,300 for all Units to remove or cure one or more Non-Permitted Exception that affect all the Units (or such proportion of the cure amount as represents the Unit's percentage interest in the Common Elements, in the case of any encumbrance affecting the Unit only), and Sponsor notifies Purchaser of Sponsor's inability or refusal to remedy the title defect, then Purchaser shall have the option, if not in default hereunder, to (i) take title subject to such title defect (without any abatement in, or credit against the Purchase Price, or claim or right of action against Sponsor for damages or otherwise) or (ii) terminate this Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent, within ten (10) days after receipt of Purchaser's termination notice, to return to Purchaser all monies deposited hereunder, with interest, if any, accrued thereon, within thirty(30) days from receipt of said termination notice. Upon making such refund, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liabilities with respect to the other hereunder or under the Plan. THE FOREGOING OPTION MUST BE EXERCISED BY PURCHASER IN WRITING SENT TO SPONSOR WITHIN FIFTEEN(15) DAYS AFTER SPONSOR GIVES PURCHASER WRITTEN NOTICE OF ITS REFUSAL TO REMEDY THE TITLE DEFECT. IF PURCHASER FAILS TO GIVE SUCH WRITTEN NOTICE, PURCHASER SHALL BE DEEMED TO HAVE ELECTED THE FIRST OPTION ABOVE (I.E., TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT). Under no circumstances shall Sponsor be obligated to commence litigation or expend in excess of the Cure Amount which for purposes of this Agreement shall equal \$28,300, in the aggregate, for all Units to remedy a title defect.

13. Closing Adjustments

- a. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing:

- i. real estate taxes and assessments for the then-current tax year, based on either (a) the actual taxes or charges for all the Units in the aggregate (i.e., for the tax lot of the Property prior to the recording of the Declaration) for the then-current tax year, prorated to the Unit based on its percentage interest in the Common Elements if the Units were not separately assessed as of the first Unit Closing and separate tax bills were not issued as of such date, or (b) the actual tax bill for such Unit if such bill was issued prior to the first Unit Closing. In addition, in the case of either (a) or (b) above, an escrow for real estate taxes for the tax period following the Closing (notwithstanding any requirement for such escrow which may be imposed by Purchaser's lending institution);
 - ii. Common Charges for the month in which title closes (based on the number of days in the month in which title Closing occurs);
 - iii. any prepaid expenses pertaining to the Unit, as set forth in the Plan (including a pro rata share of the Condominium's insurance policy).
- b. Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to 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.
- c. Any errors or omissions in computing adjustments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing.
- d. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a Non-Permitted Exception.
- e. If Purchaser fails to close on the date originally scheduled for the Closing of Title to his Unit as provided in Paragraph 8 (the "Original Closing Date") because Purchaser either (a) adjourns the Closing for any reason or (b) is deemed at fault for failure to send timely notice of a Non-Permitted Exception as provided in Paragraph 10 above, then (i) the aforementioned closing apportionments shall be made as of midnight of the day preceding the Original Closing Date; and (ii) Purchaser shall pay interest at the rate of five (5%) percent per annum on the total Purchase Price, for each day between the Original Closing Date and the actual Closing Date. The provisions of this subparagraph (e) shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Closing Date. However, these provisions shall then apply to the adjourned Closing Date.

14. Purchaser's Closing Costs

At Closing, Purchaser will pay certain costs in connection with the purchase of the Unit, in addition to (a) the Purchase Price, (b) the mortgage recording tax credit described in section 15

below and (c) the amount of any net credit in favor of Sponsor that may result from the Closing apportionments and any daily late Closing charge described in the preceding section 13. Such Closing costs are those costs more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments," the amounts of which (where applicable) are based on rates in effect on the date of the Plan and are subject to change without prior notice:

15. Mortgage Recording Tax Credit

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor at Closing, without a corresponding reduction in the Purchase Price or any costs or adjustments. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed, and at such closing, the Purchaser will reimburse the Sponsor to the extent of any mortgage tax credit allowed.

16. Power of Attorney to Condominium Board and Sponsor

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

17. Transfer Tax Returns

At Closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public such transfer tax returns as are required to be filed with the City of New York and the State of New York, including, but not limited to, the New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax, the so-called "Mansion Tax" and any other taxes which may be imposed or required by the applicable tax authorities. The transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Payment of such taxes and any filing fee shall be the obligation of Purchaser.

18. Events of Default

- a. Each of the following, occurring either singly or in combination, shall constitute an "Event of Default" hereunder:

- i. Purchaser's failure to pay the Balance on the Closing Date designated by the Sponsor;
 - ii. the dishonor or failure of collection of any check tendered by Purchaser; or
 - iii. failure to pay Purchaser's contribution to the Condominium Working Capital Fund, transfer taxes, mortgage recording tax credit or any other closing costs or adjustments set forth in this Agreement or the Plan on the Closing Date designated by Sponsor.
 - iv. Purchaser's failure to duly sign, notarize and deliver at the times specified the Power of Attorney pursuant to Paragraph 16 above, the New York City Transfer Tax return or the New York State Transfer Tax return and any other required tax returns pursuant to Paragraph 17 above or the mortgage recording tax credit affidavit or to pay the transfer taxes required thereunder; or
 - v. the failure to pay, perform, or observe any of Purchaser's other obligations hereunder which is not cured within thirty (30) days after mailing of written notice specifying the default;
 - vi. recordation or assignment of this Agreement or any rights therein or any interest in Purchaser without Sponsor's prior written consent; or
 - vii. Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or
 - viii. if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or
 - ix. if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or
 - x. any other act or omission set forth in this Agreement which constitutes an Event of Default.
- b. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion may terminate this Agreement and retain downpayment as liquidated damages. If Sponsor elects to so terminate, Sponsor must give Purchaser written notice of its intent to so terminate because of the occurrence of the Event of Default. Purchaser shall then have thirty (30) days from the giving of notice of termination to cure the default. **TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD.** Notwithstanding the foregoing, if Purchaser has requested a 30 day adjournment of the Closing and Sponsor has declared Time of the Essence with respect to Purchaser's obligations to close on such adjourned date, then Purchaser shall not be entitled to the 30-day cure period referred to above and Purchaser will be required to close on the adjourned Closing Date. If Sponsor elects to terminate the Purchase

Agreement, Sponsor shall notify Purchaser in writing of such termination and may instruct the Escrow Agent to deliver to Sponsor the Downpayment with any interest earned thereon and any amounts paid by Purchaser for actual custom work, extras or upgrades done or materials purchased on behalf of Purchaser as and for liquidated damages (even if the total sum exceeds 10% of the Purchase Price) and thereafter the Purchase Agreement shall become null and void and all parties to this Agreement shall have no further rights, obligations or liabilities to or against the other. However, if there is no written agreement between the parties to release the escrow funds, the Escrow Agent shall not pay the funds to Sponsor until it gives Purchaser written notice of not less than five (5) business days. Thereafter, the funds may be paid to Sponsor unless Purchaser had already applied to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions. The Escrow Agent shall continue to hold the Downpayment until resolution of such dispute or pay the Downpayment into court. Sponsor shall not seek the remedy of specific performance in connection with this Agreement when there has been default by Purchaser.

c. Upon termination of this Agreement in accordance with this Paragraph, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another party as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale. Any disputes regarding the return of the Downpayment shall be resolved in the manner provided in the Escrow Agreement set forth in Part II of the Plan.

19. Appliances and Equipment

At Closing, the Unit will contain only those fixtures, equipment, hardware, appliances and furnishings (or their equivalents) described as being part of the Unit in the Description of the Property in Part II of the Plan, and as same may have been amended. Kitchen appliances and equipment installed in the Units shall be in good working order and condition.

Purchaser acknowledges and agrees that Sponsor has the right to substitute other materials, fixtures, appliances, equipment and cabinetry in place of those listed in the Plan without any consent of the Purchaser, provided only that the substitutions are of substantially equal or better quality and design.

Furnishings, furniture, wall coverings, cabinets, appliances, decorations and the like in or about any model apartments are for display purposes only and are not included in the sale. Model apartments do not necessarily represent the interior finishing or decoration of the Unit subject to this Purchase Agreement.

20. Condition of the Unit; Building Alteration

a. The Unit is sold subject to Seller's obligation under the Plan to construct and maintain the Unit prior to Closing and make the alterations and improvements described

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

b. The construction of the Building and the Unit and the correction of any defects in alteration to the extent required under the Plan are the sole responsibility of the Sponsor. However, Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan as indicated in "Rights and Obligations of the Sponsor" in Part I of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in the Plan, as amended.

c. The Closing of Title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Prerequisites to Closing of Title" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's inspection report remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not directly affecting the Unit). Purchaser acknowledges that the completion of the Common Elements and other Units may interrupt Purchaser's quiet enjoyment of the Unit, including noise, odors, vibrations, dust, debris and temporary interruption of building services. Purchaser shall not have any claim against the Sponsor or the Condominium Board in the event of any such noise, odors, vibrations, dust, debris or interruption of services.

d. Sponsor has projected the First Closing of a Residential Unit for April 1, 2004 based upon the current construction and permit approval schedule. The actual date for the First Closing is not guaranteed or warranted and may be earlier or later depending on the progress of construction and compliance with the other "Prerequisites to Closing of Title." Purchaser acknowledges that construction may be delayed by the late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the

full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for any type of damage or loss, in the event that the First Closing or any other closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor, including any fees, costs or expenses which Purchaser may incur due to the extension of the closing date.

Notwithstanding the aforesaid, if title to a Residential Unit for which a Purchase Agreement was executed prior to the date of the notice declaring the Plan effective, has not been conveyed to a Purchaser within twelve (12) months after the projected date for commencement of the first year of condominium operation set forth in Schedule B to the Plan, and as it may be extended by amendment (except where such failure is due to the default or delay of Purchaser), then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of such twelve (12) month period, to cancel the Purchase Agreement. A Purchaser desiring to so cancel must deliver a written notice to the Sponsor so as to be received by Sponsor during that aforesaid thirty (30) day period and the Purchase Agreement will thereupon be deemed canceled at the end of the aforesaid notice period (unless the Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, the Sponsor shall return the Downpayment (but not the cost of any extras paid for by Purchaser or any of Purchaser's other costs or expenses) paid under the terms of the Purchase Agreement, with interest earned, if any.

21. Final Inspection of Unit

At least five (5) business days before the Balance is to be paid, Sponsor or Selling Agent shall notify Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or its duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor or Selling Agent, and shall complete, date and sign an inspection report and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within said five (5) day period or to so sign and deliver a completed inspection report, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. Purchaser is obligated to pay the entire Balance of the Purchase Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the items noted on Purchaser's inspection report. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor."

22. Possession; Risk of Loss

- a. Purchaser shall not be entitled to possession of the Unit until the Deed is delivered to Purchaser at Closing.

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

c. Except as provided in the preceding subparagraph c, all other risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit or its contents except as set forth in the Plan. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this Agreement shall continue in full force and effect. In such an event, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been completely repaired as near as is reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of Purchaser as tenant or occupant to cure or that are caused by the act or omission of Purchaser, its licensees, invitees and/or workmen. (Sponsor will endeavor in good faith, and with reasonable diligence, to remove or cause to be removed subsequent to Closing all violations of record it is obligated to correct.) Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the three preceding sentences shall survive the Closing.

d. In the event that Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder including interest and under the Plan, except that, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Downpayment, together with sums received on account of special work to be performed by the Sponsor, pursuant to paragraph 5c above.

23. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of

any nature whatsoever, whether written or oral, made by Sponsor, its principals, Selling Agent or its principals, or others, including, but not limited to, those relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the projected Common Charges and projected real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan, Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset from any claim against, or liability of, Sponsor or its principals, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the floor plans, is accurate or correct and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any inaccuracy or error in such layouts and dimensions. The provisions of this Paragraph 23 shall survive the Closing of Title.

24. Notices

All notices, elections, consents, demands and communications (collectively called "Notices or individually called "Notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and with a copy sent simultaneously and in like manner to Purchaser's attorney set forth on Page 1 of this Agreement and, if sent to Sponsor, addressed to Broadway-Driggs Associates, LLC, a New York limited liability company, having an office at 96-20 Atlantic Avenue, Ozone Park, NY 11416 (with a copy sent simultaneously and in like manner to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106, Attention: Richard E. Feldman, Esq.). Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or three (3) days after it has been deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, in a registered or certified, prepaid wrapper addressed as aforesaid, except that a notice of a change of address shall be deemed given when actually received.

25. Broker

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction apart from Sponsor's Selling Agent named in the Plan (and _____ as co-broker with the Selling Agent). Sponsor shall pay such broker's commission. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt (other than Sponsor's Selling Agent) and Purchaser agrees that should any claim be made against Sponsor for commissions by any broker on account of any acts or dealings of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation)

reasonable legal fees and disbursements. The provisions of this Paragraph 25 shall survive the Closing.

26. No Lien; Agreement Subordinate to Mortgage

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

b. In furtherance, and not in limitation, of the provisions of the preceding subparagraph (a), Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof or incidental thereto, or to protect the security thereof, to the fullest extent permitted by law, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or Non-Permitted Exceptions or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage at Closing.

27. Entire Agreement

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

28. Agreement May Not Be Assigned

Purchaser may not assign this Agreement or any interest in Purchaser or in this Agreement without the prior written consent of Sponsor, which can be withheld for any reason or no reason. Any purported assignment by Purchaser in violation of this Agreement shall be voidable at the option of Sponsor and shall, at Sponsor's option, be a default hereunder. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. Sponsor may assign this Agreement without the consent of Purchaser.

29. Prohibition Against Advertising

Prior to the closing of title, Purchaser shall not list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent.

30. Joint Purchasers

The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

31. Liability of Sponsor

Sponsor or its designee shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or, general shortage of, energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) that is not within the reasonable control of Sponsor including the failure of Unit Owners to complete construction in their own Units and/or the failure of Unit Owners to obtain all required sign-offs from municipal authorities. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused pursuant to this paragraph.

32. Further Assurances

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement, or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

33. Severability

If any Provision of this Agreement or the Plan or any part or portion thereof 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.

34. Strict Compliance

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

35. Governing Law

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

36. Waiver of Jury Trial

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

37. Gender

A reference in this Agreement to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

38. Certain References

The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraphs, subparagraphs or other provisions of this Agreement.

39. 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.

40. Successors and Assigns

Subject to the prohibition against assignment by Purchaser in Paragraph 28 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors, assigns and designees.

41. No Oral Changes

This Agreement cannot be changed or any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

42. Acceptance of Purchase Agreement

a. On or prior to Purchaser's signing and delivering this Purchase Agreement together with the Downpayment, Purchaser agrees (if requested) to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

b. Upon Purchaser signing and delivering this Purchase Agreement and Purchaser's Downpayment check to the Sponsor, Sponsor's attorney or the Selling Agent, Purchaser shall be irrevocably bound to purchase the Unit. No binding obligation on the part of Sponsor to sell the Unit shall arise unless and until an original counterpart of this Purchase Agreement, signed by Sponsor or its duly authorized agent, is actually received by Purchaser. If, within thirty (30) days after Sponsor receives this Purchase Agreement signed by Purchaser and Purchaser's Downpayment check, an original counterpart of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser or his/her attorney, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser hereunder shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to any ground proscribed by law.

43. Mortgage Financing

This Agreement and Purchaser's obligation to close is not conditioned on Purchaser obtaining a mortgage loan commitment for a first mortgage loan unless Purchaser obtains a first mortgage loan commitment for an amount which is not more than eighty (80%) percent of the Purchase Price at the prevailing fixed or adjustable rate of interest for a term of at least fifteen

(15) years from an institutional lender obtained through Park Avenue Mortgage Group, 410 Park Avenue, 17th Floor, New York, NY 10022 Att: Debra K. Bedell, Telephone 212/750-0303 x 216, New York State licensed mortgage broker (the "Mortgage Broker") within forty-five (45) days after Purchaser or Purchaser's attorney receives a fully executed copy of this Agreement. Any written commitment from an institutional lender which meets the financial terms described in this Agreement shall be deemed to have met the mortgage contingency whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. Purchaser understands that Purchaser is free to seek financing from any other lender or mortgage broker, either solely or parallel with the application to the Mortgage Broker, but the mortgage loan contingency shall only apply if an application is made in good faith to the Mortgage Broker and is diligently pursued. Therefore, refusal by any other lender or mortgage broker to make a mortgage loan to Purchaser will not entitle Purchaser to cancel this Agreement or receive a refund of Purchaser's Down Payment. Purchaser agrees to apply in good faith to the Mortgage Broker within seven (7) business days of Purchaser's or Purchaser's attorney's receipt of a fully executed copy of this Agreement and furnish to the Mortgage Broker truthful, accurate and complete information, data and documents on Purchaser and co-Purchaser and his or her family members as required, and within seven (7) days of any request, submit such further information, data and documents requested by the Mortgage Broker and pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Mortgage Broker to the end of securing the mortgage loan and comply with all requirements of any mortgage loan commitment (whether or not obtained through the Mortgage Broker). FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.

Purchaser must furnish Sponsor with a copy of any commitment within five (5) days after Purchaser's receipt of such commitment or must notify Sponsor of the lender's rejection of Purchaser's application for such loan commitment within five (5) days after Purchaser's receipt of notice of such rejection, time being of the essence as to Purchaser's obligations. At the sole and absolute option of the Sponsor, if the lender (directly or through the Mortgage Broker) fails or refuses to issue the required commitment to Purchaser for any reason within forty-five (45) days of Purchaser's or Purchaser's attorney's receipt of an executed copy of this Agreement from the Sponsor, either (i) this Agreement shall be cancelled by the Sponsor and Sponsor shall return Purchaser's Down Payment, with interest, if any, earned thereon, within twenty (20) days thereafter (except for 100% of the cost of optional extras, upgrades, or special work ordered and any installation costs connected therewith, if any, as incurred, which Sponsor shall retain from the Down Payment), or (ii) Seller may extend such time period or shall direct Purchaser to make prompt application to another institutional lender or mortgage broker designated by the Sponsor for the required mortgage loan within five (5) days from the date Sponsor receives notice from the Purchaser that a commitment was not issued to the Purchaser. If within forty-five (45) days after the date on which Sponsor notifies Purchaser of Sponsor's election to require the Purchaser to make a second application, the required mortgage loan commitment has not been obtained, the Purchaser may cancel this Agreement on written notice to the Sponsor given by certified mail, return receipt requested or facsimile transmission with confirmation of such transmission within five (5) days of the expiration of such forty-five (45) day period, time being of the essence as to Purchaser's obligation. If the Purchaser fails to notify the Sponsor of such intended cancellation within such five (5) day period, then Sponsor, at its sole and absolute option, may notify Purchaser or Purchaser's attorney within three (3) business days thereafter that Sponsor

declares this Agreement to be null and void. If the Sponsor does not provide such notice, the Mortgage Contingency shall be deemed waived and the Purchaser will not be relieved from Purchaser's obligations under this Agreement.

In no event whatsoever shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by the Sponsor. However, if Purchaser obtains a loan commitment as defined herein and such commitment expires or lapses prior to the Closing Date for a reason not due to action or inaction on the part of Purchaser, and Purchaser has made a good faith effort to extend the commitment (including payment of any additional fees required by the lending institution or Mortgage Broker and/or provision to the lending institution or Mortgage Broker of any additional documents required by the lending institution or Mortgage Broker) but such commitment has not been extended notwithstanding Purchaser's good faith efforts, then Sponsor will grant the Purchaser a right to rescind the Purchase Agreement within fifteen (15) days of Purchaser's receipt of notice from the lending institution or Mortgage Broker that the commitment has not been extended. Purchaser must provide a copy of such notice from the lending institution or Mortgage Broker to the Sponsor along with Purchaser's notice to the Sponsor of Purchaser's exercise of such right of rescission, following receipt of which notice, Sponsor shall promptly return Purchaser's down payment, with interest, if any has been earned, less the cost of any special work, and thereupon, this Agreement shall be terminated.

44. Tax Certiorari Proceedings

Sponsor may bring proceedings in court or take other actions Sponsor believes may result in lowering the assessed valuation of the Property in which case Purchaser will cooperate with Sponsor and will not take actions or proceedings while those of Sponsor's are underway. If a tax reduction is obtained, the parties will apportion the reduction based on the proportion of time for which the reduction is granted and Purchaser agrees to apportion the legal fees and expenses for such actions and proceedings and pay same upon thirty (30) days notice to Purchaser.

45. Special Work (If Any)

a. Purchaser acknowledges that the Sponsor is not obligated to agree to any special work until the permanent Certificate of Occupancy has been obtained for the Building and all Units. Purchaser acknowledges and agrees that Purchaser may not make any alterations in the Unit unless and until Purchaser's proposed alteration plans have been reviewed and approved by Sponsor and Sponsor's experts or, if the Condominium has been established, by the Board of Managers (which may be controlled by Sponsor). Purchaser shall be free to hire any licensed contractor to perform such custom work in his or her Unit as Purchaser desires. The cost of such work, including, but not limited to, building permits and drawings, will be in addition to the total Purchase Price for the Unit and will be at the sole cost and expense of Purchaser. Purchaser shall be required to comply with the procedures and requirements pertaining to initial alteration of Units more fully set forth in the By-Laws and the Condominium's Rules and Regulations. Architectural drawings shall be submitted to Sponsor's Architect for prior written

approval and a fee of \$1,000 per submission shall be paid by Purchaser for the Sponsor's Architect's review. If such alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to Sponsor's mechanical engineer for prior written approval and a fee of \$250 per such review shall be paid by Purchaser. The fees of any other expert required by Sponsor or Sponsor's Architect for a proper review of proposed plans shall be the responsibility of the Purchaser provided Sponsor or Sponsor's Architect notifies the Purchaser in writing of the need for such additional opinion or review.

b. A Purchaser wishing to do any such construction in his Unit shall, in addition to the above, pay \$1,000 to a Coordinator designated by Sponsor or, if the Condominium has been established, by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with Sponsor's experts, arrange elevator use by Purchaser's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to Sponsor (or, as the case may be, the Board) shall be delivered to the Coordinator prior to the commencement of any work. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when Purchaser submits his proposed plans to Sponsor for approval and the second when work commences in the Unit.

c. Purchaser acknowledges that Purchaser is familiar with and has referred to the Architect's Report in Part II of the Offering Plan and as it may have been amended, for a description of the "finished" condition of the Units.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SPONSOR:

PURCHASER(S):

BROADWAY-DRIGGS ASSOCIATES, LLC

By: _____
Anthony Gurino, Managing Member

Social Security Number

Purchaser: _____

Co-Purchaser: _____

Date Accepted:

Escrow Agent:

Sonnenschein, Sherman & Deutsch LLP
888 Seventh Avenue - Suite 501
New York, New York 10106

SCHEDULE A

Permitted Exceptions

1. State of facts which an accurate survey may show.
2. Zoning and building laws, ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.
3. The Declaration and By-Laws, Maps and Floor Plans to be recorded and filed in the Kings County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of the Offering Plan and amendments thereto.
4. Power of Attorney from Purchaser to the Condominium Board of Managers.
5. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.
6. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand.
7. Any easement or right of use required by Sponsor or its designee to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof.
8. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units.
9. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.

10. Easement Agreement between the Condominium Board of Managers and Broadway-Driggs Associates, LLC for access to the street via the ramp in the cellar of the building at 158 Broadway, Brooklyn, NY.

11. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

12. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the Closing of Title.

13. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

14. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

15. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

16. Any violations against the Property (other than the Unit).

17. Variations between tax map and premises described in Schedule A.

18. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name	
	Business name, if different from above	
	Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶	
	☐ Exempt from backup withholding	
	Address (number, street, and apt. or suite no.)	
City, state, and ZIP code		
Requester's name and address (optional)		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
or								
Employer identification number								

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a **nonresident alien** or a **foreign entity** not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments (29% after December 31, 2003; 28% after December 31, 2005). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note: You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is **not** required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;

9. A futures commission merchant registered with the Commodity Futures Trading Commission;
10. A real estate investment trust;
11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
12. A common trust fund operated by a bank under section 584(a);
13. A financial institution;
14. A middleman known in the investment community as a nominee or custodian; or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

If the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note: See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form on-line at www.ssa.gov/online/ss5.html. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at www.irs.gov.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see Exempt from backup withholding on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

EXHIBIT D

POWER OF ATTORNEY

**CONDOMINIUM UNIT
POWER OF ATTORNEY**

to

BOARD OF MANAGERS

**THE BROADWAY ARMS CONDOMINIUM
170 Broadway
Brooklyn, New York 11211
Residential Unit __**

County: New York
Block: 2132
Lot:

RECORD AND RETURN TO:

**Advance Management Services
26 Court Street, Suite 804
Brooklyn, New York 11242**

Att: Building Manager, The Broadway Arms Condominium

POWER OF ATTORNEY

The Broadway Arms Condominium
170 Broadway
Brooklyn, New York 11211

The undersigned, _____, the Owner of Unit ____ in the building known as 170 Broadway, Brooklyn, New York 11211, as designated and described in the Declaration dated _____, 200_, and recorded in the Office of the Register of the City of New York, Kings County on _____, 200_, in Reel _____, Page _____ establishing a plan for condominium ownership of said building and the land on which it is erected, to be known as The Broadway Arms Condominium (the "Condominium"), and on the floor plans filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____, do hereby irrevocably nominate, constitute and appoint the Board of Managers of the Condominium, and their successors, jointly, true and lawful attorneys-in-fact of the undersigned, with a power coupled with an interest, with power of substitution (1) to acquire, in their own names as members of the Board of Managers or in the name of their designee, corporate or otherwise by deed, on behalf of all owners of Condominium Units in said Condominium property, in accordance with their respective Common Interests, (a) any Unit whose owner desires to sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or (b) any Unit which shall be the subject of a foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws, and (2) to lease any Unit whose Owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as said attorneys-in-fact shall, in their sole discretion deem proper, and (3) thereafter to convey, sell, lease, sublease, mortgage, vote, or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion 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, and (4) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board of Managers of the Condominium deems necessary or appropriate to comply with the Declaration of Condominium, or any law, ordinance or 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 maintenance, preservation, demolition, construction, alteration, repair, restoration or redevelopment of the Condominium, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate, provided such change is consistent with the Condominium Act, and (5) to protest the real estate tax assessment levied on my Unit and execute on my behalf the necessary application for correction and petition to review the said assessment and retain the law firm of Sonnenschein, Sherman & Deutsch, LLP for this purpose, and to settle and accept on my behalf any reduction of the assessment the Board of Managers deems fair and equitable.

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

This Power of Attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, I (we) have (has) executed this Power of Attorney this ____ day of _____, 2003.

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

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 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.

Notary Public

EXHIBIT E

UNIT DEED

CONDOMINIUM UNIT DEED

BROADWAY-DRIGGS ASSOCIATES, LLC

to

**The Broadway Arms Condominium
170 Broadway
Brooklyn, New York 11211
Residential Unit ____**

County: Kings
Block: 2132
Lot: ____

RECORD AND RETURN TO:

DEED

THIS INDENTURE made the ____ day of _____, 2003, between Broadway-Driggs Associates, LLC, a limited liability company, having a place of business at 96-20 Atlantic Avenue, Ozone Park, NY 11416, of the first part, and _____, residing at _____, party of the second part:

WITNESSETH:

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

THE CONDOMINIUM UNIT (hereinafter referred to as the "Unit") in the building (hereinafter referred to as the "Building") known as The Broadway Arms Condominium and by the street number 170 Broadway, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described as Unit No. ____ in a certain Declaration dated _____, 200__ made by the party of the first part, pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") establishing a Plan for condominium ownership of the Building and the Land (hereinafter referred to as the "Land") upon which the building is situate (which Land is more particularly described below and by this reference made a part hereof), which Declaration was recorded in the Kings County Office of the Register of the City of New York on _____, 200__ in Reel ____ Page ____ (which Declaration and amendments thereto are hereinafter collectively referred to as the "Declaration"). This Unit is also designated as Tax Lot ____ in Block 2132 of the County of Kings on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building certified by Maurice Brezel, Registered Architect, on _____, 200__ and filed with the Real Property Assessment Department as Condominium Plan No. ____ and also filed in the Register's Office on _____, 200__ as Condominium Map No. ____.

TOGETHER with an undivided ____% interest in the Common Elements (as such term is defined in the Declaration).

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, Floor Plans and the By-Laws of The Broadway Arms Condominium, as the same may be amended from time to time (hereinafter referred to as the "By-Laws"), all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

The Land on which the building and unit is located is situated in the County of Kings, City and State of New York and is more fully described in the Declaration as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Broadway in a line parallel with and distant 200 feet easterly from the easterly side of Bedford Avenue (formerly Fourth Street);

RUNNING THENCE Southerly parallel with Bedford Avenue, 99 feet 11-1/2 inches to the center line of the block between Broadway (Formerly South 7th Street) and South 8th Street;

THENCE easterly along said center line of the block, 92feet;

THENCE Northerly parallel with the easterly side of Bedford Avenue, 74 feet 1-1/2 inches to the Southerly side of Broadway; and

THENCE Westerly along the southerly side of Broadway. 95 feet 7-1/2 inches to the point or place of beginning.

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

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

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purpose.

The use for which the Unit is intended is that of a one-family residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

The Party of the Second Part accepts and ratifies the provisions of the Declaration and the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, County of New York, to comply with the rules and regulations of the Condominium.

IN WITNESS WHEREOF, the parties have duly executed this deed the day and year first above written.

BROADWAY-DRIGGS ASSOCIATES, LLC

By: _____
Anthony Gurino, *Managing Member*

_____, *Purchaser*

_____, *Purchaser*

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the ____ day of _____, in the year 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared Anthony Gurino, personally known to me or proved to me on 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.

Notary Public

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

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 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.

Notary Public

STATE OF NEW YORK }
 } ss.:

COUNTY OF NEW YORK)

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 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.

Notary Public

EXHIBIT F

DECLARATION OF CONDOMINIUM

DECLARATION

**Establishing a Plan for Condominium Ownership
of the Premises known as and by the street number
170 Broadway
Brooklyn, New York 11211
Pursuant to Article 9-B of the
Real Property Law of the State of New York**

Name of Condominium: THE BROADWAY ARMS CONDOMINIUM

**Sponsor-Declarant: Broadway-Driggs Associates, LLC
96-20 Atlantic Avenue
Ozone Park, New York 11416**

Date of Declaration: _____

**Location: Block 2132, Lots ____ to ____ of the Tax Map
Of the Borough of Brooklyn, Kings County
(formerly Lot 16)**

Record and return to:

**SONNENSCHN, SHERMAN & DEUTSCH, LLP
Attorneys for Sponsor-Declarant
888 Seventh Avenue, Suite 501
New York, New York 10106
(212) 245-6754
Attention: Richard E. Feldman, Esq.
Jane Rosenberg, Esq.**

DECLARATION OF THE BROADWAY ARMS CONDOMINIUM

Table of Contents

ARTICLE 1 - SUBMISSION OF PROPERTY	1
ARTICLE 2 - THE LAND	1
ARTICLE 3 - THE BUILDING	2
ARTICLE 4 - THE UNITS	2
ARTICLE 5 - DIMENSIONS OF UNITS	2
ARTICLE 6 - COMMON ELEMENTS	3
ARTICLE 7 - DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS ...	5
ARTICLE 8 - USE OF UNITS	5
ARTICLE 9 - SUBDIVISION, COMBINATION AND ALTERATION OF UNITS	6
ARTICLE 10 - PERSON TO RECEIVE SERVICE	8
ARTICLE 11 - ENCROACHMENTS	8
ARTICLE 12 - EASEMENTS	8
ARTICLE 13 - COVENANT OF FURTHER ASSURANCES	10
ARTICLE 14 - UNITS SUBJECT TO DECLARATION, BY-LAWS, RULES AND REGULATIONS	11
ARTICLE 15 - POWERS OF ATTORNEY TO BOARD OF MANAGERS	11
ARTICLE 16 - ACQUISITION OF UNITS BY BOARD OF MANAGERS	11
ARTICLE 17 - AMENDMENTS TO DECLARATION	12
ARTICLE 18 - TERMINATION OF CONDOMINIUM	13
ARTICLE 19 - SEVERABILITY	14
ARTICLE 20 - WAIVER	14
ARTICLE 21 - CAPTIONS	14
ARTICLE 22 - GENDER	14
ARTICLE 23 - SUCCESSORS AND ASSIGNS	15
ARTICLE 24 - INCORPORATION BY REFERENCE	15

Schedule A:	Description of the Land
Schedule B:	Description of the Units
Schedule C:	By-Laws of the Condominium
Schedule D:	Unit Owner Power of Attorney

DECLARATION

of

THE BROADWAY ARMS CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Declarant, Broadway-Driggs Associates, LLC, a New York limited liability company maintaining an office at 96-20 Atlantic Avenue, Ozone Park, New York 11416, hereby submits the land located at 170 Broadway, Brooklyn, New York (the "Land"), and the building and improvements thereon erected (the "Building") (together, such Land and Building sometimes referred to herein as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York to create the Condominium to be known as The Broadway Arms Condominium. Broadway-Driggs, LLC is sometimes referred to herein as "Sponsor" as such term is defined in the Offering Plan to convert the Property to Condominium Ownership (the "Offering Plan"). Sponsor hereby declares as follows:

ARTICLE I

SUBMISSION OF PROPERTY

1.1 The name of the Condominium hereby created is The Broadway Arms Condominium.

1.2 The Condominium and the Property shall comprise the Land and the Building and shall consist of one (1) Community Facility Unit, twelve (12) Residential Units, and six (6) Parking Space Units as set forth on Schedule B annexed hereto, subject to the terms and conditions of this Declaration.

1.3 Attached to this Declaration as Schedule C and made a part hereof are the Bylaws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be further amended from time to time, are hereinafter referred to as the "By-Laws").

ARTICLE 2

THE LAND

The Land is the parcel of land designated prior to the creation of the condominium Units as Block 2132, Lot 16 on the Tax Map of the Borough of Brooklyn, County of Kings, City of New York, and more particularly described as all that certain tract, piece and parcel of land situate, lying and being in the City of New York, State of New York as described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

ARTICLE 3

THE BUILDING

The Building erected on the Land contains a cellar, basement and six (6) structural stories above the basement level. The structure of the Building consists of exterior walls and interior load-bearing walls of non-combustible materials cut the span of the steel joists, poured concrete foundation walls and poured concrete floors over metal decking.

The Building shall contain one (1) Community Facility Unit on the basement floor, twelve (12) Residential Units on the first through sixth floors and six (6) Parking Space Units on the cellar floor. The Community Facility Unit, Residential Units and Parking Space Units are collectively referred to as the "Units".

Domestic water is supplied via a domestic water service line connecting the City water main. Sanitary and storm water drainage are provided through piping to a combined sanitary and storm drain that exits the building connected to the public New York City sewer lines.

ARTICLE 4

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to the Units necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage of interest in the Common Elements. The Community Facility Unit is designated on such schedule as Unit BA, the Residential Units are designated as Units 1A through 6B, and the Parking Space Units are designated as Units P-1 through P-6. The land area of the Property and the location of the Building are shown on a Site Plan made by Maurice Brezel, Registered Architect, to be filed in the Kings County Office of the Register of the City of New York ("City Register's Office"). The locations of the Units are shown on the Floor Plans of the Building (the "Floor Plans"), certified by Maurice Brezel, Registered Architect, and filed in the City Register's Office simultaneously with the recording of this Declaration.

ARTICLE 5

DIMENSIONS OF UNITS

5.1 There are a total of one (1) Community Facility Unit, twelve (12) Residential Units and six (6) Parking Space Units as shown on the Floor Plans for the Building.

The dimensions of the units shown on the floor plans reflect the appropriate interior dimensions of each unit. Accordingly, they measure the approximate distance from the inner face of the masonry of the outer walls of the building to the center line of the wall, separating the unit from corridors, stairs, elevators, mechanical spaces and other units.

ARTICLE 6

COMMON ELEMENTS

The Common Elements of the Condominium (the "Common Elements") are comprised of the General Common Elements, which are described in Paragraph (a) of this Article 6 and the Limited Common Elements which are described in Paragraph (b) of this Article 6.

(a) The General Common Elements consist of the Land described in Article 2 of this Declaration and that portion of the Building not incorporated into or which does not exclusively service a particular Unit or which is not part of a Limited Common Element pursuant to Paragraph (b) of this Article 6, and will include, without limitation, the following:

(i) the Land, including without limitation, the portions of the Land on which the Building is erected, and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto; however, excluding therefrom any development rights which may be appurtenant to the Land or which may hereafter accrue with respect thereto, which existing and future development rights are reserved to the Sponsor, its designees, successors and assigns;

(ii) all foundations, columns, girders, beams, joints, supports, exterior walls, interior bearing walls, staircases, stair bulkhead, corridors, subfloors and roofs, except for portions thereof specifically designated herein or on the Floor Plans as parts of Units or Limited Common Elements; those portions of the walls and partitions dividing the Units from corridors and stairs located beyond the exposed face of the wallboard enclosing the Unit, those portions of the walls and partitions dividing Units located between the unexposed faces of both wallboard walls enclosing the Units;

(iii) the water and sewer pipes from the City water main and public sewer line to the meters servicing the Units;

(iv) the areas in the cellar designated on the Floor Plans as trash/rooms, rooms for other utility services, meter rooms, water room and the trash rooms on each floor.

(v) all central and appurtenant installations for services such as heat, hot water, air conditioning, power, light, telephone, refuse compacting, water and

sewer and all gas, water, sewer and drainage pipes, risers, valves, fittings, flues and appurtenances thereto to the extent such installations and fixtures service multiple Units;

(vi) the sprinkler system including fittings, valves, sprinkler heads and piping servicing the Units;

(vii) the elevator serving the cellar through the roof level, including elevator component parts, elevator shafts and pits and elevator machine room;

(viii) the lobby and doors and windows from the lobby to the outside, and all windows and entrance doors in Units; and

(ix) all other apparatus and installations existing in the Building for the common use or necessary or convenient to the existence, maintenance or safety of the Building.

(b) The Limited Common Elements consist of all portions of the Land and the Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. They are designated on the Floor Plans as Community Facility Limited Common Elements, Residential Limited Common Elements or Parking Space Limited Common Elements. The Limited Common Elements include:

(i) any portion of the roof (other than the structural elements thereof), to which there is direct and exclusive access from the interior of a Unit, which shall be a Residential Limited Common Element for the exclusive use of such Residential Unit;

(ii) the entrance and exit doors, canopies and corridors (if any) leading directly and exclusively from any street to any Unit or any portion thereof, which shall be a Limited Common Element for the exclusive use of such Unit;

(iii) all central and appurtenant installations for services such as heat, hot water, air conditioning, power, light, telephone, refuse compacting, intercom, water and sewer and all gas, water, sewer and drainage pipes, risers, valves, fittings, flues and appurtenances thereto to the extent such installations and fixtures service either the Community Facility Unit exclusively or the Residential Units exclusively, or the Parking Space Units exclusively, which shall be either Community Facility Limited Common Elements or Residential Limited Common Elements or Parking Space Units Limited Common Elements, as the case may be.

(iv) a portion of the roof designated as a common recreation space, which shall be a Residential Limited Common Element for the exclusive use of all Residential Unit Owners.

ARTICLE 7

DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS

The percentages of interest of the respective Units in the Common Elements are as set forth on Schedule B.

Such percentages are based upon method (ii) contained in Section 339(i)-1 of the New York Condominium Act, that is, in the approximate proportion that the floor area of the unit at the date of the Declaration bears to the then aggregate floor area of all the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements.

ARTICLE 8

USE OF UNITS

The Community Facility Unit may be used for any lawful Community Facility purpose. The Community Facility Unit Owner may use its Unit for any lawful purpose, at its sole discretion and without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with applicable governmental regulations and with the Declaration and By-Laws of the Condominium, including, without limitation, the rules and regulations that are a part of the By-Laws.

As more particularly set forth in the By-Laws, each Residential Unit may be used only as a residence and not more than one natural person and his/her family members (spouse, parents, grandparents, children, grandchildren, nieces and nephews) or domestic partner may occupy a Residential Unit at one time. Upon the prior written consent of Sponsor (or, when there are no longer any Unsold Units, the Condominium Board), any Residential Unit may be used as a professional or business office, provided, however, that such use is permitted by law.

A Residential Unit owned or leased by a corporation, partnership, fiduciary or any other entity may be occupied only by an officer, director, stockholder or employee of such corporation or by a partner or employee of such partnership or by said fiduciary (including a director, officer, stockholder or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, or by family members of any of the foregoing. Residential Units may be leased on accordance with the By-Laws and the Rules and Regulations.

Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, the Sponsor or its designee may, without the permission of the Board of Managers or the Unit Owners, retain ownership of one or more Units for use as models, or sales, business or administration offices, place signage of any size and

in any location on the Property, in connection with the sale or rental of the Units until such time as all such Units have been conveyed to Purchasers thereof, and lease any Units to third parties.

Further restrictions on the use of the Units are set forth in the By-Laws.

ARTICLE 9

SUBDIVISION, COMBINATION AND ALTERATION OF UNITS

9.1 Subject to any applicable building and fire codes, rules and regulations, zoning and other requirements of governmental authorities, the Sponsor or its designee shall have the right, at its sole cost and expense and without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else, to change the layout and/or size and/or number of rooms in any Unsold Unit, change the number of Unsold Units, by subdividing one or more Unsold Units or the Community Facility Unit into separate Community Facility or Residential Units, combining separate Unsold Units into one or more Unsold Units or altering the boundary walls of Unsold Units, incorporating Common Elements into Unsold Community Facility or Residential Units, and in connection therewith to reapportion among the Units affected by any such change, subdivision, combination or alteration, their respective appurtenant percentage interests in the Common Elements. Further, after this Declaration is recorded, the Sponsor has the right to convey a portion of the General or Limited Common Elements to a purchaser (only in connection with a conveyance of one or more Units), without the consent of any other Unit Owners, if such Common Element consists of hallway space between two Units. In such event, (i) the Declaration and Floor Plans will be amended to reflect that the affected Common Element shall henceforth be designated as a Limited Common Element appurtenant to said Unit or Units, and; (ii) the legal description and percentage interest in the Common Elements of the appurtenant Units shall not be affected by such change. Any such change by the Sponsor or its designee which is required by law to be included in an amendment to the Declaration will be reflected in a duly recorded amendment to the Declaration, the revised Floor Plans and other documents as may be necessary to effectuate the change, prepared by the Sponsor or its designee and meeting the requirements of Article 9-B of the New York Real Property Law. Such amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Sponsor or its designee.

The Community Facility Unit Owner also has the right to record (or on request of such Community Facility Unit Owner) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee, in connection with the subdivision

or subsequent combination of Community Facility Units, and filing revised Floor Plans to effectuate such subdivision or combination.

Any amendment made pursuant to this Section 9.1 shall in no event (i) materially and adversely change the Common Interest of any other Unit not then owned by Sponsor or Community Facility Unit Owner unless the Owner of such other affected Unit shall consent thereto, (ii) require a physical modification of any other Unit not then owned by Sponsor or Community Facility Unit Owner unless the Owner of such other affected Unit shall consent thereto or (iii) adversely affect the priority of validity of the lien of any mortgage encumbering an affected Unit unless the Unit Owner (in the event described in subparagraph (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (iii) of this paragraph) shall consent thereto.

9.2 Except for the Sponsor or its designee(s) and principals thereof, no Unit Owner shall make any structural addition, alteration, or improvement in or to any Unit or any appurtenant Limited Common Element without first (i) obtaining the consent of the Board of Managers not to be unreasonably withheld or delayed, (ii) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, (iii) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (iv) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all other Unit Owners from and against any liability, cost or expense arising out of or connected to such work, and (v) complying with the provisions of the By-laws concerning the prerequisites for such addition, alteration or improvement.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or any Common Element will be executed by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or material man 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.

All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

9.3 The Sponsor and its designee, successors and assigns reserve the exclusive right to utilize in any manner and for any purpose whatsoever (other than for the purpose of expanding the size of the Building) any and all development rights which may be appurtenant to the Property as of the date of this Declaration or which may hereinafter accrue with respect thereto. No income or profit derived by the Sponsor in connection with its usage or transfer of such development rights shall accrue to the benefit of the

Condominium or any Unit Owner other than the Sponsor or such designee, successor or assignee.

9.4 The provisions of this Article as they relate to the Sponsor or its designee or the Community Facility Unit Owner, may not be added to, amended, modified or deleted without the prior written consent of the Sponsor or its designee, or the Community Facility Unit Owner, as the case may be.

ARTICLE 10

PERSON TO RECEIVE SERVICE

The managing agent, Advanced Management Services, Inc., 26 Court Street, Suite 804, Brooklyn, NY 11242, or such successor managing agent as the Board of Managers may designate is hereby designated to receive service of process in any action that may be brought against the Condominium.

ARTICLE 11

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 construction of the Building, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Board of Managers or made by a Unit Owner in accordance with this Declaration or the By-Laws, or (c) repair or restoration of the Building (or any portion thereof) or a Unit or of the Common Elements after damage or destruction by fire or other casualty, or (d) condemnation or eminent domain proceedings of all or any portion of the Building or a Unit or the Common Elements, then in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand, provided that the creation of such encroachment was not intentional and that it does not materially impair the utilization of the portion of the Building encroached upon for its intended and assigned purpose.

ARTICLE 12

EASEMENTS

12.1 Each Unit Owner shall have an easement in common with the Owners of other Units to inspect, use, maintain, repair, alter and replace all Common Elements wherever on the Property they may be located. Each Unit shall be subject to an easement in favor of all other Units to use, maintain, repair, alter, restore, rebuild or replace any and

all Common Elements serving such other Units and located in such Unit or such Unit's appurtenant Limited Common Elements. 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.

12.2 The Unit Owners shall each have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of each other and the Common Elements. They shall each have an easement in common with the others for the benefit of themselves, their licensees and invitees, for ingress and egress through all Units and all Common Elements as required in an emergency. They shall further each have easements over the Common Elements as are reasonably necessary to allow use of said Units for the purposes set forth herein.

12.3 The Board shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in an portion of the Property as the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements.

12.4 Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an easement of access through the Common Elements and an exclusive easement or easement for use in common (as appropriate) for the enjoyment thereof.

12.5 So long as it is the Owner of one or more Unsold Units, the Sponsor shall have an easement over, under and through the Common Elements and building system Limited Common Elements to install equipment relating to the heating and hot water system and other mechanical systems in the Building, including the right to store materials in said Common Elements and Limited Common Elements and the right to enclose any pipes, ducts, etc., within walls.

12.6 The Sponsor and its designees shall have an easement (i) to maintain a sales office and/or model Units, (ii) to erect, maintain, repair and replace from time to time one or more selling, directional and informational signs on the Property as it deems necessary for the purposes of advertising the sale or lease of Units and (iii) for access to Units and all Limited and General Common Elements consistent with the purposes of the Offering Plan, as same may be amended and Sponsor's rights and obligations thereunder, including, without limitation, the right to construct, renovate, maintain, repair, refurbish, alter, offer, sell and lease Units, together with their respective appurtenant percentage interests in the Common Elements, until such time as all such Units have been conveyed to purchasers thereof.

12.7 The user of any easement granted by this Article 12 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

ARTICLE 13

COVENANT OF FURTHER ASSURANCES

13.1 Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, or the occupant of a portion of a Unit, a member of the Board of Managers, an officer of the Condominium, 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 transaction.

13.2 If any Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Unit Owner or such other party is required to take pursuant to this Declaration, then the Board of Managers is 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, as the case may be.

13.3 If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of the Sponsor or the Community Facility Unit Owner, then the Sponsor or the Community Facility Unit Owner is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

13.4 Nothing contained in this Article 13 shall be in derogation of Section 339(i) of the Condominium Act; and nothing contained in this Article 13 shall preclude the Sponsor, the Board of Managers or any Unit Owner from exercising any other rights and remedies available.

ARTICLE 14

UNITS SUBJECT TO DECLARATION, BY-LAWS, RULES AND REGULATIONS

14.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations annexed thereto, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and every part thereof and interest therein, and all of the provisions 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, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of a 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 stipulated at length in each and every deed and conveyance and lease thereof.

ARTICLE 15

POWERS 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, (i) to take all actions on behalf of the Condominium as authorized by this Declaration and by the By-Laws, (ii) to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action, and (iii) to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.

ARTICLE 16

ACQUISITION OF UNITS BY BOARD OF MANAGERS

In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the 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 Section 339-x of the Real Property Law of the State of New York, 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 Units together with the Appurtenant Interests shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all 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, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 17

AMENDMENTS TO DECLARATION

17.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions, any provision of this Declaration may be amended, modified, added to, or deleted by a vote of at least sixty-six and two-thirds (66-2/3%) percent in number and in common interest of all Unit Owners taken in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in common interest of all Unit Owners.

Notwithstanding anything herein to the contrary, in the event that the interest of the Sponsor or its designee or the Community Facility Unit Owner is adversely affected by any such proposed amendment, deletion or modification, or any of the rights, powers, easements, privileges or benefits reserved to the Sponsor or its designee or the Community Facility Unit Owner, are to be eliminated, changed or impaired thereby, then this Declaration shall not be amended without the prior written consent of the Sponsor or its designee or the Community Facility Unit Owner. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is materially and adversely altered, then this Declaration shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

17.2 The Sponsor hereby reserves the right to amend or (on request of Sponsor or its designee) to require the Board of Managers to duly execute and record in the Kings County office of the Register of the City of New York, an amendment to this Declaration, at any time, without the requirement of a vote of Unit Owners and without the approval or consent of any Unit Owners or mortgagees, for the purposes of (i) filing and revising the Floor Plans required by New York Real Property Law Section 339-p for the portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; (ii) changing the designation, the approximate square foot area, the layout, interior dimensions and/or the number of rooms in an unsold Unit or the number of Unsold Residential or Community

Facility Units; (iii) re-allocating common interests of one or more Unsold Units; (iv) making insubstantial changes to this Declaration; (v) making such changes to this Declaration and to the By-Laws and Floor Plans as may be required by the New York State Department of Law or by any governmental agency with jurisdiction over the property or over the offering of condominium units to the public in order to enable the Sponsor to make a public offering of the Units which will include such additional Units as may hereafter be created by the Sponsor by construction, alteration, combination and/or addition to existing Units and the Common Elements appurtenant thereto, as provided in Article 9 hereof or otherwise in this Declaration, the By-Laws or the Offering Plan; and (vi) making any other changes to this Declaration and to the By-Laws and Floor Plans as authorized in this Declaration.

No such amendment shall be effective until recorded in the Kings County office of the Register of the City of New York.

17.3 The Community Facility Unit Owner also has the right to record (or on request of such Community Facility Unit Owner) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee, in connection with the subdivision or subsequent combination of the Community Facility Unit, and filing revised Floor Plans to effectuate such subdivision or combination.

17.4 The provisions of this Article may not be amended or deleted in whole or in part without the consent of the Sponsor or its designee or the Community Facility Unit Owner, so long as the Sponsor or the Community Facility Unit Owner or such designee owns any Unit.

ARTICLE 18

TERMINATION OF CONDOMINIUM

The Condominium shall continue until:

18.1 terminated by casualty, loss, condemnation, or eminent domain as provided in the By-Laws;

18.2 terminated by withdrawal of the Property from the provisions of the New York Condominium Act by a vote of at least eighty (80%) percent of all Unit Owners both in number and in common interest.

In the event said withdrawal is authorized, the Property shall be subject to an action for partition by any Unit Owner or its lienor as if owned in common, in which event the net proceeds of sale shall be divided among the Unit Owners in proportion to their respective Common Interests, provided that no payment shall be made to a Unit Owner until there has first been paid out of such share of the net proceeds all liens on said Unit, in order of priority of such liens.

ARTICLE 19

SEVERABILITY

The invalidity of any provision of this Declaration or the enforceability of any provision as against any person or under certain circumstances 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 provisions had never been included herein, and shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 20

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 21

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

ARTICLE 22

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.

ARTICLE 23

SUCCESSORS AND ASSIGNS

The rights and/or obligations of the Sponsor and its designees set forth herein shall insure to the benefit of, and be binding upon, any successor, assign or designee of the Sponsor provided that at the time of assignment the rights of the Sponsor or designee are

specifically assigned in writing to such successor, assignee or designee, except as specifically set forth in this Declaration or in the By-Laws. The Sponsor shall have the right, at any time in its sole discretion to assign, transfer or encumber its interests herein, whether by merger, consolidation, lease, assignment or otherwise.

ARTICLE 24

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Schedule A; (ii) the description of the Units annexed hereto as Schedule B; (iii) the By-Laws annexed hereto as Schedule C; (iv) the Unit Owner's Power of Attorney annexed hereto as Schedule D; and (v) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

IN WITNESS WHEREOF, the Sponsor has caused this Declaration to be duly executed this ____ day of _____, 200__.

BROADWAY -DRIGGS ASSOCIATES, LLC
a New York limited liability company

By: _____
Anthony Gurino, managing member

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the _____ day of _____, in the year 200_, before me, the undersigned, a Notary Public in and for said State, personally appeared Anthony Gurino, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he execute 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 this instrument.

Notary Public

SCHEDULE A

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Broadway in a line parallel with and distant 200 feet easterly from the easterly side of Bedford Avenue (formerly Fourth Street);

RUNNING THENCE southerly parallel Bedford Avenue, 99 feet 11½ inches to the center line of the block between Broadway (formerly South 7th Street) and South 8th Street;

THENCE easterly along said center line of the block, 92 feet;

THENCE northerly parallel with the easterly side of Bedford Avenue, 74 feet 1½ to the southerly side of Broadway; and

THENCE westerly along the southerly of Broadway, 95 feet 7½ inches to the point or place of BEGINNING.

EXHIBIT G

CONDOMINIUM BY-LAWS

BY-LAWS OF THE BROADWAY ARMS CONDOMINIUM

Table of Contents

ARTICLE I - GENERAL	1
Section 1 - Unit Ownership	1
Section 2 - Applicability of By-Laws	1
Section 3 - Application	1
Section 4 - Office	2
ARTICLE II - CONDOMINIUM BOARD OF MANAGERS	2
Section 1 - Number and Term	2
Section 2 - Powers and Duties	2
Section 3 - Managing Agent and Manager	6
Section 4 - First Board of Managers and Sponsor's Representation	6
Section 5 - Removal	7
Section 6 - Vacancies	7
Section 7 - Organization Meeting	7
Section 8 - Regular Meeting	7
Section 9 - Special Meeting	7
Section 10 - Waiver of Notice	7
Section 11 - Quorum of Board of Managers	8
Section 12 - Fidelity Bonds	8
Section 13 - Compensation	8
Section 14 - Liability of the Board of Managers	8
Section 15 - Committees	9
ARTICLE III - UNIT OWNERS	9
Section 1 - Annual Meetings	9
Section 2 - Place of Meetings	10
Section 3 - Special Meetings	10
Section 4 - Notice of Meetings	10
Section 5 - Adjournment of Meetings	10
Section 6 - Order of Business	10
Section 7 - Title to Units	11
Section 8 - Voting	11
Section 9 - Quorum	11
Section 10 - Majority of Unit Owners	11
Section 11 - Action by Unit Owners	11
Section 12 - Action Without Meeting	11
ARTICLE IV - OFFICERS	12
Section 1 - Designation	12
Section 2 - Election of Officers	12
Section 3 - Removal of Officers	12
Section 4 - President	12

Section 5 - Vice President	12
Section 6 - Secretary	12
Section 7 - Treasurer	13
Section 8 - Agreements. Contracts. Deeds. Checks. etc	13
Section 9 - Compensation of Officers	13
ARTICLE V - NOTICES	13
Section 1 - Notices	13
Section 2 - Waiver of Service of Notice	13
ARTICLE VI - OPERATION OF THE PROPERTY	14
Section 1 - Determination of Common Expenses and Fixing of Common Charges	14
Section 2 - Insurance	15
Section 3 - Repair or Reconstruction After Fire or Other Casualty	16
Section 4 - Payment of Common Charges	17
Section 5 - Assessment Roll and Collection of Assessments	17
Section 6 - Default in Payment of Common Charges	17
Section 7 - Foreclosure of Liens for Unpaid Common Charges	18
Section 8 - Statement of Common Charges	18
Section 9 - Maintenance and Repairs	18
Section 10 - Restrictions on Use of Units	19
Section 11 - Additions, Alterations or Improvements by Board of Managers	21
Section 12 - Additions, Alterations or Improvements by Unit Owners	21
Section 13 - Use of Common Elements	23
Section 14 - Right of Access	23
Section 15 - Rules and Regulations	23
Section 16 - Electricity	23
Section 17 - Gas	23
Section 18 - Water Charges and Sewer Rents	24
Section 19 - Abatement and Enjoinment of Violations by Unit Owners	24
Section 20 - No Right of Partition	25
ARTICLE VII - MORTGAGES	25
Section 1 - Notice to Board of Managers	25
Section 2 - Notice of Unpaid Common Charges	25
Section 3 - Notice of Default	25
Section 4 - Examination of Books	25
ARTICLE VIII - SALES, LEASES AND MORTGAGES OF UNITS	26
Section 1 - Sales and Leases	26
Section 2 - Consent of Unit Owners to Purchase or Lease of Units by Board of Managers	28
Section 3 - No Severance of Ownership	28
Section 4 - Release by Board of Managers of Right of First Refusal	28
Section 5 - Certificate of Termination of Right of First Refusal	28
Section 6 - Financing of Purchase of Units by Board of Managers	28
Section 7 - Exceptions	29

Section 8 - Gifts and Devises. etc	29
Section 9 - Waiver of Right of Partition with Respect to such Units as are Acquired by the Board of Managers or Its Designee, on Behalf of Unit Owners as Tenants in Common	29
Section 10 - Transfer Fees and Other Charges Imposed on Sale or Lease of Residential Units	29
Section 11 - Payment of Assessments	29
Section 12 - Mortgaging of Units	29
ARTICLE IX - CONDEMNATION	30
Section 1 - Condemnation	30
ARTICLE X - RECORDS AND AUDITS	30
Section 1 - Records and Audits	30
ARTICLE XI - AMENDMENTS TO BY-LAWS	31
Section 1 - Amendments to By-Laws	31
Section 2. - Sponsor Amendments	31
Section 3. - Amendments or Deletions	31
Section 4. - Conflicts	31
ARTICLE XII - MISCELLANEOUS	32
Section 1 - Invalidity	32
Section 2 - Captions	32
Section 3 - Gender	32
Section 4 - Waiver	32
ARTICLE XIII - CONFLICTS	32
Section 1 - Conflicts	32
SCHEDULE A - RULES AND REGULATIONS	33

BY-LAWS

of

THE BROADWAY ARMS CONDOMINIUM

170 Broadway
Brooklyn, New York 11211

ARTICLE I

GENERAL

Section 1 - Unit Ownership. The property located at 170 Broadway, Borough of Brooklyn, City of New York, State of New York more particularly described on Schedule A to the Declaration to be recorded in the office of the Register of the City of New York, Kings County simultaneously herewith and the building (the "Building") constructed on said land (hereinafter called the "Property") have 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, Kings County on such date. The Condominium thereby created is known as The Broadway Arms Condominium (hereinafter called the "Condominium"). The one (1) Community Facility Unit (the "Community Facility Unit"), the twelve (12) Residential Units (the "Residential Units") and the six (6) Parking Space Units (the "Parking Space Units") are more fully described in the aforesaid Declaration and are hereinafter referred to collectively, as the "Units". Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning as ascribed thereto in the aforesaid Declaration. These By-Laws, as they may be further amended from time to time, are hereinafter referred to as the "By-Laws".

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), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, 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 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 as Schedule A, each as amended from time to time.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4 - Office. The office of the Condominium and of the Condominium Board of Managers shall be located at the Property or at such other place, reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II

CONDOMINIUM BOARD OF MANAGERS

Section 1 - Number and Term. The affairs of the Condominium shall be governed by the Condominium Board of Managers. The number of Managers which shall constitute the whole Board shall not be less than three (3) and not more than five (5). The Board of Managers shall consist of one or more persons appointed by the Sponsor or its designee (so long as the Sponsor or its designee owns at least one (1) Residential Unit or the Community Facility Unit or the Parking Space Units, it shall be entitled to appoint one less than a majority of the Board of Managers), none of whom need be a Unit Owner, plus one or more members to be elected by the Unit Owners as hereinafter provided in Section 4 of this Article II. Thereafter, at the first annual meeting of Unit Owners, all members of the Board of Managers shall be Unit Owners or spouses of Unit Owners or officers, directors or principals of Unit Owners which are not natural persons, except that Members of the Board of Managers appointed by the Sponsor or its designee, or Community Facility Unit Owner for Parking Space Unit Owners need not be Unit Owners, and all members of the Board of Managers shall serve for a term of one (1) year. After the expiration of the initial two (2) year period of Sponsor's voting control of the Board of Managers, a majority of the members of the Board of Managers must be owner-occupants (or members of an owner-occupant's household) who are unrelated to the Sponsor or its principals.

Starting with the first annual meeting of Unit Owners after the Sponsor has relinquished control of the Board of Managers, the Board will consist of five (5) Members. The term of each Member shall be one (1) year. The members shall hold office until their successors have been elected and hold their first meeting.

Except for Members designated by the Sponsor or its designee or Community Facility Unit Owner or Parking Space Unit Owners, all other Members shall be Unit Owners or spouses of Unit Owners, or, in the case of a partnership or limited liability company, shall be partners or employees of such partnership or limited liability company, or in the case of corporate owners, 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 mortgagees. In the case of Sponsor or the Community Facility Unit Owner or Parking Space Unit Owners, Members shall be designees of the Sponsor or the Community Facility Unit Owner or Parking Space Unit Owner. No Member shall continue to serve on the Board after he or she ceases to qualify as herein provided.

Section 2 - Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things on behalf of the Condominium except those which by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. The powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- a. Operation, care, upkeep and maintenance of the Common Elements.

- b. Determination of the common charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- c. Collection of common charges and assessments from the Unit Owners, and imposition and collection of reasonable late charges for late payment thereof.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.
- f. Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor. The Condominium may authorize a manager or managing agent to be the signatory on such accounts.
- g. Purchasing, leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or Units surrendered by their owners to the Board of Managers.
- h. Purchasing of Units at foreclosure or other judicial sale in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- i. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.
- j. Organizing corporations or limited liability companies to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of the Unit Owners.
- k. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.
- l. Adjusting and settling claims under insurance policies obtained pursuant to Article VI Section 2 and executing and delivering releases on settlement of such claims on behalf of all Unit Owners, all holders of mortgages or other liens on the Units and all owners of any other interest in the Property.
- m. Representing the Unit Owners in any proceedings, negotiations, settlements or agreements relating to losses or proceeds from condemnation, destruction or liquidation of all or part of the Condominium or from termination of the Condominium, and making of repairs, additions and improvements to, or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- n. Enforcing obligations of the Unit Owners, allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium.
- o. Borrowing money on behalf of the Condominium when required in connection with the operation, care and upkeep of the Common Elements, provided, however, that

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, and further provided that the borrowing of a sum in excess of \$50,000.00 for any one purpose must be approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present.

p. Pursuant to Real Property Law Section 339-jj, incurring debt for any purpose enumerated in these By-Laws relating to the payment, collection and disbursement of Condominium funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid common expenses, depreciation, obsolescence and similar purposes, provided that such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Residential Unit and the incurring of such debt was authorized by a majority of the Unit Owners in common interest.

In connection with an aforesaid debt, the Board of Managers on behalf of the Unit Owners may:

- i. Assign the rights in and to receive future income and common charges;
 - ii. Create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds;
 - iii. Agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law Section 339(i)(2), all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and
 - iv. Agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board of Managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on units for unpaid common charges pursuant to applicable law and the right to foreclose such liens pursuant to applicable law.
- q. Provided the prior consent of at least 66-2/3% in number and common interest of all Unit Owners is obtained plus the consent of the Sponsor or its designee for so long as Sponsor owns at least one (1) Unit, at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, the Board of Managers shall have the power to: (i) convert General Common Elements to Limited Common Elements or to convert Limited Common Elements to General Common Elements, and (ii) lease Common Elements, General or Limited.
- r. Entering Units when necessary, provided that an effort is made to minimize inconvenience to the Unit Owner, in connection with the maintenance, care and preservation of the Property.
- s. Purchasing supplies and equipment, entering into contracts and generally having the powers of a manager in connection with the operation of the Property.

- t. Bringing and defending actions pertinent to the operation of the Property.
- u. Applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, prosecuting and settling as it may deem advisable any such action, including payment of any costs which may be incurred in such proceedings, on behalf of all Unit Owners as part of a single application.
- v. Applying, as necessary, for construction, alteration or other approvals, to any and all municipal authorities having jurisdiction over the Condominium, including, but not limited to the Department of City Planning, Department of Buildings and the Landmarks Preservation Commission, on behalf of all Unit Owners.
- w. Establishing a reserve fund to be used only for capital expenditures.
- x. Levying fines against the Unit Owners for violations of the Rules and Regulations established by it to govern the conduct of the Unit Owners as provided in Article VI Section 19 of these By-Laws, and such fines may be collected as if they were additional Common Charges owed by the Unit Owner against whom such fines were levied.
- y. Establishing reasonable fees for the processing of sale, lease or lease renewal applications, applications for Certificates of Termination of the Right of First Refusal and for other services agreed to by the Board of Managers, all of which fees shall be payable by the Unit Owner to the managing agent.

Notwithstanding the foregoing, neither the Board of Managers nor the Unit Owners shall take any of the following actions so long as the Sponsor or its designee owns Units representing at least 25% of the common interest, but not longer than five (5) years from the first closing of title to a Residential Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, unless the prior written consent of the Sponsor, or its designee, as the case may be, is obtained: (i) make any additions, alterations or improvements to the Common Elements or any Unit, except those required by law; (ii) assess Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (iii) increase or decrease the number, or change the kind of employees referred to in the Condominium budget in the Offering Plan establishing the Condominium; (iv) exercise a right of first refusal to lease or purchase a Unit; (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of a Unit under the Plan or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (vi) borrow money on behalf of the Condominium, or (vii) reduce any services. As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium except as specifically permitted in such documents; (ii) interfere with the offer and sale or leasing of Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary for construction, renovation, repair, or correction of the Property as required by Sponsor or a Sponsor-designee, as the case may be.

Notwithstanding anything set forth above, the Board of Managers must undertake any of the aforesaid actions and the expenditure of any amounts reasonably necessary to comply with applicable laws and regulations, to remedy any notice of violation or to remedy any work order of any insurer.

Any action of the Condominium Board which exclusively benefits one or more Unit Owners shall be taken at the sole expense of said affected Unit Owner(s).

Section 3 - Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (k), (m), (q) and (r) of Section 2 of this Article II. The Board of Managers may delegate to the 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), (l), (n), (o), (p), (q), (t), (u), (v), (w), (x), and (y) of Section 2 of this Article II.

The compensation for the managing agent and/or manager will be at a competitive rate. Any agreement with a manager or managing agent shall be for a term not to exceed three (3) years. Any agreement with a manager or managing agent shall provide that the books and records of the Condominium shall be returned to the Board of Managers by the manager or managing agent upon demand.

Section 4 - First Board of Managers and Sponsor's Representation. The first Board of Managers shall consist of three (3) persons designated by the Sponsor. Within sixty (60) days of closing of title to the first Unit, following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, one of these members shall be replaced by a Member elected by a majority of the then Unit Owners other than the Sponsor. This three (3) person Board shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners.

Notwithstanding anything to the contrary contained herein, a special meeting of Unit Owners shall be held on fifteen (15) days notice, within thirty (30) days of either the second anniversary of the date of the first closing of title to a Residential Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership or the sale of Units representing, in the aggregate, 50% or more of the common interest, whichever first occurs. At such meeting, all the non-Sponsor designated Members of the Board of Managers shall resign and a new Board of five (5) members shall be elected by the Unit Owners.

After the Sponsor has turned over control of the Board to the Unit Owners, so long as the Sponsor or its designee owns at least one Unit, the Sponsor or its designee shall be entitled to designate one less than a majority of the Members of the Board of Managers. The Owners of Units other than the Sponsor may elect the majority of the Members of the Board of Managers. If at any time it is determined to increase the size of the Board, the representation of the Sponsor shall be changed proportionately. Any or all of the Members of the Board of Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5 - Removal. Subject to the provisions of Section I of this Article II, at any regular or special meeting of Unit Owners, any Member of the Board of Managers may be removed for cause by an affirmative vote of a majority of Unit Owners. A Member of the Board who has not been designated by the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owner may also be removed without cause by affirmative vote of a majority of Unit Owners. Whether removal is with cause or without cause, a successor shall

then or thereafter be elected to fill the vacancy, provided, however, that the vacancies of Members designated by the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owner shall be filled only by the Sponsor or its designee, the Community Facility Unit Owner or Parking Space Unit Owner, as the case may be. Any Member of the Board of Managers whose removal with cause has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 6 - Vacancies. Vacancies in the Board of Managers caused by any reason other than as provided for in Article III Section 1 hereof or the removal of a Member thereof by a vote of the Unit Owners, shall be filled by a 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. Each person so elected shall be a Member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of Members designated by the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owner shall be filled only by the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owner, as the case may be.

Section 7 - Organization Meeting. The first meeting of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the Members of the Board of Managers, and only three days' notice shall be necessary to the newly elected 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 thereat.

Section 8 - Regular Meeting. 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 personal delivery, mail, facsimile or overnight delivery service, at least three (3) business days prior to the day named for such meeting. Regular meetings are open meetings which may be attended by Unit Owners.

Section 9 - Special Meeting. Special meetings of the Board of Managers may be called by the President or Secretary or written request of any Member of the Board of Managers on three (3) business days' notice to each Member of the Board of Managers, given by personal delivery, mail, facsimile or overnight delivery service, which notice shall state the time, place and purpose of the meeting. Special meetings are closed meetings which may not be attended by Unit Owners unless otherwise specifically provided.

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 subject to the provisions of Section 2 of this Article II, the votes of a majority of the Members of the Board of Managers 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 may be taken without a meeting if all Members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the proceedings of the Board.

Section 12 - Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense charged to all Unit Owners.

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. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as Member of the Board or officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or officer of the Condominium or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor or Selling Agent, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing, provided that (i) the connection is disclosed to, or known by, the Board or a majority of members thereof or noted in the minutes thereof and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the Board, excluding such Member, and (ii) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed or otherwise consummated. 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 agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section 14 shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15 - Committees. The Board of Managers may, by resolution duly adopted, create such committees as it shall deem appropriate and such committees shall have such powers and authority as the Condominium Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by Sponsor or its designee so long as Sponsor or its designee has the right to designate a member of the Board of Managers, and at least one of whom shall be designated by non-Sponsor members, shall be appointed by the President of the Condominium.

ARTICLE III

UNIT OWNERS

Section 1 - Annual Meetings. Within sixty (60) days after the first closing of title to a Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, or at such earlier time as the Sponsor deems in the best interests of the parties, the Sponsor or the Board of Managers shall call the first annual Unit Owners meeting. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners including the Sponsor, or the Sponsor shall continue to control the Board, as hereinbefore provided in Article II, Section 4 of these By-Laws. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Prior to the actual meeting at which the Unit Owners elect the Board of Managers as herein provided, the Sponsor may call, at its discretion, meetings of the Unit Owners so that the

Board of Managers designated by the Sponsor can report to the Unit Owners, or for such other purpose as the Board determines.

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 by Unit Owners representing at least 25% of the common interest, upon at least five (5) days notice. 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 mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, at least ten (10) but not more than forty (40) days prior to such meeting. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or these By-Laws, the notice of meeting shall be mailed at least twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 5 - Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Proxies remain in effect for any such adjourned meeting.

Section 6 - Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

1. Roll call.
2. Proof of notice of meeting.
3. Reading of minutes of preceding meeting.
4. Reports of officers.
5. Report of Board of Managers.
6. Reports of committees.
7. Election of inspectors of election (when so required).
8. Election of members of the Board of Managers (when so required).
9. Unfinished business.
10. New business.

Section 7 - Title to Units. Title to Units may be taken in the name of an individual, in the names of two (2) or more persons, as tenants in common, joint tenants or tenants by the

entirety, or in the name of a corporation, partnership, limited liability company or in the name of a fiduciary.

Section 8 - Voting. The Owner or Owners of each unit (including Sponsor and its designee(s)), or some person designated by such Owner or Owners to act as proxy on his, her or their behalf and who need not be an owner, shall be entitled to cast one (1) vote for each .001% of interest in the Common Elements attributable to the Unit or Units owned by him or her in all matters put to a vote 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 or entity acting unanimously), may vote or take any other action as a Unit Owner either in person or by proxy. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to a vote. A proxy which is given by facsimile transmission shall be valid for all purposes and shall be deemed given as if the original had been delivered.

Section 9 - Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners (as defined in Section 10 below) shall constitute a quorum at all meetings of the Unit Owners.

Section 10 - Majority of Unit Owners. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners holding in the aggregate more than 50% of the total authorized votes of all Unit Owners, present in person or by proxy and voting at any meeting of the Unit owners at which a quorum is present, determined in accordance with the provisions of Section 8 of this Article III.

Section 11 - Action by Unit Owners. Subject to the provisions contained in the last two paragraphs of Article II Section 2 of these By-Laws regarding authorization by Sponsor or its designee for certain actions of the Board of Managers, the vote of a majority of Unit Owners shall be required to take any action at any meeting of Unit Owners, except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. Notwithstanding the foregoing, any action which restricts the permitted use of any Unit or any portion of the Common Elements or Limited Common Elements must be authorized by the affected Unit Owner unless the By-Laws specifically permit the taking of such action.

Section 12 - Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if Unit Owners sufficient in number and in Common Interest to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or these By-laws consent in writing to the adoption of a resolution authorizing such action and writing is 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, must be Members of the Board of Managers. Except for Members of the Board of Managers appointed by the Sponsor or its designee, all officers must be Unit Owners, or spouses of Unit Owners, or officers, directors or principals of Unit Owners which are not natural persons.

Section 2 - Election of Officers. The officers of the Condominium shall be elected annually by vote of 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 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, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting. An officer who is a Sponsor-designee may be replaced at any time by another Sponsor-designee, at Sponsor's sole discretion.

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

Section 5 - Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the 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, and shall have such other powers and duties as are usually vested in the office of vice president of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 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 or supervising the keeping of full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He shall be responsible for the deposit of all funds and other securities in the name of the Board of Managers, or the managing agent, 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. He shall disburse Condominium funds in the manner directed by the Board of Managers, making proper vouchers for all disbursements. He shall submit to the President and Board of Managers, at regular meetings of the Board of Managers or whenever they may require it, an account of all of his transactions as Treasurer, as well as the financial condition of the Condominium.

Section 8 - Agreements. Contracts. Deeds. Checks. etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any one (1) officer of the Condominium or by such other person or persons as may be designated by the Board of Managers.

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

ARTICLE V

NOTICES

Section 1 - Notices. All notices required or desired to be given hereunder (except of notices of regular annual or special meetings of the Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail return receipt requested, postage prepaid, addressed: (i) if to the Board of Managers, in care of the managing agent, or if there be no managing agent, to the principal office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time; (ii) if to a Unit Owner, other than the Sponsor, to the Property address of such Unit Owner or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers; (iii) if to the Sponsor, to Broadway-Driggs Associates, LLC, 96-20 Atlantic Avenue Ozone Park, New York 11416. All notices to mortgagees of Units shall be sent by registered or certified mail (return receipt requested) to their respective addresses, as designated by them from time to time, in writing to the Board of Managers. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

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

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1 - Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, 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 or such different method of allocation as is set forth in the "Budget for the First Year of Condominium Operation", Schedule B to the Offering Plan (the "Condominium Budget") or determined by the Board of Managers to reflect exclusive use or the availability or control of particular Common Elements or services provided by the Condominium. The Board of Managers may allocate common expenses in a manner different from the allocation of common interests, as permitted by the Condominium Act, provided that such allocation is based on the proportion of expenses and charges fairly attributable to such Units, based on actual usage of particular services. The common expenses shall include, without limitation, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the Condominium Budget or the provisions of Section 2 of this Article VI, and the fees and disbursements of the Insurance Trustee, if any. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, water and sewer charges for service to the Units and the Common Elements, costs for heating and hot water in Units and common areas, gas costs for the Units and common areas, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, accountants' fees and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as the Board of Managers may deem necessary for customary or extraordinary legal expenses incurred with respect to the Condominium Property. With respect to the Community Facility Unit and Parking Space Units, the Board of Managers is authorized to specifically allocate these or other expenses or specific expense items and apportion common charges of such Units, provided such expense items are actually utilized by such Units due to usage, changes in use or from changed circumstances. In addition, 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, 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 foreclosure or other judicial sale. Until construction and renovation of the Property and all of the Units is completed and title thereto has been conveyed, the Board of Managers may reduce the amount of common charges allocated to the Units and payable by Unit Owners (including the Sponsor as owner of unsold Units). Any such reduction shall be in proportion to each Unit Owner's percentage of interest in the Common Elements, or as regards the Community Facility Unit and Parking Space Units, in proportion to the Unit's share of expenses so reduced.

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of common charges payable by each of them as determined by the Board of Managers as aforesaid and shall furnish copies of such budget on which such common charges are based, to all unit owners. All costs and expenses which are allocable solely to the repair, maintenance and operation of a particular Unit or Units, as the case may be, shall be borne solely by the owner(s) of such Unit(s). Notwithstanding anything to the contrary in the Declaration or in these By-Laws, the power of the Board is subject to the restrictions contained in Section 2 of Article II of these By-Laws

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 normal for a condominium of this type, vandalism and malicious mischief endorsements insuring the Building, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, appliances, furniture, furnishings or other personal property in any Unit) covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a coinsurer in the event of casualty loss (exclusive of the costs of excavation and foundations) without deduction for depreciation, as determined by the Board of Managers. Each of said policies shall contain a Condominium Property Endorsement and 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 or the Insurance Trustee, if any, as herein provided; (2) boiler and machinery insurance; (3) a fidelity bond or bonds in sufficient amounts to fully protect the interest of the Condominium, to be carried on each member of the Board of Managers and officers of the Condominium who handle or are responsible for funds of the Condominium; (4) Officers and Directors liability insurance covering officers and members of the Board of managers; (5) comprehensive general liability insurance covering each Member and officer of the Board of Managers, the managing agent, each Unit Owner, in such limits as the Board of Managers may deem proper, covering all claims for bodily injury or property damage arising out of an occurrence in the Common Elements and covering cross liability claims of one insured against another (but not covering the liability of a Unit Owner arising from occurrences within his own Unit); (6) workers, compensation insurance; (7) water damage legal liability; (8) rent insurance in an amount equal to the aggregate of the common charges (estimate) payable to the Board of Managers in any calendar year; (9) elevator collision insurance; and (10) such other insurance as the Board of Managers may determine. The premiums for such insurance shall be a common expense, provided, however, that in charging the same to the Unit Owners consideration may be given to the higher premium rates on some units than on others and the cost of such premiums may be charged to Unit Owners in a manner different from the Units' respective percentage interests in the Common Elements.

All such policies shall provide that adjustments shall be made by the Board of Managers and that the net proceeds thereof, if \$250,000.00 or less, shall be payable to the Board of Managers and if more than \$250,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners.

If at any time said Trustee holds a mortgage on the Property or any Unit, in no event shall it use the insurance proceeds to reduce the principal balance of any mortgage held by it before applying same for the purpose of repairing, restoring or rebuilding the Building whenever the Unit Owners elect to do so as provided in these By-Laws. The Insurance Trustee shall hold and disburse the insurance proceeds for purposes of repair and restoration as directed by the Board of Managers.

All policies of physical damage insurance shall contain waivers (a) of subrogation, (b) of any defense based on coinsurance, (c) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit owners, and (d) of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause shall be

attached to all policies. Duplicate originals or certificates 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 who have requested same in writing, 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 may 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 2.

Unit Owners are advised to carry other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation against the Condominium and the Board of Managers and further provide 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. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

Section 3 - Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty, unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment of the Unit Owners or a tenant of a Unit Owner), and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit as part of the common charges.

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

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers among the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notifies the Board of Managers and the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the Insurance Trustee notifies the Board of Managers and Unit

Owner or Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are payable to the Board of Managers, not more than sixty (60) days from the date of receipt by the Board of Managers of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the words "promptly resolve" are used it shall also mean not more than sixty (60) days from the date the Board of Managers notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

Section 4 - Payment of Common Charges. Each Unit Owner shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine. The Board of Managers may also impose a reasonable late charge for late payment of common charges, which shall be added to the Unit Owner's common charges due on the first day of the following month, and which shall be a lien upon the Unit owner's Unit if not paid. Assessments for common charges are the personal obligation of the person owning the Unit at the time the assessment becomes due.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against its Unit subsequent to a sale, transfer or other conveyance (made in accordance with the provisions of Section 1 of Article VIII of these By-laws) of such Unit, together with the "Appurtenant Interests", as defined in Section 1 of Article VIII hereof. A purchaser of a Unit shall be liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition of such Unit, except that, to the extent permitted by law, 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. In the event of a foreclosure sale of a Unit by a mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid common charges accrued prior to such sale.

In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that its Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey his or her Unit, together with the Appurtenant Interests, to the Condominium Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event, be exempt from common charges thereafter accruing.

Section 5 - Assessment Roll and Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time and at least annually. An assessment roll relating to common charges and other assessments shall be maintained in a set of accounting books duly approved by a certified public accountant in which there shall be an account for each Unit.

The Board of Managers shall take prompt action to collect any common charge and other amounts, if any, due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof.

Section 6 - Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of its common charges or any assessment as determined by

the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such unpaid common charges computed from the due date thereof, in addition to any late charge which may have been imposed pursuant to Section 4 of this Article VI, together with all expenses, including attorneys' fees, paid or incurred by the Board of Managers or the Managing Agent in any proceeding brought to collect such unpaid common charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid common charges or assessments. The Board of Managers shall have the right and obligation to attempt to recover such common charges or assessments, together with interest thereon, 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. While the Sponsor or its designee is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor or such designee is in arrears of common charges by more than thirty (30) days.

A lien for non-payment of common charges granted pursuant to Section 339-z has priority over all other liens except (i) liens for taxes on the Unit in favor of any assessing unit, school district, special district, county or other taxing unit, and (ii) all sums unpaid on a first mortgage of record or on a subordinate mortgage of record held by the New York Job Development Authority.

Section 7 - Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of its 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, cast the votes appurtenant to (other than for the election of Members to the Board of Managers), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligation to the Condominium, then such Unit Owner shall remain liable for the deficit.

Section 8 - Statement of Common Charges. The Board of Managers (or 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 due from such unit owner.

Section 9 - Maintenance and Repairs.

- a. All maintenance, repairs and replacements in and to a Unit, ordinary or extraordinary to the units providing heat, ventilation, hot water and air conditioning, kitchen appliances, individual washers and dryers (if any), electrical and plumbing installations and fixtures within a Unit or in appurtenant Limited Common Elements, or belonging to or installed by the Unit Owner, shall be at the Unit Owner's expense, except as otherwise specifically provided herein. The Board of Managers is responsible for electrical, gas and plumbing pipes, wires

and lines to the extent they are located in Common Elements and serve multiple Units.

Each Unit Owner shall perform promptly all maintenance and repair work to his own Unit and Limited Common Elements appurtenant to such Unit, which if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners (including the Sponsor or its designee), such Unit Owner being expressly responsible for any damages and liabilities which may result from his failure to do so. Each Unit Owner shall, at his sole expense, maintain the interior of the Unit, its furniture, furnishings, appliances, and appurtenances in good order and condition, and shall do all redecorating and other work which may at any time be necessary to maintain the good condition of the Unit.

- b. All maintenance, repairs and replacements to the General Common Elements and to the Limited Common Elements shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense if affecting the General Common Elements or charged to all Residential Unit Owners or the Community Facility Unit Owner or the Parking Space Unit Owners if affecting only the Residential, Community Facility or Parking Space Limited Common Elements except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner or his invitees, licensees or agents, in which case such expense shall be charged to such Unit Owner. Notwithstanding the preceding sentence, with respect to those roof terraces and balconies which are Limited Common Elements for the use of particular Unit Owners, the repair and maintenance responsibility of the Unit Owner is limited to any material over the concrete balcony surface or roofing material and all installations, railings, fencing and the like, and any repair of damage caused by any installations placed by the Unit Owner on such terrace as well as for damage to the concrete balcony surface or roofing material caused by the act or omission of the Unit Owner or his or her lessees, invitees, licensees or agents. No planters may be placed on roof terraces; and no roof terraces or balconies may be enclosed.

Section 10 - 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. The Community Facility Unit may be used for any lawful community facility purpose at the sole discretion of the Owner or Owners thereof, without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with applicable governmental regulations, the Declaration, these By-Laws and the Offering Plan.
- b. The Residential Units shall be used only as residences for natural persons and their family members as specified in the Declaration. Notwithstanding the foregoing, however, Sponsor or its designee (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in this subparagraph (b), provided that the nature and manner of such use complies with law and does not violate the then-existing or amended Certificate of Occupancy covering such Residential Unit. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be

required to obtain the prior written consent of Sponsor or its designee or the Condominium Board (as the case may be) before using such Residential Unit for any purpose other than as a residence.

- c. The Parking Space Units may only be used as parking spaces, and no storage of tires, combustible materials or household possessions shall be stored therein.
- d. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual or by an officer, director, stockholder or employee of such corporation or by a partner or employee of such partnership or by said fiduciary (including a director, officer, stockholder or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary or by a principal or employee of such other entity, respectively or by family members or occasional guests of any of the foregoing. Additionally, in no event shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased or subleased, and no transient occupant other than a guest permitted under this subparagraph (c) may be accommodated therein.
- e. The 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.
- f. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its occupants or which interferes with the peaceful possession or proper use of the Property by its occupants.
- g. 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.

Notwithstanding the foregoing or anything else contained in the Plan, the Sponsor or its designees may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, or business or administration offices, may place signage of any size and in any location on the Property, in its sole discretion, in connection with the sale or rentals of Units in the Condominium and lease any Units to third parties for their occupancy.

Section 11 - Additions, Alterations or Improvements by Board of Managers

All alterations, additions or improvements in or to any Common Elements shall be made either by the Board of Managers or Unit Owner required to maintain such Common Element as set forth in Section 9 hereof and the cost and expense thereof shall be charged either to all Unit Owners as a common expense or to one or more Unit Owners responsible therefor, as the case may be. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of \$50,000 in the aggregate in

any calendar year, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present (including Sponsor as owner of Unsold Units), 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 in the aggregate \$50,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners, and the cost thereof shall constitute part of the Common Charges.

Notwithstanding the foregoing, for so long as the Sponsor or its designee shall own Units representing at least 25% of the common interest, but not more than five (5) years from the date of the first closing of title to a Residential Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, no additions, alterations or improvements shall be made to the Common Elements, regardless of the cost thereof, except those required by Law, unless the consent of Sponsor or its designee is first obtained pursuant to Article II Section 2 of these By-Laws, unless such action is required by law.

Section 12 - Additions, Alterations or Improvements by Unit Owners.

No Unit Owner, except for the Sponsor or its designee(s) and principals thereof, shall have the right to make any structural addition, alteration or improvement in or to the Unit or any Limited Common Element appurtenant thereto without the requirement of consent of the Board of Managers. Any such addition, alteration or improvement shall not affect the portion of the Building utilized by any other Unit Owner, and the Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction.

No Unit Owner (except for the Sponsor or its designee(s) and principals thereof) shall make any structural addition, alteration or improvement in or to a Unit or Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, and (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all other Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his or her alterations, additions or improvements.

A Unit Owner may not commence any alteration, addition, or improvement which would require a construction or alteration permit issued by the NYC Department of Buildings, including but not limited to, the combination of two or more Units, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Unit Owner who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for damages.

No Unit Owner (except the Sponsor or its designee(s) and principals thereof) may make any alterations in the Unit or Limited Common Element appurtenant thereto unless and until the Unit Owner's proposed alteration plans have been reviewed and approved by the Board of

Managers (which may be controlled by Sponsor at the time of such application), which approval will not be unreasonably withheld or delayed. The Unit Owner shall be free to hire any contractor to perform such custom work in his or her Unit as the Unit Owner desires. The cost of such work, including, but not limited to, building permits and drawings, will be at the sole cost and expense of the Unit Owner. Architectural drawings shall be submitted to the Board's Architect for approval and such architect's fees of \$1,000 per submission shall be paid by the Unit Owner, as billed. If such proposed alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to the Board's mechanical engineer for approval, whose fee of \$250 per review shall be paid by the Unit Owner as billed. The fees of any other expert required by the Board or its Architect or mechanical engineer for a proper review of proposed plans shall be the responsibility of the Unit Owner, provided the Architect or engineer notifies the Unit Owner in writing of the need for such additional opinion or review.

A Unit Owner (except the Sponsor or its designee(s) and principals thereof) wishing to do any such construction in his Unit shall pay \$1,000 to a Coordinator designated by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with the Board's experts, arrange elevator use by the Unit Owner's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to the Board shall be delivered to the Coordinator prior to the commencement of any work along with an agreement, in form and substance reasonably satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and indemnifying and holding harmless the Sponsor, the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner will also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when the Unit Owner submits his proposed building plans to the Board for approval and the when work commences in the Unit.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or appurtenant Limited Common Elements will be executed by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

Any Unit owner whose Unit includes a roof terrace or balcony must comply with all local laws and ordinances concerning the type of structures erected or installed on such terraces or balconies. No such fixture or structure may be placed on the roof terrace or balcony which impairs the structural integrity of the roof. No terrace or balcony may be enclosed.

Section 13 - Use of Common Elements. No furniture, packages or objects of any kind shall be placed on the grounds, walks, common entrances, common terrace, lobbies, public halls, service corridors or other public areas, or any other part of the Common Elements, other than areas which may be designated as storage areas. The lobbies, public halls, common terrace, service corridors and other public areas shall be used only for the purposes established

by the Board of Managers from time to time. The provisions of this Section 13 shall not apply to the Sponsor or its designee until such time as all Units have been initially sold and conveyed by the Sponsor or its designee. However, the Sponsor or its designee shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

Section 14 - Right of Access. Each Unit Owner shall grant a right of access to his or her Unit to the Board of Managers, the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections to determine if there exist conditions threatening another Unit or a Common Element, or violations of the By-Laws or Rules and Regulations of the Condominium or any state or municipal ordinances, or for the purpose of correcting any conditions originating in the Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 14, any costs for repairs shall be borne in accordance with the provisions of Section 9 of this Article VI.

Section 15 - Rules and Regulations. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 16 - Electricity. Electricity for lighting, air conditioning and appliances within Units shall be supplied by the public utility company to the Building, and will be metered to the individual Units. Electricity charges for the Common Elements, including the hallway and lobby lighting and the elevators, shall be billed to the Board of Managers, and the cost shall be included in the Common Charges.

Section 17 - Gas.

- a. Gas which will heat hot water for domestic use and for space heating shall be billed to individual Unit Owners.
- b. Gas for residential cooking shall be billed to individual Unit Owners.

Section 18 - Water Charges and Sewer Rents. The Condominium Board shall pay, as a Common Expense or Residential Common Expense as the case may be, all water charges for the Common Elements and facilities, together with all related sewer rents arising therefrom promptly after the bills for the same shall have been rendered unless separate meters for water

or sewer usage service the Units. The Board of Managers may change this method of allocation in the event that the method of water or sewer service delivery to the Property is changed during the course of construction of the Condominium or thereafter.

Section 19 - Abatement and Enjoinment of Violations by Unit Owners.

- a. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (i) upon reasonable notice to the Unit Owner to enter the Unit in which, or as to which, such violation or breach exists, and to summarily abate and remove at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provision hereof (provided, however, that judicial proceedings must be instituted before any item of construction can be altered or diminished, and provided further that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and/or (iii) to impose against such Unit Owner a onetime fine of two hundred and fifty (\$250.00) dollars for any such violation, which amount may be revised not more than once per year at an annual Unit Owners' meeting.
- b. The violation or breach of any of the provision of these By-Laws, the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges or licenses granted to the Sponsor or its designee shall give to the Sponsor or its designee, as the case may be, the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.
- c. The violation or breach of any of the provisions of these By-Laws, the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to any Unit Owner shall give to the aggrieved Unit Owner a right of action for damages or the right to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.
- d. The expenses of any proceeding brought under this Section 19 and all other costs and expenses, including reasonable attorneys, fees, incurred hereunder by the Board, the Sponsor or a Unit Owner, as the case may be, together with interest thereon at the highest legal rate from the date of expenditure, shall immediately be payable by the defaulting Unit Owner to (i) the Board in the event set forth in (a) above, (ii) the Sponsor in the event set forth in (b) above and (iii) the aggrieved Unit Owner in the event set forth in (c) above. All sums payable under this Section 19 shall constitute common charges payable by the Unit Owner.

Section 20 - No Right of Partition. As provided in Section 339-1(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any thereof, except as otherwise specifically provided therein (and described in the Declaration or in this Article VI or in Article IX), as in the event of condemnation, destruction of more than 75% of the Building or termination of the Condominium.

ARTICLE VII

MORTGAGES

Section 1 - Notice to Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. A conformed copy of the satisfaction of any such mortgage shall also be filed 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. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall notify any mortgagee of a Unit of such Unit Owner's non-payment of common charges, or other default in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3 - Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has previously been furnished to the Board of Managers. If the Unit Owner shall fail to cure said default within the time and in the manner provided for in said notice, then the holder of the mortgage shall have an additional period of time equal to the time originally given to the Unit Owner to cure said default, and the Board of Managers will not act upon said default until the time of the holder of the mortgage to cure said default has elapsed and the holder of the mortgage has not cured said default.

Section 4 - Examination of Books. Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, during normal business hours on business days, on ten (10) days' prior written notice, but not more often than once a month.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1 - Sales and Leases. No Unit Owner, other than the Sponsor or its designee and the Community Facility Unit Owner and Parking Space Unit Owners (who may sell or lease such Units or any interest therein without the requirement of consent or waiver by or from the Unit Owners or the Board of Managers or anyone else) may sell or lease a Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to

- a. purchase 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 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, (hereinafter collectively called the "Appurtenant Interests"), or
- b. lease his or her Unit, which he or she intends to accept ((a) and (b) collectively and individually called an "Outside Offer")

shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, 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, or to lease such Unit, 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 Owners that such Unit owner believes the Outside Offer to be bona fide in all respects. The Board of Managers will have the right to request information from and interview the proposed purchaser or lessee. The Unit Owner shall be responsible for paying to the managing agent a reasonable fee, as established by the Board of Managers, for processing a sale or lease application.

Upon receipt of the notice from the Unit Owner, the Board may initially request an application and accompanying information from the proposed purchaser or lessee. Within twenty (20) days after receipt of a completed information package, the Board may request an interview and/or further information. Any interview will be scheduled within fifteen (15) days of the request therefor. Within ten (10) days after the date of interview or receipt of additional information requested, whichever is later, or, if the Board waives its right to such application and/or interview, within forty-five (45) days after the date of receipt of the initial notice or completed application and information package, the Board of Managers may elect, by notice to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all 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. In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of such offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers may purchase the Unit and assume or take subject to said existing mortgage, if possible. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of

the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee shall (i) waive the right of first refusal, or (ii) fail to accept such offer within ten (10) days after the interview or receipt of additional information requested, whichever is later, or (iii) fail to take any action within forty-five (45) days after receipt of the initial notice or of the completed application and information package, the offering Unit owner shall be free to sell such Unit together with the Appurtenant Interests, or to lease such unit, as the case may be, within ninety (90) 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. 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 (or waiver) of the Board of Managers, which shall not be unreasonably withheld or delayed, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, which consent shall not be unreasonably withheld or delayed, and 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. Except as hereinbefore set forth, the form of any such lease shall be the then current form of lease recommended by the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing or required by the Board of Managers. In the event the offering Unit Owner shall not, within such ninety (90) day period, sell such Unit together with the Appurtenant Interests, or lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, 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 VIII.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

The restrictions of Section I of this Article VIII shall not apply to Units owned by the Sponsor or its designee or the Community Facility Unit Owner or Parking Space Unit Owners. The Owners of such Units with respect to its Units shall have the right to freely sell such Units or to freely lease all or any of them without having to first offer the same for sale or lease to the Board of Managers.

Section 2 - Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3 - No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein

the Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such Interests, without including all such Interests, shall be deemed and taken to include the Interest or Interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or 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 VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5 - Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and 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 VIII or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee payable to the Condominium or its managing agent, which fee is currently Two Hundred and Fifty (\$250.00) Dollars but which may be modified by the Unit Owners at any annual meeting of Unit Owners.

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 the 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 interest in the Common Elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, and/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 - Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any lease, sale or conveyance of any Unit together with the Appurtenant Interests, by (a) the Unit owner thereof to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or a trust for their benefit, or to a limited liability company or corporation whose sole members and shareholders, respectively, are the Unit Owner, his/her spouse, parents, siblings, children or any of them without any right to transfer membership interests or shares, respectively, except among each other without first offering to sell or lease such Unit to the Board of Managers, (b) the Sponsor or its designee, (c) the Board of Managers, (d) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering the Unit or delivering a deed in lieu of foreclosure, (e) an Owner of the Community Facility Unit or Parking Space Units; or (f) a mortgagee authorized herein who shall acquire title to such Unit by foreclosure of a mortgage or by a deed in lieu of such

foreclosure; provided, however, that any purchaser of such Unit from such mortgagee shall be bound by, and his Unit subject to, the provisions of this Article.

Section 8 - Gifts and Devises. etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to the provisions of this Article.

Section 9 - Waiver of Right of Partition with Respect to such Units as are Acquired by the Board of Managers or Its Designee, on Behalf of Unit Owners as Tenants in Common. In the event that any Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, as the case may be, as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10 - Transfer Fees and Other Charges Imposed on Sale or Lease of Residential Units. The Board of Managers shall have authority to fix by resolution the amount of, and to collect before the conveyance or lease of a Residential Unit, a transfer fee or flip tax in connection with such proposed transfer.

The Board of Managers shall also have the right and authority to fix by resolution and collect an application fee payable to the managing agent in connection with any proposed sale or lease of a Unit, and any fee due an attorney retained by the Board with respect to any such sale or lease.

No such transfer fee, flip tax or other fee shall be applicable to sales or leases by the Sponsor or its designee, to sales or leases of the Community Facility Unit or the Parking Space Units, or to gifts and devises as described in Section 8 of this Article VIII.

Section 11 - Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 12 - Mortgaging of Units. Subject to the preceding Section 11, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan. The terms and conditions of this Section 12 shall not apply to any mortgage covering the Community Facility Unit, the Parking Space Units or any Unit owned by Sponsor or its designee.

ARTICLE IX

CONDEMNATION

Section 1 - Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award for such taking shall be payable to the Board of Managers if the award does not exceed \$250,000.00, and shall be payable to the Insurance Trustee if it exceeds \$250,000.00. If 75% or more in number and in common interest of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more in number and in common interest of Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements and the loss to the Common Elements is in excess of \$250,000.00, then the Board of Managers shall promptly notify all mortgagees of Units of such taking and loss.

ARTICLE X

RECORDS AND AUDITS

Section 1 - Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against each Unit, the date when due, the amounts paid thereon, and the balance, if any, remaining unpaid. A copy of each proposed annual budget of the Condominium shall be submitted by the Board of Managers to all Unit owners, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board.

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within five (5) months after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

The books and records of the Condominium, including copies of the Declaration and these By-Laws, shall be subject to inspection by Unit Owners and by mortgagees of Units at reasonable times, during business hours, upon three (3) days prior written notice.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1 - Amendments to By-Laws. Except as otherwise provided herein and in the Declaration, these By-Laws may be modified or amended by the vote of at least 66-2/3% of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or, in lieu of a meeting, by written amendment as provided in the By-Laws.

Notwithstanding anything herein to the contrary, as long as the Sponsor or its designee owns one or more Units, then these By-Laws shall not be amended without the prior written consent of the Sponsor or its designee. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is materially and adversely altered, then these By-Laws shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

Section 2. - Sponsor Amendments. The Sponsor hereby reserves the right to amend or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record in the Kings County office of the Register of the City of New York, an amendment to these By-Laws at any time, without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the purposes of (i) making such changes to these By-Laws as may be required to comply with requirements or regulations of the New York State Department of Law or by any other governmental agency with jurisdiction over the Property or over the offering of condominium units to the public and (ii) making any and all changes to these By-Laws as may be permitted by the provisions of these By-Laws, the Declaration, the Offering Plan, as amended, and/or applicable laws.

Section 3. - Amendments or Deletions. The provisions of this Article may not be amended or deleted in whole or in part without the consent of the Sponsor or its designee so long as the Sponsor or such designee owns any Unit.

Section 4. - Conflicts. In the event of any conflict between the provisions of this section and any provision of the Declaration, the provisions of the Declaration shall control and be binding.

ARTICLE XII

MISCELLANEOUS

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

Section 2 - Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision hereof.

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

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

ARTICLE XIII

CONFLICTS

Section 1 - Conflicts. These By-Laws and the Rules and Regulations are intended to comply with the requirements of Article 9-B of the Real Property Law of the State of New York and all other applicable laws. In case any of these By-Laws or any provision of the Rules and Regulations conflict with the provisions of said statute, the Declaration or any other applicable law, the provisions of said statute, the Declaration, or such other applicable law, as the case may be, shall control.

SCHEDULE A
RULES AND REGULATIONS FOR
The Broadway Arms Condominium

1. The Commercial Facility Unit may be used at the sole discretion of the Owner thereof, without the requirement of consent of the Board of Managers or anyone else, for any lawful commercial facility purpose consistent with the Declaration and the By-Laws and permitted by applicable governmental authorities, including, but not limited to applicable zoning requirements.
2. Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the Building, or contents thereof, without the prior written consent of the Board of Managers. If the cost of insurance on the Building is higher or increased because of the particular use of a Commercial Unit, then such insurance cost in excess of the standard cost and/or the increase in cost shall be repaid to the Condominium by the Commercial Unit Owner whose use has resulted in a higher cost or has caused the increase, within thirty (30) days after the higher or increased cost has been billed to the Condominium and written notice has been given by the Board to the Commercial Unit Owner. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of its agents, servants, employees, licensees or visitors shall at any time bring into or keep in its Unit or in the Common Elements any flammable, combustible or explosive fluid, material, chemical or substance. No waste shall be committed in the Common Elements.
3. All electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

No radio or television aerial, satellite dish or other similar device shall be erected on the roof, terraces or exterior walls of the Building without obtaining in each instance the written consent of the Board of Managers. Any aerial so installed without such required consent shall be subject to removal without notice at any time.
4. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building without the prior written consent of the Board of Managers.
5. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Managers.
6. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be

or become an annoyance or nuisance to the other Unit Owners or occupants. 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.

7. No swill, brine, offensive animal matter, noxious liquid, or other filthy matter of any kind, shall be allowed by any person to fall upon or run into any street, or Common Element or be taken to or put therein.
8. There shall be no obstruction of the Common Elements. The entrances, passages, public halls, elevators, vestibules, corridors, stairways and other areas within the Common Elements shall not be used for any other purpose than that for which they are intended. Nothing shall be stored in the Common Elements without the prior consent of the Board of Managers, except as otherwise expressly provided for in writing herein or elsewhere.
9. —The agents of the Board of Managers or the managing agent, and any contractor or worker authorized by the Board of Managers or the managing agent, may enter any Unit 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, provided that such right will be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by any Commercial Unit owner.
10. If any key or keys are entrusted by a Unit Owner or occupant or by his or her agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for such Unit 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.
11. Except to the extent expressly authorized herein or in the By-Laws, no industry, business, trade, occupation or profession of any kind, commercial, religious, 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. However, the Sponsor (or its designee) shall have the right to place "For Sale", "For Rent" or "For Lease" signs on the Condominium Property and on any unsold or unoccupied Units, and to maintain such selling and informational signs as are deemed necessary by Sponsor (or its designee) to sell or lease any Units. Notwithstanding this provision or any other provisions to the contrary, signage is permitted in connection with use of the Community Facility Unit and Parking Space Units. No illuminated sign may be placed on such Unit or in its appurtenant Limited Common Elements so as to shine or reflect light into any Residential Unit. No sign, canopy or awning may extend above the top of the first floor of the Building.

12. The Board of Managers or the Managing Agent may retain a passkey to each Unit. The Unit Owner shall not alter any lock on any door leading to his or her Unit without the written consent of the Board of Managers or the Managing Agent. If such consent is given, the Board of Managers or the Managing Agent shall be provided with a key.
13. Unit Owners shall, at their sole cost and expense, comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation, recycling and disposal of waste products, garbage, refuse and trash (including, without limitation, medical, regulated or other hazardous waste). Unit Owners shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law, and in accordance with the rules and regulations adopted by the Board of Managers of the Condominium for the sorting and separating of such designated recyclable materials. Unit Owners shall comply with the requirement to rinse recyclable bottles and containers before placing them in the designated receptacles, in accordance with all applicable law and regulations. The Board reserves the right, where permitted by law, to refuse to collect or accept from Unit Owners any waste products, garbage, refuse or trash which is not separated and sorted as required by law. Unit Owners shall pay all costs, expenses, fines, penalties or damages which may be imposed on the Board of Managers, the Sponsor or any Unit Owner by reason of the Unit Owner's failure to comply with these provisions and, at the Unit Owner's sole cost and expense, the Unit Owner shall indemnify, defend and hold harmless the Board of Managers, the Sponsor and the other Unit Owners (including legal fees and disbursements) from and against any actions, claims and suits arising from the Unit Owner's noncompliance, utilizing counsel reasonably satisfactory to the Board or the Sponsor, as the case may be, if said party so elects. The Unit Owner shall be liable to the Board of Managers for any costs, expenses or disbursements, including legal fees, which may be incurred by the Board in the commencement and/or prosecution of any action or proceedings by the Board against the Unit Owner, predicated upon the Unit Owner's breach of this paragraph. Unit owners are advised that local regulations governing recycling make Unit Owners liable for non-compliance.

Notwithstanding the foregoing, the Community Facility Unit Owner is required to arrange for collection of its waste products, garbage, refuse and trash at its own cost and expense. All medical waste, regulated waste and hazardous waste shall be separated into red bags or containers or other appropriately labeled bags or containers and removed from the Building and disposed of by an appropriately licensed medical waste hauler.

14. Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and management of the Building.
15. 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.

EXHIBIT H

**COUNSEL'S TAX OPINION
And
Consultant's 421-a Opinion**

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January 6, 2004

*MEMBER OF NY AND NJ BARS
**MEMBER OF NY, PA AND DC BARS

FOR PICK UP:

57th Street Copy Center
151 West 57th Street
New York, NY 10019

Re: The Broadway Arms Condominium
170 Broadway, Brooklyn, NY 11211

Dear Sir or Madam:

Enclosed please find the Offering Plan for The Broadway Arms Condominium. Please make fifteen (15) spiral bound, 2-sided copies. Please do not bind the original. You may call me or Susan Manzo when the Plans are ready at 212/245-6754. Thank you.

Very truly yours,


Jane Rosenberg

JR/sm

Enclosure

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August 2003

*MEMBER OF NY AND NJ BARS
**MEMBER OF NY, PA AND DC BARS

Broadway-Driggs Associates, LLC
96-20 Atlantic Avenue
Ozone Park, New York 11416

Re: The Broadway Arms Condominium
170 Broadway
Brooklyn, New York 11211

Dear Sirs/Mesdames:

You have requested our opinion as to: (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase units for residential use ("Unit Owners") under the Condominium Offering Plan for 170 Broadway Brooklyn, New York 11211 (the "Plan"), and (ii) the Federal income tax treatment of the Common Charges (hereinafter defined) received by the condominium association of The Broadway Arms Condominium (the "Condominium").

In connection with the rendering of this opinion, we have reviewed the Declaration of the Condominium Plan (the "Declaration"), the By-Laws of the Condominium (the "By-Laws"), the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the Administrative Code of the City of New York and such other materials as we have deemed relevant.

FACTS

You have advised us that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and our opinion is conditioned upon the accuracy of such facts:

Broadway-Driggs Associates, LLC will submit the Land and Building located at 170 Broadway Brooklyn, New York to condominium ownership.

The Sponsor will cause to be filed a Declaration for The Broadway Arms Condominium, consisting of one (1) Community Facility Unit, twelve (12) Residential Units and six (6) Parking Space Units.

Each owner of a Unit will own his own Unit plus an undivided interest in the elements common to all Units (the "Common Elements"). The Condominium will be operated by a Board

which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board will be elected by the Unit Owners. The primary function of the Board will be to supervise the maintenance and operation of the Common Elements and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

DISCUSSION

I. Deductibility of Mortgage Interest and Real Estate Taxes by Owners of Residential Units.

Under the Condominium Act, each Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Sections 339-g and 339-y of the Condominium Act. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Article XI of the By-Laws. In our opinion, under Code Sections 163 and 164, respectively, a Residential Unit Owner will, for federal income tax purposes, be entitled to deduct the amount of interest paid or accrued with respect to any such mortgage indebtedness and the amount of real estate taxes paid or accrued with respect to a Unit during a taxable year in accordance with such Unit Owner's method of accounting. Revenue Ruling 64-31, 1964-1 C.B. 300. However, under Code Section 461(g), no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

It should be noted that under Federal income tax law, certain itemized deductions are involved in computation of the "alternative minimum tax" and therefore the tax benefits obtainable from ownership of a Unit will depend upon an individual's personal income tax situation.

In addition, the potential tax benefits may be further limited by Code Section 163(d), dealing with investment interest, and Code Section 469, dealing with passive activity losses. Each Unit Owner should consult his or her personal tax advisor.

It is also our opinion that a Residential Unit owner who itemizes deductions for Federal income tax purposes will, for New York State and New York City income tax purposes, likewise be entitled to a deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the State Tax Law and Section 11-1715 of the Administrative Code.

II. Common Charges - Federal Income Taxation of the Condominium.

A. Introduction.

The Common Charges will be borne by the Unit Owners and assessed and collected by the Board. The Common Charges will be used to fund annual operational costs and capital improvements or to establish and maintain reserve funds for such purpose. In determining whether Common Charges will be includable in income of the Condominium or the individual Unit Owners and the tax effect of such assessment and collection, it is

necessary to set forth our analysis with respect to the tax status of the Condominium and its exemption from Federal income taxation.

B. Tax Status of the Condominium.

A condominium under New York State law is not a corporation but an unincorporated association. See General Association Law of the State of New York and Section 339-v of the Condominium Act. For Federal income tax purposes, such an unincorporated association can be treated as a partnership or as an association taxable as a corporation.

Regulations Section 301.7701-2 (a)(1) provides that the major characteristics of a corporation are: associates, an objective to carry on business and divide gains therefrom, continuity of life, centralization of management, liability for corporate debts limited to corporate property, and free transferability of interests. Whether an organization is to be classified as a corporation or as a partnership depends upon the presence or absence of these characteristics. Regulations Section 301.7701-2(a) (2). However, the Regulations further specify that characteristics common to both partnerships and corporations are not material in distinguishing between the two types of entities. Regulations Section 301.7701-2(a)(2). Characteristics common to both a partnership and a corporation are associates and an objective to carry on business and divide gains therefrom; therefore, whether an organization is to be treated as a partnership or corporation depends upon whether there exists centralization of management, continuity of life, free transferability of interests and limited liability. Regulations Section 301.7701-2(a)(2). Finally, an unincorporated organization will not be treated as a corporation, unless such organization has more corporate characteristics than noncorporate characteristics. Regulations Section 301.7701-2(a)(3). See also *Larson v. Commissioner*, 66 T.C. 159 (1976) *acq.*, Rev. Rul. 79106, 1979-1 C.B. 448.

Although there is no specific authority with respect to the tax status of a condominium management association, it appears that the Condominium will have at least three (3) corporate characteristics: continuity of life, centralization of management, and a modified form of free transferability of interests. Accordingly, it is likely that the Condominium would be treated as an association separately taxable as a corporation under the tests set forth in Regulations Section 301.7701-2. In such event, and in the absence of any specific exception, the Condominium would be subject to Federal corporate income tax, New York State Corporation Franchise Tax and the New York City General Corporation Tax to the extent of its taxable income, if any. Additional assessments to meet this tax liability would be required.

C. Taxation of Common Charges.

Under the Plan, the Condominium will, from time to time, assess Common Charges against the Residential Unit Owners generally in proportion to their respective percentage interests in the Residential Limited Common Elements, in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

Certain condominiums that satisfy the requirements of Section 528(c)(1) of the Code may elect to be treated as "homeowners associations" for federal income tax purposes. In order for the Condominium to qualify as a homeowners association, Section 528 would require, among other things, the following:

Assuming the Condominium is treated as an association separately taxable as a corporation, the receipt of Common Charges should not constitute taxable income to the Condominium to the extent that: (i) the Condominium elects to be taxed under Code Section 528 and the Condominium has only "exempt function income" within the meaning of such Section; or (ii) such receipts are used solely for specified capital improvements and are deposited in a separate bank account and thus do not constitute gross income (as discussed in paragraph (2) below). Even if the Common Charges are not excluded from gross income under the above rules, the Condominium should not have any net taxable income to the extent that Common Charges received do not exceed expenditures made for the performance of regular operating services. See *Park Place, Inc. v. Commissioner*, 57 T.C. 767 (1972).

- i. Election to be Taxed Under Code Section 528. Code Section 528 provides an exemption from regular corporate income tax for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residences. Code Sections 528(c)(1)(A) and 528(c)(2). "Substantially all" the units will be considered used by individuals for residences, if at least eighty-five (85%) percent of the total square footage of all units within the project is used, or is intended to be used by individuals, for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. Regulations Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium if the facts and circumstances indicate such to be the case. Regulations Section 1.528-2.

In addition to the organization and operation test, the tests set forth below must be satisfied under Code Section 528(c)(1) in order for a condominium to qualify as a "homeowners association".

- (1) Sixty (60%) percent or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in their capacity as customers for services;
- (2) Ninety (90%) percent or more of the expenditures of the organization for the taxable year must be used for the acquisition,

construction, management, maintenance and care of the organization property;

(3) No part of the net earnings of the organization may inure to the benefit of any individual; and

(4) The organization must properly and timely elect to have Code Section 528 apply for the taxable year.

Based upon our understanding of the manner in which the Condominium will be operated, it appears the Condominium will not be eligible to qualify as a homeowners association within the meaning of Code Section 528(c)(1) since you have represented that more than fifteen (15%) percent of the square footage of the units shall be used for commercial purposes.

The failure to qualify or properly elect to be treated as a homeowners association under Section 528 would mean that the Condominium (as a corporation) could be subject to regular Federal, New York State and New York City corporate income taxes on the portion of the Common Charges which is deemed to constitute gross income of the Condominium, to the extent that such portion (together with any income earned from other sources, such as interim investment of funds) exceeds the current expenses paid or incurred and other expenditures by the Condominium which are allowable as deductions for Federal corporation income and State and City franchise tax purposes, respectively. In determining its taxable income, the Condominium's deductions attributable to providing services to Unit Owners may be limited to its income derived from Unit Owners.

ii. Special Assessments for Specified Capital Improvements. Common Charges should not constitute gross income to the Condominium to the extent such charges are used solely for capital improvements and are deposited in separate bank accounts, on the theory that: (i) the Condominium is collecting and holding the funds as agent for the Unit Owners (Revenue Ruling 75-370, 1975-2 C.B. 25); or (ii) the Common Charges constitute a nontaxable capital contribution to the Condominium (Code Section 118; Revenue Ruling 75-371, 1975-2 C.B. 52). It should be noted that if Common Charges are treated as contributions to capital, and such charges (together with any other funds accumulated by the Condominium) are expended for capital improvements, then the Service may contend that the capital expenditures benefit the Unit Owners, and, therefore, that each Unit Owner should be subject to tax on his pro-rata share of the amount expended. See Code Section 301.

III. Conclusion

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other state or foreign jurisdiction. This opinion does not discuss the tax consequences which

August 2003

may result from the ownership or the leasing of a Unit to others in connection with a Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result under Code Section 897 or otherwise to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired by corporations, partnerships, or trusts or other persons which are not individuals, or are acquired and/or leased by the Board. Similarly, we have not addressed the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit and the income, estate or other tax consequences attendant thereto. We therefore advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

The opinions expressed herein are for the benefit of Broadway-Driggs Associates, LLC and are based solely upon our current understanding and interpretation of the existing law, and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact, which may be material, or any amendment or change in the By-Laws or the Plan, any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Further, the Federal and State tax laws and Regulations and the rulings and decisions thereunder may change and thereby affect the views stated above in whole or in part.

Very truly yours,

Sonnenschein, Sherman & Deutsch LLP

SONNENSCHN, SHERMAN & DEUTSCH, LLP

MISHKOFF ASSOCIATES, LLC

**38-08 Bell Boulevard
Bayside, N.Y. 11361
(718) 281-4972 FAX: (718) 281-4975**

August 7, 2003

Broadway-Driggs Associates LLC
c/o Mr. Jack Korn
96-20 Atlantic Avenue
Ozone Park, NY 11416

**RE: 421A Partial Tax Exemption Opinion
170 Broadway, Brooklyn
Block 2131 Lot 18**

To Whom This May Concern:

You have requested our opinion regarding the eligibility of the proposed project to receive partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law of the State of New York, Section 11-245 of the Administrative Code of the City of New York, and the Rules and Regulations (the "Rules") of the 421-a program as administered by the Department of Housing Preservation and Development of the City of New York ("HPD").

Section 421-a of the Real Property Tax Law was enacted with the intent to encourage the construction of new residential housing in New York City. The statute provides for the exemption of increases in the assessed value of real property where such increases result from the new construction of Class "A" multiple dwellings.

The sponsor has represented, and has advised us, that :

- 1) The property is located in a C4-3 zoning district in the borough of Brooklyn on the south side of Broadway between Bedford and Driggs Avenues. The property is located on proposed lot 18 in block 2132. An application for tax lot subdivision was filed with the Surveyor's Office requesting that the original lot 16 be subdivided between proposed lots 16 and lot 18. Sponsor has advised that proposed lot 16 will contain a rental building similar in use to the subject building.
- 2) That construction of the building will be performed pursuant to a new building permit issued by the NYC Department of Buildings based upon architectural, plumbing, and structural plans submitted to, and approved by, the Department of Buildings.

3) That the construction of the building commenced on or about October 1, 2002 following the issuance of a construction permit by the Department of Buildings on September 24, 2002 and that a temporary Certificate of Occupancy for all the residential apartments located in the building, or a permanent Certificate of Occupancy, will be issued on or about March 31, 2004.

4) That after completion of the construction, the building will consist of twelve (12) Class "A" dwelling units on floors one through six and community facility space (medical offices) and parking on the basement level.

5) That after completion of the construction, the land and new building will be owned in a condominium form of ownership.

6) That an application for a Final Certificate of Eligibility will be filed with HPD prior to the first taxable status date following completion of construction, and that all information required by HPD to complete an application for a Final Certificate of Eligibility will be submitted to HPD within 90 days of the issuance of a permanent Certificate of Occupancy, or the issuance of a temporary Certificate of Occupancy covering all the residential units.

The Rules provide for tax exemption benefits for newly constructed Class "A" multiple dwellings which are not concurrently receiving tax exemption benefits under any other law [6-02 (c)(1)]. The benefits are limited to those projects where construction is completed no later than December 31, 2007 [6-02(b)(1)]. Benefits are limited to newly created Class "A" apartments which are either owned as cooperatives or condominiums, or which have been registered as rent stabilized apartments with the New York State Division of Housing and Community Renewal [6-02(g)(2)]. Based upon sponsors representations, each of the preceding conditions and requirements of eligibility appear to have been satisfied.

In addition, Section 6-02(f) of the Rules states that to be eligible for 421-a partial tax exemption, construction must take place on land which, thirty-six (36) months prior to commencement of construction, was vacant, underutilized, or improved with a non-conforming use. Thirty-six months prior to the start of construction on October 1, 2002, the construction site consisted of a one-story brick warehouse fully built on the lot. The zoning map was amended in 1998 placing the lot in a new C4-3 zone. A warehouse is a non-conforming use in such a zone. Thus, thirty-six months prior to the commencement of construction the land was improved with a non-conforming use thus satisfying the site eligibility requirements as per Section 6-02(f)(3) of the Rules.

The Rules state that the tax exemption will be reduced by an amount equal to the percentage of the aggregate floor area of commercial, community facility, or accessory use space in excess of twelve percent (12%) of the total aggregate floor area of the building [6-06(b)]. According to the calculations of sponsor's architect, Maurice Brezel, R.A., the gross commercial or community facility space will be 2,717.5 square feet, or

17.8% of the total gross floor area of the building. As such, the total real estate tax exemption will be reduced by approximately 5.8% (the excess over 12%). This reduction in tax exemption will be applied to the community facility tax lots.

An application for a preliminary 421-a Certificate of Eligibility was filed with the Department of Housing Preservation and Development on February 13, 2003. This application included the neighboring property at 158 Broadway (lot 16) which is planned as a rental property. On June 20, 2003 a preliminary 421-a Certificate of Eligibility was issued for both 170 and 158 Broadway.

The preliminary Certificate of Eligibility allows an initial exemption to be implemented for the period of construction, or three years, whichever is shorter. During this period the property shall be exempt from 100% of increases in assessed value, if any, above the prior assessment. During this period all taxes owed on the prior taxable assessment must be paid in full.

Based on the information and representations provided by the sponsor, and the preceding analysis of the Rules, it is our opinion that HPD will issue a final Certificate of Eligibility and the Department of Finance will grant exemption from real estate taxes for 100% of the portion of the post-construction residential assessed value which is attributable to the construction of the building. The prior assessment is the taxable assessed value in effect during the tax year preceding the year in which construction commenced [6-01 (c)]. As noted above, sponsor has represented that construction began on October 1, 2002 (2002/2003). Therefore, the prior assessment will be the taxable assessment for this property in effect for the 2001/2002 year, or \$56,745 (50% of \$113,490, the taxable assessment for the original lot 16).

As per the Preliminary Certificate of Eligibility, this property qualifies for a twenty-five (25) year exemption pursuant to Section 6-02(d)(5) of the Rules. Therefore, following the construction period exemption, any increase in the assessed value of the property, above the prior assessment will be exempt at the following rate:

<u>Year</u>	<u>Percentage of Increased Assessed Value Which is Exempt</u>
1 st - 21 st	100%
22 nd	80%
23 rd	60%
24 th	40%
25 th	20%
26 th	0%

The tax exemption will be apportioned to all the units in the condominium. As explained above, the community facility's tax exemption will be reduced by approximately 5.8%. The current policy of the Department of Finance is to apportion the exemption based on each unit's percentage of common interest. However, there is no guarantee that the Department of Finance will apportion the exemption benefits on this basis, or use some other formula or basis for the apportionment.

During the construction exemption period, as well as throughout the twenty-five year exemption period, all real estate taxes not exempted, and thus owed to the Department of Finance, must be paid on a timely basis. The failure of a condominium unit to pay real estate taxes, or other charges, can result in the revocation of the tax exemption for that condominium unit, should said charges remain unpaid for a year or more [6-06(e)(2)].

We hereby consent to the use of this letter as part of a condominium offering plan submitted to the Department of Law of the State of New York.

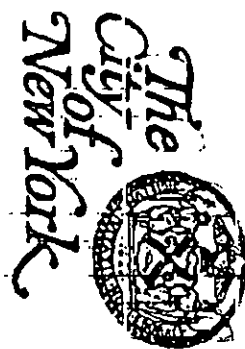
THE PRECEDING LETTER IS BASED UPON INFORMATION PROVIDED BY SPONSOR AND THE ASSUMPTIONS AND INTERPRETATIONS NOTED ABOVE. NO WARRANTIES OR ASSURANCES ARE GIVEN BY THIS FIRM THAT THE HPD WILL IN FACT ISSUE A CERTIFICATE OF ELIGIBILITY, OR THAT THE DEPARTMENT OF FINANCE WILL ALLOW A 421-A TAX EXEMPTION, OR THAT THE LAWS, RULES, AND REGULATIONS ON WHICH THIS LETTER IS BASED WILL NOT CHANGE. IN NO EVENT WILL THIS FIRM BE LIABLE FOR ANY REASON DUE TO CHANGES IN FACTUAL REPRESENTATIONS MADE BY THE SPONSOR, SPONSOR'S ARCHITECT, OR IF THE PREMISES FAILS TO MEET, OR AT A FUTURE DATE CEASES TO MEET, THE REQUIREMENTS OF SECTION 421-A OF THE REAL PROPERTY TAX LAW, OR THE REGULATIONS PROMULGATED THEREUNDER.

Very truly yours,



Meir Mishkoff
MISHKOFF ASSOCIATES, LLC

MM:hps



DEPARTMENT OF HOUSING PRESERVATION
AND DEVELOPMENT
JERILYN PERINE, Commissioner
421-a Partial Tax Exemption Program
Office of Development-Division of Housing Finance
100 GOLD STREET, NEW YORK, N.Y. 10038
(212) 863-5421

Preliminary Certificate of Eligibility

Owner: BROADWAY-DRIGGS ASSOC., LLC

Owner Address: 9620 ATLANTIC AVENUE
OZONE PARK, NY 11416

Docket #: TEO4188

Address	Borough	Block	Lot	Permit Date	Construction Start Date
158 Broadway	Brooklyn	02132	0016	09/24/2002	10/01/2002
170 Broadway	Brooklyn	02132	0018	09/24/2002	10/01/2002

Total Number of Units: 24

Preliminary Initial Adjusted Monthly Rent Per Room: Condo

Comments: 1. FORMERLY LOT 16 2. NPP / REMIC

This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to: 25 Year Tax Exemption. Based upon the information contained in the Application for Preliminary Certificate of Eligibility for Partial Tax Exemption filed 02/13/2003 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax Law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certificate of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial Community Facility and Accessory Use Space.

This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to the Department of Housing Preservation prior to initial occupancy (for multiple dwellings owned as a rental), and prior to the first taxable status date following the completion of construction (for multiple dwellings owned as a co-op or condo), and the submission of the temporary or permanent certificate of occupancy issued by the Department of Building as evidence of the fact that the structure was completed by December 31, 2003. It entitles the property to benefits while under construction for up to three years. It is the applicant's responsibility to complete the necessary filing in order to obtain a Final Certificate of Eligibility. This Certificate must be filed with the New York City Department of Finance, Real Property Assessment Bureau, in the borough where the property is located, as soon as possible.

Date of Issuance:

JUN 20 2003

LISA S. J. YEE

Director, Tax Incentive Programs

JUN 20 2003

EXHIBIT I

RPL 339-i

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i(1)

The Broadway Arms
170 Broadway
Brooklyn, New York 11211

Re: **The Broadway Arms**
170 Broadway
Brooklyn, New York 11211

Gentlemen/Mesdames:

This letter is with respect to the Plan of Condominium Organization of the premises at the above address and the allocation of the Percentage of Common Interest to the respective Units therein.

It is our opinion that the allocation of the Percentages of Common Interest allocated to the respective Units as set forth in Schedule A of the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law Article 9-B, Section 339-i(1).

The Sponsor has used method (iv) contained in Section 339-i(1) of the New York Condominium Act, that is upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

The allocation of the percentages of Common Interest as set forth in the said "Schedule A" is based on the following: size of Unit, layout of Unit, location of the Unit in the Building and its status as a Residential or Non-Residential Unit.

Our firm is in the real estate management business for a period in excess of twelve (12) years. Principals of the firm have been involved with the operation and management of residential real estate buildings in New York for more than twenty-five (25) years. The following list represents the 10 buildings managed over the last 12 years by the firm, all of which are located in Brooklyn:

The Gretsck Building
60 Broadway, Brooklyn, NY

Page 2

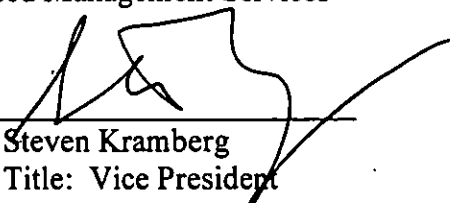
142 Joralemon Street
60 Plaza Street
50 Plaza Street
45 Plaza Street
25 Plaza Street
1 Plaza Street
60 Pineapple Street
59 Pineapple Street
225 Lincoln Place
125 Eastern Parkway

This firm will not act as the selling agent and it shall not be the Managing Agent of the Property. We have no beneficial interest in the Sponsor and no interest in the profits of this offering plan other than the fee for this service.

Very truly yours,

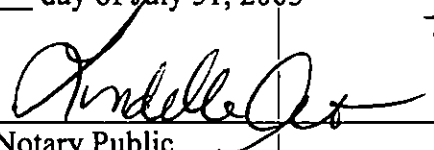
Advanced Management Services

By:


Steven Kramberg
Title: Vice President

Sworn to before me this
___ day of July 31, 2003

7/31/03


Notary Public

NOTARY PUBLIC, State of New York
No. 01AR6023552
Qualified in Queens County
Commission Expires April 23, 2007 7

LAW OFFICES
SONNENSCHN, SHERMAN & DEUTSCH, LLP

IRVING SONNENSCHN
ALEX DEUTSCH
SANDER SRULOWITZ
RICHARD E. FELDMAN*
MARTIN J. FRIEDMAN
SARA R. THRONE
JANE ROSENBERG**

**888 SEVENTH AVENUE
NEW YORK, NY 10106**

—
**(212) 245-6754
TELEFAX: (212) 956-7549**

COUNSEL
JEROME B. SHERMAN

August 2003

*MEMBER OF NY AND NJ BARS
**MEMBER OF NY, PA AND DC BARS

Broadway-Driggs Associates LLC
96-20 Atlantic Avenue
Ozone Park, New York 11416

**Re: The Broadway Arms Condominium (the "Condominium")
170 Broadway, Brooklyn, New York 11211**

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above-referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the Condominium (the "Plan").

In rendering this opinion we have reviewed the allocation of Common Interests as shown on Schedule A to the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act (Real Property Law Article 9-B) and such other materials as we deem relevant. Our opinion is based upon the factual determinations made by Advanced Management Services as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have not made an independent investigation of the truth or accuracy of the factual determinations made by Advanced Management Services.

Based on our review of the foregoing, we have determined that Common Interests were allocated among the Units of the Condominium pursuant to the method set forth in Real Property Law ("RPL") Section 339-i(1)(iv), i.e., upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Accordingly, based on the foregoing, it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Sonnenschein, Sherman & Deutsch, LLP or the

Broadway-Driggs Associates
Page 2
August 2003

Condominium Board be liable if there are changes in the facts on which we have relied in rendering this opinion or if there are changes in Real Property Law Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Sonnenschein, Sherman & Deutsch LLP

SONNENSCHN, SHERMAN & DEUTSCH, LLP

EXHIBIT J

CERTIFICATIONS

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

New York State Department of Law
Investment Protection Bureau
120 Broadway – 23rd Floor
New York, New York 10271

**Re: The Broadway Arms Condominium
 170 Broadway
 Brooklyn, New York 11211**

Ladies and Gentlemen:

The undersigned certify as follows:

We are the Sponsor and the principals of the sponsor of the condominium offering 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 making this Certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (7) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

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

Melissa Miele
Commissioner of Deeds
City of NY #4-6284
Certificate Filed in Queens
Commission Expires on November 20, 2004

Sworn to before me this
24th day of July, 2003

Melissa Miele
Notary Public

SPONSOR:

Broadway-Driggs Associates, LLC

By: [Signature]
Anthony Gurino, Managing Member

Sworn to before me this
24th day of July, 2003

Melissa Miele
Notary Public

[Signature]
Anthony Gurino

Sworn to before me this
24th day of July, 2003

Melissa Miele
Notary Public

Gurino Management Corp.

By: [Signature]
Anthony Gurino, President

Sworn to before me this
24th day of July, 2003

Melissa Miele
Notary Public

Greater Brooklyn Realty, LLC

By: _____
Jack Korn, Managing Member

Sworn to before me this
24th day of July, 2003

Melissa Miele
Notary Public

Jack Korn

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

SPONSOR:

Broadway-Driggs Associates, LLC

Sworn to before me this
____ day of _____, 2003

By: _____
Anthony Gurino, Managing Member

Notary Public

Sworn to before me this
____ day of _____, 2003

Anthony Gurino

Notary Public

Sworn to before me this
____ day of _____, 2003

Gurino Management Corp.

By: _____
Anthony Gurino, President

Notary Public

Sworn to before me this
23 day of July, 2003

Greater Brooklyn Realty, LLC

By: _____
Jack Korn, Managing Member

Johnny Soto
Notary Public

JOHNNY SOTO
Notary Public, State of New York
No. 01805827347
Qualified in Suffolk County
Commission Expires 5/9/06

Sworn to before me this
23 day of July, 2003

Jack Korn

Johnny Soto
Notary Public

JOHNNY SOTO
Notary Public, State of New York
No. 01805827347
Qualified in Suffolk County
Commission Expires 5/9/06

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

November 5, 2003

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

Re: The Broadway Arms Condominium
170 Broadway, Brooklyn, NY 11211

Dear Sir/Madam:

The undersigned, Maurice Brezel, R.A., certifies as follows:

The Sponsor of the condominium Offering Plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by Sandor Weiss dated Sept. 11, 2002 and prepared the Report dated June 15, 2003 and the Addendum dated October 25, 2003 (together, the "Reports") a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Reports.

I am a registered architect in the State of New York.

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 the Reports.

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

I certify that the Reports:

- (i) set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or

NYS Dept. of Law
Investment Protection Bureau
Page 2
November 5, 2003

physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

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


MAURICE BREZEL, R.A.

Sworn to before me this
17th day of November, 2003


Notary Public

LEAH SILBERMAN
NOTARY PUBLIC, State of New York
No. 01516093858
Qualified in Kings County
Commission Expires June 9, 2007



ADVANCED MANAGEMENT SERVICES

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

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

The Department of Law of
the State of New York
120 Broadway, 23rd Floor
New York, New York 10271

**RE: Broadway Arms Condominium: 170 Broadway, Brooklyn, New York
Condominium Offering Plan**

Gentlemen:

I am the President of Advanced Management Services LTD., a real estate management firm which has been engaged in real estate management for in excess of fifteen (15) years. Principals of the firm have been involved with the operation and management of residential real estate buildings in New York for more than twenty-five (25) years. See Exhibit 1 attached hereto for a list of 10 buildings managed over the last 15 years.

The Sponsor of the condominium offering plan for the above captioned property retained us to review Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I have also have relied on my experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;

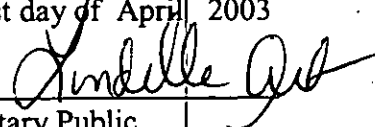
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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


Robert Alper, President
Advanced Management Services

Affirmed before me this
21st day of April, 2003


Notary Public

NOTARY PUBLIC, State of New York
No. 01AR6023552
Qualified in Queens County
Commission Expires April 26, 2007

EXHIBIT 1

In the past 15 years, AMS was involved in the management of the following buildings, all of which are in Brooklyn, NY:

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

**Advanced Management Services
26 Court Street, Suite 804
Brooklyn, NY 11242**

**CERTIFICATION OF SPONSOR'S EXPERT
CONCERNING THE ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNER(S)
PURSUANT TO SEC. 20.4(d) OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

September 12, 2003

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

**Re: The Broadway Arms Condominium
Premises: 170 Broadway, Brooklyn, NY 11211**

Dear Sir/Madam:

I am the President of Advanced Management Services Ltd., a real estate management firm which has been engaged in real estate management for in excess of fifteen (15) years. Principals of the firm have been involved with the operation and management of residential real estate buildings in New York for more than twenty-five (25) years. See Exhibit 1 attached hereto for a list of ten buildings managed over the last 15 years.

The Sponsor of the Condominium Offering Plan for the captioned property has retained our firm to review or prepare Schedule B containing projections of the common charges payable by the owners of the community facility and parking space units.

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

We have reviewed the Schedule as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this Certification. We have also relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to the commercial units for the projected first year of condominium operation and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control or particular common areas.

NYS Department of Law
Investment Protection Bureau
Page 2

, 2003

We certify that the estimates in Schedule B for the common charges payable by the owner of the commercial units do:

- (i) set forth in detail the projected common charges for the commercial units for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made;

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee of warranty of the common charges for the commercial units for the first year of condominium operation.

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

Very truly yours,

ADVANCED MANAGEMENT SERVICES

By:


ROBERT ALPER, PRESIDENT

Affirmed before me this
12th day of Sept, 2003



BRENDA Y. ENGLAND
Commissioner of Deeds
City of New York No. 2-9169
Certificate Filed in Kings County
Commission Expires Nov. 1, 19~~99~~ 2004

EXHIBIT 1

In the past 15 years, AMS was involved in the management of the following buildings, all of which are in Brooklyn, NY:

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

EXHIBIT K

**ESCROW AGREEMENT FOR PURCHASERS
DOWN PAYMENTS**

ESCROW AGREEMENT

AGREEMENT made this 23rd day of June 2003, between BROADWAY-DRIGGS ASSOCIATES, LLC ("Sponsor") as sponsor of the Offering Plan for premises 170 Broadway, Brooklyn, New York and SONNENSCHNEIN, SHERMAN & DEUTSCH, LLP ("Escrow Agent") as escrow agent.

WHEREAS, BROADWAY-DRIGGS ASSOCIATES, LLC, is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 170 Broadway, Brooklyn, New York;

WHEREAS, Sonnenschein, Sherman & Deutsch, LLP, 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 pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers. The escrow account will be opened with North Fork Bank at its branch located at 1745 Broadway, New York, New York 10019.

1.2. The name of the account is "Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account".

1.3. Escrow Agent is the sole signatory on the account.

1.4. The escrow account shall be an interest-bearing account.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1. All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be forwarded by Sponsor to Escrow Agent within five (5) business days for deposit in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of "Sonnenschein, Sherman & Deutsch, LLP, as Attorneys". Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) 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. Sponsor acknowledges that within ten (10) business days after tender to the Sponsor of the deposit submitted with the purchase agreement, and other necessary documents, Escrow Agent is obligated to 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

the bank indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. Failure of the Sponsor to deliver the deposit promptly to Escrow Agent may prevent Escrow Agent from furnishing timely notice of deposit to a purchaser. Pursuant to regulations promulgated by the Attorney General of the State of New York, if the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS.

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

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

3.3. Sponsor agrees not to 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) days. Thereafter, 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, the funds may be paid to Sponsor.

4. RECORD KEEPING.

4.1. Escrow Agent shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2. Upon the dissolution of Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3. Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1. Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2. A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

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

6.2. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION AGREEMENT.

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

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

(b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

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

7.2. In the event of cancellation of this agreement pursuant to paragraph 7.1 of this agreement, should Sponsor fail to appoint a successor Escrow Agent within fifteen (15) days after notice of cancellation is given, Escrow Agent is authorized to designate a successor Escrow Agent and Sponsor is obligated to file an amendment with the Department of Law forthwith which provides for such successor Escrow Agent.

7.3. Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1. This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1. Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent shall not be deducted from escrowed funds by any financial institution under any circumstance.

10.2. Sponsor agrees to compensate Escrow Agent for services rendered as Escrow Agent for each apartment unit for which a deposit is received by Escrow Agent. The amount of compensation will be determined by separate agreement between Sponsor and Escrow Agent, and in the absence of such an agreement, will be in accordance with Escrow Agent's hourly fee then in effect.

10.3. Should Escrow Agent find it necessary to apply to the Attorney General for dispute resolution or be made a party to or a participant in such dispute resolution, or be a party to any litigation relating or pertaining to a deposit or the performance by the Escrow Agent of its duties, Sponsor agrees to reimburse Escrow Agent for its attorneys' fees, costs and disbursement or to compensate Escrow Agent at its usual hourly rates for the time expended by Escrow Agent representing itself in such dispute resolution or litigation.

11. SEVERABILITY.

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

12. INDEMNIFICATION OF ESCROW AGENT.

12.1. Sponsor agrees to defend (by attorneys selected by escrow agent), indemnify and hold harmless escrow agent against and from any claim, judgment, loss, liability, cost or expense resulting from any dispute or litigation arising out of or concerning escrow agent's duties or services hereunder. This indemnity includes, without limitations, disbursements and reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by escrow agent to itself.

12.2. Escrow agent shall not be liable for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for escrow agent's own gross negligence or willful misconduct.

12.3. Sponsor acknowledges that escrow agent is merely a stakeholder. Upon payment of the down payment to Sponsor or purchaser pursuant to the provisions of the Offering Plan or this Escrow Agreement, escrow agent shall be fully released from all liability and obligations with respect to the down payment.

13. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

SONNENSCHEN SHERMAN & DEUTSCH, LLP

By: Sonnenschein Sherman & Deutsch LLP

SPONSOR:

BROADWAY-DRIGGS ASSOCIATES, LLC

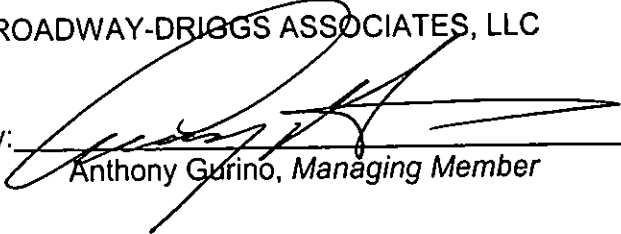
By: 
Anthony Gurino, Managing Member

EXHIBIT L

DOWNPAYMENT APPLICATION

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: The Broadway Arms Condominium
170 Broadway, Brooklyn, New York
Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

4. This is an application for ☐ return of downpayment
☐ forfeiture of downpayment
☐ other: _____

5. The project is ☐ a conversion of occupied premises
☒ newly constructed or rehabilitated.
☐ vacant (as is).

6. The project is structured as ☐ a cooperative
☒ a condominium.
☐ a homeowners association
☐ other: _____

7. Name and Address of Sponsor: Broadway-Driggs Associates, LLC, 96-20 Atlantic Avenue,
Ozone Park, NY 11416

8. Name and Address of Escrow Agent: Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh
Avenue, Suite 501, New York, NY 10106

9. If downpayments are maintained in an escrow account:

- (a) Name of account _____
- (b) Name and address of bank _____
- (c) Account number (if known) _____
- (d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

- (a) Name and address of bond issuer or surety: _____
- (b) Copy of bond included in this application. (Do not send original bond.) If not included, explain: _____

11. If downpayments have been secured by a letter of credit:

- (a) Name and address of bank which issued the letter of credit: _____
- (b) Date of expiration of the letter of credit, if known: _____

12. Plan information:

- (a) Date of filing of plan: _____
- (b) Plan
 - ☐ [] has been declared effective. Approximate date: _____
 - ☐ [] has not been declared effective.
- (c) If effective, the plan
 - ☐ [] has closed or the first unit has closed. _____
 - Approximate date: _____
 - ☐ [] has not closed.
 - ☐ [] don't know.
- (d) Downpayments are secured by
 - ☐ [] escrow account
 - ☐ [] bonds.
 - ☐ [] letter of credit.

13. Contract information:

- (a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS).
- (b) Date on which subscription or purchase agreement was signed: _____
- (c) Date(s) of downpayment(s): _____
- (d) Total amount of downpayment(s): _____
- (e) Names and addresses of subscribers or purchasers affected by this application: _____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties:

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____