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

THE METROPOLITAN CONDOMINIUM

209-211 NORTH 5TH STREET
BROOKLYN, NEW YORK 11215

10 Residential Units

TOTAL OFFERING - $6,397,551

SPONSOR AND SELLING AGENT	SPONSOR'S ATTORNEY
Sage Development Corp. **10-34 44th Drive** **Long Island City, New York 11101**	**Certilman Balin Adler & Hyman, LLP** **90 Merrick Avenue** **East Meadow, New York 11554**

The Date of Acceptance for Filing of the Plan is December 8, 2003. The Offering Plan May Not Be Used After December 7, 2004, Unless Extended.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL THE RESIDENTIAL UNITS, THIS PLAN MAY RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE NOT OWNED BY OWNER-OCCUPANTS OR INVESTORS WHO ARE UNRELATED TO THE SPONSOR. SEE THE SPECIAL RISK SECTION OF THE PLAN. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS OFFERING PLAN. SEE SPECIAL RISK 3 OF THE OFFERING PLAN.

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

THIS OFFERING PLAN HAS BEEN AMENDED
SEE INSIDE COVER

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SPECIAL RISKS

1. The Sponsor has the right to maintain a majority of the Board of Managers of the Condominium until title to all of the Residential Units being offered for sale have closed. During said time the individual Residential Unit Owners will not be able to enforce Sponsor's obligations through the Board of Managers. See Section XVI of the Offering Plan. In addition, after Sponsor relinquishes control there is no provision in the By-Laws that requires that a majority of the Board of Managers be owner occupants who are unrelated to the Sponsor or its principals. Purchasers should further note that owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e. purchasing as a Residential Home to live in as opposed to purchasing as an investment. See Sections XVI and XVII of the Offering Plan.

2. The Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the Condominium for a period ending not more than five (5) years after the closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner. During this period the Sponsor will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Residential Unit Owners, including the Sponsor and will also have control over the enforcement of the Sponsor's obligations. During this period, Sponsor will have the right to control all decisions including but not limited to the determination of Common Expenses, management of the Condominium, the hiring and termination of employees of the Condominium, placing easements on the property and making improvements to Common Elements. Purchasers should also note that during the period of time the Sponsor retains a majority of the Board of Managers the Residential Unit Owners individually will be unable to enforce Sponsor's obligations to the Condominium. Such obligations may, however, be enforced by the Board of Managers only if the Sponsor, who is maintaining a majority of the seats on the Board of Managers until the last Residential Unit is sold and closed, allows the Board to enforce its obligations against itself. However, at no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, or (iii) to remedy any work order by an insurer. See Section XVI of the Offering Plan and Schedule B.

3. Sponsor will endeavor in good faith to sell the Residential Units in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell the Residential Units, this plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan

effective and owner-occupants may never gain effective control and management of the Condominium.

4. No Residential Unit Owner is permitted to make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers.

Said provisions requiring the written consent of the Board of Managers does not apply to the Sponsor. See Article Seventeenth of Schedule I and Article VIII of Schedule J.

5. Purchasers should note that although normally a Sponsor's expense, pursuant to contractual agreement, a Purchaser shall be required to pay New York State Real Estate Transfer Taxes at the rate of $2.00 per $500 and New York City Transfer Tax of one (1%) percent of the Purchase Price of the Residential Units. Purchasers should note that both taxes are considered additional consideration on which the taxes are based. See Section XIV of the Offering Plan as to how the taxes are calculated. See the Purchase Agreement set forth as Exhibit D.

6. Sponsor has not been required to post a completion bond with the City of New York covering the Common Elements. In addition, no bond has been posted to secure Sponsor's obligations under the Offering Plan including Common Charges, special assessments, etc. See Section XV of the Offering Plan.

7. Purchasers should note that although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the Escrow Account as described in Section X of the Offering Plan, such funds may be released from the Escrow Account as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras. See Section X of the Offering Plan.

8. Purchasers should note that the first annual meeting of the Residential Unit Owners may not be held until one (1) year after the date of the closing of title to the first Residential Unit in the condominium. See Section XVII of the Offering Plan.

9. Purchasers should note that if Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor, in a subsequent Notice for Closing, adjourned the Closing, all of the closing apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Residential Unit for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the

date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges. See Section XIV of the Offering Plan.

10. Pursuant to existing regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential Units being offered for sale. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Residential Units with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35% or 50%) of the Residential Units being offered for sale be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a Condominium where the percentage of Residential Units purchased is lower than a Lender's particular sales minimum.

Even after Residential Units are closed, Lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section XI of the Offering Plan.

11. Purchasers should note that in the event Sponsor is unable to convey title to a Residential Unit nine months (or twelve months if due to circumstances beyond Sponsor's control) after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the down payment advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the nine (9) or twelve (12) month period, whichever is applicable. Failure to so notify Sponsor shall be deemed a waiver of this provision and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Sponsor shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Sponsor shall return all monies being held in escrow within thirty (30) days thereafter. In the event Sponsor cannot convey title to the first Residential Unit within twelve (12) months of the first year of operation projected in Schedule B, Sponsor will provide all Purchasers with a right of rescission. See Section X of the Offering Plan and Paragraph 6 of the Purchase Agreement in Part II of the Plan.

12. Purchasers should note that the Sponsor has reserved the right to use the Common Elements of the Condominium, without charge, for offices, exhibitions or for other promotional functions with respect to Sponsor's sales program, until such time as all the Residential Units in the Development are sold. See Section XV of the Offering Plan.

13. The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage will be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Residential Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages.

14. Downpayment deposits will initially be deposited in the escrow account of Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554. Such bank is covered by Federal Deposit Insurance of $100,000 per individual deposit. If an individual makes a deposit in excess of $100,000 for the purchase of a Residential Unit, it will not be federally insured in excess of $100,000. See Section X of the Offering Plan.

15. Purchasers should note that as part of their closing costs a Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections, (b) appraisals, (c) survey and surveying services, (d) water and sewer tap connection fees, water meter deposit, water vault, water meter reading equipment and water and sewer test fees, (e) advance sewer use payments, if any. See Section XIV of the Offering Plan for additional costs a Purchaser is required to pay.

16. As disclosed in the footnotes to Schedule A, Sponsor is in the process of applying for real estate tax benefits under Section 421-a of the Real Estate Tax Law of the State of New York. If a final certificate is granted there will be a real estate tax abatement on each Residential Unit as disclosed in Schedule A and in Section XIX of the Offering Plan. Although Sponsor anticipates obtaining Section 421-a benefits, Sponsor makes no guarantee that Section 421-a tax benefits will be granted or if granted when the abatement will commence. Sponsor does not expect the application to be acted upon for approximately 6-8 months from the date of submission of the application. If approved, the 421-a tax benefits would not be reflected on a Residential Unit Owner's tax bill for at least another 6-8 months from the date of approval. As a result Purchasers will most likely be required to pay real estate taxes for a period of time without the 421-a tax benefits. Therefore, Schedule A of the Offering Plan reflects the estimated real estate taxes for each Residential Unit both with and without Section 421-a benefits. Purchasers should note that if approved, it is anticipated that the 421-a tax benefits will be retroactive and a Residential Unit Owner would then be entitled to either a reimbursement for the amount overpaid or a credit against future real estate taxes. Each Purchaser will also pay the Sponsor 3/10 of 1% of the sales price of their respective Residential Unit to the Sponsor for obtaining tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law.

17. Purchasers should note that the projections for the first year of operation of the Condominium contained in the budget are only estimates and that the actual expenses may vary from the amounts shown. Purchasers should further note that premiums for insurance have been extremely volatile and have increased substantially since the events of September 11, 2001. Sponsor cannot predict whether or not the insurance rates will continue to increase or stabilize. Sponsor makes no representation that the premium costs for the insurance reflected in the proposed first year budget will be applicable at the time of the first closing of a Unit in the Condominium. See Schedule B, the proposed first year budget and the footnotes immediately following thereto.

18. The Sponsor has not entered into any management agreement to provide for management of the condominium for the first year of operation. No representation is made as to the ultimate cost, terms or availability of a managing agent. Notwithstanding said fact, a Condominium of this size may ultimately determine there is a need to hire a managing agent. The current cost of a managing agent to manage a Condominium of this size may vary from approximately $300 per annum per Home to approximately $500 per annum per Home.

The Board of Managers of the Condominium will be responsible for the management of the condominium during the first year of operation. The duties of a managing agent usually include the following: bill and collect the annual Common Charges, hire and fire employees, supervise alterations and repairs, maintain the condominium's books and records, advise the Board of Managers of its proposed annual budget, provide each Home Owner annually with a financial statement prepared and certified by an independent public accountant while Sponsor retains a majority of the Board of Managers, purchase supplies for the condominium and generally perform the duties of a managing agent for residential property. In performing its duties, the Board of Managers or a managing agent employed by it, may engage contractors for the purpose of carrying out the maintenance and repair of the Common Elements. No representation is made as to the costs, terms or availability of a managing agent in the event the Board decides to hire one in the future, however, Common Charges will likely increase in the event a managing agent is hired in the second or any subsequent year of operation of the condominium. See Section XXIV of the Plan.

19. No animals or reptiles of any kind shall be raised, bred, or kept in any Residential Unit or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets may be kept in Residential Units, subject to the rules and regulations adopted by the Board of Managers, including those prohibiting any animals being kept or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominiumi upon three (3) days written notice from the Board of Managers. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose. Residential Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to the Common Elements. No cages or "runs" shall be constructed on the Common Elements.

20. Purchasers should note that the lot line windows in the Residential Units may be blocked in the future, if a building is erected on the adjacent lot close to the lot line. In such event, outside lighting to the Units with lot line windows may be affected. See the Description of Property Report, Schedule G of the Offering Plan.

THE METROPOLITAN CONDOMINIUM
PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of Condominium Units (the "Units") in a Condominium to be known as The Metropolitan Condominium located at 209-211 North 5th Street, Brooklyn , New York. The purpose of the Plan is to set forth all the material terms of the offer for the benefit of prospective purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on purchasers and Residential Unit Owners.

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

The Sponsor of the Plan is Sage Development Corp. a New York Corporation with an address at 10-34 44th Drive, Long Island City, New York 11101. Sponsor acquired title to the property by a deed dated January 3, 2003.

Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium however, Sponsor is retaining the unconditional right to rent rather than sell Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell Residential Units this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. In the event Sponsor makes a bulk sale of all or some of its unsold Residential Units, the transferee successor Sponsor will be bound by Sponsor's representations regarding its commitment to sell Residential Units. Sponsor has obtained a Construction Loan from Atlantic Bank of New York ("Atlantic") which will enable Sponsor to construct the Development. The Construction Loan does not provide for any minimum number or percentage of Residential Units that must be under contract before the Offering Plan can be declared effective. The Construction Loan does not have any limitations or

requirements that have been imposed by Atlantic that require when the Sponsor may rent rather than sell under specified market conditions. The Construction Loan further provides that each Residential Unit will be released from the lien of the Construction Loan at each closing upon the payment to Atlantic of a release price.

The Sponsor with this Offering Plan is offering for sale the ten (10) Condominium Residential Units (the "Residential Units") located in one building consisting of six (6) stories including a cellar. There are six (6) basic model types of Residential Units. A summary of the number and type of rooms for each Residential Unit is as follows:

Residential Unit	**Number and Type of Rooms**
1A	1.5 Rooms including 1 Bedroom and 1.5 Baths
1B	2.5 Rooms including 1 Bedroom and 1.5 Baths
1C	1.5 Room Studio
2A, 2B, 3A, 3B	4 Rooms including 2 Bedrooms and 2 Baths
4A and 4B	4 Rooms including 2 Bedrooms and 2 Baths
PH	5.5 Rooms including 3 Bedrooms and 2 Baths

See Schedule G for a detailed description of the models. As of the initial date of presentation of this Plan, construction of the Residential Units has commenced and it is expected that construction will be completed and the closing of title to the first Residential Unit is estimated to occur on or about June of 2004, subject to weather conditions and other factors beyond Sponsor's control. The land and all improvements to be erected thereon are hereinafter referred to as the "Community", the "Condominium" or the "Development".

Purchasers should note that the Sponsor has the right to sell two (2) or more Residential Units to a Purchaser and to combine said Residential Units. In such an event a Purchaser will be considered the Residential Unit Owner of two (2) or more Residential Units and the percentage of Common Interest will be the combined percentage of Common Interest of the number of Residential Units purchased.

Each of the Residential Units will consist of the interior space of each Residential Unit as described in the Declaration of Condominium.

There will be no parking facilities in the Condominium.

The Building will contain a roof garden for use by all Residential Unit Owners as part of the General Common Elements.

As in the ownership of a private one-family Residential Unit, the Purchaser of a Residential Unit in a Condominium (the "Residential Unit Owner") owns the Residential Unit in fee simple absolute and is entitled to exclusive possession of the Residential Unit Each Purchaser will also own an undivided interest in and right to use the General Common Elements and an exclusive right to use any Limited Common Elements that pertain to the Residential Unit. All Residential Unit Owners will own in common all exterior walls, roofs and all of the land and improvements located outside of the Residential Units.

The Residential Unit basically includes the sheetrock and air space between the sheetrock of the Residential Unit. For a detailed description of the Residential Unit to be conveyed see Schedule I, Article Third in Part II of the Plan.

The Common Elements are divided into General Common Elements for use by all Residential Unit Owners and Limited Common Elements which are Common Elements irrevocably restricted in use to specified Residential Units and Residential Unit Owners.

The General Common Elements will include the following:

1. The land on which the Building is erected and all other land within the boundaries of the Property;

2. All foundations, columns, girders, beams and supports;

3. Those portions of the exterior walls beyond the outside face of the interior sheetrock; those portions of the walls and partitions dividing Residential Units located between the unexposed faces of the sheetrock walls enclosing the Residential Units; those portions of the ceilings of the highest floor above the upper face of the sheetrock;

4. Roofs, stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances to and exits from the Building other than entrances to the individual Residential Units;

5. All improved and unimproved areas of the Property located outside the Residential Units, except for the specified rear yards which are Limited Common Elements of specified Residential Units;

6. All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces;

7. All sewer pipes and drainage pipes and facilities;

8. All pedestrian walkways, intended for the common use of all Residential Unit Owners;

9. The lobby on the first floor;

10. The Residential Elevator;

11. The mechanical equipment and refuse rooms located in the cellar containing utility meters and an area to store refuse;

12. The roof garden;

13. The intercom system; and

14. All other parts of the Property and all apparatus and installations existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

The Limited Common Elements which are irrevocably restricted to Residential Units and the respective Residential Unit Owner include the following:

1. The rear yards for the three (3) Residential Units located on the first floor as shown on Schedule A;

2. The two (2) roof terraces appurtenant to the Penthouse Residential Unit.

3. The roof terrace appurtenant to Residential Unit 4B.

All repairs, maintenance and replacements to the Limited Common Elements shall be the sole responsibility of the Residential Unit Owner whose Residential Unit includes the Limited Common Element.

A Residential Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the New York Condominium Act. Monthly Common Charges may commence with the closing of the first Residential Unit which is expected to be on or about June of 2004, however, see Section XVIII of the Offering Plan as to the right

of the first Board of Managers to commence the collection of Common Charges at a subsequent date. In addition, each Residential Unit Owner is responsible for maintenance and repair to their own Residential Unit, the Limited Common Elements appurtenant to their Residential Unit and all insurance coverage to their Residential Unit.

Until title to a Residential Unit has passed to a Purchaser, the Sponsor will pay such Common Charges and Special Assessments as are assessed by the Board of Managers on Residential Units, built or unbuilt, to which title has not passed. Once title has passed to a Purchaser, the Purchaser will be responsible for all costs, including all Common Charges associated with the Residential Unit.

A Residential Unit Owner, upon acquiring title to the Residential Unit, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and rules and regulations and any other requirements of the Board of Managers of the Condominium.

No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes as described in Section XVIII of the Offering Plan. Residential Units can be sold by a Residential Unit Owner, provided that the Residential Unit Owner is not in arrears on the payment of Condominium Common Charges (except where the payment of such unpaid Common Charges are paid by the Grantee or provided for out of the proceeds of the sale), subject to restrictions contained in the mortgage, if any, covering their Residential Unit. A Residential Unit Owner is free to make a gift of the Residential Unit to anyone during the Residential Unit Owner's lifetime or to devise the Residential Unit Owner's Residential Unit by will, or to have it pass by intestacy without any restriction. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

Each Residential Unit Owner can sell their Residential Unit to anyone they desire. In addition, Residential Unit Owners, may lease their Residential Units subject to the conditions contained in Section XVIII of the Offering Plan.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and a Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Residential Unit as a result of their inability to obtain a mortgage, the downpayment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages.

Residential Unit Owners may mortgage their Residential Unit at any time after they acquire title to the Residential Unit in whatever amount and under whatever terms they can obtain.

Any Residential Unit Owner may, also, grant a purchase money mortgage to a Purchaser of the Residential Unit. A Residential Unit Owner may mortgage their Residential Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Residential Unit Owners. See Schedule J, Article III in Part II of the Plan. For information concerning Sponsor's initial control of the Board of Managers, see Section XVI of the Offering Plan.

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

Each Residential Unit will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Residential Unit Owner is liable for the payment of real estate taxes or mortgage payment on any other Residential Unit. In the opinion of Counsel, a Residential Unit Owner is presently entitled to deductions for income tax purposes for the Residential Unit Owner's payments for real estate taxes on the Residential Unit. In addition, provided the Residential Unit will be the Purchaser's principal residence or one other residence selected pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, a Residential Unit Owner may also deduct on their income tax the interest on the mortgage procured to finance the purchase of their Residential Unit. See Section XX of the Offering Plan.

Fire and liability insurance covering the Common Elements are included with other items as part of Common Charges but fire and liability insurance for the Purchaser's personal effects and the interior of the Residential Unit should be carried by the individual Purchaser. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Residential Unit. For possible increases in Common Charges upon default in payment by a Residential Unit Owner see Section XVII of the Offering Plan. Each Residential Unit Owner is responsible for the cost of their own interior repairs and decoration in their Residential Unit after closing.

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

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Exhibits submitted along with the Offering Plan

together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, C and D of the Exhibits will be available for inspection by prospective purchasers and their attorneys without charge and for copying at a reasonable charge at the condominium site whenever the on site sales office is open and at the office of the Sponsor or any Selling Agent, as well as the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271.

There are no restrictions on who may purchase a Residential Unit in the Condominium, except that this offer is made only to persons over eighteen (18) years of age. Each Residential Unit Owner can sell their Residential Unit to Residential Unit they desire.

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 A PURCHASE AGREEMENT TO PURCHASE A CONDOMINIUM UNIT .

II. DEFINITIONS

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

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

2. "Building" - The one (1) building containing the ten (10) Residential Units and all the Common Elements of the Condominium.

3. "Common Charges" - Each Residential Unit Owner's proportionate share of the Common Expenses, determined in accordance with the common interest appurtenant to the Residential Unit.

4. "Common Elements" - All portions of the Condominium, other than the Residential Units, including without limitation the following: all utility lines or other pipes and materials located outside the Residential Units, any public entrances, the roofs, walls and structural elements of the Building, all central and appurtenant installations for utility services, all sewer pipes and drainage pipes and facilities, all pedestrian walkways, the equipment and mechanical rooms, the intercom system, interior stairways, roof garden, as well as all of the land and any walks located within the boundaries of the Condominium, and other portions of the Building that may be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Residential Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Residential Unit Owners.

5. "Common Expenses" - (a) Expenses incurred by all Residential Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

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

7. "Community" or "Development" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

8. "Condominium" - Metropolitan Condominium which is comprised of the Residential Units, Common Elements and Residential Unit Owners.

9. "Construction Loan" - The loan provided by Atlantic Bank which will be used towards the construction of the Condominium.

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

11. "Escrow Account" - The attorney's account where a Purchaser's initial deposit will be held as provided for in Section X of the Offering Plan.

12. "Escrow Agent" - The attorney or law firm overseeing the Escrow Account as provided for in Section X of the Offering Plan.

13. "Irrevocably Restricted Common Elements" or "Limited Common Elements" - Certain portions of the Common Elements which are irrevocably restricted in use to specified Residential Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any Irrevocably Restricted Common Element for maintenance, repair or improvement of a Residential Unit or Common Element and subject to the rules of the Board of Managers.

14. "Purchaser" - The person(s) who have entered into a Purchase Agreement to acquire a Residential Unit in the Condominium.

15. "Purchase Agreement" - The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Residential Unit in the Condominium and which will obligate the Seller to sell the Purchaser the Residential Unit in the Condominium.

16. "Residential Unit Owner" - The owner of one (1) of the ten (10) Residential Units in the Condominium.

17. "Sponsor" - Sage Development Corp. a New York Corporation, with an address at 10-34 44th Drive, Long Island City, New York 11101.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location

The Community is located at 209-211 North 5th Street in the North Williamsburg section of Brooklyn, New York. There are no interior roadways or parking in or on the Condominium property. The property is zoned R-6 which permits construction of the Condominium.

Topographical Features

The site will consist of one (1) building over flat land.

Parking Facilities

The Condominium will not contain any parking facilities.

Improvements - General Description

The Condominium, as fully developed will consist of ten (10) Residential Units located in a six (6) story Building with a cellar as set forth in the Site Plan attached hereto in Part II of the Plan. The cellar will include mechanical equipment and rooms for operation of the Building. The Condominium will also include one (1) elevator servicing the Building from the cellar to the top floor. There are six (6) basic types of Residential Units. The types and number of rooms, layouts and variations of the Residential Units are set forth in the Description of Property Report, Schedule G of Part II of the Offering Plan and the type and number of rooms is also described in the Introduction, Section I of the Offering Plan.

The Building Plans are available for inspection at the Sponsor's office.

The Residential Units, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the City of New York. Before the closing of title to a Residential Unit, a temporary or permanent Certificate of Occupancy

will be issued for such Residential Unit or the Building in which it is located. At the time of the closing of title to the first Residential Unit, the construction of all Residential Units in the Building will have been partially or substantially completed. Landscaping will be completed prior to the time of closing of title to such Residential Unit or by the end of the following summer.

Recreation Area

The Condominium will contain a roof garden for passive use only by the Residential Unit Owners in the Condominium. Passive Use prohibits use of the roof garden for anything other than sitting and observation.

Construction Data for Residential Units and Common Elements

The Residential Units and Common Elements will be constructed substantially in the manner set forth in the Building Plans filed with Building Department of the City of New York and any amendments thereto, which Plans will not be changed so as to materially adversely affect the Residential Unit Owners. For a detailed description see Schedule G in Part II of the Plan.

Construction of the Building has or will commence shortly and completion and closing of title to the first Residential Unit is expected to commence in June of 2004, barring any strikes, material shortages, acts of God, sales activity or other unforeseen delays beyond the control of the Sponsor. Completion of the balance of the Residential Units and the Common Elements of the Condominium is expected within one (1) year thereafter barring any strikes, material shortages, acts of God, sales activity of other unforseen delays beyond the control of the Sponsor. All measurements within the Condominium and of the Residential Units is approximate and Sponsor retains the right to make changes to the Condominium so long as they comply with the City of New York Department of Buildings.

Landscaping

Landscaping will be as described in the Description of Property Report in Part II of the Offering Plan. Certain Residential Unit Owners will include a rear yard as a Limited Common Element for their exclusive use as indicated on Schedule A. The rear yards will be covered with grass and portions will be planted with local shrubbery characteristic to the area. Said Residential Unit Owners shall be solely responsible for all landscaping improvements, maintenance and replacement to their rear yards.

Easements

Each Residential Unit Owner will have an easement in common with all other Residential Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements, including any Limited Common Elements, or located in other Residential Units and servicing the Residential Unit Owner's

Residential Unit. Further, each Residential Unit Owner will have an easement for the continuance of any encroachment by their Residential Unit on any adjoining Residential Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Building or repair or alteration of the Residential Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceeding, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Residential Unit stands. Each Residential Unit will be subject to such encroachments and easements in favor of all other Residential Units. The Board of Mangers, its agents and employees shall have a right of access to the Residential Units and the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or to make repairs to the Residential Unit to prevent damage to the Common Elements or any other Residential Unit. The Condominium shall also have an easement and unlimited access to the roof terraces and rear yards that are designated Limited Common Elements for the purpose of making inspections and repairs.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Residential Unit Owners percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Residential Unit Owner has the percentage of Common Interest in the Condominium set forth on Schedule A. The percentage of common interest has been calculated in accordance with Section 339-i (1) (iii) of the Real Property Law on the basis of equal percentages within separate classifications of units as of the date of filing the Declaration of Condominium.

IV. LOCATION AND AREA INFORMATION

Location

The Condominium is located at 209-211 North 5th Street, Brooklyn, New York. Principal access to the Condominium and the Residential Units shall be from North Fifth Street, a New York City owned and operated road.

Municipal Services (All distances are approximate)

The Condominium will be serviced by the following municipal services:

Police: The Condominium site is served by the New York City Police Department (94th Precinct) located at 100 Meserole Avenue.

Fire: The Condominium is served by the New York City Fire Department (Engine 338 Ladder Squad 106) located at 205 Greenpoint Avenue.

Surrounding Facilities

Prominent neighborhood features include: McCarren Park at North 14th Street and Bedford Avenue. Numerous restaurants and art galleries are located on Bedford Avenue. Local shopping is located on North 4th, 5th and 7th Street.

Within a few blocks of the premises are numerous houses of worship, public, private and religious schools of various denominations, and a host of medical facilities including Woodhull Hospital at 760 Broadway and Brooklyn Health Clinic at 960 Manhattan Avenue

Public Transportation

Public transportation includes buses and subways. Subway service is provided by the L, J, M and Z lines and bus service is provided by the B60 bus line.

Utilities

The following utilities will service the Condominium:

Water: Provided by the City of New York and distributed through copper piping. Water provided to the Condominium will be master metered and paid as part of the Common Charges of the Condominium.

Sewer: A complete sanitary drainage system will convey all soil and waste from plumbing fixtures, drains and equipment. The sanitary system is designed for gravity flow through vented branches, stacks and building drains. Drainage piping to fixtures located in the cellar area will flow by gravity to the building house trap. The sanitary drainage flows to the city public sewer system.

Gas: Provided by Keyspan. Each Residential Unit will be individually metered and billed directly by Keyspan for gas to be used for space heating, hot water and cooking. Purchasers should refer to Schedule C as to individual gas costs.

Electric: Provided by Con Edison. Each Residential Unit is individually metered and billed directly by Con Edison. A separate meter will be provided for electrical requirements for the elevator, lobby and stair lighting, exterior residential entrance lighting and other common area needs. This metered electricity will be a part of the common charges. See Schedule C for estimated individual costs.

Sanitation:

Refuse removal will be provided by the City of New York.

Telephone:

Verizon will provide telephone service. Each Residential Unit will be separately billed and the telephone service to each Residential Unit is the sole responsibility of each Residential Unit Owner. Any telephone service provided for the overall condominium will be a Common Expense of the Condominium and charged to each Residential Unit Owner as part of their Common Charges.

Snow Removal/Road Maintenance/Sidewalks

Snow removal and road maintenance for all public streets adjoining the Condominium is provided by The New York City Sanitation Department. The sidewalks bordering the Condominium are owned by the City of New York but as required by the Building Department of the City of New York will be the responsibility of the Condominium to maintain, repair, remove snow and replace, if necessary.

Medical, Educational and Religious Facilities

Medical:

Woodhull Hospital located at 760 Broadway.

Schools:

Local public schools include:

Elementary:	PS 16, 157 Wilson Street; and PS 17, 208 North Fifth Street
Intermediate:	PS 132, 320 Manhattan Avenue
High School:	Harry Van Arsdale High School, 257 North Sixth Street

Although the public schools referred to will probably be the schools that the children of the Condominium will attend, no representation can be made that these will be those actually available for attendance, nor whether the children will walk to these schools or have school bus service provided.

There are also numerous private schools in the area.

Religious Facilities:

There are houses of worship of most faiths in the vicinity of the Community.

Zoning

The Condominium is zoned R-6 which allows for construction of the Condominium. R-6 zoning permits all types of residential developments. The surrounding areas of the Condominium are all developed.

No representation is made as to the eventual use or zoning of any parcel surrounding the Condominium.

Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas.

SCHEDULE A

THE METROPOLITAN CONDOMINIUM
SCHEDULE OF PRICES AND OTHER FINANCIAL DETAILS FOR EACH UNIT FOR THE PROJECTED FIRST YEAR OF OPERATION OF THE CONDOMINIUM COMMENCING
JUNE 1, 2004

Unit No.	Unit Square Footage	Number of Bedrooms (BR), Bathrooms (BTH), *Terraces (T), *Yards (Y), *Attic (A)	Offering Price	Percentage of Common Interest	Estimated Monthly Common Charges	Estimate of Monthly RE Taxes w/421-a Tax Benefits	Estimate of Monthly RE Taxes w/o 421-a Tax Benefits	Total Monthly Combined Common Charges and RE Taxes w/421-a Tax Benefits	Total Monthly Combined Common Charges & RE Taxes w/o 421-a Tax Benefits
1A	1,161	1.5/1BR 1.5BTH/1Y	$390,096	8.56%	$409.70	$22.09	$540.37	$431.79	$950.07
1B	1,296	2.5/0BR 1.5BTH/1Y	$489,888	9.55%	$457.09	$27.74	$678.60	$484.83	$1,135.69
1C	1,488	2.5/1BR 1.5BTH/1Y	$562,464	10.97%	$525.05	$31.85	$779.14	$556.90	$1,304.19
2A	1,280	4/2BR 2BTH	$602,112	9.43%	$451.34	$34.09	$834.06	$485.43	$1,285.40
2B	1,280	4/2BR 2BTH	$602,112	9.43%	$451.34	$34.09	$834.06	$485.43	$1,285.40
3A	1,280	4/2BR 2BTH	$639,744	9.43%	$451.34	$36.20	$886.18	$487.54	$1,337.52
3B	1,280	4/2BR 2BTH	$628,992	9.43%	$451.34	$35.59	$871.29	$486.93	$1,322.63
4A	1,294	4/2BR 2BTH 1T/1A	$747,054	9.54%	$456.61	$42.27	$1,034.83	$498.88	$1,491.44
4B	1,294	4/2BR 2BTH	$652,176	9.54%	$456.61	$36.93	$903.41	$493.54	$1,360.02
PH	1,917	5.5/3BR 2.5TH/2T	$1,082,913	14.12%	$675.82	$61.32	$1,500.00	$737.14	$2,175.82
TOTAL	**13,570**		**$6,397,551**	**100.00%**	**$4,786.25**	**$362.17**	**$8,861.94**	**$5,148.42**	**$13,648.19**

* T - Terraces appurtenant to and a Limited Common Element of the respective Residential Units.
* Y - Yards appurtenant to and a Limited Common Element of the respective Residential Units.
* A - Attic which is a part of the respective Residential Unit.

FOOTNOTES TO SCHEDULE A

1. See the floor plans in Schedule G-3 of Part II of the Plan for details of different types of rooms for each Residential Model Type. Sponsor has utilized a zoning room count to determine the number of rooms in each Residential Unit. The square footage of the Residential Units was calculated to the interior of the sheetrock of the Residential Unit.

   Purchasers should note that the Sponsor has the right to sell two (2) or more Residential Units to a Purchaser and to combine said Residential Units. In such an event a Purchaser will be considered the Residential Unit Owner of two (2) or more Residential Units and the percentage of Common Interest will be the combined percentage of Common Interest of the number of Residential Units purchased.

2. No change in the sales price to a Residential Unit will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated purchase. See Section IX of the Offering Plan as to other terms of the offering which are negotiable. See Section XIV for estimated closing costs and adjustments, which costs are in addition to the sale prices set forth herein. See Schedule G for details.

3. The percentage of common interest has been calculated in accordance with Section 339-i(1)(iii) of the Real Property Law on the basis of equal percentages with n separate classifications of units as of the date of filing the Declaration.

4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Residential Units and Common Elements, maintenance and operation of the Common Elements. Common Charges exclude repair and decoration to the inside of a Residential Unit, utilities for each Residential Unit and insurance for personal belongings. See Schedule C for estimated heating and electrical costs for each model type Residential Unit.

5. Schedule A reflects the estimated taxes for the Residential Units with and without the 421-a tax abatement. Reference should be made to the Section entitled "Real Estate Tax Exemption Benefits" for a full discussion of the effects of Section 421-a upon the real estate taxes payable by Residential Unit Owners.

   The Sponsor is in the process of applying for a Preliminary Certificate of Eligibility for partial real estate tax exemption benefits under Section 421-a of the Real Estate Property Tax Law ("Section 421"). Sponsor has included in the Offering Plan a declaratory ruling from the Department of Housing Preservation and Development dated March 3, 2003 which indicates that based on the assumptions contained in

the ruling the Condominium will be eligible for the Section 421-a tax exemption. This opinion letter is reproduced in Section XXI of the Offering Plan.

No warranty is made as to whether or not Sponsor will obtain Section 421-a tax benefits, the amount of any tax exemption that will actually be received or if granted when the abatement will commence. Sponsor is in the process of submitting its application for a Preliminary Certificate of Eligibility for 421-a tax benefits. Sponsor does not expect the application to be acted upon for approximately 6-8 months from the date of submission. If approved the 421-a tax benefits would not be reflected on a Residential Unit Owner's tax bill for at least another 6-8 months from the date of approval. As a result Purchasers will most likely be required to pay real estate taxes for a period of time without the 421-a tax benefits. Purchasers should note that if approved it is anticipated that the 421-a tax benefits will be retroactive and a Residential Unit Owner would then be entitled to either a reimbursement for the amount overpaid or a credit against future real estate taxes. In addition, no warranty is made that the actual assessed valuation or the assessed valuation for the Property with Section 421 benefits will be as projected above, that the projected tax rate will be in effect for all or any portion of the Property during the first year of Condominium operation, or that real estate taxes will be allocated among Residential Units in proportion to the relative value of their Residential Unit. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of such exemption and the resulting taxes differ from those projected.

Real estate tax estimates are based upon information received from Anthony Como Associates, Property Tax Consultants, 53 Fort Hill Circle, Staten Island, New York 10301-1718, by letter dated July 2, 2003, as follows:

The applicable tax rate and assessed valuations used to calculate the estimated taxes both with and without the 421-a tax abatement based on a completion date of approximately June 1, 2004 is as follows:

Class 2 - .12517% per $100
Class 4 - .11580% per $100

ASSESSED VALUATIONS WITHOUT 421-a TAX ABATEMENT

Residential	2004/05	2005/06	2006/07	2007/08
Transitional Assessment	849,586	849,793	863,600	891,888
Actual Assessment	850,000	850,000	918,000	991,440
Taxes Based On	849,586	849,793	863,600	891,888
Class 2 Rate Per $100-.11580 Class 4 Rate Per $100-.12517	.12517	.12517	.12517	.12517

Taxes Payable	$106,342	$106,368	$108,096	$111,637

ASSESSED VALUATION WITH 421-A TAX ABATEMENT

Residential Units	**2004/05**	**2005/06**	**2006/07***	**2007/08***
Total Actual Assessment	850,000	850,000	918,000	991,440
Total Transition Assessment	849,586	849,793	863,600	891,888
Base Assessment (Transitional AV)	34,731	34,938	35,145	35,145
421-a Exemption	814,855	814,855	814,855	814,855
Taxable Assessment	34,731	34,938	48,745	77,033
Class 2 /Tax Rate/$100	.12517	.12517	.12517	.12517
Taxes Payable	$4,347	$4,373	$6,101	$9,642

* Equalization assessment increase (8% Limitation) in years 2006/07 and 2007/08.

No warranty is made as to whether or not Sponsor will obtain Section 421-a tax benefits and the amount of any tax exemption that will actually be received. In addition, no warranty is made that the actual assessed valuation or the assessed valuation for the Property if Section 421 benefits are granted will be as projected above, that the projected tax rate will be in effect for all or any portion of the Property during the first year of Condominium operation, or that real estate taxes will be allocated among the Units in proportion to their appurtenant value to each other. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of such exemption and the resulting taxes differ from those projected.

Although the aforesaid estimate of Actual Assessed Valuation is a good faith estimate, it is not possible to estimate the same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on interpretation of the administrative code and the applicable rules and regulations of the City of New York. The estimates are not intended, and should not be construed as warranties as to future assessed valuations of the Property. In no event will the consultant, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that predicted above or if the administrative code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented, prove to be untrue.

After the condominium is divided into individual tax lots, each Residential Unit will be taxed as a separate tax lot for real estate tax purposes and the Residential Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Residential Units. In addition, pursuant to the provisions of the Internal Revenue Code of 1986, the real estate

taxes payable by a Residential Unit Owner which are assessed against their Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal, State and City Income Taxes payable by such Residential Unit Owner.

Purchasers should further note that any projected tax deduction (where applicable) may vary in future years due to changes in the interest rate on the Residential Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal , or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

See Section XIX for a full discussion of the real estate taxes applicable to the Residential Units.

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, the Purchaser's monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any closing costs that the Purchaser will be obligated to pay the lending institution.

In the event a Purchaser obtains a mortgage, the interest payable on the mortgage will be deductible for income tax purposes provided the Residential Unit will be the Purchaser's principal residence or one other residence selected pursuant to the Internal Revenue Code.

VI. SCHEDULE B

THE METROPOLITAN CONDOMINIUM
PROJECTED BUDGET FOR FIRST YEAR OF OPERATION

Beginning June 1, 2004*

INCOME	(1)	Common Charges (10 Residential Units)	**$57,435**
EXPENSES			
	(2)	Labor/Part-time Super	$11,700
	(3)	Common Area Electric	20,736
	(4)	Water and Sewer	4,549
	(5)	Insurance	6,000
	(6)	Refuse Removal	-0-
	(7)	Management Fees	-0-
	(8)	Repairs/Maintenance/Supplies	5,000
	(9)	Accounting	3,000
	(10)	Legal Fees	500
	(11)	Franchise and Corporate Taxes	450
	(12)	Contingencies	2,500
	(13)	Reserve	3,000
		Total Expenses	**$57,435**

*In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If amended budget exceeds this budget by 25% or more, the Sponsor will offer all purchasers the right to rescind their purchase agreement and have their deposits returned, with interest, if any, provided such election to rescind is reviewed by Sponsor within fifteen (15) days of the date of presentation of the amendment disclosing the revised budget.

FOOTNOTES TO SCHEDULE B

1. **INCOME**

The estimate of the Annual Common Charges to be collected during the first year of Condominium operation is based upon a projection of the total amount of Common Charges that will be levied against the Residential Units and is based upon full occupancy of the Condominium.

2. **SALARIES AND WAGES**

Salaries and wage costs for the first year of Condominium operation are based upon the staffing listed below for non-union personnel for a part-time super/handyman. The level of staffing complies with the applicable housing and labor laws. The budgeted amount reflects current wage rates and reasonably anticipated increases and is based on 40% of a full-time salary with benefits as follows:

Full time Super/Handyman	
Base Salary	$25,000
Payroll Taxes @11%	2,750
Health Care	1,500
Total:	**$29,250**
Weekly Salary/Full time	563
Part-time 1 day/week (40%)	225
Annual Salary for Condo	**$11,700**

3. **COMMON AREA ELECTRIC**

Based on information provided by Ilya Veldshteyn, P.E.I.U. Consulting Engineer, 57 East 11th Street, New York, New York 10003 based on the following:

	LOAD (KW)	USE FACTOR*	KW-HRS
Lighting	4.00	1.00	35,000
Elevator	1 x 30.00	0.10	26,280
Lobby Heating/Small Motors	6.00	0.30	15,750
Grand Total	**40**		**77,030**

Demand Charge	40 Kilowatts (KW) x 12 x $22.76 per KW = $10,924.80
Energy Charge	77,030 Kilowatt Hours (KWH) x $0.1029 per KWH = $7,926.39
Total	$18,851 x 10% Inflationary Factor = $20,736

* Based on 24 hours full load operation.

Since the Residential Units will be newly constructed, they have no operative history. Thus, it is not possible to predict how closely the budgeted figure will reflect the actual expenses for electricity to be incurred during the first year of condominium operation, in part because such expenses will vary with the level of consumption and the cost of electricity. Electricity is generated by the utility company by means of fuel oil as a primary energy source. In view of the unpredictable production of petroleum and rate increases imposed from time to time by one or more members of the Organization of Petroleum Exporting Countries, it is possible that the cost of fuel used to generate electricity may increase in future years. As a result, it is possible that electric rates may increase, although it is not possible to forecast the amount or timing of such increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of condominium operation.

Purchasers should refer to Schedule C as to estimated individual electrical costs for the Residential Units.

4. **WATER AND SEWER**

The Units will not be individually metered for water and all water and sewer costs will be a common expense. Water costs are based upon an estimate by Iya Veldshteyn, P.E.I.V. Consulting Engineers located at 57 East 11th Street, 8/F, New York, New York. is based upon the water and sewer formula which considers number of families, tubs/shower stalls, toilets that are in each Unit, hose bibs, number of floors in the building and street frontage as follows:

1. Use of water per day per unit: 250 Gals**
2. Annual water use: 912500 Gals.= 121,991 Cu.Ft.
3. Cost estimates are based upon the combined water and sewer rate of $3.39 per 100 Cu.Ft.

** 4 persons per apartment, 1 shower per person per day, 25 gallons per shower.

TOTAL ANNUAL COST OF WATER AND SEWER USAGE: $4135.53

Sponsor has added a ten (10%) percent inflationary factor to said estimates.

5. **INSURANCE**

Based on a proposal from National Insurance Brokerage of New York, Inc., 125 Wireless Boulevard, Hauppauge, New York 11788, as follows:

Coverage		Premium
Condominium -	One 6 story 10 Unit Condominium (14,000 sq. ft.) Located at: 209-211 North5th Street Brooklyn, New York	**$4,500**

Special Form Coverage Including Full Replacement Cost

Building Coverage - $3,000,000 $2,500 Deductible
Liability Coverage - $1,000,000 each Occurrence/$2,000,000 aggregate

Purchasers should note that the insurance for the Condominium does not include officers' and directors' liability; rent insurance, water damage; elevator collision; boiler and machinery; excess liability; auto liability; and fidelity bond which may all be available at additional cost.

The coverage amount limit stated above for casualty insurance is based on full replacement value and should be sufficient to avoid the effects of co-insurance. Excess liability coverage is not included and may be obtained at extra cost. The fire, casualty and general liability insurance policies are on terms that provide:

(a) that each unit owner is an additional insured party;
(b) that there will be no cancellation without notice to the board of managers;
(c) a waiver of subrogation;
(d) a waiver of invalidity because of the acts of the insured and unit owners; and
(e) a waiver of pro-rata reduction if unit owners obtain additional coverage.

The above coverage will be in place prior to or simultaneously with the closing of the first Residential Unit in the Condominium.

The insurance coverage will meet the requirements of any mortgage lender procured by the Sponsor.

No coverage is provided for fire and casualty losses to the contents of each individual Residential Unit, nor does the coverage take into account any future replacements or additions to either the Residential Units or the fixtures and

improvements contained therein or any of the Limited Common Elements. In addition, no liability coverage for an individual Residential Unit Owner is included in the coverage provided above. Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

IN RECENT YEARS, PREMIUMS FOR INSURANCE (ESPECIALLY FIRE AND LIABILITY INSURANCE) HAVE INCREASED SUBSTANTIALLY. IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO INCREASE OR WILL LEVEL OFF. NO REPRESENTATION IS MADE REGARDING THE ACTUAL COST OF INSURANCE AT THE TIME OF CLOSING. PURCHASERS ARE ADVISED TO PROCURE THEIR OWN FIRE AND LIABILITY COVERAGE FOR THE INTERIOR OF THE RESIDENTIAL UNIT AND THE PURCHASER'S PERSONAL AFFECTS.

6. **REFUSE REMOVAL**

Refuse removal will be provided by the City of New York and the cost is included in each Residential Unit Owner's tax bill.

7. **MANAGEMENT FEES**

The Condominium will initially be managed by the Board of Managers. The Board of Managers will be responsible for bookkeeping, billing, contracting for essential services, maintaining insurance on the premises, procuring a financial statement yearly and other services normally performed by a Managing Agent. In the event the Board of Managers hires a Managing Agent at the end of the first year of operation, the budget will increase accordingly. No representation is made as to the cost, terms or availability of a managing agent. Notwithstanding said fact, a Condominium of this size may ultimately determine there is a need to hire a managing agent. The current cost of a managing agent to manage a Condominium of this size may vary from approximately $300 per annum per Home to approximately $500 per annum per Home.

8. **REPAIRS AND MAINTENANCE AND SUPPLIES**

This item is to provide a fund for anticipated annual expenses for regular repairs and maintenance of the common areas of the community and for paper goods, common telephone and supplies for the Building. Repairs and maintenance does not include the cost of repairs, hardware supplies or painting of the interior of Residential Units or exterminating costs of the interior of the Residential Units, which are the sole responsibility of each Residential Unit Owner.

9. **ACCOUNTING**

Based on a proposal received by the Sponsor from Armao, Costa & Ricciardi, CPAs, PC, 76 South Central Avenue, Valley Stream, New York 11580 for the preparation of an annual certified audit (required during the time of Sponsor control of the Board of Managers by the Office of the Attorney General of the State of New York), and preparation of applicable tax returns.

10. **LEGAL FEES**

Based on an estimate from Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 for a reserve to be used by the Board of Managers elected by Residential Unit Owners when consulting with an attorney of their selection to review contracts and collect delinquent common charges. The cost of litigation, if any, would be additional.

11. **FRANCHISE AND CORPORATE TAXES**

Provides for the minimum amount in the event the Condominium is required to pay a state franchise and corporate tax.

12. **CONTINGENCY**

This item is to provide a fund for possible expenses not included in the budget or possible increases in one (1) or more items of operating expense above the amounts projected. The budget may be modified, from time to time, prior to the commencement of, or during, Condominium operation to add new items of expense or increase one (1) or more items of operating expense. The funds for such modifications may be provided by decreasing the contingency reserve or by decreasing one (1) or more items of expense, or both. The contingency fund will be part of the general operating funds and will not accrue on an annual basis.

13. **RESERVE**

Provides for a reserve to offset future replacement of capital items. No representation is or can be made that this amount is adequate to cover all such expenses, when required. The reserve fund will be placed in an interest bearing account separate and apart from the general operating funds and if not used in any specific year will accrue on a yearly basis.

In view of the fact this Condominium is a new construction development, although Sponsor cannot make any guarantees, it is unlikely there will be any major capital improvements during the first five (5) years of Condominium operation.

IN THE OPINION OF SCHIFFER MANAGEMENT, CONSULTANT (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE RESIDENTIAL UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING JUNE OF 2004. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN THE SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

VII. SCHEDULE C

GAS AND ELECTRICAL COSTS (1)

The projected energy costs as follows are based on projections provided by Ilya Veldshteyn, P.E.I.V. Consulting Engineers, 57 East 11th Street, 8th Floor, New York, New York 10003.

Estimated Cost of Electricity for Each Unit

Unit	Area Sq. Feet	Air Cond KWHR	Lighting Appliances KWHR	Electrical Dryer KWHR	Total KWHR	Total Annual Cost (including a 10% Inflationary Factor)
Apt. 1 1st & Crd	1161	2176	2542	730	5448	$952.61
Apt. 2 1st & Grd	1488	2790	3258	730	6778	$1,185.17
Apt. 3 1st & Grd	1296	2430	2838	730	5998	$1,048.78
Apt. 4 2nd Fl.	1280	2400	2803	730	5933	$1,037.42
Apt. 5 2nd Fl.	1280	2400	2803	730	5933	$1,037.42
Apt. 6 3rd Fl.	1280	2400	2803	730	5933	$1,037.42
Apt. 7 3rd Fl.	1280	2400	2803	730	5933	$1,037.42
Apt. 8 4th & 5th Fl.	1694	3176	3709	730	7615	$1,331.53
Apt. 9 4th Fl.	1294	2430	2838	730	5998	$1,048.78
Apt. 10 PH	1917	3594	4198	730	8522	$1,490.12

Estimated Cost of Natural Gas for Each Unit

Unit	Area Square Feet	Space Heating Therms	Hot Water Therms	Gas for Cooking Therms	Total Gas Therms	Total Annual Cost (including a 10% Inflationary Factor)
Apt. 1 1st & Crd	1161	1500	510	219	2229	$2,727.80
Apt. 2 1st & Grd	1488	1800	510	219	2529	3,094.93
Apt. 3 1st & Grd.	1296	1650	510	219	2379	2,911.36
Apt. 4 2nd Fl.	1280	1600	510	219	2329	2,850.17
Apt. 5 2nd Fl.	1280	1600	510	219	2329	2,850.17
Apt. 6 3rd Fl.	1280	1600	510	219	2329	2,850.17
Apt. 7 3rd Fl.	1280	1600	510	219	2329	2,519.42
Apt. 8 4th & 5th Fl.	1694	2100	510	219	2829	3,462.05
Apt. 9 4th Fl.	1294	1650	510	219	2379	2,911.36
Apt. 10 PH	1917	2800	510	219	3529	4,318.70

General

1. The costs of electrical energy are based upon the following assumptions:

   (a) Electricity for air conditioning is estimated as follows:

   Air conditioning cost is based on average electrical demands of 1.5 KW per ton of refrigeration. Each Unit is assumed to operate 500 equivalent full load hours a year. All rooms are air conditioned with 1 ton of refrigeration covering 400 square feet of floor area.

(b) Electricity for other than air conditioning:

Lighting cost is based on New York City Electrical Code requirements of 3 watts per square foot. Average Unit is assumed to utilize 50% of all lamps approximately 4 hours/day, 365 days/year. Appliances include: dishwasher, refrigerator (standard 15 Cu.Ft.), TV's, radios, other small appliances.

(c) Electrical Dryer: 4KW, 0.5 hrs/day, 365 days per year.

2. Rates:

(a) ELECTRICITY (Consolidated Edison) RESIDENTIAL RATE Classification 1

USAGE	ENERGY RATE PER KWHR	BASIC CHARGE PER MONTH	RATE CLASSIFICATION
Apartments for KWHR	15.25 cents	$9.14	Classification 1 Residential Rate

Applicable Taxes 4%
Rates as per Con Edison P.S.C. No. 2 and No. 9 effective April 9, 2002

(b) GAS (Consolidated Edison Co)
RESIDENTIAL RATE:
LESS THAN 3 THERMS $10.89
MORE THAN 3 THERMS . . . . . $0.4515 PER THERM
RATE ADJUSTMENT PER THERM . . . . . $0.5815 PER THERM

Applicable Taxes 6.45%
Rates as per Con Edison P.S.C. No. 3 effective May 2, 2002

3. Heating energy consumption estimates support data:

Average winter temperature in N.Y.C.	42.8 F
Degree days in N.Y.C. (Central Park)	4,871
Natural gas boiler efficiency	80%
Outdoor design temperature	95 F
Indoor design temperature	72 F
1 C.F. of natural gas	100,000 BUT output
1 C.F.	1.031 Therm Units

Amount of fuel required in a year

$$\frac{\text{(Heat loss) x (degree days) x (1.031) x (24)}}{\text{(overall efficiency of fuel) x (dT) x (heating value of fuel)}}$$

The numbers as shown in the schedule are estimated based on averaging and some assumptions and could be larger or smaller than real meter readings in the occupied building.

Utility rates, taxes and adjustment charges are subject to frequent changes.

Sponsor has added a 5% inflationary factor to the estimated electrical and gas costs as noted in the Schedule.

Actual costs may vary depending upon the hours of use, thermostat settings and proper maintenance. These cost figures are estimates and are not intended as guarantees.

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

Although the Sponsor is under obligation to provide accurate information to Prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, that it has not been induced to select the appliances etc., described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees.

CERTILMAN BALIN

90 MERRICK AVENUE
EAST MEADOW, NY 11554
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VIII. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339 (i)

RICHARD HERZBACH
PARTNER
DIRECT DIAL: 516.296.7006
rherzbach@certilmanbalin.com

December 8, 2003

State of New York
Department of Law
120 Broadway - 23rd Floor
New York, New York 10271

Re: **The Metropolitan Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained our firm to review the percentage of common interest applied to the Residential Units contained in Schedule A of the Offering Plan.

Our experience includes the preparation of hundreds of condominium offering plans and legal representation of numerous condominium Board of Managers in the State of New York for over thirty (30) years.

In reviewing said Schedule A, the percentage of common interest for each Residential Unit as contained therein has been determined based upon equal percentages within separate classifications of units as of the date of filing the Declaration of Condominium. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i(1)(iii) of the Real Property Law of the State of New York.

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

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
RICHARD HERZBACH, Partner

IX. CHANGES IN PRICES OF RESIDENTIAL UNITS

Sponsor will not make any changes in the size or number of Residential Units, and their respective percentage of common interest and no material change will be made in the size or quality of Common Elements except by amendment to the Plan and to the Declaration of Condominium (if the Declaration was filed prior to such change) without the consent of all Residential Unit Owners directly affected. However, Sponsor reserves the right to change the model mix of the Residential Units without consent of any Residential Unit Owner as long as the percentage of common interest for the Residential Units is not affected, there is no Purchase Agreement in effect for said Residential Unit and as long as the Sponsor does not change the total number of Residential Units being offered for sale, nor the total number of buildings in the development, nor substantially change the size of the Residential Unit. Further, no change can be made to any model Residential Unit which would affect the percentage of common interest except by amendment to the Offering Plan and the Declaration of Condominium, when applicable. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

Sponsor will not make any material change in a Residential Unit's size, layout, percentage of common interest or in the amount or quality of Common Elements directly affecting or servicing the Residential Unit if a Purchase Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default unless the Purchaser consents in writing to such change.

The prices for these condominium interests may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar interests. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales prices does not constitute a general offering but is rather the result of an individually negotiated Residential Unit purchase. All changes in prices which are an across the board increase or decrease affecting one or more lines of Residential Units or models, or is to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Residential Unit or the fixtures or equipment contained therein or credits or allowances therefor; treatment of reduced and/or split down payment; financing contingency; extension of period to secure financing; payment of all or part of a purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to the Residential Unit; maintenance subsidies, rebates or other costs associated with maintaining a Residential Unit as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts

on the purchase of a Residential Unit and application of rent toward the purchase price As a result, a Purchaser may receive different terms then a prior or subsequent Purchaser for a similar Residential Unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or at its sole option to expand the applicability of such negotiable terms to some or all Purchasers pursuant to Section 352-e of the General Business Law.

IXA. INTERIM LEASES

The Sponsor will not enter into interim leases with Purchasers for Residential Units prior to closing. In no event shall Purchaser take possession of the Residential Unit prior to the time of the delivery of the deed, nor shall Purchaser enter the Residential Unit or have his or her contractors or agents enter the Residential Unit to perform work prior to closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Residential Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow to a maximum of ten (10%) percent of the sales price plus the cost of extras ordered, as liquidated damages. Purchasers should refer to Paragraph 24 of the Purchase Agreement.

Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell Residential Units, this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor.

X. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Residential Units under construction in the Condominium for residential occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Residential Units or portion of a Residential Unit by a lessee or lessees of the Residential Unit Owner for the purposes set forth in this paragraph conform with the zoning regulations permitting construction of this Condominium.

The sales prices at which the basic Residential Units are being offered are shown in detail in Schedule A. The Sponsor reserves the right to lower the sales prices and to negotiate other terms on an individual basis. All changes in prices which are an across the board increase or decrease affecting one or more lines of Residential Units or models, or are to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan. See Section IX of the Offering Plan. Any such change will not affect the common interest of the Residential Unit, however, some

Purchasers may pay less or more for the same model Residential Unit or receive different terms.

Any person may accept Sponsor's offer to sell the Residential Unit by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Residential Unit in The Metropolitan Condominium as described in the Declaration creating such Condominium. A Purchaser will be afforded a minimum of three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan.

Upon signing the Purchase Agreement the Purchaser shall make a down payment of a minimum of 10% of the purchase price of a Residential Unit plus the cost of any special work ordered by the Purchaser. Upon full payment of the balance of the purchase price and the balance of the cost of any special work ordered at the closing, in cash or by mortgage, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to the ownership of fee ownership in the Residential Unit and such percentage of common interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in Section XIII of the Offering Plan. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. Sponsor must either return a fully executed Purchase Agreement within twenty (20) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. In the event the Sponsor does not act within said twenty (20) day period the Purchase Agreement will be deemed accepted by the Sponsor.

The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the closing of title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

It is anticipated that the closing to the first Residential Unit will occur on or about June 1, 2004. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission.

In the event Sponsor is unable to convey title to a Residential Unit nine months (or twelve months if due to circumstances beyond Sponsor's control) after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the down payment advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the nine (9) or twelve (12) month period, whichever is applicable. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Sponsor shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the

Purchaser, the Purchase Agreement shall be deemed null and void and Sponsor shall return all monies being held in escrow within thirty (30) days thereafter. See Paragraph 6 of the Purchase Agreement in Part II of the Plan.

After the Offering Plan is declared effective, the Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Residential Unit unless a Purchaser waives such thirty (30) day notice. A form for such waiver is contained as Exhibit D-3 to the Offering Plan.

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

The risk of loss or damage to the Residential Unit by fire or any other cause until the delivery of the deed or purchaser takes actual possession of the Residential Unit pursuant to written agreement is assumed by the Sponsor.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The Purchase Agreement and Plan comply with Section 71.a(3) of the New York Lien Law. Said statute provides that the initial advance of the Purchase Agreement be deposited in an escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York State. The escrow and trust fund provisions disclosed below complies with said statute.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of their inability to obtain a mortgage, the downpayment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages.

A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

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

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

All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Agreement is signed by all necessary parties, in a segregated special Escrow Account of Certilman Balin Adler & Hyman, LLP, the Escrow Agent, whose address is 90 Merrick Avenue, East Meadow, New York 11554 and whose telephone number is (516) 296-7000. The signatories on this account authorized to withdraw funds are the members of the firm. The name of the account is "Certilman Balin Adler & Hyman LLP/The Metropolitan Condominium Escrow IOLA Account" located in North Fork Bank, 275 Broad Hollow Road, Melville, New York 11747. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a downpayment in excess of $100,000.00 for the purchase of a Residential Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000.00.

The Escrow Account will be Interest-On-Lawyer-Account ("IOLA"). Pursuant to Judiciary Law, Section 497, all interest earned on the IOLA account will be paid to the State of New York.

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

All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler & Hyman, LLP, as Escrow Agent and shall be accepted subject to collection.

Within ten (10) business days after the tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number. In the event the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser has a right to cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after the tender of the deposit or the Purchaser 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 and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Purchasers should note that the deposit of a Purchaser's downpayment into the Escrow Account shall not be deemed acceptance by the Sponsor of the Purchase Agreement. The Purchase Agreement shall be deemed accepted by the Sponsor only when countersigned by the Sponsor.

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

(i) a writing signed by both Sponsor and Purchaser. Sponsor and/or the Escrow Agent may require a Purchaser to execute a writing authorizing release of the funds by the Escrow Agent as a condition of closing. Authorization of the release of funds at closing in the Purchase Agreement will 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.

The Escrow Agent will also be permitted to release the escrow funds if:

(i) the Escrow Agent is changed pursuant to the terms of the Escrow Agreement in connection with a transfer of funds to the new escrow agent. Notwithstanding, the Offering Plan must first be amended before any transfer of funds to provide the same full escrow trust fund disclosure with respect to the new escrow agent and escrow account; or

(ii) funds which were deposited prior to the acceptance of the contract are returned to the Purchaser because of rejection of the contract by the Sponsor; or

(iii) any governmental authority imposes a ban on the completion of the Residential Units or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Sponsor's regular suppliers or from using same in the completion of the Residential Unit making the renovation of the Condominium unlikely, in such an event the funds will be released to the Purchaser; or

(iv) Sponsor is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, acts of God or national emergencies making the completion of the renovation of the Condominium unlikely, in such an event the funds will be released to the Purchaser; or

(v) the installation of public utilities is restricted or curtailed making the completion of the renovation of the Condominium unlikely, in such an event the funds will be released to the Purchaser; or

(vi) until released in accordance with the next paragraph.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Notice shall be deemed given five (5) days after the date of mailing to the Purchaser at the address set forth in the Purchase Agreement. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions.

The Sponsor will not object to the release of the escrowed funds to:

(i) a Purchaser who timely rescinds in accordance with an offer or rescission contained in the Plan or an Amendment to the Plan;

(ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to General Business Law Section 352-h.

Purchasers should note that it shall be an express condition of closing of title that the Purchaser sign the form contained in Part II which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of the Plan as Schedule K. The party applying for a determination must send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent shall abide by an interim directive issued by the Attorney General.

If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

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

Sponsor must make a written demand for payment after a default at least thirty (30) days before forfeiture of the deposit may be declared.

A copy of the Escrow Agreement between the Sponsor and the Escrow Agent which incorporates the terms of the Attorney General's regulations is contained in Part II of the Plan as Schedule L. The Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds. Upon the dissolution of the law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of the Escrow Account records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

XI. FINANCING FOR QUALIFIED PURCHASERS

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

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

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, will be retained as liquidated damages.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR

RESPONSIBILITY TO ANY APPLICANT IF THEIR APPLICATION FOR FINANCING IS NOT ACCEPTED.

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

XII. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Residential Units is contingent upon the Plan being declared effective and no closing to a Residential Unit will be held until the Plan is declared effective. This Offering Plan will not become effective until bona fide purchasers, have executed Purchase Agreements which have been accepted by Sponsor for at least 15% in number of the Residential Units (10 Residential Units x 15% = 2 Residential Units) offered under the Plan. The Sponsor will give written notice of such effectiveness to Purchasers. Sponsor will within five (5) business days of said notice submit for filing an amendment to the Plan disclosing the Plan's effectiveness and will file an affidavit of service of the notice on all Purchasers. Sponsor will not close title to the first Residential Unit until the Amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. The Plan will not be declared effective based on Purchase Agreements:

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

(ii) based on Purchase Agreements where the Purchaser has not had at least three (3) business days to review the Offering Plan and all filed amendments; or

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

Further, the Sponsor has the option not to close title to the Residential Units and to abandon the Plan at any time if less than 80% in number of the Residential Units (10 Residential Units x 80% = 8 Residential Units) offered hereby are sold and title to any Residential Unit has not been conveyed. In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within twenty

(20) days of the abandonment of the Plan. When Purchase Agreements for 80% of the Residential Units have been entered into the Sponsor must declare the Plan effective (10 Residential Units x 80% = 8 Residential Units).

Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than ½% of the total amount of the offering, or (ii) substantial damage or destruction of the Buildings by fire or other casualty which cannot be cured for less than ½% of the total offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Any stated dollar amount relied upon as basis for abandonment after effectiveness will exclude all attorneys fees as well as any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record. In the event Sponsor abandons the Plan, it shall do so by means of a filed amendment to the Plan. All monies advanced by Purchasers will be returned to them within twenty (20) days of the abandonment of the Plan. If Sponsor decides to abandon the Plan before declaring the Plan effective, Sponsor will file an amendment disclosing such abandonment and file a RS-3 Form with the Department of Law.

XIII. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the closing of title to all Residential Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Notice will be sent to all Purchasers who have executed and delivered Purchase Agreements to the Sponsor and whose Purchase Agreements are then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested, addressed to the Purchasers at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address. If Sponsor has no information of the last known residence address, but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address. Said notice will also include notice of the obligation to pay the balance of the purchase price.

Such notice will be served no less than thirty (30) days before the date set for the closing of the Residential Units for Purchasers. Sponsor may permit Purchasers to waive the thirty (30) day provision by a written waiver. A form for such waiver of the thirty (30) day notice is contained as Schedule D-3 to the Offering Plan.

On the closing date fee title to the Residential Unit will be conveyed to the Purchaser together with the Residential Units and undivided interest in the Common Elements. The closing of title to the first Residential Unit is expected to commence on or

about June 1, 2004. Such closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Residential Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts. A copy of the Deed is set forth as Schedule F, in Part II of the Plan.

2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the closing of Purchaser's Residential Unit.

3. The issuance of a temporary or permanent Certificate of Occupancy to the Residential Unit or Building in which the Residential Unit is located and any other necessary permits.

4. If so requested by the Purchaser, Fidelity National Title, a title company authorized to do business in the State of New York, 1415 Kellum Place, Garden City, New York 11530 (516) 741-5050, Attn: Suzanne Breinlinger shall agree to insure that such Purchaser has good and marketable fee title in the Residential Unit, free and clear of all liens, encumbrances and title exceptions, except those set forth below, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the Purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

5. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Residential Unit being purchased are to be included in the sale of such Residential Unit.

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

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

8. The Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Residential Unit unless a Purchaser waives such thirty (30) days notice. A form of such waiver of the thirty (30) day notice is contained as Exhibit D-3 to the Plan.

9. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section XIII will be met,

that the Residential Units to be closed have been constructed in accordance with the plans and specifications filed with the Building Department of the City of New York and that the Sponsor has complied with the requirements of this Section.

10. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Residential Unit and Sponsor shall assign any warranties with respect to equipment and appliances installed in common elements to the Board of Managers.

11. The Purchaser shall execute the Power of Attorney in the form annexed to the Purchase Agreement designating the Board of Managers as the Purchaser's attorneys-in-fact, coupled with an interest for the sole purpose of selling, mortgaging, leasing, subleasing, voting or otherwise dealing with any Units acquired by the Board of Managers or their designee in accordance with any of the provisions of the By-Laws and designating the Sponsor as his attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units, as built, or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium.

Title to the Residential Unit will be subject to the following:

1. State of facts of the property as shown on a survey to be made prior to the closing of title provided such facts would not render title unmarketable and any state of facts which an accurate survey of the Residential Unit would show provided such state of facts would not render title unmarketable.

2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.

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

4. All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement, including:

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

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

(c) Easements in favor of those Residential Units having restricted use to portions of the Common Elements; and

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

5. Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Residential Unit as a one (1) family residence.

The Sponsor has been advised by its counsel that in counsel's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the purchase agreement nor will they interfere with the quiet use or enjoyment of the Purchaser's Residential Unit.

XIV. CLOSING COSTS AND ADJUSTMENTS

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

1. Fee title insurance is available from Fidelity National Title Company ("Fidelity") for a title company authorized to do business in the State of New York, 1415 Kellum Place, Garden City, New York 11530 (516) 741-5050, Attn: Suzanne Breinlinger at the estimated rates of $5.81 per thousand for the first $50,000 of fee title insurance, approximately $4.74 for each additional $l,000 of insurance up to $100,000 and approximately $3.80 per thousand for each additional $l,000 up to $500,000, plus six (6%) percent.

2. Mortgage title insurance at the estimated rates of $4.84 per thousand for the first $50,000 of mortgage title insurance, approximately $3.95 for each additional $l,000 of mortgage title insurance up to $100,000 and $3.17 per thousand for each additional $l,000 up to $500,000, plus six (6%) percent.

In the event a Purchaser obtains both mortgage and fee title insurance, the simultaneous fee rate is based on the reduced rate of the mortgage and the full rate of the fee title.

Each Purchaser will be free to obtain title insurance from a title insurance company other than Fidelity. Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title insurance. In addition, should Purchaser use a title company other than Fidelity as agent for a company authorized to do business in New York, then in such event Purchaser shall pay Sponsor's attorney an additional fee of $350.00 for its services rendered in connection with its review of the title report and clearance of title exceptions.

3. Fees for the recording of the deed and power of attorney are approximately $115 and $85.00 per document.

4. In the event the Purchaser shall obtain a purchase money first mortgage, Purchaser shall pay recording fees for the mortgage of approximately $125.00 and mortgage tax of 1.75% of the amount of the mortgage less $25. See below for an example of said costs. In addition the Purchaser will be required to pay any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. Each lending institution may charge a different amount for these items and Purchasers are advised to check with the individual lending institution to ascertain the estimated costs of these items. A portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid

in connection with an existing mortgage on the Community. There will be no mortgage closing costs pursuant to this Sub-Section (4) on Residential Units which are not covered by mortgages.

5. New York State transfer tax of $2.00 per $500 of the purchase price and New York City Real Property Transfer Taxes of 1% of the Purchase Price where the consideration is less than $500,000 and 1.4259 where the consideration is $500,000 or more. These taxes are normally an expense of the Sponsor, however, by contractual arrangement they will be paid by Purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

a. multiply the purchase price by the state tax rate to compute a tentative tax;

b. multiply the purchase price by the city tax rate to compute a tentative tax;

c. add both tentative taxes to the purchase price;

d. Multiply the total of "3" above by the state rate;

e. Multiply the total of "3" above by the city rate.

Example: Purchase Price = $640,000
(1) $640,000 x .004 = $2,560
(2) $640,000 x .014259 = $9,126
(3) $640,000 +2,560 +9,126 = $651,686
(4) $651,686 x .004 = $2,607 = amount due for state transfer tax
(5) $651,686 x .014259 = $9,292 = amount due for New York City Real Property Transfer Tax.

6. Purchasers should be aware that pursuant to the provisions of Section 1402-a of the Tax Law of the State of New York any Residential Unit being sold for $1,000,000 or more is subject to a New York State Tax of 1% of the Purchase Price (Mansion Tax). Pursuant to the provisions of the statute the obligation to pay the tax is the Purchasers.

7. Working capital equal to $750 to be paid to the Condominium. While Sponsor is in control of the Board of Managers, the working capital fund will not be used to reduce the Common Expenses of the Condominium. If any portion of the working capital fund is used during this period to pay for items in the budget set forth, such amounts will be repaid to such fund out of Common Charges collected.

8. Each Purchaser shall pay to the Sponsor 3/10 of 1% of the sales price of their respective Residential Unit for reimbursement of the Sponsor's cost in obtaining tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law.

9. Each Purchaser shall pay $1,000.00 to Sponsor's counsel, representing a fee for services in connection with the release of the Residential Unit from the blanket mortgage, preparing the Residential Unit Deed, the Residential Unit Owner's Power of Attorney, forms and for coordinating and attending the closing. Such fee shall be payable at or prior to the closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's counsel.

As an example, a Purchaser of a Residential Unit in which the purchase price is $640,000 and who procures a first mortgage in the amount of $512,000 will pay the following approximate closing costs:

Fee Title Insurance:	$ 2,680
Mortgage Insurance:	$ 1,311
Deed Recording Fee:	$ 115
Power of Attorney Recording Fee:	$ 85
Mortgage Recording Fees:	$ 125
New York State Transfer Tax:	$ 2,607
New York City Transfer Tax:	$ 9,126
Mortgage Tax:	$ 8,935
Condominium Working Capital:	$ 750
421-a Reimbursement	$ 1,920
Fees for preparation of closing documents:	$ 1,000
TOTAL	$ 28,654

In addition, if a closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $250.00.

In the event a closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $150.00.

In the event the Residential Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Residential Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against said Residential Unit for the six month period following the first closing. Said amount is to be paid by Purchaser. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each closing the estimated amount of taxes attributable to such Residential Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and either the Sponsor or the Board of Managers will be entitled to reimbursement from Residential Unit owners to the extent of the actual assessment.

Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections, (b) appraisals, (c) surveying services, (d) water and sewer tap and connection fees, water meter deposit, water vault, water meter reading equipment and water and sewer test fees and (e) advance sewer use payments, if any.

If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Residential Unit for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges.

The fee title policy premiums, the recording charges and costs set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and closing costs in effect as of the date of the closing of title to their Residential Unit.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to the Residential Units will be real estate taxes and sewer charges, if any, and Common Charges, if they have been declared by the Board of Managers. The adjustments will be made as of II:59 P.M. on the day preceding the closing date. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at the closing. The Sponsor will advise the Purchaser of the closing date by

giving him written notice at least thirty (30) days prior to the closing date unless Purchaser waives such notice.

XV. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Residential Unit Owners and not by the individual Residential Unit Owners. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements through the Board of Managers. Sponsor is obligated to perform the following:

1. Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium. However, Sponsor retains the unconditional right to rent rather than sell the Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell Residential Units, this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. The Construction Loan disclosed in Paragraph 8 of this Section XVII does not have any limitations or requirements that provide when Sponsor may rent rather than sell under specified market conditions.

2. The Sponsor has no obligation to defend any suits nor to indemnify the Board of Managers or Residential Unit Owners arising out of any act or occurrence occurring prior to the recording of the Declaration of Condominium except claims arising out of the acts, omissions or representations of the Sponsor.

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

4. Until title to a Residential Unit is passed to a Purchaser, the Sponsor will pay such Common Charges, special assessments and real estate taxes, as are assessed by the Board of Managers of the Condominium and the local municipality on the Residential Units, to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all Common Charges, special assessments, real estate taxes and all other costs applicable to the Unit, as are assessed by the Board of Managers of the Condominium and the municipality. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the

income derived from the sale of the Residential Units and Sponsor's assets and working capital. Sponsor presently has the resources to fund such obligations.

5. The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Residential Unit.

6. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. In the event there are insufficient funds in the Condominium operating account to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent Common Charges collected. No Board or Residential Unit Owner approval is required to make such loan.

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

8. Sponsor has obtained a Construction Loan from Atlantic Bank of New York ("Atlantic") which will enable the Sponsor to construct the Condominium. The Sponsor will be obligated to pay off and otherwise comply with the terms of the Construction Loan mortgage on the entire Condominium. After the recording of the Declaration and before the closing of title to the first Residential Unit, the Construction Loan mortgage will be satisfied, or released from the individual Residential Units. In addition, before the closing of title to the first Residential Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Residential Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded. At the time of conveyance of the First Residential Unit any existing mortgages or construction loans that will not be satisfied at or prior to the closing of the first Residential Unit will provide that each mortgagee will either (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (ii) subordinate the lien of its mortgage to the declaration of condominium; or (iii) release its lien on the condominium unit being conveyed and its interest in the common elements. The Construction Loan release provision provides that each Residential Unit will be released from the lien of the Construction Loan at each closing upon the payment to Atlantic of a release price. The Construction Loan does not have any limitations or requirements that provide when Sponsor may rent rather than sell.

9. The Sponsor will diligently, expeditiously and at its own cost, complete all construction of the Condominium substantially in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filed with the City of New York together

with any "field changes" made during the course of renovation. Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. Sponsor reserves the right to change the size, number and location of the improvements or Common Elements, provided such changes do not change or adversely affect the percentage of common interest of any Residential Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Residential Unit Owners and Purchasers consent in writing to such a change. Sponsor further reserves the right to determine the exterior color and design of any building, landscaping, grading and design of all plots and dwellings to fit into the general pattern of the Condominium; determine elevation and location of foundations (including reversal of Residential Unit layout), walks, driveways and garage door entries, to conform with topographical conditions; determine the location and type of Residential Unit to be constructed in a particular building; fix the location and setbacks of the Building; determine the ultimate Residential Unit type mix to be constructed at the Building; determine whether existing trees, shrubs and other plant life are to be removed; add or remove retaining walls on the Common Elements where required by grade conditions; determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, speed bumps, mailboxes, parking spaces, relocate parking spaces; and make any other changes required by the City of New York.

10. The Sponsor will obtain a permanent or temporary Certificate of Occupancy and any other certificate or permit required by law for the Residential Unit before the closing of title to a Residential Unit and will, at its own cost, perform any work and supply any materials necessary to obtain the Certificates or permits. In the event a permanent certificate is not issued as of the date of closing of a Residential Unit, Sponsor anticipates obtaining the permanent certificate within two (2) years of the closing of the Residential Unit. Sponsor will obtain the permanent Certificate of Occupancy prior to the expiration of any temporary certificate of occupancy, unless the temporary certificate of occupancy is extended.

In the event a Permanent Certificate of Occupancy for a Residential Unit has not been issued as of the date of closing for said Residential Unit, the Sponsor will continue to hold all deposits and funds in the special Escrow Account required pursuant to Section 352-e (2-b) and 352-h as described in Section X of the Offering Plan unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the Permanent Certificate of Occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by Sponsor's engineer or architect. In such event, it will disclose such fact by duly filed amendment to the Plan.

11. At the closing of title, the Sponsor will deliver the certificates and warranties delivered to it and transferable to Purchaser. Sponsor's liability pursuant to any manufacturers' warranties covering heating, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Sponsor, transferable to the Purchaser or to the Condominium and then only as against such manufacturer. In view of the fact the Condominium will consist of a Building containing more than five (5) stories the Housing Merchant Implied Warranty Law contained in Article 36-B of the General Business Law is not applicable. Notwithstanding said fact, the Sponsor will correct any defects in the construction of the Unit or in the installation or operation of any mechanical equipment therein due to materials or improper workmanship substantially at variance with the plans and specifications, provided only that it is notified of such defects in writing by certified mail within one (1) year from the date of closing of title to the Unit in which the alleged defect exists ("Limited Warranty"). If a defect occurs in an item which is covered by this warranty, the Sponsor or Sponsor's contractors will (a) repair or (b) replace the defective item. The choice between repair or replacement is strictly the Sponsors.

Purchaser should note that:

(a) No steps taken by Sponsor or Sponsor's contractors to correct a defect shall act to extend the warranty period.

(b) Sponsor accepts no responsibility for any warranty obligation for incidental or consequential damage caused by any defect.

(c) The Limited Warranty is extended to Purchaser and is not extended to any subsequent purchaser, tenant, or mortgage lender who takes possession of a Unit.

(d) The Limited Warranty shall be void if Purchaser, tenant or occupant, misuses, abuses or otherwise interferes with or changes Sponsor's original construction or installations, or if Purchaser, tenant or occupant hires any outside contractor to do any work during the warranty period.

(e) Sponsor is not responsible for any work or material ordered directly by Purchasers from Sponsor's contractors or suppliers, or other outside suppliers and contractors.

Regarding the Common Elements of the Condominium the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the date of substantial completion of the defective portion(s) of the Common Elements. The quality of

construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements; damage to walkways or other concrete areas caused by the application of salt or deicers; normal settlement cracks on patios, sidewalks, other flat work; patios, sidewalks, basement leaks resulting from acts of God or alteration of landscaping or grading (whether performed by the Condominium or Residential Unit Owner); drainage problems as a result of poor soil or as a result of alteration of landscaping or grading (whether performed by the Condominium or Residential Unit Owner); leakage resulting from "ice dams" forming on roofs; spilling or flaking of concrete surfaces if ice melting compounds have been used; shading variations of the exterior siding staining (on the face surface or grooves), and shading variations on fascias from staining. The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

12. The Sponsor will deliver to each Purchaser at the closing of their Residential Unit all manufacturers' and sub-contractors' heating, electrical, plumbing and appliance warranties and bonds relating to the Purchaser's Residential Unit, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable. The Sponsor will also deliver to the Board of Managers upon the recording of the Declaration all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Common Elements, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.

13. The Sponsor will pay all contractors, subcontractors and materialmen and all others involved in the construction of the Condominium for work performed and fixtures, material and equipment supplied or installed in the renovation of the Condominium and will cause all mechanics' liens arising out of the renovation of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

14. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred or in connection with the sale of all of the Residential Units held or owned by the Sponsor and will pay all selling expenses including, but not limited to, advertising and printing costs, architectural fees, and costs of filing this Offering Plan and amendments thereto.

15. No bond or other security has been posted to secure Sponsor's obligations.

16. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction and sale of the Residential Units and facilities in the Condominium and, towards this end, reserves the right to grant and

reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Finally, the Sponsor reserves the right to continue to use the Common Elements and any facilities, sales offices, model Residential Units and signs in its efforts to market Residential Units in the Condominium without charge, for all purposes including exhibitions or for other promotional functions with respect to Sponsor's sales program, until such time as all the Residential Units in the Development are sold. Sponsor will be obligated to repair any damages to the Common Elements and Residential Units caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete construction of the Condominium. During the construction period some obstructions, detours, storage of materials and equipment will occur. Patience and understanding of these conditions will be required of Residential Unit Owners.

17. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six years from the date the Declaration is recorded for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: This Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy, and Exhibits submitted to the Department of Law in conjunction with this Plan. A copy of the form of the Residential Unit Owner's Purchase Agreement is submitted with this Offering Plan.

18. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the declaration are an accurate copy of portions of the plans of the buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

19. As noted in Section IXA, Sponsor will not enter into interim leases with Purchasers for Residential Units prior to closing.

XVI. CONTROL BY THE SPONSOR

The Sponsor, as the owner of unsold Residential Units, will be entitled to designate a majority of the members of the Board of Managers until all of the Residential Units have closed. The initial Board of Managers will consist of three (3) Sponsor appointees A meeting will be held to elect new Board Members unrelated to Sponsor within thirty (30)

days of the expiration of the control period. As a result the Sponsor will have voting control of the Board of Managers during this period. As a result of the fact Sponsor may retain a majority of the Board of Managers until all of the Homes have closed, Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Offering Plan. Purchasers should further note that the By-Laws do not contain any provision that provides that after Sponsor relinquishes control of the Board a majority of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals. The Sponsor will also during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Expenses to be paid by all Residential Unit Owners, including the Sponsor and the enforcement of the Sponsor's obligations through the Board of Managers.

The first Board of Managers of the Condominium will consist of Erden Arkan, Ulgar Aydin and Alev Dundar who are all affiliated and/or principals of the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the first Board as set forth below. The first Board of Managers will call for the first Annual Meeting of the Residential Unit Owners to elect and designate a new Board within one (1) year of the closing of the first Residential Unit. Said Board will consist of three (3) members, two (2) Sponsor designees and one (1) elected Residential Unit Owner. Sponsor will continue to hold annual meetings during the period it controls the Board of Managers. At such time as all of the Residential Units are closed Sponsor must relinquish control of the Board of Managers. Upon the election and designation of the new Board, the members of the first Board will resign. Members of the Board of Managers shall not be compensated for their services. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Managers. While the Sponsor is in control of the Board of Managers any contract with a Managing Agent will include a clause that said contract can be terminated upon ninety (90) days written notice of any party.

For a period ending not more than five (5) years after the closing of title to the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the Common Elements or to any Residential Unit costing cumulatively more than $10,000 the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts that are not in existence on the date of the first closing of title to a Residential Unit, subject to the provision in the above paragraph which provides that during the period the Sponsor is in control of the Board of Managers any contract with a Managing Agent will include a clause that said contract can be terminated upon ninety (90) days written notice of any party; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii)

charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize condominium funds or assess the Sponsor for the purpose of commencing a lawsuit against the Sponsor or any of its principals.

As noted above, the Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers. Notwithstanding said fact, Sponsor may not exercise veto power over expenses described in Schedule B (the proposed first year budget), or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer.

The above provisions provide that during said period, significant financial decisions of the Board of Managers will be decided by the Sponsor. Examples of such decisions are in part, the ability to borrow money, as provided in The Condominium Act (Article 9-B of the Real Property Law, §339-jj) for capital improvements the ability to enter into a contract with an attorney and pay legal fees if the Sponsor fails to comply with provisions in the offering.

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

XVII. BOARD OF MANAGERS

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

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

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board"). Until the first annual meeting, the first Board shall consist of three (3) Managers designated by the Sponsor. Thereafter the Board of Managers shall consist of a total of three (3) Managers who shall be elected or designated for staggered terms. See Section XVI of the Offering Plan as to Sponsor's right to designate a majority of the Board of Managers until all of the Residential Units have closed. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals.

Every Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit owned. All Managers other than designees or nominees of the Sponsor shall be Residential Unit Owners. At the first annual meeting one (1) Manager shall be elected for a three (3) year term, one (1) manager for a two (2) year term and one (1) Manager for a one (1) year term. At the expiration of the initial term of office of each respective Manager, the Manager's successor shall be elected to serve a term of three (3) years. Elections are to be held annually. See Section XVI of the Offering Plan for details concerning Sponsor control of the Board of Managers.

The first annual meeting of the Board of Managers of the Condominium will take place within one (1) year of the closing of the first Residential Unit in the Condominium. Thereafter, annual meetings shall be held on the anniversary date of each succeeding year, unless such date is changed by the Board of Managers.

It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Residential Owners of the Condominium are present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium.

Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. No manager other than a member of the first Board of Managers

or Sponsor's designees or nominees shall continue to serve on the Board if, during their term of office, the Manager shall cease to be a Residential Unit Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Powers and Duties of Board of Managers

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

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

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

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

4. To enter into and upon the Residential Units when necessary and with as little inconvenience to the Residential Unit Owners as possible in connection with the maintenance, care and preservation of the property;

5. To insure and keep insured the Common Elements and Residential Units;

6. To collect delinquent Common Charges and special assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Residential Unit Owners of the property for violations of the house rules or rules and regulations herein referred to;

7. To make reasonable rules and regulations;

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

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

10. To acquire Residential Units in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Residential Unit so acquired and to vote as a Residential Unit Owner, offer such Residential Unit for sale or

lease or take any other steps regarding such Residential Unit as shall be deemed proper by the Board of Managers;

11. To make additions, alterations, or improvements to the Common Elements of the Building, the cost of which addition, alteration, or improvement does not exceed $25,000.00. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of $25,000 only with approval of a majority of all the Residential Unit Owners.

12. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that for the first five (5) years after the first conveyance of a Residential Unit (i) the consent of at least sixty-six and two-thirds (66 2/3%) of the Residential Unit Owners to borrow for the operation, care, upkeep and maintenance of the Common Elements obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $25,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Residential Unit. Thereafter, the Board of Managers may borrow and incur debt on the Condominium in accordance with Section 339-jj of the Real Property Law of the State of New York.

13. Pursuant to Section 339-y(4) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Residential Unit Owners who have given their written authorization to file a single complaint and bring a special proceeding on behalf of Residential Unit Owners who wish to contest the real estate tax assessments of their Residential Units. In such event, the Board could retain counsel on behalf of such Residential Unit Owners and charge each Residential Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees the payment for which would be secured by a lien on each Residential Unit; and

14. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Residential Unit Owners without the necessity of the consent thereto, or joinder therein, by the Residential Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Residential Unit Owners who have the right to use such common elements to the exclusion of any other Residential Unit Owners, the consent of all such affected Residential Unit Owners shall be required in writing before such easement shall be granted).

Liability of Board of Managers and Residential Unit Owners

In order to limit the liability of the Residential Unit Owners, any contract, agreement or commitment made by the Board of Managers or Officers of the Condominium shall state that it is made by the Board of Managers as agent for the Residential Unit Owners as a

group only and that no member of the Board of Managers or Officers of the Condominium nor individual Residential Unit Owner shall be liable for such contract, agreement or commitment except that every Residential Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers and Officers of the Condominium shall have no liability to the Residential Unit Owners in the management of the Community except for wilful misconduct or bad faith and the Residential Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with their duties except acts of wilful misconduct or acts made in bad faith. Such several liability of the Residential Unit Owners shall, however, be limited to the extent that their proportionate interest in the Common Elements bears to the total liability of the member of the Board of Managers.

Indemnification of Board of Managers

The Residential Unit Owners of the Condominium 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 provision of the Declaration or of the 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 Residential Unit Owners). In the event a member of the Board of Managers acts in bad faith or contrary to the provisions of the Declaration or By-Laws, the individual Board Member may be personally liable.

Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one (1) or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Residential Unit Owners or Sponsor representatives. Two (2) or more offices may be held by the same person, except for the President who can only hold the office of the President.

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

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

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

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Residential Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the General Common Elements including but not limited to exterior walls of the Buildings, windows, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Residential Unit and services another Residential Unit or services two (2) or more Residential Units or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Residential Units shall be made by the Board of Managers and the cost thereof shall be a Common Charge payable by all Residential Unit Owners. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements.

All maintenance, repair and replacement to the rear yard Limited Common Element appurtenant to Residential Units 1A, 1B and 1C listed in Schedule A and the roof terraces for Residential Units 4B and the Penthouse Unit listed in Schedule A shall be the sole responsibility of the Residential Unit Owner whose Residential Unit includes the applicable Limited Common Element.

In addition, all maintenance, repair and replacements to any heating and/or cooling unit servicing a Residential Unit that is located in or on the Common Elements or Residential Units shall be maintained, repaired and/or replaced by the respective Residential Unit Owner. All repairs to the exterior of any door, building, open area or other generally visible portion of the Condominium must be in conformation with the style and colors initially installed by the Sponsor.

All maintenance, repairs and replacements to the Residential Units, whether structural or nonstructural, ordinary or extraordinary, other than to the General Common Elements contained therein, will be made by the respective Residential Unit Owners at their sole expense.

The Board of Managers shall have the right of access to any Residential Unit and any Limited Common Element for the purpose of making inspection and making any repairs or replacements to any of the Common Elements contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Residential Unit or the Common Elements, or which would violate the provisions of any mortgage covering another Residential Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Residential Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

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

If 75% or more of the Residential Units are destroyed or substantially damaged and 75% or more of the Residential Unit Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Residential 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 or the Insurance Trustee, as the case may be, among all the Residential Unit Owners in proportion to their respective common interests, after first paying out of the share of each Residential Unit Owner the amount of any unpaid liens on his Residential Unit, in the order of the priority of such liens.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Residential Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Residential Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York

Standard Mortgagee clause in favor of each mortgagee of a Residential Unit which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

Reports to Residential Unit Owners

All Residential Unit Owners will receive within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Residential Unit Owners, and a notice of the holding of the annual Residential Unit Owners meeting. All Residential Unit Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month. During such time as the Sponsor retains a majority of the Board of Managers, the Board shall provide a certified annual statement at the cost of the Condominium.

Amendments

The Declaration may be amended upon a vote of at least 66-2/3% of the Residential Unit Owners in number held at a duly called meeting of the Residential Unit Owners, provided however, that:

(i) No amendment shall change any Condominium parcel, nor a Residential Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Residential Unit, unless all of the record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same Residential Units agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees or the Sponsor.

The By-Laws may be amended at any duly called Residential Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by at least 66-2/3% of the Residential Unit Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Residential Unit Owners' interest and the interests of holders of a mortgage encumbering a Residential Unit or Residential Units.

Residential Units Acquired by the Board of Managers

All Residential Units which are acquired by the Board of Managers, or its designee as a result of foreclosure of a lien for non-payment of Common Charges, shall be held by

the Board on behalf of all Residential Unit Owners. The percentage of Common Interest acquired by the Board shall remain as originally designated in Schedule A of the Offering Plan and the Declaration of Condominium and the Board shall be responsible for paying all Common Charges appurtenant to said Residential Unit. The Board shall be entitled to cast all votes that are appurtenant to said Residential Units at any Residential Unit Owners meeting for all purposes except for the election of members to the Board of Managers.

Termination of Condominium

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

Covenant Against Partition of Common Elements

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

XVIII. RIGHTS AND OBLIGATIONS OF RESIDENTIAL UNIT OWNERS AND BOARD OF MANAGERS

Sale or Lease of Residential Units

Residential Units can be sold or leased by a Residential Unit Owner, provided that the Residential Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale).

Any Residential Unit Owner who wishes to enter into a lease for their Residential Unit shall be required to provide the Board of Managers with a copy of the proposed lease prior to its execution. Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of the Condominium, the provisions of Article XI, Section 2 of the Condominium By-Laws and the Deed to the Residential Unit. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium.

A Residential Unit Owner is free to make a gift of the Residential Unit Owner's Residential Unit to anyone during the Residential Unit Owner's lifetime or to devise the Residential Unit by will, or to have it pass by intestacy without any restriction. The restrictions regarding the sale or lease of a Residential Unit shall not pertain to the Sponsor.

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

Rental of a Unit in the Condominium is not currently subject to any local or state regulation and is not subject to a right of first refusal by the Board of Managers.

Each Residential Unit Owner, on the closing of title to his or her Residential Unit shall be required to execute a Power of Attorney in the form contained in Part II of this Plan as Schedule E, appointing the members of the Board of Managers to act in their behalf, for the purpose of selling, conveying, mortgaging, leasing, subleasing or otherwise dealing with Residential Units acquired by the Board of Managers or their designee, on behalf of all Residential Unit Owners; appointing the Board of Managers to act on the Residential Unit Owner's behalf to take any and all action necessary against any tenant(s) that may be residing in the Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and Rules and Regulations of the Condominium; and designating the Sponsor as Purchaser's attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium.

No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

Real Property Law Section 339-kk

Purchasers should note that an Amendment to the Real Property Law of the State of New York adding a new Section 339-kk was enacted in July of 1998. Pursuant to the provisions of said statute any non-occupying owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. A complete copy of Section 339-kk of the Real Property Law is contained in Part II of the Plan as Schedule N.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit Owner, however, may only be for residential purposes in accordance with

the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Residential Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Residential Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Residential Unit Owners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from a Building or to string clothes lines on or over the Common Elements or to use any of the Common Elements for storage except as may be provided in the basement. No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Residential Unit. See Schedule J, Article VIII for complete details. In addition, all Residential Unit Owners must maintain their thermostat at a minimum of 55 degrees Fahrenheit to avoid pipes from freezing. Any Residential Unit Owner failing to adhere to this provision shall be responsible for any and all damage to the Condominium or any other Residential Unit as a result thereof.

Pets

No animals or reptiles of any kind shall be raised, bred, or kept in any Residential Unit or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets may be kept in Residential Units, subject to the rules and regulations adopted by the Board of Managers including those prohibiting any animals being kept or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominium upon three (3) days written notice from the Board of Managers. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose. Residential Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to the Common Elements. No cages or "runs" shall be constructed on the Common Elements.

Mortgage of Residential Units by Residential Unit Owners

A Residential Unit Owner may mortgage the Residential Unit Owner's Residential Unit at any time after the Residential Unit Owner acquires title to the Residential Unit in whatever amount and under whatever terms the Residential Unit Owner can obtain provided the Residential Unit Owner first notifies the Board of Managers. Any Residential Unit Owner may, upon the resale of a Residential Unit, grant a purchase money mortgage to a purchaser of a Residential Unit. A Residential Unit Owner may mortgage their Residential Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Residential Unit Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, all the Residential Unit Owners will be charged for the cost of the operation of the Common Elements of the Condominium in accordance with their interest in the Common Elements. Any special assessments pertaining to the Common Elements will be charged to the Residential Unit Owners in accordance with their interest in the Common Elements as shown in Schedule A.

The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition Common Charges may have to be increased as a result of Residential Unit Owners not paying their Common Charges. Purchasers should refer to Schedule B the proposed budget for the first year of Condominium operation, of the Offering Plan as to the estimated expenses for the first year of operation of the Condominium.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by Schiffer Management, 10 Mitchell Road, Westhampton Beach, New York 11978. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

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

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Residential Units are set forth on Schedule A. See Schedule C for estimated heating and other utility costs for the Residential Units. However, additional services which the Residential Unit Owners may desire or other factors can increase these charges.

The initial Board of Managers may commence the collection of Common Charges upon the closing of title to the first Residential Unit or at any subsequent date as in its sole discretion it may determine. Prior to the collection of Common Charges, Sponsor shall be obligated to provide all the services disclosed in the first year budget at its sole expense. The Board's collection of Common Charges will be in an amount necessary to carry out the

duties of the Board of Managers as is set forth in this Offering Plan and such Common Charges shall be paid by the Residential Unit Owners and the Sponsor as Owner of the unsold Residential Units in accordance with the Common Interest set forth herein. The Common Charges will initially be placed in an account in the name of the Board of Managers in Atlantic Bank, 960 Avenue of the Americas, New York, New York.

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

The Sponsor shall be liable for the Common Charges, special assessments, real estate taxes and individual utility costs of all Residential Units to which title has not been transferred to a Purchaser commencing when Common Charges are first collected by the Board of Managers. Once title has passed to a Purchaser, the Purchaser shall be solely responsible for all costs associated with the Residential Unit including but not limited to Common Charges, any special assessments, real estate taxes and all individual utility costs.

Liens for the Non-Payment of Common Charges

Under Section 339-z of the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Residential Unit for its unpaid Common Charges and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Residential Unit except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any purchaser of a Residential Unit where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property or being a separate action to collect the unpaid Common Charges and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Residential Unit Owner for the payment of Common Charges thereafter assessed against the Residential Unit Owner's Residential Unit shall terminate upon a sale, transfer or conveyance of such Residential Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Residential Unit Owner may convey their Residential Unit to the Board of Managers or its nominee, on behalf of all other Residential Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event the Residential Unit Owner shall be

exempt from any Common Charges thereafter assessed, but not relieved of their obligation to pay the Residential Unit Owner's mortgage. However a Residential Unit Owner may not be exempt from liability for the Residential Unit Owner's Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Residential Unit Owner's Residential Unit.

Upon a resale, the purchaser of a Residential Unit shall be liable for the payment of unpaid Common Charges assessed against such Residential Unit prior to the acquisition of such Residential Unit by the purchaser, except that a first mortgagee who acquires title to a Residential Unit or a purchaser at a foreclosure sale shall not be liable and the Residential Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to such Residential Unit by the first mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien on any Residential Unit for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Residential Unit Owners as a Common Expense.

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Residential Units in which Sponsor is more than 30 days in arrears of Common Charges.

Repairs, Alterations and Improvements to the Residential Units

No Residential Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. Repairs to the General Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense. All maintenance, repair and replacement to a Limited Common Element appurtenant to a Residential Unit including the rear yard for Residential Units numbered 1A, 1B and 1C as shown on Schedule A and the roof terraces for Residential Units 4B and the Penthouse as shown in Schedule A shall be the sole responsibility of the Residential Unit Owner whose Residential Unit includes the Limited Common Element. All maintenance, repair and replacements to any heating and/or cooling unit located in or on the Common Elements shall be maintained, repaired and/or replaced by the respective Residential Unit Owner. See Section XVII of the Offering Plan for repairs, alterations and improvements to General Common Elements.

The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed addition, alteration or improvement.

No Residential Unit Owner will make any addition, alteration or improvement of a structural nature in or to any Residential Unit or any 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 providing the Board with a certificate of insurance prior to the commencement of the work, (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 Residential Unit Owners from and against any liability, cost or expense arising out of or connected to such work. In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from their alterations, additions or improvements to their Residential Unit.

Any application to any department of The City of New York or any other governmental authority for a permit to make an addition, alteration or improvement in or to any Residential Unit shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor 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. The above provisions regarding changes to a Residential Unit shall not apply to Residential Units owned by the Sponsor or its designee until such Residential Units shall have been initially conveyed to a bona fide purchaser by the Sponsor or such designee.

All maintenance (including electrical repairs and plumbing stoppages in the Residential Units, interior painting and decorating of the Residential Units), repairs and replacements to the interior of the Residential Units including repairs to the heating/air conditioning system servicing said Residential Unit whether inside or outside the Residential Unit, pipes, wires and conduits servicing a single Residential Unit and servicing the same Residential Unit other than as set forth in the Condominium By-Laws shall be made by the respective Residential Unit Owners at their own expense. All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner. All maintenance, repair and replacement to the external portion of the window area, the actual window and external portion of the doors which open from a Residential Unit will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Residential Unit are caused as a direct result of the negligence or act of a Residential Unit Owner. In such an event it shall be the Residential Unit Owners responsibility to repair or

replace the external portion of the window, the window or the external portion of the doors which open from a Residential Unit.

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

In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Residential Units, and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, any air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Residential Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Residential Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

In addition to the insurance set forth herein, the Purchaser may desire to insure his personal effects and the interior of the Residential Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Insurance Trustee if the loss shall amount to more than $40,000 to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Residential Unit Owners, as hereinafter set forth.

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

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

The amount of fire insurance to be maintained on the Condominium upon the transfer of title to the first Residential Unit and until the first meeting of the Board of Managers following the first annual meeting of the Residential Unit Owners will be in the amount of at least $3,000,000 for the entire Condominium. The Board of Managers shall review the amount of fire insurance annually.

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

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

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Residential Unit Owners will be a limit of $1,000,000 per occurrence covering all claims for bodily injury and for property damage arising out of any one (1) occurrence in the Common Elements.

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

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

The insurance the Sponsor will initially procure for the Condominium will contain officers and directors liability or fidelity bond insurance.

The Board will arrange for repair of the Residential Units in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Residential Units, the balance of the cost of such repairs will be assessed against all Residential Unit Owners. For further provisions regarding repair or reconstruction of Residential Units, after fire or casualty and condemnation provisions see Article VII and XI of the By-Laws. In the event of a casualty loss, the Residential Unit Owners will continue to pay the Common Charges on their Residential Unit.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy. See Schedule B for the estimated insurance costs of the Condominium.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Residential Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

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

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

No Residential Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. Said provisions requiring the written consent of the Board of Managers does not apply to the Sponsor.

The provisions of the By-Laws which requires members of the Board of Managers to be Residential Unit Owners will not apply to the first Board of Managers or any Sponsor designees to the Board of Managers.

Easements

Each Residential Unit Owner will have an easement in common with all other Residential Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Residential

Units and servicing the Residential Unit Owner's Residential Unit. Further, each Residential Unit Owner will have an easement for the continuance of any encroachment by their Residential Unit on any adjoining Residential Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Building or repair or alteration of the Residential Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Residential Unit stands. Each Residential Unit will be subject to such encroachments and easements in favor of all other Residential Units.

The Board of Managers, its agents and employees shall have a right of access to the Residential Units and to the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or any pipe, wire, or conduit therein or to make repairs to the Residential Unit to prevent damage to the Common Elements or any other Residential Unit.

Allocation of Common Interest

The common interest of the Condominium establishes the Residential Unit Owners percentage of ownership in the Common Elements of the Condominium and percentage of liability for the payment of Common Charges. Each Residential Unit Owner has the percentage of common interest in the Condominium set forth on Schedule A. Such allocation has been based upon equal percentages within separate classifications of units as of the date of filing the Declaration of Condominium.

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

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

XXIX. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Residential Unit will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Residential Unit in the first year in which the property will be fully subject to real estate taxes together with estimated Common Charges on each Residential Unit and other carrying costs are set forth on Schedule A.

Pursuant to an estimate from Anthony Como Associates Property Tax Consultants, 53 Fort Hill Circle, Staten Island, New York 10301-1718, after construction to a Condominium, the Residential portion will be assessed in the Class 2 classification system under the Real Property Tax Law of the State of New York.

The applicable tax rate is:

Class 2 - 12.517% per $100
Class 4 - 11.580% per $100

The estimated taxes without any tax abatement are calculated as follows:

Residential - Estimate assumes the Residential Units will be assessed under Tax Class 2.

Projected Assessment	2004/05	2005/06	2006/07	2007/08
Transitional Assessment	849,586	849,793	863,600	891,888
Actual Assessment	850,000	850,000	918,000	991,440
Taxes Based On	849,586	849,793	863,600	891,888
Class 4 Rate Per $100 - .11580 Class 2 Rate Per $100 - .12517	.12517	.12517	.12517	.12517
Taxes Payable	106,342	106,368	108,096	111,637

The Sponsor is in the process of submitting an application for a Preliminary Certificate of Eligibility for tax exemption under Section 421-a of the New York State Real Property Tax Law. Sponsor has received a Declaratory Ruling from the Department of Housing Preservation and Development ("HPD") dated March 3, 2003 which indicates that based on the information provided to HPD the Condominium will be eligible for 421-a tax exemption. A copy of said letter is included in Section XXI of the Offering Plan. Sponsor does not expect the application to be acted upon for approximately 6-8 months from the date of submission. This section of the law, which is administered by the Department of Housing Preservation and Development of the City of New York ("HPD"), provides for a fifteen (15) year partial tax exemption program applicable to multiple dwellings constructed in New York City under certain limiting conditions. A final exemption will be applied for by the Sponsor after a permanent Certificate of Occupancy is obtained for all the Residential Units. The Sponsor will use its best efforts to obtain Section 421-a tax benefits and will file all necessary papers to secure final approval. Although Sponsor anticipates obtaining Section 421-a benefits, Sponsor makes no guarantee that Section 421-a tax benefits will be granted or if granted when the abatement will commence. As a result Purchasers may be required to pay real estate taxes for a period of time without the 421-a tax benefits. Schedule A of the Offering Plan reflects the estimated real estate taxes for each Residential Unit both with and without Section 421-a benefits. If approved the 421-a tax

benefits would not be reflected on a Residential Unit Owner's tax bill for approximately 6-8 months from the date of approval.

Purchasers should note that if approved it is anticipated that the 421-a tax benefits will be retroactive and a Residential Unit Owner would then be entitled to either a reimbursement for the amount overpaid or a credit against future real estate taxes.

The Section 421-a tax exemption program provides that while the taxes on the Property may not be less than those assessed in prior years, real estate taxes on newly constructed buildings are exempted 100% for ten (10) years (plus the period of construction), 80% for the next year, 60% for the next year, 40% for the next year, and 20% for the last year of a fifteen (15) year period. At the end of the fifteen (15) year period, the Units will be subject to regular real estate taxes in accordance with the rates then if effect in the City of New York.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. Purchasers should note that HPD routinely conducts audits, the result of which can be either the reduction or revocation of benefits if proper documentation is not provided. Upon closing, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and it will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

421-a Benefit Period

Year	Tax Year	Percent of Assessed Valuation, Above Base Assessment of $35,145 Which Will Enjoy Exemption
First* through Eleventh	2003/04 - 2013/14	100%
Twelfth	2014/15	80%
Thirteenth	2015/16	60%
Fourteenth	2016/17	40%
Fifteenth	2017/18	20%
Sixteenth	2018/19	0%

* In the event the Department of Finance determines that the 2003/04 assessment is a "progress assessment" the first year of the 421-a benefit will be 2004/05. Subsequently the entire calendar of benefits will be moved forward one year.

Estimated Projected Assessment/Tax Liability Assuming 421-a Exemption Benefits

421-a Benefits

Residential Units	2004/05	2005/06	2006/07*	2007/08*
Total Actual Assessment	850,000	850,000	918,000	991,440
Total Transitional Assessment	849,586	849,793	863,600	981,999
Base Assessment (Transitional AV)	34,731	34,938	35,145	35,145
421-a Exemption	814,855	814,855	814,855	814,855
Taxable Assessment	34,731	34,938	48,745	77,033
Class 2 Tax Rate/$100	.12517	.12517	.12517	.12517
Taxes Payable	4,347	4,373	6,101	9,642

* Equalization assessment increase (8% Limitation) in years 2006/07 and 2007/08.

Schedule A reflects the estimated Real Estate Taxes assuming that 100% of the value of the improvements to the residential portion of the Condominium will be exempt from taxation under Section 421-a of the Real Property Law, as well as reflecting the estimated taxes without any 421-a exemption.

Each Unit will be given a separate block and lot designation.

The estimate of real estate taxes for each Residential Unit for the first year of Condominium operation further assumes that the amount of real estate taxes payable with respect to each Residential Unit will be calculated by dividing the total tax liability among the Residential Units in proportion to the relative value of the space as indicated by the individual Residential Unit prices in Schedule A. There is no assurance that the City of New York will allocate taxes among the Residential Units in proportion to the individual Residential Units' prices. If they do not, Owners of Residential Units with the same Offering Price will pay different amounts of real estate taxes.

Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Residential Unit is reasonable, there can be no assurance that final exemption will be granted or that this method of calculation of real estate taxes applicable to each Residential Unit will be the final method used by the New York City taxing authorities in establishing the real estate tax assessment for each Residential Unit. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Residential Units by such authorities, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

Since the New York State Condominium Act provides that real estate taxes will be separately assessed against each individual Residential Unit Owner, the result of the tax

exemption program will be to give each individual Residential Unit Owner the full benefit of the tax exemption program.

The effect of Section 421-a tax exemption program can be illustrated by the following example. Based on an overall assessed valuation of the Building upon completion of approximately $850,000 as per the opinion of Como Associates, a consultant, specializing in real estate taxes, the real estate taxes payable on the entire Building upon completion without the benefit of the tax exemption program would amount to approximately $850,000 based upon the above tax rates. Under the tax exemption program, the taxes would amount to approximately $4,008 during each of the first eleven (11) years when 100% abatement was available, approximately $4,900 during the twelfth year when 80% abatement was available and approximately $78,441 during the fifteenth year when 20% abatement was available assuming the current tax rate remains constant. Prospective Purchasers are cautioned that the foregoing example is offered solely to illustrate how the Section 421-a tax exemption program functions. The above example assumes the equalization assessment and tax rate will be constant during said period. In the event the equalization assessment and tax rate increases during said period the taxes will increase accordingly.

In the event the Residential Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Residential Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the Residential Units in the Condominium for the six (6) month period following the first closing. Thereafter, at each closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Residential Unit. In the event the actual assessment is greater than the amount adjusted, Purchaser agrees to reimburse Sponsor after the closing to the extent of the actual assessment. In the event the actual assessment is less than the amount adjusted, Sponsor agrees to reimburse the Purchaser after the closing to the extent of the actual assessment.

Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Residential Units for such six (6) month period and may collect at each closing the estimated amount of taxes attributable to such Residential Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Residential Unit Owners to the extent of the actual assessment.

Residential Unit Owners will not be responsible for or subject to any lien arising from the non-payment of real estate taxes on any other Residential Unit.

There are no tax certiorari proceedings currently pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Residential Unit Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. In no event will the Sponsor or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of the taxes differ from those projected or in the event the Condominium is not eligible for a final 421-a tax abatement or if granted when the abatement will commence. As a result Residential Unit Owners may be required to pay real estate taxes for a period of time without the Section 421-a tax benefits.

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

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP that each Residential Unit Owner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by each Residential Unit Owner covering their Residential Unit and, provided the Residential Unit is used as the Residential Unit Owners primary residence or one (1) other residence that the Residential Unit Owner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for the interest paid by the Residential Unit Owner on any mortgage covering the Residential Unit Owner's Residential Unit. See the Opinion of Counsel in Section XXI of the Offering Plan. Similarly, the Sponsor has been advised by counsel that certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Residential Units.

The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Residential Units are used for residences, are afforded the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of said Code, include property held by the Condominium, property commonly held by the members of the Condominium, or property within the Condominium held by the members of the

Condominium. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXI of the Offering Plan.

CERTILMAN BALIN
ATTORNEYS

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XXI. OPINION OF COUNSEL

RICHARD HERZBACH
PARTNER
DIRECT DIAL: 516.296.7006
rherzbach@certilmanbalin.com

December 8, 2003

Sage Development Corporation
10-34 44th Drive
Long Island City, New York 11101

Re: The Metropolitan Condominium

Gentlepeople:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a condominium Residential Unit and real estate taxes payable by a Residential Unit Owner, which are assessed against the Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Residential Unit.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64-31, C.B.1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Residential Unit, in connection with the Residential Unit Owner's Federal, New York State and City income taxes. Similarly, we are of the opinion that each Condominium Residential Unit Owner whose Residential Unit is either their principal residence or the one other residence selected pursuant to Section 163 (h) (5) (A) (i) (II) of the Code will be entitled, under Section 216 (a) (2) of the Code and Section 615 (a) of the State Law, to deduct interest paid or accrued by the Residential Unit Owner on any mortgage which becomes a lien on a Condominium Residential Unit. The Residential Unit may be so selected if the Residential Unit Owner either uses it as a residence within the meaning of Code Section 280A (d) (1) (i.e., uses it for personal

purposes for a number of days which exceed the greater of 14 days, or 10% of the number of days during the year for which the Residential Unit is rented at a fair rental), or neither rents nor uses the Residential Unit at any time during the year. In addition, certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Residential Unit.

In adding a new Section 528 to the Code, the Tax Reform act of 1976 affords certain Condominiums, substantially all of whose Residential Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty percent (60%) or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety percent (90%) or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium, actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election will exempt from Federal, New York State and New York City Income Taxation all amounts received by the Condominium from the Residential Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. In the event the Condominium fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Residential Unit Owners not expended in any taxable year, be subject to Federal, New York State and New York City Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Residential Unit Owner's assessment for such purposes would add to the Residential Unit Owner's tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that expenses are designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other that with

respect to incidental investment income, such as interest earned on reserve funds deposited in bank accounts.

We have examined the exceptions to title set forth in Section XIII of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Residential Unit as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

In addition, we note that the percentage of common interest for each Residential Unit as contained in Schedule A has been determined based upon the equal percentages within separate classifications of units as of the date of filing the Declaration of Condominium. In our opinion, this is a proper method of determining the percentage of common interest in a Condominium and complies with Section 339-i (1)(iii) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Residential Unit Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Code or the New York State tax law as amended or New York City tax law and Residential Unit Owners not to be entitled to income tax deductions.

It is our understanding that this letter will be made a part of the Offering Plan of The Metropolitan Condominium and we consent to its inclusion therein.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____

RICHARD HERZBACH, Partner

The City of New York

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
JERILYN PERINE, Commissioner

Office of Development
DIVISION OF HOUSING FINANCE
100 GOLD STREET, NEW YORK, N.Y. 10038

KIMBERLY D. HARDY, Deputy Commissioner
AILEEN C. GRIBBIN, Assistant Commissioner

March 3, 2003

Jay G. Seiden, Esq.
Seiden & Schein, P.C.
570 Lexington Avenue
New York, NY 10022
Phone: (212) 935-1400; Fax: (212) 593-4545

Re: 209-211 North 5th Street
Block 2337, Lots 32 and 33
Borough of Brooklyn
Declaratory Ruling No. 1305 (§421-a)

Dear Mr. Seiden:

I am writing in response to your request received on January 17, 2003, for a declaratory ruling pursuant to §6-05(g) of Chapter 6 of Title 28 of the Rules of the City of New York (the "Rules") regarding the eligibility of a construction project (the "Project") at the above referenced site (the "Site") for tax benefits pursuant to §421-a of the Real Property Tax Law ("§421-a"), §11-245 of the Administrative Code ("§11-245"), and the Rules.

I. Eligibility Requirements

To be eligible for §421-a tax benefits, the Project must comply with each of the eligibility requirements set forth in §421-a and the Rules. The application of these requirements to the Project is discussed in detail below. Capitalized terms not defined herein have the respective meanings given in the Rules.

A. Location Requirements

1. Geographic Exclusion Area Limitation

Sections 6-02(b)(2) and 6-02(c)(10) of the Rules provide that a project in the Geographic Exclusion Area is eligible for §421-a tax benefits only if carried out with Substantial Governmental Assistance or if Affordable Units are created in accordance with the requirements of §6-08 of the Rules.

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The Project is not located in the Geographic Exclusion Area and, therefore, is not subject to these limitations.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of §6-02(c) of the Rules bar §421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a private park (as defined in §6-02(c)(6) of the Rules). You state and we assume that the Site does not fall within either category.

B. Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for §421-a benefits, the land on which it is located must have been "vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date." "Operative Date" means, in the case of the Project, thirty-six (36) months prior to the Commencement of Construction.

Specifically, under §11-245.1(a-1)(2) of the Administrative Code, land outside of Manhattan or in Manhattan north of 110th Street is under-utilized if, on the Operative Date, it was improved with a non-residential building or buildings each of which had an Actual Assessed Valuation equal to or less than seventy-five percent (75%) of the Actual Assessed Valuation of the land on which the building or buildings were situated.

You indicate that construction is scheduled to commence in the 2002/2003 or the 2003/2004 fiscal year.[1] Accordingly, the Operative Date occurred in the 1999/2000 or the 2000/2001 fiscal year.

You have submitted a certified printout of Department of Finance records showing that lots 32 and 33 were each improved with a non-residential building designated as tax class 4, and the Actual Assessed Valuation of the land and the improvements on lots 32 and 33, respectively, in the 1999/2000 and 2000/2001 fiscal years were as follows:

Lot Number	Fiscal Year	Land Actual Assessed Valuation	Building Actual Assessed Valuation	Ratio of Building to Land Actual Assessed Valuation
32	1999/2000	$11,250	$3,600	32%
32	2000/2001	$17,100	$ 900	5.3%

[1] Fiscal year refers to the 365 day New York City year for budget and tax purposes from July 1 through June 30. For example, both September 27, 2002 and February 25, 2003 fall in fiscal year 2002/2003.

33	1999/2000	$11,250	$1,350	12%
33	2000/2001	$15,210	$ 900	5.9%

On the Operative Date, either in the 1999/2000 or the 2000/2001 fiscal year, each lot was improved with a non-residential building whose Actual Assessed Valuation was equal to or less than seventy-five percent (75%) of the Actual Assessed Valuation of the land on which the non-residential building was situated. Accordingly, the Site qualifies as under-utilized for the purposes of §11-245.

C. Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for §421-a benefits only if it is a "new multiple dwelling." Section 6-02(c)(2) states that Multiple Dwellings resulting from the conversion or rehabilitation of a building or structure are ineligible for benefits, and §6-01 of the Rules (in the definition of "Commencement of Construction") provides that:

> construction shall not commence prior to issuance by the Department of Buildings of either (i) a building or alteration permit for the construction of an entirely new multiple dwelling, the footprint of which consisted entirely of vacant and unimproved land upon such date, or (ii) an alteration permit for the construction of a new multiple dwelling above, and on an entirely separate tax lot from, one or more existing structures which are to be retained, provided that only the floor area attributable to the new multiple dwelling, and any eligible commercial, community facility or accessory use space within such new structure shall be eligible for benefits under the Act.

You state and we assume that the Project will be carried out pursuant to a new building permit and that, upon completion, it will be a new Multiple Dwelling. Furthermore, we assume that it will be constructed on land which was entirely vacant and unimproved as of the Commencement of Construction. Accordingly, the Project will meet the requirements set forth above.

2. Not Used as a Hotel or for Single Room Occupancy

Paragraphs (3) and (4) of §6-02(c) of the Rules deem any building or portion thereof which is used as a Hotel or for Single Room Occupancy ineligible for §421-a benefits. You state and we assume that no such use of the Project will occur.

3/3/03

D. Construction Requirements

1. Number of Rooms

Section 421-a(2)(c)(iv) requires that in a project containing more than one hundred (100) dwelling units, not less than fifteen percent (15%) of the dwelling units contain at least 3½ rooms and not less than an additional ten percent (10%) of the dwelling units contain at least 4½ rooms.

You state and we assume that the Project will consist of approximately ten (10) dwelling units. Accordingly, the Project is not subject to this requirement.

2. Class A Unit Replacement

Section 421-a(2)(c)(iii) requires that a project with more than twenty (20) dwelling units contain at least five (5) dwelling units for each Class A dwelling unit in existence immediately prior to the Commencement of Construction.

Because the Site contained no Class A dwelling units during the specified period, the Project is not subject to this requirement.

E. Limitation on Other Real Estate Tax Benefits

Section 421-a(2)(c)(i) provides that a Multiple Dwelling shall be eligible for tax benefits pursuant to that section only if "exemption from taxes is not availed of concurrently under any other law." Section 6-02(c)(1) of the Rules provides a limited exception for condominium units which are not taxed by reason of the exempt status of the owner.

You state and we assume that the Project will comply with this requirement.

F. Timing Requirements

1. Project Commencement and Completion

Section 421-a and the Rules set forth deadlines for the Commencement and Completion of Construction. We assume that the Project will comply with these requirements.

2. Application Timing

Sections 6-05(b) and 6-05(d) of the Rules impose specific timing requirements for filing applications for preliminary and final certificates of eligibility. We assume that the Project will comply with these requirements.

3/3/03

G. Condominium/Cooperative Requirement

Section 6-05(d)(1)(iii) of the Rules requires that if a project is to be owned as a cooperative or a condominium, the owner must provide a statement that if the prospective cooperative or condominium plan has not been declared effective for filing at a time fifteen months after the issuance of a final certificate of eligibility, such owner will register these rental units with the New York State Division of Housing and Community Renewal within fifteen days after such fifteen month period, or if the building is not occupied, an affidavit stating that the owner shall register all units as they become occupied. You state and we assume that the Project will be owned as a condominium and that it will comply with this requirement.

H. Community Board Notice Requirement

Section 6-03 of the Rules requires that a §421-a application for a project containing more than twenty (20) dwelling units be submitted to the community board in the area in which the project is located. Since the Project will only contain ten (10) dwelling units, the Project is not subject to this requirement.

I. Rent Limitations

Section 6-04 of the Rules imposes a cap on the initial monthly rent which may be charged in a project receiving §421-a benefits. You indicate that the residential units will be owned as condominiums. Therefore, the units will be owned by individuals and this rental cap requirement will not pertain to the Project, provided that the condominium plan is declared effective for filing within fifteen months after the issuance of a final certificate of eligibility.

II. Duration of Tax Benefits

Section 6-02(d) of the Rules establishes the duration of the §421-a partial tax exemption.

Section 6-02(d)(3) provides a fifteen (15) year exemption to buildings located in the boroughs of the Bronx, Brooklyn, Queens, Staten Island and in Manhattan north of 110th Street for construction which commenced on or after July 1, 1985, unless such Multiple Dwellings are eligible for the twenty-five (25) year exemption pursuant to the Rules.

Since the Project is located in Brooklyn and will not otherwise be eligible for a twenty-five (25) year exemption, the Project will be eligible for a fifteen (15) year post-construction partial tax exemption pursuant to §6-02(d)(3) of the Rules.

3/3/03

III. Reduction of Benefit for Excess Commercial, Community Facilities, and Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by §421-a will be reduced if the Project's Floor Area of Commercial, Community Facilities, and Accessory Use Space exceeds twelve percent (12%) of Aggregate Floor Area.

The Project's Floor Area of Commercial, Community Facilities, and Accessory Use Space and a resulting decrease in benefits, if any, will be determined in accordance with the Rules based on the building plans for the Project as built.

IV. Conclusion

Based on the information provided by you and the assumptions stated herein, we conclude that the Project will be eligible for a construction period partial tax exemption and a fifteen (15) year post-construction partial tax exemption, as provided by §421-a.

V. Scope of this Letter

Except as specifically stated herein, this letter is based solely upon the information provided by you and the assumptions stated herein, and we have not verified any of your statements or claims or investigated the accuracy of our assumptions. The Project must satisfy all statutory and regulatory requirements of §421-a in effect at the time of issuance of the certificate of eligibility in order to be eligible for benefits, and we cannot render a final determination regarding eligibility until all documentation required for a certificate of eligibility has been provided to us, reviewed and approved.

This letter relates only to the Project and the specific facts and circumstances thereof. It may not be used or relied upon in connection with any other application or project.

Each page of this letter is imprinted with the Tax Incentives raised seal, which is initialed and dated in blue ink.

3/3/03

In order to expedite processing, please include a copy of this letter when you apply for §421-a benefits.

Very truly yours,

Lisa S.J. Yee
Director, Tax Incentive Programs

cc: Nancy Batterman, Deputy General Counsel, Legal Affairs
Ronald Sinacori, 421-a Program
Margot Algase Sklar, Asst. to the Director, Tax Incentive Programs

421A1305-No5thStBklyn-Seiden

3/3/03

HPD
nyclink.org/hpd

XXII. RESERVE FUND

The Condominium budget includes an annual Reserve Fund to be used for future capital repairs and replacements in the amount of $3,000. In view of the fact the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacements during the first five (5) years of operation of the Condominium.

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

During the period Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the estimated Common Charges.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the contingency fund.

XXIII. WORKING CAPITAL FUND

At closing the Sponsor will collect seven hundred and fifty ($750) dollars from each Purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers of the Condominium the working capital funds will not be used to reduce the Common Charges. The working capital fund may be utilized to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in Schedule B. If any portion of the working capital funds are used during this period to pay for prepaid expenses, such amounts will be repaid to such fund out of future Common Charges collected. At such time as the Sponsor relinquishes control of the Board of Managers the working capital fund will be turned over to the Board and will equal $750 multiplied by the number of Residential Units closed at such date.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of such funds.

XXIV. MANAGEMENT SERVICES, CONTRACTS AND LEASES

The Sponsor has not entered into any management contract to provide for management of the Condominium.

The Board of Managers of the Condominium will be responsible for the management of the Condominium, and may perform this function itself or hire a managing agent to bill and collect the Common Charges, hire and fire employees, supervise alterations and repairs, maintain the Condominium's books and records, advise the Board of Managers of its proposed annual budget, provide each Residential Unit Owner annually with a Financial Statement prepared by an independent public accountant, purchase supplies for the Condominium and generally perform the duties of a managing agent for residential property. During the period Sponsor maintains a majority of the Board of Managers, the financial statement will be certified. In performing its duties, the Board of Managers or a managing agent employed by it, may engage contractors for the purpose of carrying out the maintenance and repair of the Condominium. **No representation is made as to the costs, terms or availability of a managing agent in the event the Board decides to hire one in the future.** Notwithstanding said fact, a Condominium of this size may ultimately determine there is a need to hire a managing agent. The current cost of a managing agent to manage a Condominium of this size may vary from approximately $300 per annum per Home to approximately $500 per annum per Home. Prospective Purchasers should see the footnotes to Schedule B regarding other contractual arrangements the Condominium may be subject to.

XXV. IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor is Sage Development Corp. a New York Corporation an address at 10-34 44th Drive, Long Island City, New York 11101. The company was formed on October 18, 2002. The Sponsor will act as its own Selling Agent.

The principals of the Sponsor are: Erden Arkan, Selim Akyuz, Alev Dundar, Patricia Sasso, Osman Ozcan, and Ulgar Aydin, each with the same business address as the Sponsor.

Each of the principals are affiliated with KiSKA Construction Corporation - USA with the same address as the Sponsor herein, 10-34 44th Drive, Long Island City, New York 11101.

KiSKA Construction Corporation-USA is a general contracting and construction management services company. Since its establishment in 1987, KiSKA-USA, with a rear billion dollar volume, has developed a strong presence in the construction of shafts and tunnels for water and transportation systems, as well as the rehabilitation and reconstruction of bridges, highway viaducts, and industrial facilities. Its diverse areas of experience and expertise range from infrastructure to high-rise construction. KiSKA-USA's greatest strength is its ability to minimize costs through cost-effective engineering and efficient management.

Each of the principals were also principals of the Sponsor entity of the following Condominium Communities:

353 Central Park West Condominium - A hi-rise building, located at 353 Central Park West, a 24 story building containing 14 Condominium Units. The Offering Plan for the Condominium was accepted for filing by the New York State Department of Law on September 27, 1991 as file no. CD91-0070. The Condominium was sold out in 1996.

Wild Flower Estates Condominiums I and II - A waterfront, townhouse community, located at 168 Powels Cove Boulevard, Whitestone, New York 11357, containing thirty (30) townhouses in Condominium I and twenty-seven (27) townhouses in Condominium II. As of August 1, 2003 the Sponsor still owned two (2) units in Condominium II, and is current in its obligations to the Condominium. The Offering Plan for Condominium I was accepted for filing by the New York State Department of Law on July 1, 1998 as file no. CD98-0026 and Condominium II was accepted for filing by the New York State Department of Law on June 28, 2001 as file no. CD01-0079.

The Offering Plans for these prior offerings are available for inspection at the Office of the Attorney General.

The Sponsor entity has not had any prior public offering.

Neither the principals nor the Sponsor entity currently own ten (10%) percent or more of the Unsold Units in the above Condominiums, or any other condominium, cooperative or home owners association.

Attorneys

Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554, counsel of the Sponsor, have been selected by the Sponsor to represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The Condominium can, at any time, choose to select different attorneys to represent it.

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein and the preparation of this Offering Plan have been passed upon for the Sponsor by Certilman Balin Adler & Hyman, LLP. The individual partner in said firm responsible for said work is Richard Herzbach, Esq.

Certilman Balin Adler & Hyman, LLP will also represent the Sponsor in connection with the individual Residential Unit closings and will act as the Escrow Agent as described in Section X of the Offering Plan.

Said firm does not have any financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium.

Insurance

The estimated insurance rates have been passed upon by National Insurance Brokerage of New York, Inc., 125 Wireless Boulevard, Hauppauge, New York 11788.

Architect

The architect who prepared the Description of Property Report and executed the Certification in Part II of the Offering Plan is Gene Kaufman Architect, P.C., 371 Broadway, New York, New York 10013. The firm has no financial interest in the property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium. Said company has had prior experience in the preparation of plans and specifications for other condominiums and Residential Unit Owner Associations in the Metropolitan area.

XXVI. REPORTS TO RESIDENTIAL UNIT OWNERS

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

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided no later than four (4) months after the close of the fiscal year;

(ii) prior notice of the annual Residential Unit Owners' meeting; and

(iii) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

XXVII. DOCUMENTS ON FILE

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

XXVIII. GENERAL

Pending Litigation

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

Prior Offerings

This property has not been the subject of any prior public offerings.

Non-Discrimination

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

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty (30) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

XXIX. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs except as set forth in the Description of Property Report set forth in Part II of the Plan.

SAGE CONSTRUCTION CORPORATION
Sponsor

Date of Offering Plan: December 8, 2003
East Meadow, New York

OFFERING STATEMENT

THE METROPOLITAN CONDOMINIUM

209-211 North 5th Street
Brooklyn, New York 11215

PART II

PURCHASE AGREEMENT

Residential Unit No. ____ **Date** _____

Anticipated Closing Date: _____

Seller: **SAGE CONSTRUCTION CORPORATION**

Address: 10-34 44th Drive, Long Island City, New York 11101

Purchaser: _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number: _____

Social Security Number: _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Phone/Fax Number: _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE** - The purchase price is payable as follows: $_____

Amount received as a non-binding reservation deposit (where applicable); $_____

On the signing of this Purchase Agreement, ___% of the Purchase Price, the receipt whereof is hereby acknowledged; $_____

Certified or bank cashier's check (drawn on a New York Bank payable directly to the order of Seller or Seller's designee on the closing of Title; $_____

TOTAL **$**_____

Any payment made by check is accepted by Seller subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to Seller within seventy-two (72) hours after demand for replacement therefor.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the downpayment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLER'S CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

Title to all items of personal property shall be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by Purchasers herein, if any.

All sums paid on account of this Purchase Agreement are hereby made liens upon said premises, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

2) **DESCRIPTION OF RESIDENTIAL UNIT** - Seller shall sell to Purchaser and Purchaser shall buy from Seller a condominium Residential Unit known as Residential Unit No. _____ (the "Residential Unit"), together with a ____ percent undivided interest in the Common Elements of the Condominium known as The Metropolitan Condominium (the "Condominium") as described in the Declaration of Condominium to be recorded in the Kings County Register's Office, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the Kings County Register's Office. The Residential Unit that is to be built may vary from any display model type and Purchaser should not rely on the display Model Type Residential Unit. All dimensions are approximate and may vary from the Floor Plans. The Residential Unit shall also include the following:

_____

_____

The Residential Unit shall not include any of the following if they are displayed in any Model Residential Unit: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, ceramic floors, mirrors, shelves, wall and window treatments, built-ins, burglar alarm systems, electric fixtures, site lighting, intercom systems, special landscaping installed at any Model Residential Units, central vacuum systems, patios, decks, high hat lighting, additional fixtures and switches added for decorative purposes, pull down staircases and skylights and other optional fixtures or features exhibited in any Model Residential Units and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or above. The above features contained in any Model Residential Units and/or sales office are for display purposes only and are not included in this sale.

All improvements containing natural materials are subject to fade. Seller shall not be responsible to change, replace or remove any improvements in the event they fade.

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser and Purchaser acknowledges having received, read and understood the Offering Plan for condominium ownership of the Property and all filed amendments thereto, all of which are incorporated by reference and made a part of this Purchase Agreement with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan and all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. However, in the event any amendment materially and adversely affects Purchaser, Purchaser shall be given the right to rescind this Purchase Agreement. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

4) **CHANGES -** In building the Residential Unit and performing any other work to the Residential Unit or on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color, design and location of the Building, landscaping and grading to fit into the general pattern of the Community;(c) determine the location and type of Residential Unit to be constructed in the Building; (d) fix the location and setbacks of the Building; (e) determine the ultimate Residential Unit type mix to be constructed in the development; (f) determine whether existing trees, shrubs and other plant life are to be moved or removed, (g) add or remove retaining walls where required by grade conditions; (h) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors; and (i) make any other changes required by the City of New York.

Seller shall notify Purchaser of any major changes, specifications, deviations, additions or deletions which are beyond the scope of those set forth above ("Extraordinary

Changes"). If Seller notifies Purchaser in writing of any Extraordinary Changes, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval thereof within 10 days from date of the notice by Seller. Upon receipt of Purchaser's disapproval, Seller may, within thirty (30) days thereafter, give Purchaser written notice withdrawing its proposed Extraordinary Changes, in which case Seller shall thereafter continue with its development activities without the Extraordinary Changes. If Seller fails to give Purchaser notice of withdrawal within such thirty (30) day period, Purchaser may declare this Purchase Agreement null and void by so notifying Seller in writing delivered to Seller no later than forty-five (45) days after having delivered Seller the original notice of disapproval, whereupon Seller shall promptly return to Purchaser all monies paid by Purchaser to Seller, except Funds used towards upgrades, options or extras, on account of the purchase price and thereafter neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

5) **GOVERNMENTAL REQUIREMENTS** - If after the date of this Purchase Agreement, any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Residential Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Residential Unit and shall be payable by Purchaser to Seller at Closing (defined below), provided, however, that if the amount of such additional cost exceeds $1,000 then Purchaser may cancel this Purchase Agreement and receive a full refund of all payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. However, such right to cancel this Purchase Agreement shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within ten (10) days after Seller informs Purchaser of the amount of the additional expense.

6) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER** - The act of transferring ownership of the Residential Unit in return for payment in full of the purchase price and all other sums due from Purchaser under this Purchase Agreement is known as "Closing", and shall take place at such time and place and on such date as Seller shall designate to Purchaser by prior written notice ("Notice for Closing"), which shall be given to Purchaser no less than thirty (30) days before the date set for Closing. Purchaser may waive the applicable notice period by execution of a waiver in the form set forth as Exhibit D-3 to the Purchase Agreement.

Seller shall have the right, from time to time, to adjourn or advance such date and time for Closing on written notice to Purchaser. If the Closing is adjourned by Seller, then Seller shall, by a new Notice for Closing, fix a new date and time for Closing and shall give Purchaser not less than ten (10) days prior written notice of the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $250.00. The Closing may not take place in any other location without Seller's prior written consent. In the event the Closing is adjourned with Seller's consent at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of $150.00.

If Purchaser uses a title or abstract company other than Fidelity National Title ("Fidelity National Title"), 1415 Kellum Place, Garden City, New York 11530 (516) 394-5110, Attention: Suzanne Breinlinger, a title company authorized to do business in the State of New York; Purchaser shall pay to Seller's attorney a legal fee of $350.00 for review of the report and clearance of any title exceptions.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within nine (9) months after the anticipated closing date (except for delays due to labor trouble, act of God, war, lockout, military operation, national emergency, public utilities, installation, approvals of applicable municipal authorities, governmental restriction preventing Seller from obtaining necessary supplies and/or materials, or any other circumstances beyond Seller's control in which event the period shall be extended to 12 months), either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than 10 days after expiration of such nine (9) or twelve (12) month period (whichever is applicable) whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section X of the Plan, all payments, other than Funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the purchase price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than thirty (30) days after the nine (9) or twelve (12) month period, whichever is applicable. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

7) **TRUST FUNDS** - All deposits, down payments or advances towards the purchase price made by Purchaser prior to closing shall initially be held in a segregated escrow account held by Certilman Balin Adler & Hyman, LLC, 90 Merrick Road, East Meadow, New York 11554 pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Schedule L of the Offering Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section X of the Offering Plan. Said funds shall be held in an Interest-on-Lawyers Account pursuant to Judiciary Law Section 497 in an account entitled

"Certilman Balin Adler & Hyman, LLP/The Metropolitan Condominium Special IOLA Escrow Account" at North Fork Bank, 275 Broad Hollow Road, Melville, New York 11747. Pursuant to Judiciary Law, Section 497, all interest earned in the IOLA account will be paid to the State of New York. All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler & Hyman, LLP, as Escrow Agent. The deposit by the Escrow Agent of the Purchaser's down payment into the escrow account shall not be deemed acceptance of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. **In addition, although all funds received by Seller for upgrades, options or extras to the Residential Unit will initially be placed in the Escrow Account, such funds may be released from the Escrow Account as long as the Sponsor uses the funds for such upgrade or extra.** At Closing, the down payment shall be paid to Seller upon consummation of the closing, and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at closing. In addition, Purchaser shall execute the release form annexed to and made a part of the Purchase Agreement as Schedule D-2 and the Tender of Escrow form annexed to and made a part of the Purchase Agreement as Schedule D-5.

8) **MORTGAGE LOAN/UNIT** -The Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. If a Purchaser does not consummate the transaction and does not close title to the Residential Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 24.

9) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (g) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording so as to convey to Purchaser fee simple title to the Residential Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Seller shall give and Purchaser shall accept such title and deed description of the Residential Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Fidelity National Title is willing to approve and insure without additional premium. At Purchaser's sole discretion, Purchaser may obtain title insurance from any other title insurance company or Purchaser may decline to obtain any title insurance at all. **HOWEVER, SELLER SHALL NOT BE OBLIGATED TO CAUSE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIDELITY NATIONAL TITLE) TO OMIT ANY EXCEPTION TO TITLE IF FIDELITY NATIONAL TITLE IS WILLING TO INSURE PURCHASER'S TITLE WITHOUT SUCH EXCEPTION OR AGAINST ENFORCEMENT OF SUCH EXCEPTION**. Purchaser shall also pay to Seller's attorney a legal fee of $350.00 for review of the report and clearance of any title exceptions from any company other than Fidelity National Title Purchaser shall be responsible to pay the title company the entire

premium for Purchaser's title insurance, and shall also pay the applicable New York State transfer tax. The sale and transfer of ownership of the Residential Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Residential Unit to be constructed.

(b) Any state of facts which an accurate survey of the Residential Unit as it appears on the date of Closing may show, provided title is not rendered unmarketable.

(c) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Residential Unit for one-family residence purposes.

(d) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Residential Unit as a one family residence.

(e) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Residential Unit.

(f) The filed Condominium Map and all matters reflected thereon.

(g) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

10) **CONSTRUCTION LOAN MORTGAGE** - This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Residential Unit shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Residential Unit. In such case, the Residential Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit

available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

11) **CONDITION OF RESIDENTIAL UNIT ON CLOSING DATE** - The Seller agrees, at its own cost and expense to erect and complete the aforementioned Residential Unit in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York and with the requirements of the lending institution which shall make the mortgage loan herein set forth and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department. Purchaser agrees to close title even though there may be things remaining to be completed in the Residential Unit. The issuance of a temporary or permanent Certificate of Occupancy shall mean that the Residential Unit is substantially complete, in which event the Purchaser agrees to accept a letter agreement from the Seller wherein the Seller shall agree to complete all unfinished items within ninety (90) days from the date of the closing of title, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall permit Seller, its agents, servants and/or employees to enter upon the Premises and shall provide reasonable access thereto subsequent to closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive the delivery of the deed.

12) **ENCUMBRANCES EXISTING AT CLOSING** - If there is anything affecting the sale which Seller is obligated to pay and discharge, Seller may use any portion of the balance of the purchase price to discharge it at Closing. As an alternative Seller may deposit money with or do whatever other acts may be required by Fidelity National Title or Purchaser's title insurance company so that Fidelity National Title or Purchaser's title insurance company is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Residential Unit.

13) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Residential Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of all payments made by Purchaser to Seller towards the purchase price of the Residential Unit. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Residential Unit in accordance with this Purchase Agreement.

14) **PURCHASER MAY NOT ERECT SIGNS ON HOME** - Purchaser shall not place any sign anywhere on the Residential Unit or Property at any time within three (3) years after Closing without Seller's prior written consent. This paragraph shall survive delivery of the deed.

15) **PURCHASER MAY NOT TAKE POSSESSION OF THE RESIDENTIAL UNIT PRIOR TO CLOSING-** Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Residential Unit nor have any work performed or materials supplied or installed at the Residential Unit prior to Closing without the prior written consent of Seller. This prohibition is regarded by Seller as extremely important and violation by Purchaser shall constitute a major default by Purchaser under this Purchase Agreement.

16) **SELLER'S OBLIGATIONS END AT CLOSING** - The delivery of the deed for the Residential Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

17) **NO BROKER CONSULTED BY PURCHASER** - Purchaser warrants that Purchaser did not employ or consult with any broker or agent other than those employed by Seller in connection with this transaction. This paragraph shall survive delivery of the deed.

18) **REQUIRED PAPERS AND ACTS** - Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Residential Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Residential Unit. This Paragraph 18 shall survive delivery of the deed.

19) **ASSIGNMENT OR RECORDING PROHIBITED** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. Nor shall this Purchase Agreement or any memorandum thereof be recorded in any county clerk's office by Purchaser or anyone on Purchaser's behalf.

20) **ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING** - At Closing, Purchaser shall pay, or reimburse to Seller if Seller has already made payment, in addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, all charges for:

(a) inspections;

(b) appraisals;
(c) title examination and policy insuring the Lender's interest;
(d) Lender's attorneys' fees for preparation of all loan documents;
(e) all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(f) mortgage recording taxes;
(g) governmental charges which may be assessed on account of the mortgage loan;
(h) mortgage insurance, if required;
(i) New York State real estate transfer tax on the deed;
(j) New York City real estate transfer tax on the deed;
(k) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith;
(l) $750 for water and sewer tap and connection fees;
(m) water meter deposit, water vault, water meter reading equipment and water and sewer test fees, if applicable;
(n) advance sewer use payments, if any;
(o) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
(p) an initial non-reimbursable capital contribution of $750 to the Condominium;
(q) recordation or filing of the Power of Attorney to be executed by Purchaser at Closing;
(r) 3/10 of 1% of the sales price for reimbursement to Sponsor for the cost of obtaining Section 421-a tax abatement; and
(s) $1,000 to Seller's attorney for the preparation of the closing documents.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing the apportioned amount due for taxes, condominium common charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium common charges, sewer use and insurance premiums (if applicable). If through no fault of Seller, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Seller's Notice for Closing or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned closing date (as the case may be).

Purchaser shall pay to Seller at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Residential Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph 20 which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication.

21) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Residential Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right in the event of Seller's failure to perform such extra work or supply and install such extra items is to receive a refund or credit at the time of Closing equal to the total payments made to Seller for such extra work or extra items. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

22) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

23) **ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS** - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a condominium Residential Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Offering Plan or any amendment thereto and this Purchase Agreement, including but not limited to any relating to the description, size or dimensions of the Residential Unit or rooms therein, or the estimated common charges, maintenance charges or other expenses relative thereto.

24) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the purchase price plus all additional sums paid and/or payable by Purchaser for all extra work and extra items ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section X of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Residential Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

25) **MORE THAN ONE PURCHASER - LIABILITY; AUTHORITY TO SIGN** - If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Residential Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

26) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the down payment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

(a) any governmental, authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or

use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Residential Unit; or

(b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

27) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth in Schedule E to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of Residential Units under certain circumstances and to foreclose upon Residential Units for which the payment of common charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan.

28) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** A Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or common element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This paragraph shall survive delivery of the deed.

29) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided. Such notice, statement, certificate, request or demand shall be deemed to have been given

(i) when received by the person to whom it was sent, if sent by regular mail,

(ii) when delivered to an overnight courier service, if sent by overnight courier,

(iii) upon personal delivery actually being made, and

(iv) within three (3) days after delivery to the United States Post Office with proper postage prepaid, if sent by registered or certified mail return receipt requested.

30) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful.

31) **RISK OF LOSS** - The risk of loss or damage to the Residential Unit by fire or any other cause until delivery of the deed is assumed by Seller. However, if Purchaser is or becomes the occupant or tenant of the Residential Unit prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

32) **LIEN OF DEPOSIT; RISK OF LOSS** -All sums paid on account of this Purchase Agreement and the reasonable expense of the examination of the title to the Residential Unit are hereby made liens hereon, but such liens shall not continue after default by the Purchasers under this Purchase Agreement. The risk of loss or damage to the Residential Unit by fire or any other cause until the delivery of the deed or possession by the Purchaser is assumed by the Seller. In the event a substantial portion of the Residential Unit or Community shall be destroyed or damaged prior to closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the full amount paid by Purchaser, with interest, if any. The parties shall thereafter be released from any further liability hereunder.

33) **LIENS SATISFIED AT CLOSING** -The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided the Seller shall deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not

provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

34) **EXECUTION OF REQUIRED DOCUMENTS** - Purchaser agrees to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish the Condominium and conform to the provisions of all applicable laws and regulations. This Paragraph shall survive delivery of the deed.

35) **INSPECTION DURING CONSTRUCTION - Unless specifically agreed to by Seller, Purchaser shall not visit the construction site except the Sales Office. Any unauthorized visits to the construction site by Purchaser are subject to a charge by Seller of $500.00 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser acknowledges that unsupervised visits to the construction site present a dangerous circumstance and could incur liability to Seller. Purchaser hereby releases and agrees to indemnify, defend and hold Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Premises or Seller' other property during the term of this Purchase Agreement. Purchaser further agrees to execute the Express Assumption of Risk Form attached to and made a part of this Purchase Agreement as Schedule D-4.

36) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct this or other residence(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of Purchaser's residence or any other residence, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialmar, subcontractors or workers onto the site for work on Purchaser's residence prior to Closing title to the residence, unless otherwise agreed to in writing by Seller.

37) **RESIDENTIAL UNIT PART OF DEVELOPMENT** Purchaser acknowledges and agrees that other residential units and infrastructure are presently being constructed at the project and that Seller anticipates that such construction shall continue until the project is completed in accordance with the Seller's development plan. Purchaser further agrees that such construction shall not be deemed a nuisance nor an interference with Purchase's quite enjoyment of Purchaser's Residential Unit.

38) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of the Buildings or the above described Residential Units or the Property, the size or the dimensions of the Residential Unit or the rooms therein contained or any physical characteristics thereof, the Building services, the estimated common charges or any other matter or estimate not set forth herein and in the Plan. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to

and stated herein and in the Plan. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Residential Unit so long as the layout and specifications as they may be changed or amended are in accordance with the provisions of the Plan. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Residential Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

39) **LIMITED WARRANTY. AT THE CLOSING OF TITLE, THE SELLER WILL DELIVER THE CERTIFICATES AND WARRANTIES DELIVERED TO IT AND TRANSFERABLE TO PURCHASER AND IT IS FURTHER AGREED THAT TITLE WILL NOT CLOSE WITHOUT PURCHASER'S CONSENT UNTIL A TEMPORARY CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED COVERING THE BUILDING IN WHICH THE UNIT IS LOCATED. IN THE EVENT A TEMPORARY CERTIFICATE OF OCCUPANCY IS ISSUED, SELLER SHALL KEEP THE TEMPORARY CERTIFICATE OF OCCUPANCY IN FULL FORCE AND EFFECT UNTIL A PERMANENT CERTIFICATE OF OCCUPANCY IS ISSUED, WHICH PERMANENT CERTIFICATE OF OCCUPANCY SELLER AGREES TO OBTAIN WITHIN TWO (2) YEARS OF THE CLOSING. SELLER'S LIABILITY PURSUANT TO ANY MANUFACTURERS' WARRANTIES COVERING HEATING, APPLIANCES, ELECTRICITY AND PLUMBING ARE LIMITED SOLELY TO THE EXTENT THAT SUCH WARRANTIES ARE DELIVERED TO SELLER, TRANSFERABLE TO THE PURCHASER OR TO THE CONDOMINIUM AND THEN ONLY AS AGAINST SUCH MANUFACTURER. IN ADDITION, HOWEVER, SELLER WILL CORRECT ANY DEFECTS IN THE CONSTRUCTION OF THE UNIT OR IN THE INSTALLATION OR OPERATION OF ANY MECHANICAL EQUIPMENT THEREIN DUE TO MATERIALS OR IMPROPER WORKMANSHIP SUBSTANTIALLY AT VARIANCE WITH THE PLANS AND SPECIFICATIONS, PROVIDED ONLY THAT IT IS NOTIFIED OF SUCH DEFECTS IN WRITING BY CERTIFIED MAIL WITHIN ONE (1) YEAR FROM THE DATE OF CLOSING OF TITLE TO THE UNIT IN WHICH THE ALLEGED DEFECT EXISTS. IF A DEFECT OCCURS IN AN ITEM WHICH IS COVERED BY THIS WARRANTY, THE SELLER OR SELLER'S CONTRACTORS WILL (A) REPAIR OR (B) REPLACE THE DEFECTIVE ITEM. THE CHOICE BETWEEN REPAIR OR REPLACEMENT IS THE SELLER'S.**

PURCHASER SHOULD NOTE THAT:

A. NO STEPS TAKEN BY SELLER OR SELLER'S CONTRACTORS TO CORRECT A DEFECT SHALL ACT TO EXTEND THE WARRANTY PERIOD.

B. SELLER ACCEPTS NO RESPONSIBILITY FOR ANY WARRANTY OBLIGATION FOR INCIDENTAL OR CONSEQUENTIAL DAMAGE CAUSED BY ANY DEFECT.

C. THESE WARRANTIES GIVE YOU AS PURCHASER SPECIFIED LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS UNDER STATE LAW.

D. THESE WARRANTIES ARE EXTENDED TO YOU AS PURCHASER AND ARE NOT EXTENDED TO ANY SUBSEQUENT PURCHASER, TENANT, OR MORTGAGE LENDER WHO TAKES POSSESSION OF THE UNIT.

E. THESE WARRANTIES SHALL BE VOID IF PURCHASER, TENANT OR OCCUPANT, MISUSES, ABUSES OR OTHERWISE INTERFERES WITH OR CHANGES SELLER'S ORIGINAL CONSTRUCTION OR INSTALLATIONS, OR IF PURCHASER, TENANT OR OCCUPANT HIRES ANY OUTSIDE CONTRACTOR TO DO ANY WORK DURING THE WARRANTY PERIOD.

F. SELLER IS NOT RESPONSIBLE FOR ANY WORK OR MATERIAL ORDERED DIRECTLY BY PURCHASERS FROM SELLER'S CONTRACTORS OR SUPPLIERS, OR OTHER OUTSIDE SUPPLIERS AND CONTRACTORS.

G. IN NO EVENT SHALL THE SELLER BE RESPONSIBLE FOR THE PARTIAL OR TOTAL DEATH OF ANY TREES, SHRUBS, BUSHES OR OTHER LANDSCAPE IMPROVEMENTS; DAMAGE TO WALKWAYS OR OTHER CONCRETE AREAS CAUSED BY THE APPLICATION OF SALT OR DEICERS; NAIL POPS; RAISED BUTT JOINTS; RIDGING; NORMAL LUMBER SHRINKAGE; NORMAL SETTLEMENT OR ANY CONSEQUENTIAL DAMAGE RESULTING THEREFROM; NORMAL PLUMBING AND HEATING NOISES OR CARPET STRETCHING; NORMAL SETTLEMENT CRACKS ON CONCRETE FOUNDATIONS, PATIOS, TERRACES, SIDEWALKS AND OTHER FLAT WORK; BASEMENT LEAKS RESULTING FROM ACTS OF GOD OR ALTERATION OF LANDSCAPING OR GRADING; LEAKAGE RESULTING FROM "ICE DAMS" FORMING ON ROOFS; SPALLING OR FLAKING OF CONCRETE SURFACES IF ICE MELTING COMPOUNDS HAVE BEEN USED; SCUFFING ON KITCHEN CABINET OR VANITY SURFACES; VARIATIONS OF WOOD GRAIN OR STAINING OF KITCHEN CABINETS OR VANITIES; MINOR CHIPS (NICKS TO FORMICA TOPS, CULTURED MARBLE FLOORS, TOPS, TUBS AND SHOWERS, EDGES AND SURFACES; SHADING VARIATIONS OF THE EXTERIOR SIDING STAINING (ON THE FACE SURFACE OR GROOVES); SHADING VARIATIONS ON FASCIAS FROM STAINING; DOORS AND WINDOWS STICKING BECAUSE OF WEATHER; DOOR WARPAGE LESS THAN ½ INCH; ADJUSTMENT OF BI-FOLD DOORS; BATH TITLE GROUTING; SLIGHT SEPARATION IN JOINTS OF FLOORING; SLIGHT SEPARATION BETWEEN BASE AND FLOOR IN ALL ROOMS (INCLUDING BATHROOMS); REPAIR OF CHIPS, SCRATCHES, MARKS, BREAKS, OR OTHER

BLEMISHES IN WINDOWS, SLIDING DOORS, SCREENS, ELECTRIC FIXTURES AND GLOBES, PAINTED SURFACES, SINKS, TUBS, BASINS, KITCHEN CABINETS AND COUNTER TOPS, VANITY TOPS AND CABINETS, MEDICINE CABINETS, CERAMIC TILE, SADDLES, RESILIENT FLOORING, APPLIANCES, WOODWORK AND DOORS. SUBSEQUENT TO THE CONVEYANCE OF TITLE TO A UNIT, THE SELLER SHALL NOT BE RESPONSIBLE FOR PAINT TOUCH-UPS, REPAIR OF DENTED APPLIANCES, PORCELAIN OR FORMICA CHIPS AND SCRATCHES IN TUBS, VANITIES OR COUNTERTOPS, BROKEN WINDOWS OR SCREENS WHICH WINDOWS OR SCREENS BREAK SUBSEQUENT TO CLOSING.

H. THESE WARRANTIES ARE SPECIFICALLY IN LIEU OF ANY OTHER GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR WORKMANLIKE CONSTRUCTION.

THE PROVISIONS OF THIS PARAGRAPH 39 SHALL SURVIVE THE CLOSING OF TITLE AND DELIVERY OF THE DEED.

40) **ATTORNEYS** - The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

PURCHASERS:

SAGE CONSTRUCTION CORPORATION

_____

Signature

By: _____

_____

Signature

YOU, AS THE PURCHASER OF THE RESIDENTIAL UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR PURCHASE AGREEMENT OR INDEMNIFY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Certilman Balin Adler & Hyman, LLP
90 Merrick Avenue
East Meadow, New York 11554
Attn: Richard Herzbach, Esq.

Re: **The Metropolitan Condominium**
Purchaser:
Residential Unit #:

Dear Sirs:

You have been holding in a trust account my/our downpayment for the above-referenced Residential Unit in the amount of $_____. I/we acknowledge that a closing has taken place this date. Accordingly, Certilman Balin Adler & Hyman, LLP, is authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, Certilman Balin Adler & Hyman, LLP, as Escrow Agent on said account, is hereby released from any and all liability or further obligation to us with respect to said downpayment.

Very truly yours,

_____
Purchaser

_____
Sponsor's representative

WAIVER OF NOTICE OF CLOSING

, being duly sworn, does hereby depose and state:

1. I am the Purchaser of Residential Unit # at The Metropolitan Condominium.

2. Pursuant to a Purchase Agreement dated , 20 , I am entitled to thirty (30) days' written notice of the closing for my Residential Unit.

3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on , 20 .

_____
Purchaser

Sworn to before me this day of 20 .

_____
Notary Public

SCHEDULE D-2

EXPRESS ASSUMPTION OF RISK

I/We _____ understand that by entering onto a construction site, there are extraordinary risks of grave bodily injury and/or death. In consideration for being allowed to enter upon the premises herein, I expressly assume all risks associated with the construction site, including but not limited to:

1. Falling debris;
2. Falls associated with excavations, uncleared ice and/or snow incomplete sidewalks and roads and downed trees and/or bushes;
3. Injuries associated with incomplete construction;
4. Injuries associated with operating machinery;
5. Injuries associated with incomplete or no railings; and
6. Injuries associated with incomplete and/or insufficient lighting.

I/We _____ further agree to fully indemnify and hold harmless Sage Construction Corporation, its members, officers, directors, principals, shareholders, successors and assigns for any and all damage to any personal property.

_____

_____

SCHEDULE D-3

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of $_____, for Unit _____ at _____ _____located at_____, New York.

Purchaser(s) named below has/have tendered on _____, 20 ___, the above escrow deposit to Sponsor/Selling Agent as a deposit for the above Unit.

Purchaser(s) _____
_____

Address of Purchaser(s) _____
_____
_____

Phone number of Purchaser(s):

Home: _____
Business: _____

Social Security Number(s) or
Tax Identification Number(s)
of Purchaser(s) _____
_____

RECEIPT

The SPONSOR/SELLING AGENT of the above named property hereby acknowledges receipt of the above escrow deposit.

By: _____
_____
Title of Position

Date of Receipt: _____

SCHEDULE D-4

POWER OF ATTORNEY

I (We) residing at _____ the owner of Condominium Unit No. _____ in the Condominium known as The Metropolitan Condominium covering the property located in Williamsburgh, Borough of Brooklyn, Kings County, New York City, New York, do hereby nominate, constitute and appoint the members of the Board of Managers of The Metropolitan Condominium and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Residential Units in said property, any Condominium Residential Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Residential Unit so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do further hereby nominate, designate, constitute and appoint the members of the Board of Managers of The Metropolitan Condominium and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf, the right to act in my behalf to take any and all action necessary against any tenant(s) that may be residing in my Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and Rules and Regulations of The Metropolitan Condominium.

I (We) do hereby further irrevocably nominate, constitute and appoint Sage Construction Corporation and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Residential Unit Owners meeting for, and to file an amendment to the Declaration of Condominium of The Metropolitan Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units, as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium of The Metropolitan Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this day of , 20 .

_____

_____

SCHEDULE E

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

On this day of , 20 , before me personally came the person described in and who executed the within Power of Attorney and acknowledged to me that he executed the same.

_____

Notary Public

DEED

THIS INDENTURE made the day of , 20 between Sage Construction Corporation, a New York Corporation, having a place of business at 10-34 44th Drive, Long Island City, New York 11101, Party of the First Part and

Party of the Second Part;

WITNESSETH

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

ALL that certain piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Unit (the "Residential Unit") in Kings County, City and State of New York, known as Residential Unit No. _____ in the Condominium known as The Metropolitan Condominium, said Residential Unit designated and described as Residential Unit No. _____ in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, Kings County (the "Register's Office") on _____ in Reel _____ page _____ and also designated as Tax Lot _____ in Block _____ of Section _____ 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 Plan of said building certified by _ _____ on _____ and filed with the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____, and also filed in the Register's Office on _____ as Condominium Plan No. _____, Map No. _____.

TOGETHER with an undivided _____% interest in the Common Elements

SCHEDULE F

The premises within which the Residential Unit is located are more particularly described as follows:

(PROPERTY DESCRIPTION)

TOGETHER with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium as the same may be further amended from time to time by instruments recorded or filed in the Register's Office of the City of New York, Kings County, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Residential Unit, as though such provisions were recited at length herein.

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 purposes.

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

This conveyance is made in the regular course of business actually conducted by the Party of the First Part.

The word "Party" shall be construed as if it read "Parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed and the Party of the Second Part has duly assumed the mortgage therein referred to, the day and year first above written.

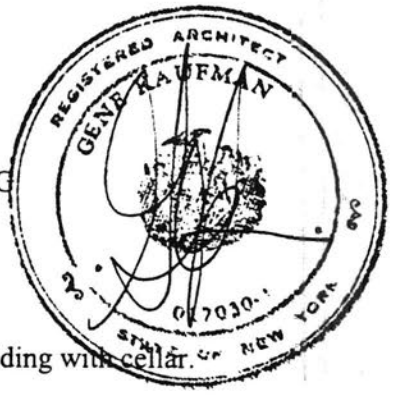
SAGE CONSTRUCTION CORPORATION

By: _____

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

On the ____ day of _____ in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person 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 person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC



209-211 NORTH FIFTH STREET
CONDOMINIUM APARTMENT BUILDING
NEW YORK, NEW YORK

June 19, 2003

General: The property described herein will contain a new six-story building with cellar.

A. Location of Property:

1.	Address:	209-211 North Fifth Street Brooklyn, New York
2.	Block No.: Lots No.:	2337 32 & 33
3.	Zoning District:	R6
4.	Permissible Use	Residential Class A
5.	Landmark Status:	None

B. Status of Construction

1. The New Building is currently in the initial stages of construction pursuant to Permit No. 301283368-01-NB, dated March 19, 2003. The projected date of substantial completion is on or about March 1, 2004 unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.

2. Certificate of Occupancy: After completion of construction, the Sponsor will apply for a Certificate of Occupancy for the Building from the Department of Buildings of the City of New York ("Department of Buildings"). The Sponsor makes no representation as to the exact time of the delivery of the Certificate of Occupancy. The Sponsor will obtain a Temporary Certificate of Occupancy prior to the first unit closing. The Sponsor will obtain a Permanent Certificate of Occupancy within 2 years of the first unit closing.

3. Class of Construction: The Building will be classified as Class IC (Non-Combustible) and will conform to all applicable regulations of the Building code of the City of New York ("Building Code"). The building plans have been filed with the New York City Department of Buildings, NB #301283368, and approved on 1/24/02.

C. Site

1. The total site area is approximately 5,000 square feet.

2. There will be one, New 6-story building in which the floors will be designated as Cellar through 6th.

SCHEDULE G

3. The site has approximately a 50'-0" frontage on North Fifth Street.

   i) The street adjacent to the site is paved with asphalt topping and is in good condition.

   ii) The existing curbs will remain.

   iii) The street is presently pitched to drain via new catch basins into the New York City storm water drainage system.

   iv) The street lighting is provided by the City of New York.

4. Sidewalk

   i) The existing sidewalk and curbs will be constructed on concrete with steel faced curbs.

   iv) The sidewalk pitches to the street; street drainage is described in Section (3) (iii).

D. Utilities

1. Water supply and combined sewer servicing the building units will be provided by the City of New York. Water will be master metered. Gas service will be provided by Keyspan and electrical service will be provided by Consolidated Edison. Gas will be individually metered for the residential units and master metered for the common water heaters. Electricity will be individually metered for the residential units and master metered for the commonly used equipment and public lighting. Telephone service will be provided by a telephone company to be selected by the Sponsor. Telephone lines will also be used for intercom service to each residential unit.

E. Sub-soil Conditions

1. A new foundation shall be constructed.

2. The new cellar floor shall receive a new concrete slab on grade. New perimeter foundation walls shall be constructed of cast-in-place concrete.

3. There is no apparent danger of damage to the building from natural flooding, soil erosion or mud slides.

F. Landscape & Enclosure

1. Grass cover - Portions of the rear yard will be covered with grass

2. Plantings - Portions of the rear yard will be planted with local shrubbery

3. Trees - (2) London Plane, or better, street trees of a minimum 3-caliper

size shall be provided.

4. Fencing - privacy screens shall be constructed to divide the residential gardens and roof terraces.

5. Gates - None

6. Retaining Wall - the rear yard will contain retaining walls at the East and West sides

7. Display Pools & Fountains - None

8. Open Recreation Space & sitting areas - All of the units shall have access to a common roof terraces at the 5th floor roof level. Units 4B & 5 shall have access to a private roof terraces at the Fifth and sixth floor roof levels

G. Building Height

1. The total height of the building from the average curb elevation of 20.72' on North Fifth Street to the top of the main roof high point is approximately 66'-8".

2. Sub-cellar floor: None.

3. There are 6 floors and a Cellar:
Cellar floor height is approximately 10'-10" floor to floor at the highest point.
Ground floor height is approximately 10'-8" floor to floor at the highest point.
Second floor height is approximately 10'-8" floor to floor at the highest point.
Third floor height is approximately 10'-8" floor to floor at the highest point.
Fourth floor height is approximately 10'-8" floor to floor at the highest point.
Fifth floor height is approximately 10'-8" floor to floor at the highest point.
Sixth floor height is approximately 10'-8" floor to floor at the highest point.

5. Roof structure height from main roof to top of bulkhead slabs is approximately 8 -3".

6. Parapet: Height from top of roof finish to top of metal railing will provide a minimum height of 3'-6" above the surface of the roof.

H. Occupancy

1. There will be ten Class-A residential units in the project, four of which will be duplex units. All units shall be compliant with Local Law 58.

2. The number of units is in compliance with the requirements of the New York City Zoning Resolution.

I. Building System

1. The new foundation walls will be poured-in-place concrete. The building structure will be steel and concrete and 8"-12" CMU.

   i) Walls: The exterior wall construction is brick veneer, 8" CMU, and galvanized metal studs with a minimum insulation value of R-19, as required by the NYS Energy Code, and a 5/8" gypsum wallboard finish. At the roof structures, stucco finish on exterior sheathing with structural steel stud backup and gypsum board.

   ii) Windows: All floors will be have a combination of new aluminum casement and awning windows with a one year warranty on labor and materials. The warranty period will start from the end date of completion of the window installation. Lot-line windows shall be provided for Units 2A, 3A, 4A, 4B and Penthouse Unit-5 along both the East and West property lines. Each Lot-line window shall comply with the maximum allowable area, as defined by the Building Code of New York City, shall have an automatic sprinkler head, and shall be subject to all requirements as defined by the Owner's "Lot-line Window Declaration".

2. Parapets and Copings: The terrace parapets will be solid masonry walls reinforced with vertical steel dowels embedded into the concrete slab. The parapet coping shall be aluminum.

3. Exposed exterior flashing for the building shall be aluminum.

4. Chimneys and Caps: There is no refuse chute. Boiler exhaust flues and mechanical ventilation terminate above the roof bulkhead.

5. Terraces and Balconies: See item #8 below.

6. Exterior Entrance and Ground Floor Public Areas

   i) Exterior Doors and frames: The main entrances at the Residential Lobby is to have aluminum frames, with aluminum doors, and transparent glass panels. The exterior finish will aluminum cladding with clear anodized finish.

   ii) Vestibules, Doors and Frames will be aluminum

   iii) Exterior Stairs: None

   iv) Mail Boxes: Mail boxes are located in the Lobby at the Ground Floor and will be front loading finished metal and U.S. Government approved.

   v) Lighting: there will be exterior light at the building entrance. Lighting will be provided in the lobby and public corridors. Lighting will be provided at the private terraces and at the roof levels.

   vi) Canopy: None.

8. Roof and Roof Structures

   i) Type of Roof

a) Material: The roofing systems will be a torched-on membrane roofing type with insulation as recommended by the roofing manufacturer with 12" x 12" conc. pavers on a pedestal system for the fifth floor common roof terrace.

b) Insulation: Insulation shall be as per roofing manufacturer's recommendations with an "R" value as required to meet the NYS Energy Codes.

c) Surface Finish: The surface finish will be roofing or concrete pavers as described above.

d) Expected Useful Life: The roofing system shall have a minimum life of up to 10 years.

e) Bond or Warranty: The roofing system shall have a two-year minimum manufacturers warranty.

f) Flashing Material: There will be metal counter flashing and membrane base flashing as required and will be compatible with the roof assembly.

ii) Drains:

a) Material and Type: Cast Iron Drains

b) Scuppers and Leaders: At roof bulkheads, main roof, rear terrace, and rear wall of aluminum material.

iii) Skylights: none.

iv) Core Bulkheads, fire-stairs, elevator overrun:

a) Residential Elevator: The elevator will be fabricated, installed, and guaranteed for a two-year period by the manufacturer. The overrun will be part of roof bulkhead, which will consist of a 8" concrete block walls with synthetic stucco finish.

b) Stairs: The stair enclosure will be part of roof bulkhead which will consist of 8" concrete block walls with synthetic stucco finish.

c) Other: Residential a/c. condensing units will be located on the main roof level for all but the first floor units. The first floor a/c condensing units, will be located in the rear yard.

vi) Metal Work at Roof Levels

a) Exterior, Metal Stairs: stamped steel plate treads with open risers

b) Vertical Ladders: one exterior, vertical ladder shall be provided to gain access to the upper roof level of the elevator bulkhead.

c) Railings: steel pipe rail at upper roof levels.

d) Hatches to Roof: None

e) Other: None

vii) Roof Top Facilities: the main roof terraces are private and will be for use by the two penthouse units.

viii) The sponsor's sale of roof to the condominium unit owners is restricted as follows:

a) The condominium shall have unlimited access to all areas of the roof for the purposes of making inspections or repairs.

b) Repair or replacement of the roof, roof accessories or common elements in or passing through the unit is the financial responsibility of the unit owner.

9. Yards: Rear yards will be provided for use by the condominium unit owners of the First floor units, subject to the rules and regulations as per Sect. 8(vii) above.

10. Interior Public Stairs:

i) Number of Stairs: There is one stair core in the building, containing a scissor type fire stair, which will extend from the cellar level to the Penthouse roof level. Two fire stairs provide egress from the cellar.

ii) Enclosure: The stairs will be enclosed with a min. 2 hour rated 8" concrete block walls. All stair walls will be painted.

iii) Stair Construction: All the stairs will be of steel pan with concrete fill construction.

v) Stringers: Steel

v) Treads: Concrete fill

vi) Risers: Steel

vii) Hand Rails: There shall be a steel pipe handrail in each stair in conformance to the NYC Building Code.

viii) Balustrade: Steel bars or pipe rail as required.

11. Interior Duplex Unit Stairs:

i) Location of Stairs: The 1st floor units and 5th floor penthouse unit shall have a 30" wide interior stairs with ornamental balustrades and guards as required.

ii) Stair Construction: The 1st floor units and 5th penthouse stairs will be steel construction with finished wood treads.

iii) Stringers: Painted metal tube.

iv) Risers: Open riser.

v) Balustrade: Ornamental steel and wood, natural or painted finish.

12. Interior Doors and Frames

i) Unit Entrances: The Residential units shall enter directly from the Residential units' passenger elevator and shall have a hollow metal frame and will meet the New York City Building Code requirement. The apartment interior doors shall be solid core wood doors.

ii) Corridor Doors and Frames: All doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.

iii) Stair Doors and Frames: All doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.

iv) Roof Doors, Cellar Doors and Frames: These doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.

13. Elevators

i) There shall be one Residential passenger elevator servicing the Residential units from the Cellar to the 5th Floor with front and rear access.

ii) The passenger elevator shall have a capacity of 2,000 pounds.

iii) The type of operation will be Selected collective Operation.

iv) The elevator will be installed with a Tricon VVVF solid state controller.

v) The elevator will be a hydraulic type.

vi) The elevators doors will be single speed Doors.

vii) The residential elevator machine room will be located at the cellar.

viii) 15hp, 208 volt, 3-phase A/C Imperial motor.

14. Elevator Cab (Residential)

i) Residential elevator cab will be manufactured by ThyssenKrupp Corp.

ii) The floor material will be metal.

iii) The walls for elevator cab will be covered with stone and metal panels.

iv) The ceiling for elevator cabs will be metal panels.

v) The lighting of the cab will be fluorescent cove lighting.

15. Finishes /Appliances

i) Residential Lobby

The floor shall be finished with 24" x 24" stone flooring, with special sizes as indicated.
Walls shall be finished with a polished plaster finish with painted wood baseboards.
No Reception desk.
Entry doors to have metal frames, with stained or painted finish and transparent glass panels. The exterior finish will be painted metal cladding.

ii) Interior of Condominium Units, General

a) Oak flooring, except at the bathrooms.
b) Painted wood base.
c) Painted gypsum board walls, except at the bathrooms.
d) Painted gypsum board ceilings.

iii) Kitchens

(All appliances shall be as specified below, or equal)

- Appliances are as follows:

• Refrigerator	GE 'Profile' 36" Stainless Steel fin.
• Dishwashers (Floors 1st-5th.)	Bosch #SHU9956UC Stainless Steel
• Cooktop	GE 'Profile' 30" Stainless Steel fin.
• Wall Oven	GE 'Profile' 27" Stainless Steel fin.
• Range Hood (Floors 1st-8th)	Best 30" Stainless Steel fin.
• Microwave	Samsung Stainless Steel fin.
• Sink	Elkay #2816 Stainless Steel fin.
• Faucet	Kive 'Orchino' Pol. Chrome
• Kitchen Wall Cabinets	Custom
• Kitchen Base Cabinets	Custom
• Floor	Wood
• Walls	Painted gypsum board
• Countertop	Granite
• Backsplash	Granite
• Ceiling	Painted gypsum board
• Lighting	Recessed in ceiling

iv) Master Bathrooms

(All fixtures & accessories shall be as specified below, or equal)

- Tub - Kohler 'Maestro' 5'-6" tub
- Tub Fill –Natphil #293755-215CM Pol. Chrome
- Shower Body - Natphil #SP07 Pol. Chrome
- Shower Head – Brasstech Pol. Chrome
- Toilet – Duravit #D-00001
- Lavatory – Kohler 'Caxton' #K-2211 undermount sink
- Faucet - Natphil #SP01_Pol. Chrome
- Toilet paper holder - Afina #119-P Pol. Chrome
- Towel Bar Afina #110-P-30 Pol. Chrome
- Frameless custom shower doors – 3/8" glass w/ Chrome hinges
- Walls – ceramic tile
- Tub surround – 12" x 12" stone tile and ceramic tile
- Marble tile flooring
- Counter-top is marble slab
- Stone slab shower base

(v) Second Bathrooms

(All fixtures & accessories shall be as specified below, or equal)

- Lavatory – Duravit w/ Pol. Chrome legs
- Toilet – Duravit #D-00001
- Lavatory faucet - Natphil #SP01Pol. Chrome
- Shower Body - Natphil #SP07 Pol. Chrome
- Shower Head – Brasstech Pol. Chrome
- Toilet paper holder - Afina #119-P Pol. Chrome
- Towel bar –Afina #109-P Pol. Chrome
- Wall tile – ceramic tile
- Shower surround –Ceramic and glass tile
- Limestone tile flooring

- Stone slab shower base

J. Auxiliary Facilities

1. Laundry Room: None

i) Washer/dryers hook-ups will be provided within each unit.

2. Refuse Disposal

i) Incinerators: None.

ii) Trash Chutes: None

iii) Compactors: None

iv) Storage Location: The refuse will be stored in the Refuse Room located at the cellar level and is transferred to street level. Recycling of designated materials will be mandatory. Recyclables will be stored in the refuse room.

v) Bags and recyclables from the residential refuse room shall be transported to street level by the building superintendent, and then removed by the New York City Department of Sanitation.

K. Plumbing and Drainage

(1) Water Supply:

i. A 2" metered cold water service with a curb valve is connected to the street water main in North Fifth Street. The service line is extended to the cellar Water Meter Room.

ii. The residential metered cold water supply will be extended to a reduced pressure backflow preventer located in the cellar.

iii. The hot water piping parallels the cold water as an up-feed supply. The end of each hot water riser is provided with a hot water circulation riser and extends down to the circulation distribution main in the cellar.

iv. The domestic hot water temperature to all fixtures will be 120 deg. F. and controlled by a mixing valve at the water heater.

v. Flow conservation devices will be provided on all water supplies to all showers.

vi. Backflow preventers and vacuum breakers will be provided as required to protect the domestic water supply.

vii. Air chambers are provided at the top of all risers and throughout the piping systems to prevent water hammer.

viii. The cold, hot and hot water circulation piping 2" and less is copper Type 'L' with 95-5 solder joints. Piping 2-1/2" and larger is copper Type 'L' with silver brazed joints.

ix. The cold-water service and 6" combined fire standpipe/sprinkler service pipes shall be of a cement lined, cast iron material.

x. All water risers will be provided with valves.

xi. Expansion compensators and loops will be provided on hot and hot water circulation piping systems.

xii. The water pressure in the cold, hot and hot water systems to fixtures will be limited to 85 psig by means of pressure reducing valve.

xiii. Water conservation plumbing fixtures will be provided.

(2) Fire Protection System:

i) A 3" combined fire standpipe water service from North Fifth Street serves an automatic fire pump.

ii) From the automatic fire pump, an upfeed 3" combined fire standpipe and sprinkler riser is located in each stair. The riser will serve each hose station on each floor. The pipe material is black steel pipe.

iii) Each hose station located in the residential portion of the building will be provided with 2-1/2" angle valve with a cap and chain. In the cellar a fire hose rack is provided with a 2-1/2" angle valve and 125 feet of 2-1/2" fire hose. In the residential lobby area, a Fire Department hose cabinet will be provided with 375 feet hose and nozzles. In addition, a key cabinet for the Fire Department use to open the hose cabinet will also be provided adjacent to the hose cabinet.

iv) Sprinklers will be provided throughout the building except for residential toilet rooms, closets, electrical and telephone rooms. Each Lot-line window shall be protected by an automatic sprinkler head meeting all state and local code requirements. The first floor Residential lobby and corridor, including all below grade areas, will be protected with a wet sprinkler system. The sprinkler system is supplied from the combined fire standpipe and sprinkler system.

v) Upright, pendent and flush type heads will be provided in all other areas. In all unfinished areas without ceilings, provide bronze type sprinkler heads will be provided. In all finished areas with hung ceiling the heads will be flush type concealed heads with plates. Approved sidewall type heads will also be provided. The sprinkler system will be designed for light and ordinary hazard occupancy.

vi) The secondary source of water supply is from the combined fire, standpipe and sprinkler system flush type siamese facing North 5th Street.

(3) Water Storage Tank: None

(4) Water Pressure:

Domestic water pressure is maintained by sufficient pressure from the street water main.

(5) Sanitary Sewage System:

i) A complete sanitary drainage system will convey all soil and waste from plumbing fixtures, drains and equipment. The sanitary system is designed for gravity flow through vented branches, stacks and building drains. Drainage piping to fixtures located in the cellar area will flow by gravity to the building house trap.

ii) Sanitary piping above ground shall be 4" cast iron piping with no-hub fitting and galvanized steel pipe. Piping below grade is cast iron service weight pipe with Bell and Spigot fittings and neoprene gasket joints.

iii) The sanitary drainage flows to the city public sewer system. A detention system with a concrete detention tank will provide storm detention as required by Code.

(6) Permits Required:

Permits and approvals to be delivered on closing by the developer for:

- Plumbing, sewer, water and gas.
- Sprinkler
- Standpipe
- Elevator

(7) Storm Drainage System:

i) A complete storm water drainage system designed for gravity flow will convey storm water drainage from the building roof, and all paved areas.

ii) In the elevator pit a submersible sump pump is provided.

iii) An independent storm house sewer will connect and combine with the sanitary house sewer at the foundation wall and will flow to the new combined street sewer in North Fifth Street. A detention system with a concrete detention tank will provide storm detention as required by Code.

iv) There shall be at least one (1) drain for each roof or paved drainage area.

v) The piping material above the floor will be cast iron with no-hub joints or galvanized steel. Piping below the cellar slab will be cast iron. Sump pumps will be galvanized steel pipe.

L. Heating

1. Method:

The Cellar and 1st-4th Floors will be served by gas-fired furnaces located in the dwelling units and providing forced-air heating. The penthouse unit on the 5th and 6th Floors will be served by a gas fired roof top unit. The heating system is designed to comply with the NYS Energy Code.

2. Domestic Hot Water

   i) Domestic hot water will be provided for the residential units by a 2-A.O. Smith Model No. BTN199 domestic hot water heaters located in the Cellar. *i*

3. Residential Space Heating

   i) The heating system will be designed to maintain a temperature of 72 deg. F. inside when the outside temperature is 15 deg. F. under normal conditions.

4. Common Space Heating:

   Residential lobby will be provided with an electric cabinet heater.

5. Manufacture of Furnaces:

   i) Floors 1-4: Trane Model No. TUD080C948B
   ii) Penthouse Floors 5-6: Trane Model No. YHC075

6. Fuel

   i) Natural gas

7. Gas

   i) Natural gas at 1000 BTU/cu.ft. Firing rate of boiler @ 165 MBH each

8. Oil Tank – Not Applicable.

M. Gas Supply

i) Gas is supplied by Keyspan and utilized for cooking, heating boilers, and clothes dryers.

Type - natural gas
Meter: Each unit will be individually metered
Piping - is black steel Schedule 40.

N. Air Conditioning

Units 1st fl through 4th floor will be provided with individual, split system air-cooled HVAC units with a 3 to 3 ½ - ton capacity, while penthouse will be provided with a 6.5-ton gas-fired roof top HVAC unit and capable of maintaining inside temperatures of 78 deg. F. and 60% relative humidity when outside temperatures are 89 deg. F. D.B. and 74 deg. F. W.B., and 72 deg. F. inside when outside temperature is 15 deg. F. Cooling loads assume that residents will use internal blinds, shades or similar window treatment during the cooling season. Each unit will be provided with a thermostat. Residential lobby and common areas will not be air conditioned.

O. Ventilation

Air-cooled ventilation supply system will be provided for the residential section corridors. Windowless areas such as baths, and required kitchens, etc. will be mechanically ventilated to the exterior. Electric, smokeless clothes dryers located in each individual unit do not require exhaust.

P. Electrical

i) Electrical service to the Residential units will be provided by Con Edison Co. at 120/208V, 3-phase, 4-wire to electric service switchboard and distribution panels throughout the building. The service is as follows:

a) 1200 amp for house and Residential units electrical requirements.

b) Typical apartment unit:
- 100 amp/208V/1 ph/ 30 circuit panel

c) Penthouse: 5th floor:
- 150 amp /208/1ph/ 36 circuit panel

1. Residential Units

i) The service to each residential unit will be single phase, wire, 60 Hz. 120/208V AC. Electric service will be supplied to each residential unit via tenants meter bank at cellar Electric Service Room.

ii) The main service equipment shall be fuseable switches as required by code: 1200 or larger ampere switches shall be bolted pressure switches for service use. Main fuses vary in rating. The size of fuses shall be to suit the loads served.

iii) All residential units are designed with the proper number of wall receptacles, switches, appliance receptacles, etc. as required by the NYC Electrical Code.

iv) Switches lighting fixtures are provided in bathrooms, walk-in closets, foyers and kitchens. Switched receptacles are provided in bedrooms. Fixtures are incandescent type in foyers, dining areas, and walk-in closets. Apartment corridor lights are incandescent. Kitchen lighting is halogen.

v) 15 amp, 120V circuit have been provided to handle lighting and general purpose receptacles.

vi) 20 amp, 120V circuit have been provided in the kitchen area for 120V kitchen appliances. Each appliance outlet is on separate circuits.

vii) 25 Amp/208 single phase for each air cooled condenser from the 3rd to the 5th floor.

viii) 40 Amp/208 single phase for each air cooled condenser for 6th floor, 7th, and 7th-Mezzanine floors.

ix) 20 amp, 120V and 30 amp, 208V single phase circuits have been provided for washer/dryer electric units.

x) Receptacles are provided in all rooms (average five (5) per room). Ground fault circuits are provided in bathrooms.

2. Audio Intercom and Buzzer Service

The building will be equipped with an intercom.

3. TV Reception Facilities and Telephone Services:

i) Cable television service will be available to each tenant on an individual subscription basis (separate charge). High speed Internet access will also be made available at a separate charge.

ii) Location of outlets: Living room and in each bedroom.

iii) The building will be pre-wired for telephone services. A jack will be located in the living room, bedroom and kitchen of each unit.

4. Public Area Lighting

i) All lighting in public areas except the vestibule and lobby will be ceiling and/or wall mounted fixtures. Lighting for the vestibule and lobby will be recessed ceiling mounted fixtures and wall mounted decorative lighting sconces.

ii) Lighting in mechanical spaces and storage rooms will be fluorescent.

5. Photoelectric type smoke detectors, hard wired, 120 volt will be provided on the outside of each bedroom.

6. Inspections

i) Conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy.

- NYC Department of Buildings
- Elevator
- Mechanical and Plumbing
- Boiler
- Department of Air Resources

- Electrical
- Fire Department

7. Violations

i) Any Building Code Violations will be corrected prior to the issuance of the Permanent Certificate of Occupancy.

ii) No asbestos will be used in the construction of the building.

Seal

Signature of Architect

June 19, 2003
Date

209-211 NORTH FIFTH STREET
CONDOMINIUM APARTMENT BUILDING
NEW YORK, NEW YORK

October 27, 2003

Adddendum to report from June 19, 2003

C. Site

4. Sidewalk

i) A new sidewalk will be constructed in concrete with steel-faced curbs to match neighboring sidewalks.

E. Sub-soil Conditions

4. Moisture seepage and subsoil problems are not anticipated.

F. Landscape & Enclosure

6. Retaining Walls -the rear yard will contain retaining walls at the east and west sides and at garden terracing. Retaining walls at east and west sides will be of reinforced cast-in-place concrete and shall be 9'-0" high. Retaining walls for the terracing in the garden shall be made of "Nickolock" engineered retaining wall system.

I. Building System

1. The new foundation walls will be poured-in-place concrete. The building structure will be steel and concrete and 8"-12" CMU.

ii) Windows: All floors will be have a combination of new aluminum casement and awning windows with a one year warranty on labor and materials. The warranty period will start from the end date of completion of the window installation. Lot-line windows shall be provided for Units 2A, 3A, 4A, 4B and Penthouse Unit-5 along both the East and West property lines. Each Lot-line window shall comply with the maximum allowable area, as defined by the Building Code of New York City, shall have an automatic sprinkler head, and shall be subject to all requirements as defined by the Owner's "Lot-line Window

Declaration". Lot line windows are classified as a "Special Risk"

iii) Sills: window sills shall be constructed of ¾" maple

iv) Lintels: lintels above doors, windows, and other wall openings shall be made of painted steel angles

9. Gardens: Gardens will be provided for use by the condominium unit owners of the First floor units.

Apt 1 is provided with a terraced garden which extends 43'-6" from the building's northern exterior wall to the northern boundary of the lot. It is 14'-8" wide and has an area of 640 sf.

Apt 2 is provided with a terraced garden which extends 43'-6" from the building's northern exterior wall to the northern boundary of the lot. It is 19'-3" wide and has an area of 837 sf.

Apt 3 is provided with a terraced garden which extends 43'-6" from the building's northern exterior wall to the northern boundary of the lot. It is 14'-8" wide and has an area of 640 sf.

13. Elevators:

ii) The passenger elevator shall have a capacity of 2,100 pounds/14 persons.

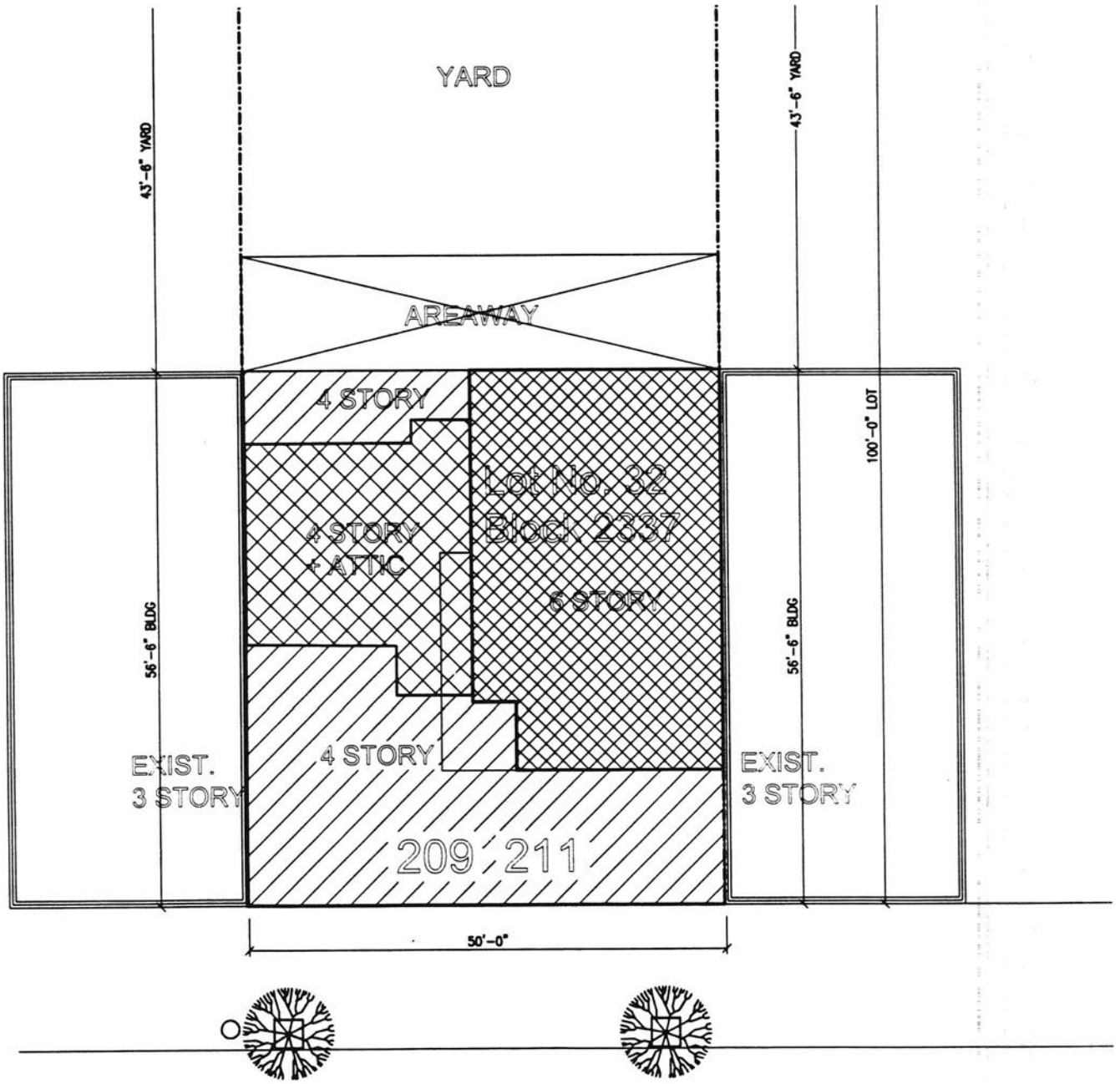


Signature of Architect

October 27, 2003
Date

All dimensions are approximate and subject to normal construction variances & tolerances. Dimensions are maximum overall, subtract cut-outs.

We reserve the right make changes due to unforeseen conditions, in accordance with the offering plan.



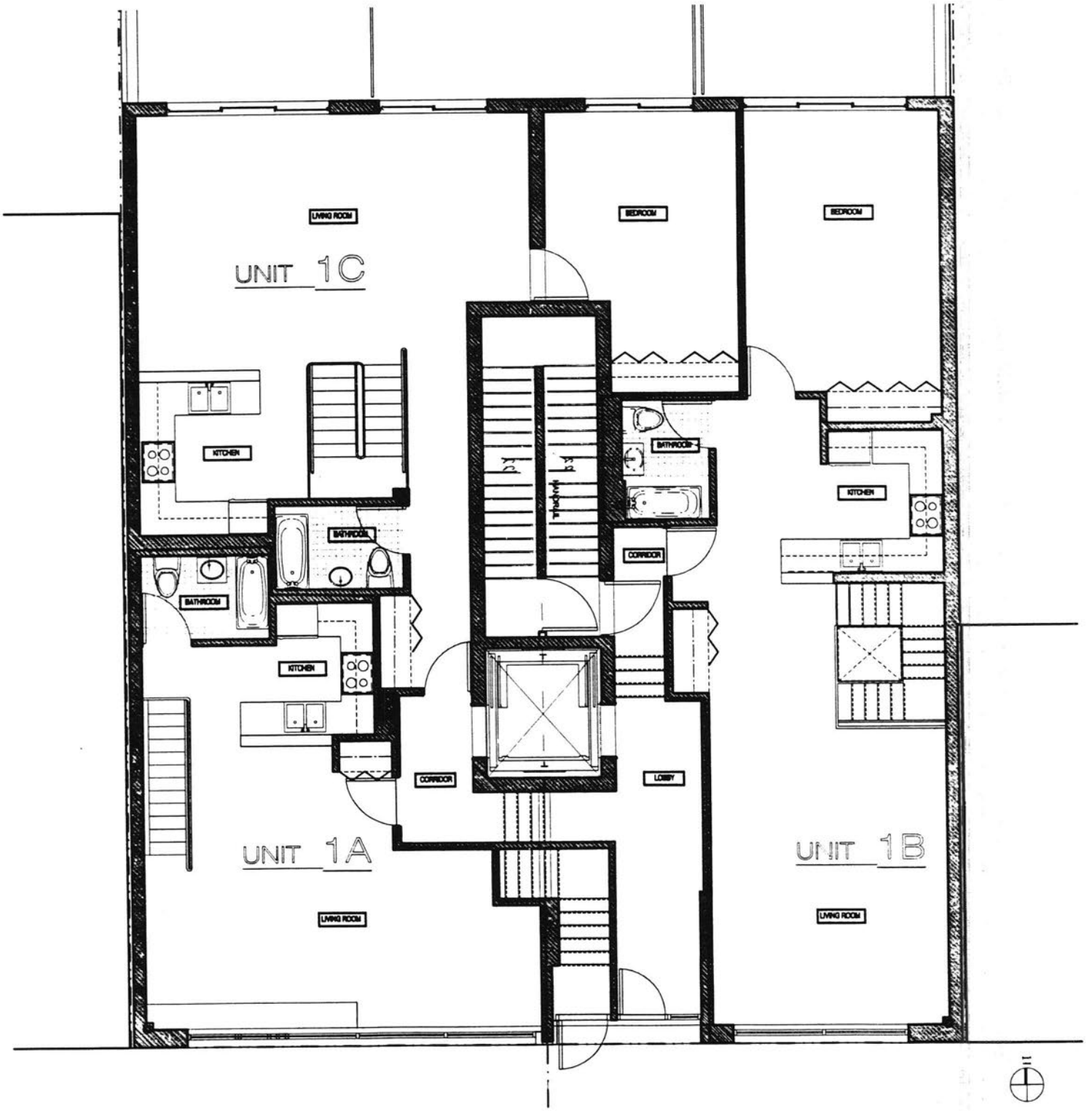
GENE KAUFMAN ARCHITECT PC
371 BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 625-8700 FAX. (212) 625-8867

209 NORTH 5TH STREET

PLOT PLAN

SCHEDULE G-1

All dim. are approximate & subject to normal construction variances & tolerances. Dimensions are maximum overall, subtract cutouts. We reserve the right make changes due to unforeseen conditions in accordance w/ the offering plan.



209 NORTH 5TH STREET

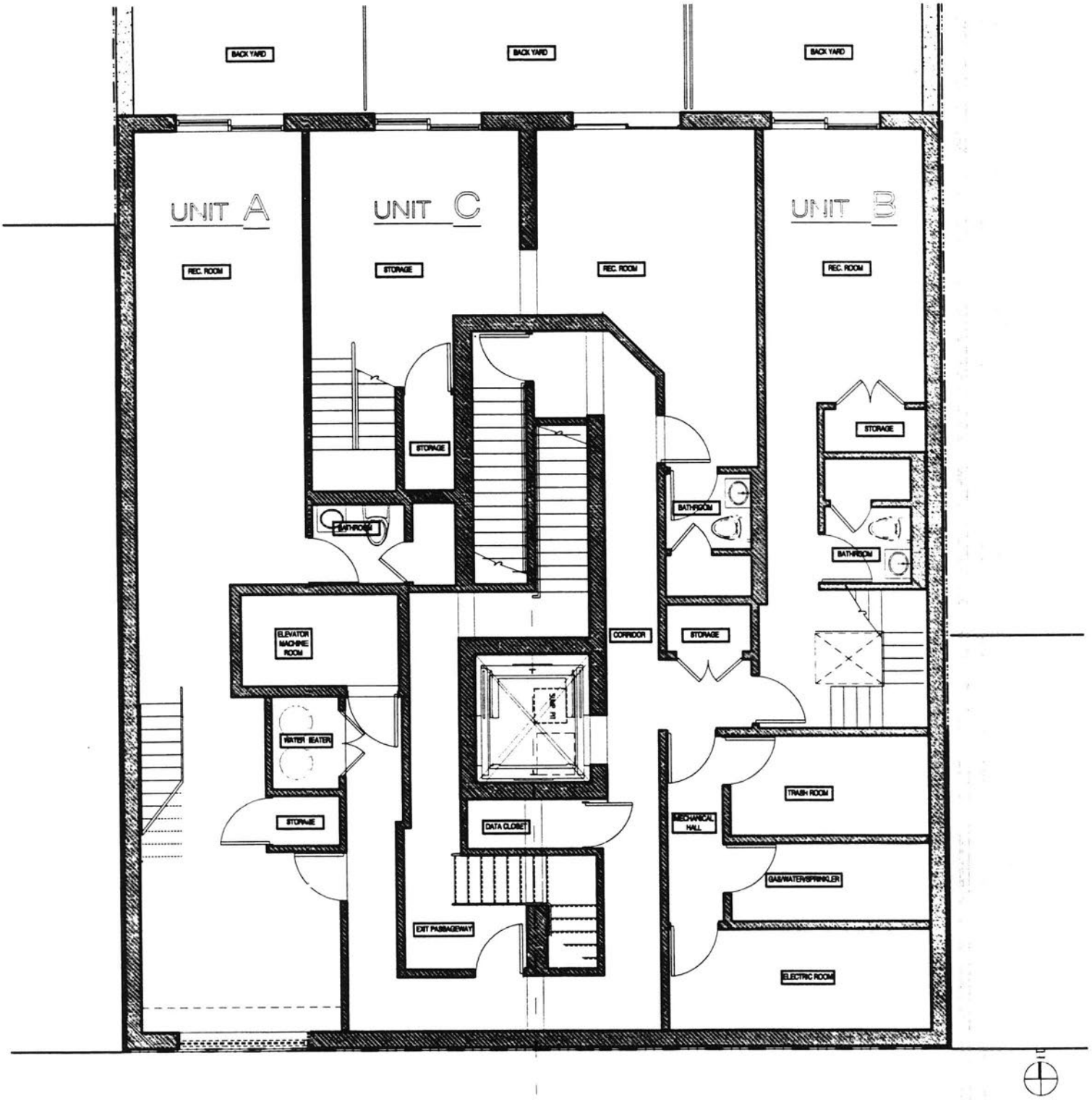
RENE KAUFMAN ARCHITECT PC
371 BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 625-8700 FAX. (212) 625-8867

UNIT 1A DUPLEX UNIT 1B DUPLEX UNIT 1C DUPLEX

FLOOR NUMBER	1	FLOOR NUMBER	1	FLOOR NUMBER	1
1st FLOOR AREA	546 SQ. FT.	1st FLOOR AREA	887 SQ. FT.	1st FLOOR AREA	872 SQ. FT.
APARTMENT AREA	1,287 SQ. FT.	APARTMENT AREA	1,287 SQ. FT.	APARTMENT AREA	1,287 SQ. FT.

SCHEDULE G-2

All dim. are approximate & subject to normal construction variances & tolerances. Dimensions are maximum overall, subtract cutouts. We reserve the right make changes due to unforeseen conditions in accordance w/ the offering plan.



209 NORTH 5TH STREET

RENE MAGNAN ARCHITECT PC
371 BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 625-8700 FAX. (212) 625-8867

UNIT A DUPLEX

FLOOR NUMBER	1
CELLAR AREA	681 SQ. FT.
APARTMENT AREA	1,287 SQ. FT.

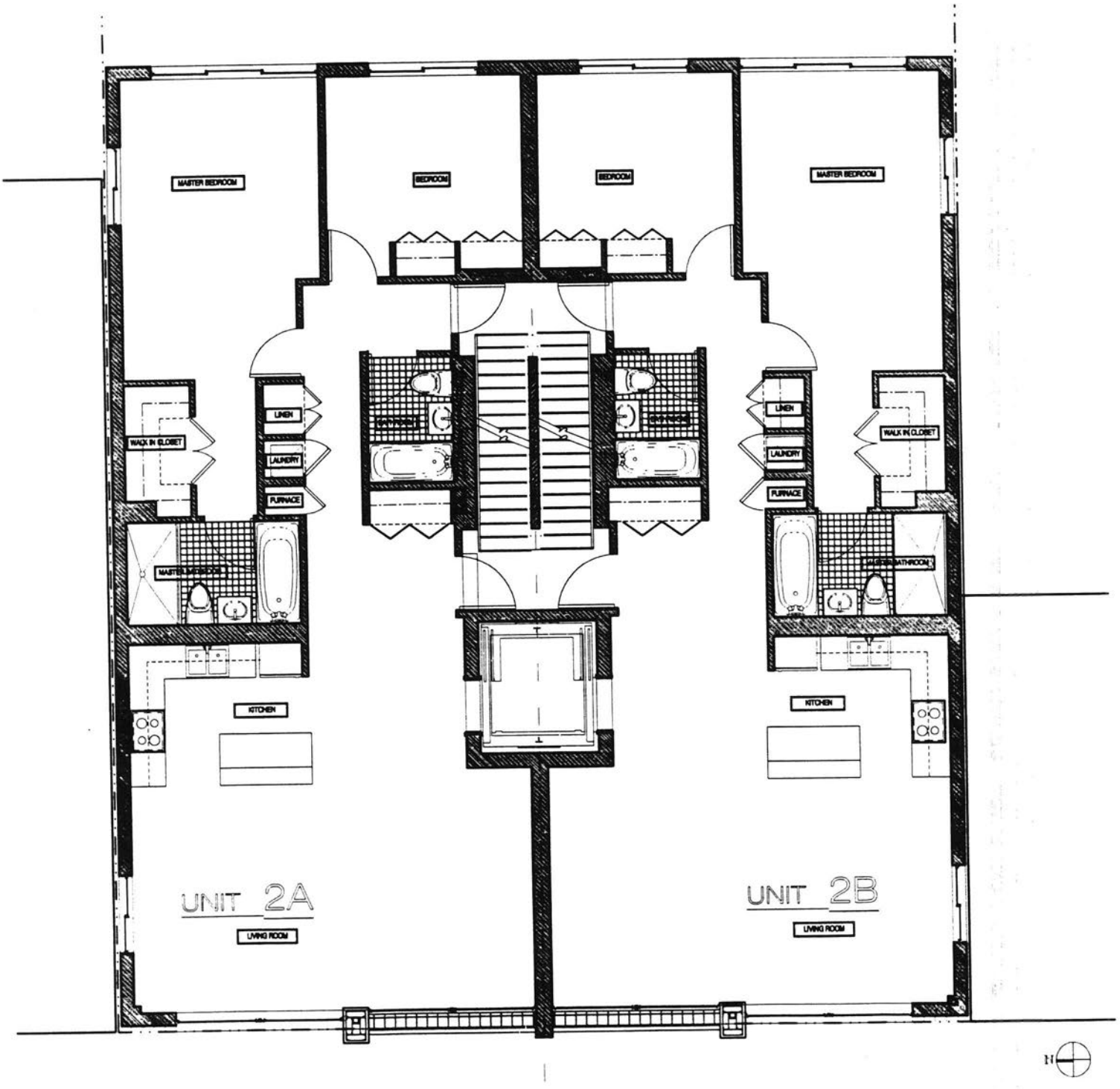
UNIT B DUPLEX

FLOOR NUMBER	1
CELLAR AREA	405 SQ. FT.
APARTMENT AREA	1,287 SQ. FT.

UNIT C DUPLEX

FLOOR NUMBER	1
CELLAR AREA	558 SQ. FT.
APARTMENT AREA	1,287 SQ. FT.

All dim. are approximate & subject to normal construction variances & tolerances. Dimensions are maximum overall, subtract cutouts. We reserve the right make changes due to unforeseen conditions in accordance w/ the offering plan.



209 NORTH 5TH STREET

GENE KAUFMAN ARCHITECT PC

371 BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 625-8700 FAX. (212) 625-8867

UNIT 2A

2 BEDROOMS

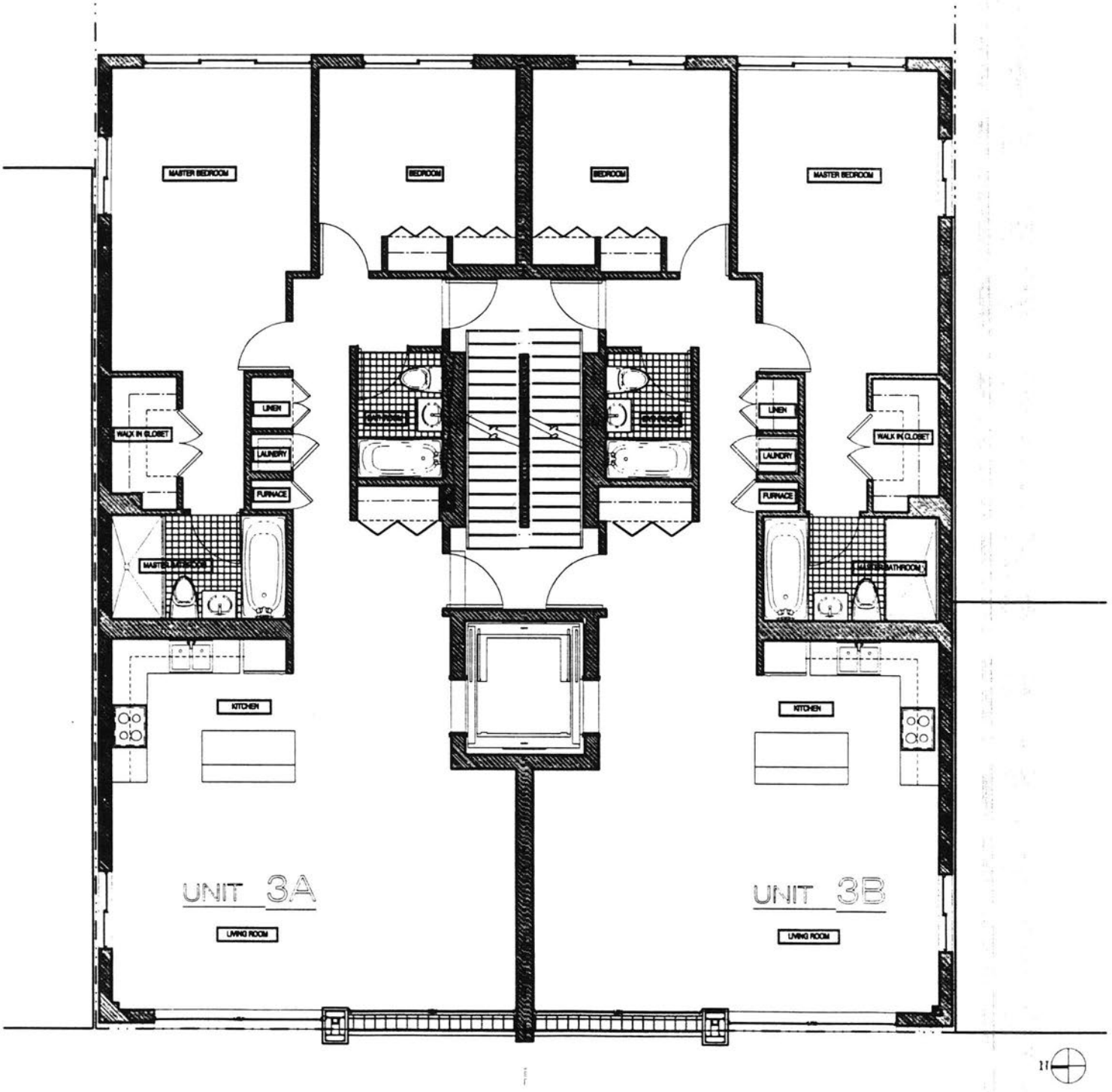
FLOOR NUMBER	2
APARTMENT AREA	1,287 SQ. FT.

UNIT 2B

2 BEDROOMS

FLOOR NUMBER	2
APARTMENT AREA	1,287 SQ. FT.

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309 NORTH 5TH STREET

371 BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 925-8700 FAX. (212) 625-8867

UNIT 3A

2 BEDROOMS

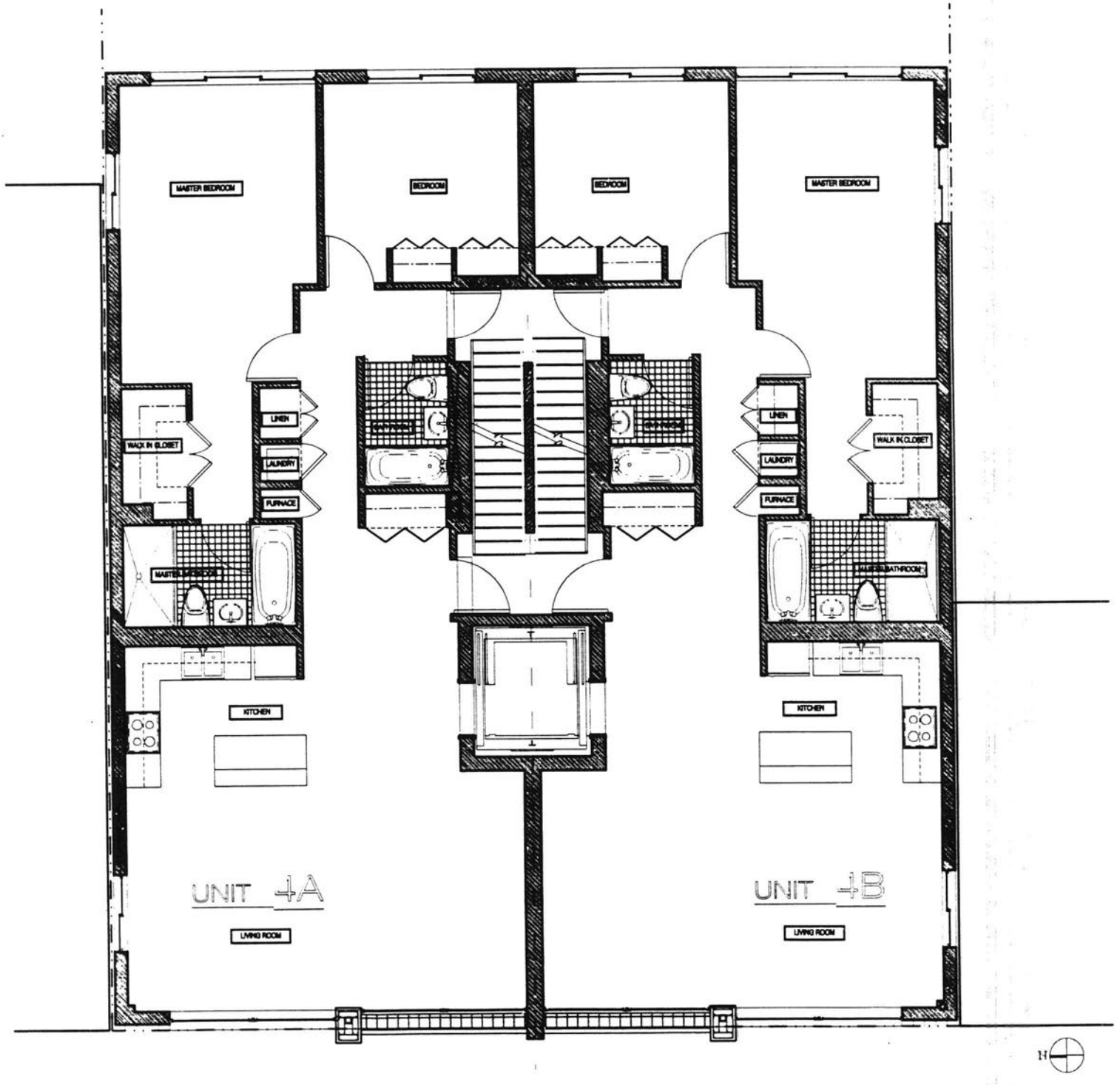
FLOOR NUMBER	3
APARTMENT AREA	1,287 SQ. FT.

UNIT 3B

2 BEDROOMS

FLOOR NUMBER	3
APARTMENT AREA	1,287 SQ. FT.

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209 NORTH 5TH STREET

RENE KAUFMAN ARCHITECT PC
37[illegible] BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 525-8700 FAX. (212) 525-8867

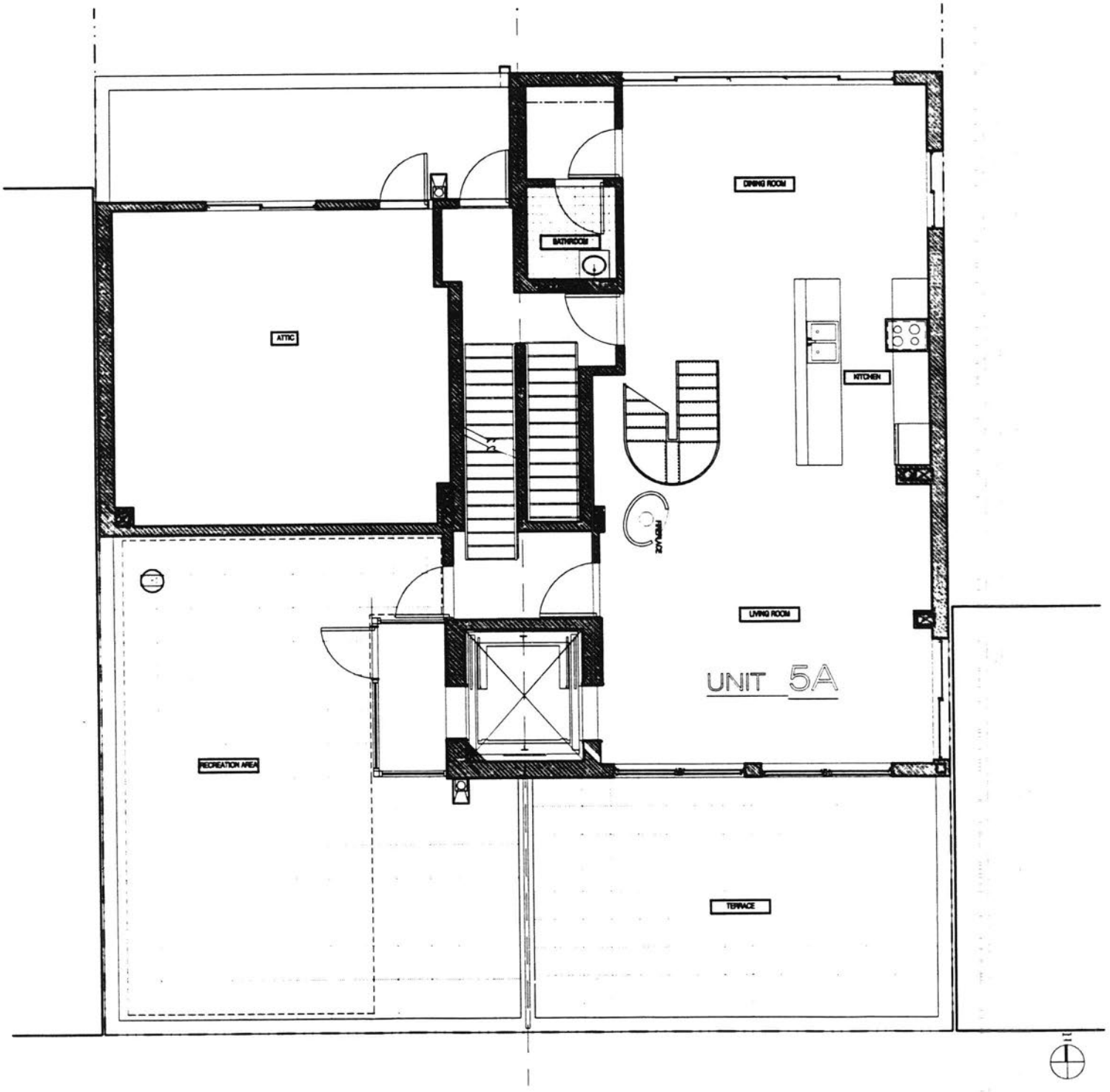
UNIT 4A
2 BEDROOMS

FLOOR NUMBER	4
APARTMENT AREA	1,287 SQ. FT.

UNIT 4B
2 BEDROOMS

FLOOR NUMBER	4
APARTMENT AREA	1,287 SQ. FT.

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209 NORTH 5TH STREET

BEKE KAUFMAN ARCHITECT PC
371 BROADWAY, NEW YORK, N.Y. 10013
TEL. (212) 625-8700 FAX. (212) 625-8867

UNIT 5A

DUPLEX

FLOOR NUMBER	5
FLOOR AREA	918 SQ. FT.
TERRACE AREA	335 SQ. FT.
APARTMENT AREA	1,918 SQ. FT.

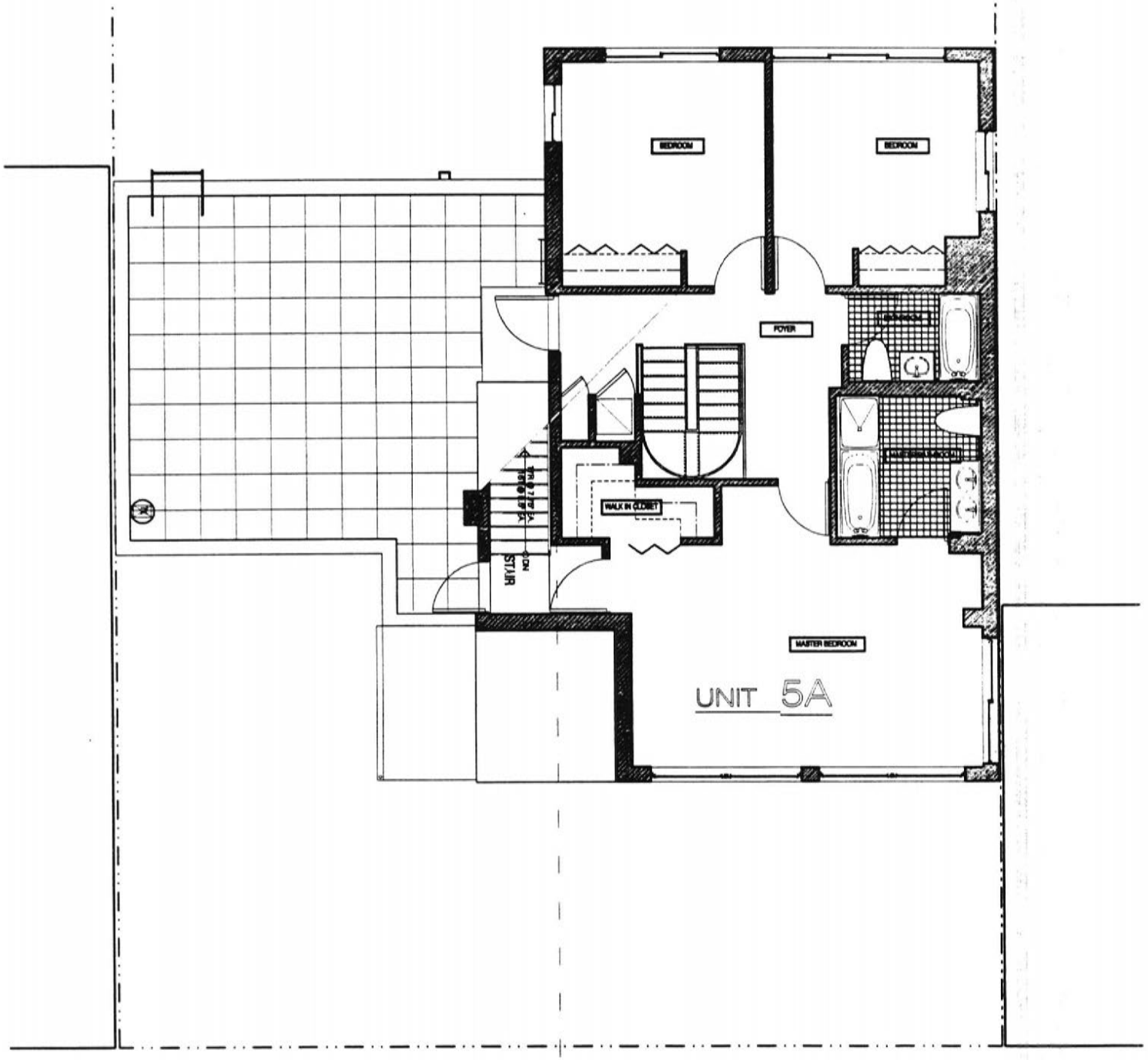
ATTIC

FLOOR NUMBER	5
ATTIC AREA	402 SQ. FT.
TERRACE AREA	154 SQ. FT.

RECREATION SPACE

RECREATION SPACE AREA 450 SQ. FT.

All dim. are approximate & subject to normal construction variances & tolerances. Dimensions are maximum overall, subtract cutouts. We reserve the right make changes due to unforeseen conditions in accordance w/ the offering plan.



209 NORTH 5TH STREET

UNIT 5A

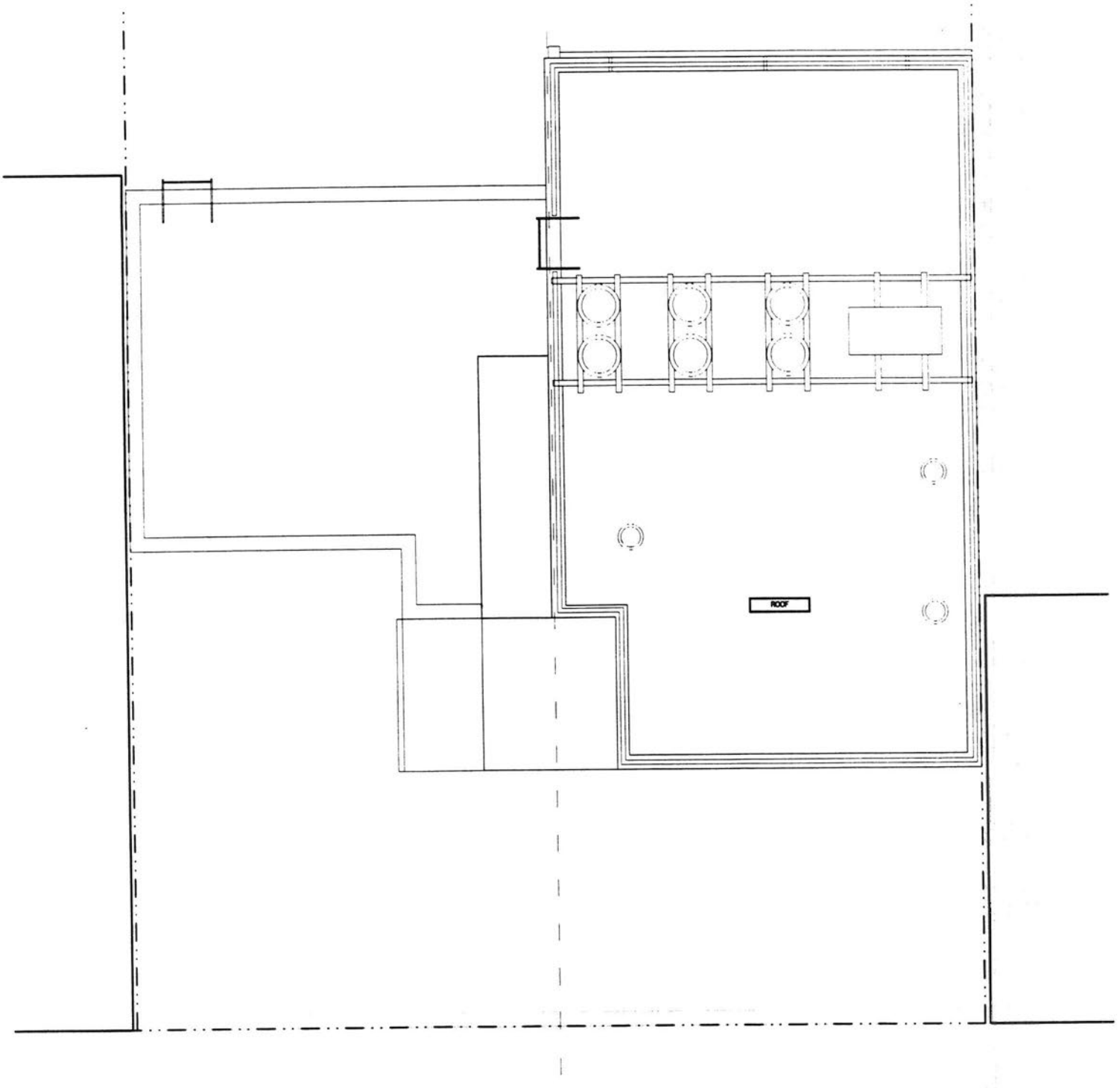
DUPLEX

FLOOR NUMBER	6
FLOOR AREA	1,002 SQ. FT.
APARTMENT AREA	1,918 SQ. FT.

GENE KAUFMAN ARCHITECT PC

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TEL. (212) 625-8700 FAX. (212) 625-8867

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TEL. (212) 625-8700 FAX. (212) 625-8867

ROOF

FLOOR NUMBER	ROOF
ROOF AREA	898 SQ. FT.

FEE TITLE DESCRIPTION

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

Each Residential Unit shall consist of the area enclosed horizontally by the unexposed sides of the dry walls of the exterior walls of the Building and by the unexposed sides of the dry walls or the exposed face of the concrete or concrete block of those walls and partitions which separate the Residential Unit from the corridors, stairs, mechanical equipment spaces and other Residential Units, and enclosed vertically by the underside of the Residential Unit's finished flooring and the unexposed side of the Residential Unit's drywall ceiling where applicable. The doors and windows which open from the Residential Unit shall be deemed part of the Residential Unit. No Residential Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Residential Unit which are utilized for or serve more than one (1) Residential Unit. The Description of Residential Units set forth herein pertains to the location of the walls, floors and roof of the Residential Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED AT 209-211 NORTH 5th STREET
BROOKLYN, KINGS COUNTY,
CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK.

NAME: **THE METROPOLITAN CONDOMINIUM**

DECLARANT: SAGE CONSTRUCTION CORPORATION
10-34 44th Drive, Long Island City, New York 11101

DATE OF DECLARATION:

BLOCK:
FKA LOT:
NKA LOTS:

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
The Financial Center at Mitchel Field
90 Merrick Avenue
East Meadow, NY 11554

SCHEDULE I

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PLAN OF CONDOMINIUM UNIT OWNERSHIP

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

In the Borough of Brooklyn, County of Kings, City and State of New York on this ___ day of _____, 20___, SAGE CONSTRUCTION CORP., a New York Corporation, organized and existing under the laws of the State of New York, whose principal office is situated in Queens, New York, hereinafter referred to as the "Declarant" or "Sponsor" represented in this Declaration by , who is fully empowered and qualified to execute this Declaration on behalf of the company does hereby state:

FIRST: **SUBMISSION OF PROPERTY**. By this Declaration the Declarant submits the property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: **DESCRIPTION OF PROPERTY**. The Declarant owns all that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in Borough of Brooklyn, County of Kings, City and State of New York, and more particularly bounded and described on Exhibit A annexed hereto and made a part hereto.

THIRD: **DEFINITIONS**.

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

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

2. "Building(s) - The one (1) building containing the ten (10) Residential Units.

3. "Common Charges" - Each Residential Unit Owner's proportionate share of the Common Expenses, determined in accordance with the common interest appurtenant to the Residential Unit.

4. "Common Elements" - All portions of the Condominium, other than the Residential Units, including without limitation all utility lines or other pipes and materials located outside the Residential Units, any public entrances, the roofs, walls and structural elements of the Building, all central and

appurtenant installations for utility services, all sewer pipes and drainage pipes and facilities, all pedestrian walkways, the mechanical, equipment and refuse rooms, the elevator, the intercom system, interior stairways, the roof garden, as well as all of the land and any walks located within the boundaries of the Condominium, and other portions of the Building that may be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Residential Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Residential Unit Owners.

5. "Common Expense" - (a) Expenses incurred by all Residential Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

6. "Common Interest" - The proportionate, undivided interest each Residential Unit Owner has in the common elements.

7. "Condominium" - The Metropolitan Condominium which is comprised of the Residential Units, Common Elements and Residential Unit Owners.

8. "Declarant" or "Sponsor" - Sage Construction Corp. and its successors and assigns.

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

10. "Irrevocably Restricted Common Elements" or "Limited Common Elements" - Certain portions of the Common Elements which are irrevocably restricted in use to specified Residential Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any Irrevocably Restricted Common Element for maintenance, repair or improvement of a Residential Unit or Common Element and subject to the rules of the Board of Managers.

11. "Party Wall" - A wall which is common to and separates two Residential Units.

12. "Residential Unit Owner" - The owner of a Residential Unit in the Condominium.

13. "Residential Units" - As used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law and includes all the Residential Units in the Condominium.

FOURTH: **COMMUNITY**. The Declarant is constructing on the parcel of land described above a Condominium Community known as The Metropolitan Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Office of the Register of the City of New York, Kings County, which Plans set forth a description of the Building stating the number of stories and number of Residential Units.

The Community will consist of ten (10) Residential Units, located in one (1) building consisting of six (6) floors including a cellar as set forth on the Floor Plans filed simultaneously with this Declaration. Each of the Residential Units has access to a public street by means of a walk. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Residential Unit and the Common Elements to which each Residential Unit has immediate access, each Residential Unit is described on Schedule A annexed hereto. Each Residential Unit will be sold to one or more Residential Unit Owners, each Residential Unit Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Residential Unit, together with an undivided interest in the Common Elements of the Condominium, as listed hereinafter in this Declaration, and referred to as the "common elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Declarant and the Residential Unit Owner at the time of construction of the Residential Unit.

The aforesaid Condominium has a total building area of approximately 5,000 square feet.

FIFTH: **COMMON ELEMENTS**. The Common Elements will consist of the entire property, including all parts of the Building and improvements thereon, other than the Residential Units, and will consist of General Common Elements to be shared by all Residential Unit Owners and Limited Common Elements irrevocably restricted in use to specified Residential Unit Owners.

A. General Common Elements - General Common Elements are those shared by all Residential Unit Owners and include all portions of the Condominium except for the individual Residential Units and the Limited Common Elements and include without limitation the following:

1. The land on which the Building is erected and all other land within the boundaries of the property described in Exhibit "A" hereof;

2. All foundations, columns, girders, beams and supports;

3. Those portions of the exterior walls beyond the outside face of the interior sheetrock; those portions of the walls and partitions dividing Residential Units located between the unexposed faces of the sheetrock walls enclosing the Residential Units; those portions of the ceilings of the highest floor above the upper face of the sheetrock.

4. Roofs, stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances to and exits from the Building other than entrances to the individual Residential Units;

5. All improved and unimproved areas of the property not within the Residential Units, except for the specified rear yards which are Limited Common Elements of specified Residential Units as reflected in Article Fifth B of this Declaration;

6. All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces;

7. All sewer pipes and drainage pipes and facilities;

8. All pedestrian walkways, intended for the common use of all Residential Unit Owners;

9. The residential lobby;

10. The elevator;

11. The mechanical, equipment and refuse rooms located in the cellar;

12. The intercom system;

13. The roof garden; and

14. All other parts of the property and all apparatus and installations existing in the Building or on the property for common use or necessary or convenient to the existence, maintenance or safety of the property.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Residential Unit Owners, subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Residential Unit or Common Element and subject to the rules of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited

Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Residential Unit Owner. Following are detailed descriptions of the irrevocably restricted common elements:

1. The rear yard for Residential Units 1A, 1B and 1C on the first floor;

2. The roof terraces for Residential Units 4B and the Penthouse;

3. Any heating and cooling unit servicing a Residential Unit that is located in the Common Elements.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Residential Unit Owner shall bring any action for partition or division unless otherwise provided by law.

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

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

4. The undivided interest in the Common Elements shall not be separated from the Residential Units to which it appertains and shall be deemed conveyed or encumbered with the Residential Units even though such interest is not expressly mentioned or described in the conveyance or other instrument

SIXTH: **EASEMENTS**. All pipes and wires, conduits and public utility lines located within each Residential Unit shall be owned and maintained by such Residential Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements including electric meter banks located on the exterior of a Residential Unit or in a Limited Common Element and servicing one or more other Residential Units, will be owned in common by the Residential Unit Owners. Every Residential Unit Owner shall have an easement in common with the owners of other Residential Units to maintain and use all pipes, wires, conduits and public utility lines located in other Residential Units and servicing such Residential Unit Owner's Residential Unit. Each Residential Unit shall be subject to an easement in favor of the Residential Unit Owners of other Residential Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Residential Units and located in such Residential Unit. The Board of Managers shall have a right of access to each Residential Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Residential Unit and servicing any other Residential Unit or causing damage to any other Residential Unit. The

cost of such repairs shall be a Common Expense. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

The Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Residential Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Residential Units, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction and sale of Residential Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Residential Units, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements. The Declarant, its successors and assigns, and purchasers of undeveloped or unsold Residential Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Residential Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Condominium as it deems necessary for the purposes of advertising the sale or lease of Residential Units, and for the purpose of showing the Property to prospective Purchasers or lessees and for access to Residential Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Declarant's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Residential Units, together with their interest in the Common Elements. Finally, the Declarant, its successors, assigns and purchasers reserve the right to continue to use the Common Elements and any facilities, sales offices, model Residential Units and signs located on the Common Elements, in its efforts to market Residential Units constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Declarant.

Each Residential Unit Owner hereby grants a right of access to and through their Residential Unit to Declarant or its designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Declarant with respect to the Common Elements and/or the Residential Units.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical shall be granted an easement of ingress and egress over, upon and through any access areas in The Metropolitan Condominium. This Paragraph may not be amended by the Residential Unit Owners in the Condominium.

SEVENTH: **SERVICE OF PROCESS**: Service of process on the Residential Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent for service of this Condominium during the period the Declarant controls the Board of Managers is: Sage Construction Corporation, 10-34 44th Drive, Long Island City, New York 11101. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent of this Condominium is: Board of Managers, The Metropolitan Condominium, 209-211 North 5th Street, Brooklyn, New York 11215 or such other address as the Board of Managers of the Condominium selects.

EIGHTH: **COMMON INTEREST**. Each Residential Unit Owner shall have such percentage interest in the Common Elements as is set forth in Schedule A attached hereto and shall bear such percentage of the Common Expenses of the Condominium. Each Residential Unit Owner shall have one vote for all voting purposes at any meeting of the Residential Unit Owners. The percentage of interest of each Residential Unit in the Common Elements has been based upon equal percentages within separate classifications of units as of the date of filing the Declaration. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i (1)(iii) of the Real Property Law of the State of New York.

NINTH: **ADMINISTRATION**. The administration of the Condominium, and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit "B".

TENTH: AMENDMENTS AND WITHDRAWAL.

(a) The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless eighty (80%) percent of the Residential Unit Owners in number and in common interest and the first mortgagees, if any, of each of these same Residential Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number held at a duly-called meeting of the Residential Unit Owners, provided however, that:

(i) No amendment shall change any condominium parcel, nor a Residential Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Residential Unit, unless all of record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same Residential Units agree to such revocation by recorded instrument.

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

(iii) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from this Declaration, the By-Laws or any rules and regulations shall be effective in any way against Declarant or its designee or any Unsold Residential Unit, as long as the Declarant owns an Unsold Residential Unit in the Condominium unless the Declarant has given its prior written consent thereto. This provision is not subject to amendment.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Residential Unit owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

(c) The Declarant, its successors, assigns and purchasers of undeveloped or unsold Residential Units shall have the right without vote or consent of the Residential Unit Owners, the Board of Managers or the holders of Residential Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, Kings County and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building

and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule A of this Declaration to conform the Model type, square footage and type and number of rooms and any other required information for a specified Residential Unit, so long as the appurtenant percentage of common interest does not change for said Residential Unit, or (v) to amend Schedule A of this Declaration to consolidate Residential Units subject to all necessary approvals by the City of New York, to revise the square footage and type and number of rooms and any other required information for a specified Residential Unit and to change the appurtenant percentage of common interest so long as the new percentage of common interest equals the combined percentage of common interest of the Residential Units that were combined, or (vi) the carrying out of other provisions of the Offering Plan of The Metropolitan Condominium.

(d) Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Register of the City of New York, Kings County.

Regardless of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ELEVENTH: SUBJECT TO DECLARATION, BY-LAWS, ETC. All present or future Residential Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Residential Units of the Condominium or the mere act of occupancy of any of said Residential Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Residential Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: COMMON CHARGES. All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Residential Unit Owner shall constitute a lien on his Residential Unit prior to all other liens except: (a) tax or assessment liens on the Residential Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Residential Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees and

costs of collection (but such right shall not be a lien against the Residential Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Residential Unit Owners as a Common Expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Residential Unit at a foreclosure sale of an institutional mortgage, obtains title to the Residential Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Residential Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Residential Unit which were assessed and became due prior to the acquisition of title to such Residential Unit by such acquirer. In such event, the unpaid balance of Common Charges will be charged to all other Residential Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Declarant to a purchaser of a Residential Unit or in which the Declarant participates with one of the above.

In addition to the Board's right to bring an action to foreclose a lien on a Residential Unit Owner's Residential Unit, the Board (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event, the Condominium shall be entitled to recover all cost of suit including reasonable attorneys' fees.

Every Residential Unit Owner shall pay the Common Charges assessed against the Residential Unit Owner when due as determined by the Board of Managers and no Residential Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Residential Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Residential Unit. However, no Residential Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Residential Unit Owner of such Residential Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: RESIDENTIAL UNITS ACQUIRED BY THE BOARD. In the event any Residential Unit Owner shall convey their Residential Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Residential Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Residential Unit or the rights to the lease of such Residential Unit shall be held by the Board of Managers or its designee on behalf of all of the other Residential Unit Owners.

In order to carry out the provisions of this Paragraph each Residential Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest

to the Board of Managers and their successors to acquire title or lease any such Residential Unit under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Residential Unit under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: ENCROACHMENTS. The Residential Unit Owners agree that if any portion of a Residential Unit or the Common Elements (whether restricted in use to an individual Residential Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Residential Unit Owners agree that encroachments of any portion of the Residential Unit or the Common Elements as aforedescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

FIFTEENTH: RESIDENTIAL UNIT OWNERSHIP. Upon the closing of title to a Residential Unit, a purchaser shall automatically become a Residential Unit Owner in the Condominium and shall remain such until such time as the Residential Unit Owner ceases to own the Residential Unit for any reason.

SIXTEENTH: CONVEYANCE OF A RESIDENTIAL UNIT. In any conveyance of a Residential Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Residential Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the Grantor and such Grantee shall not be liable for, nor shall the Residential Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Residential Unit at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: COVENANT OF FURTHER ASSURANCES. Any party subject to the terms of this Declaration, whether such party is a Residential Unit Owner, a lessee or sublessee of a Residential Unit Owner, or the occupant of a portion of a Residential 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.

If any Residential 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 thereof, to take any action which the Residential 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 Residential 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 Residential Unit Owner, or other party and such document or action shall be binding on such Residential Unit Owner or other party.

If any Residential 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 Residential Unit Owner, or other party is required to take pursuant to this Declaration at the request of Declarant or Declarant's designee, then Declarant or Declarant's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Residential 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 Residential Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Residential Unit Owner, or other party, as the case may be.

EIGHTEENTH: COVENANTS AND RESTRICTIONS. The use of the Residential Unit by the Residential Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Residential Unit and area restricted to the Residential Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alteration, addition, decoration or change to any part of the Common Elements may be made and no structure or other improvement may be built or placed on any portion of the Common Elements or Limited Common Elements without the written consent of the Board of Managers. Notwithstanding said provision, landscaping and improvements of the rear yards that are Limited Common Elements of specific Residential Units may be initiated or modified by the Residential Unit Owners without the Residential Unit Owner seeking the consent of the Board of Managers. The provisions of this paragraph shall not apply to Declarant.

(c) No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Residential Unit or any Limited Common Element (except for the rear yards that are Limited Common

Elements of specific Residential Units as contained in (b) above), without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any 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 providing the Board with a certificate of insurance prior to the commencement of the work, (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 Residential Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Residential Unit or Limited Common Element shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Residential Units owned by the Declarant or its designee until such Residential Units shall have been initially conveyed by the Declarant or such designee.

(d) Any interior alterations or improvements made to a Residential Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(e) Any Residential Unit Owner who mortgages their Residential Unit shall notify the Board of Managers providing the name and address of the mortgagee.

(f) The Board of Managers shall, at the request of the mortgagee of the Residential Unit, report any unpaid Common Charges due from the Residential Unit Owner of such Residential Unit.

(g) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(h) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(i) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Residential Unit Owners, provided, however, that copies of such regulations are furnished to each Residential Unit Owner prior to the time the said regulations become effective.

(j) The Common Charges shall be paid when due.

(k) Occupancy of the Residential Units shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

NINETEENTH: SPECIAL RIGHTS OF DECLARANT. Notwithstanding anything to the contrary contained herein Declarant, its successors, assigns or designees shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, to:

(a) have its employees, contractors, subcontractors and sales agents present on the properties described in Exhibit "A" and any Building erected thereon;

(b) erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Residential Units;

(c) use any one or more Residential Units as;

(i) model Residential Units,
(ii) offices for the promotion, sale, rental, management and/or operation of any unsold Residential Units,
(iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or the Residential Units; or any unsold Residential Units; and/or

(iv) for any other purpose;

(d) do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, the Residential Units and any unsold Residential Units) for the purpose of:

(i) the promotion, sale, rental, management and/or operation of any unsold Residential Units,

(ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or

(iii) the exercise performance and discharge of Declarant's other rights and obligations under this Declaration, the By-Laws or the rules and regulations;

(e) make any other changes required by the City of New York or other Municipal Agency.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Residential Unit for its permitted purposes.

The provisions of this Article Nineteenth may not be amended without the written consent of the Declarant, or its successors or assigns.

TWENTIETH: INVALIDITY. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

SAGE CONSTRUCTION CORPORATION

By: _____

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

On the day of in the year 20 , before me, the undersigned a Notary public in and for said state, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT A

(TO BE COMPLETED PRIOR TO RECORDATION)

Exhibit A to the Declaration of Condominium

BY-LAWS

OF

THE METROPOLITAN CONDOMINIUM

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
The Financial Center at Mitchel Field
90 Merrick Avenue
East Meadow, New York 11554

EXHIBIT B
to the Declaration of Condominium

SCHEDULE J TO THE OFFERING PLAN

BY-LAWS

OF

THE METROPOLITAN CONDOMINIUM

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BY-LAWS

OF

THE METROPOLITAN CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Residential Unit Ownership. The property located at 209-211 North 5th Street, Brooklyn, New York 11215, Kings County, City and State of New York as specifically set forth in the Declaration and more commonly known as The Metropolitan Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the Building and improvements thereon including the Condominium Units (hereinafter referred to as "Residential Units"), and the Common Elements and the use and occupancy thereof, the term "Building" as hereinafter used shall be defined as the exterior walls and roof of a Residential Unit or number of Residential Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium but which does not contain any of the Residential Units.

Section 3. Personal Application. All present or future Residential Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Residential Units or the mere act of occupancy of any of said Residential Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise indicated.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Residential Unit Owners. "Residential Unit Owner" as referred to herein shall mean all of the owners of each Residential Unit and as defined in the Declaration of Condominium.

Section 2. Voting. Each Residential Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Residential Units) shall be entitled to cast one vote at all Residential Unit Owners' meetings for each Residential Unit or Residential Units owned by such Residential Unit Owner, but in the event the Board of Managers acquires a Residential Unit on behalf

of the Condominium it shall not cast any of its votes appurtenant to said Residential Unit for the election of any member to the Board.

Section 3. Quorum. So many Residential Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Residential Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Residential Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Residential Unit Owners, the Residential Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Residential Unit Owners as shall represent at least thirty-three and one-third (33⅓%) percent of the total authorized votes of all Residential Unit Owners shall constitute a quorum. If, however, such reduced quorum shall not be present or represented at such adjourned meeting of the Condominium, the Residential Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least five (5) days written notice of such adjourned meeting shall be given to all Residential Unit Owners. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many Residential Unit Owners as shall represent at least twenty-five (25%) percent of the total authorized votes of all Residential Unit Owners shall constitute a quorum.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Residential Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Residential Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Residential Unit Owners, every Residential Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Parking Space Unit Owners shall not be entitled to any vote at any Residential Unit Owner meetings. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Residential Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of

these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Residential Unit Owners may be dispensed with if all Residential Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Residential Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings Control of Board of Managers by Sponsor. The initial Board of Managers will call for the first annual meeting of the Residential Unit Owners to elect a new Board of Managers within one (1) year of the closing of title to the first Residential Unit. At such meeting, members of the Board of Managers shall be elected by the Residential Unit Owners, other than the members of the Board the Sponsor shall have the right to designate, and the former members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year or such other convenient date as the Board of Managers may so designate. At such meetings there shall be elected by ballot of the Residential Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Residential Unit Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control and may designate a majority of the Board of Managers so long as Sponsor owns at least one (1) Residential Unit in the Condominium. At such time as Sponsor no longer owns a Residential Unit in the Condominium, Sponsor may not hold a seat on the Board of Managers.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 11 of this Article to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Residential Unit Owners of the Condominium are present in person or by proxy. Any or all of the Board of Managers of the Condominium, other than those designated by the Declarant may be removed without cause by vote of the members at a special meeting called pursuant to this section if the meeting is called for such purpose.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Residential Unit Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of managers (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Managers designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Residential Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Residential Unit Owners, Managers need not be Residential Unit Owners; thereafter, all Managers, other than designees or nominees of the Sponsor, shall be Residential Unit Owners. The Managers shall be elected or designated at the annual meeting of the Residential Unit Owners.

At the first annual meeting of Residential Unit Owners called pursuant to Section 9 of Article II a total of three (3) Managers shall be elected or designated. All managers, other than those designated by the Sponsor, shall be elected by the Residential Unit Owners. The term of office of one (1) of the Managers shall be fixed for three (3) years, the term of office of one (1) of the Managers shall be fixed at two (2) years, and the term of office of one (1) of the Managers shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit owned. The one nominee(s) on each of the ballots, as the case may be, receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, the Manager's successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting.

Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers so long as Sponsor owns at least one (1) Residential Unit in the Condominium. At such time as the Sponsor no longer owns any Residential Units in the Condominium it will not be entitled to designate any members to the Board of Managers.

This Section may not be amended without the written consent of Sponsor.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. In the event of the failure to hold any election of the Board of Managers at the time designated for the annual election of the Board of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a special meeting of the Residential Unit Owners to elect a new Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Residential Unit Owners. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article III) or any other manager who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers, may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. No manager, other than a member of the First Board of Managers or a designee of the Sponsor, shall continue to serve on the Board if, during their term of office, they shall cease to be a Residential Unit Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Section 4. Resignation. Any manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. First Board of Managers. The first Board of Managers shall consist of Erden Arkan, Ulgur Aydin and Alev Dundar who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Residential Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 6. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Residential Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly Common Charges or vote a special Common Charge in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Residential Unit Owners pro-rata according to their respective common interest;

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

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

4. To enter into and upon the Residential Units when necessary and at as little inconvenience to the Residential Unit Owners as possible in connection with the maintenance, care, and preservation of the property;

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

6. To insure and keep insured the Common Elements and Residential Units in accordance with Article VII of these By-Laws;

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

8. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Residential Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Residential Unit;

9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and

generally to have the powers of a manager in connection with the matters hereinabove set forth;

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

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

12. To make additions, alterations, or improvements to the Common Elements of the Community, the cost of which addition, alteration, or improvement does not exceed $25,000. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of $25,000 only with the approval of a majority of the Residential Unit Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the Common Elements costing in excess of $15,000 or enter into service or maintenance contracts the duration of which will extend more than one (1) year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Residential Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Residential Unit Owners;

13. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that for the first five (5) years after the first conveyance of a Residential Unit (i) the consent of at least sixty-six and two-thirds (66-2/3%) percent in number of all Residential Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $25,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Residential Unit. Thereafter, the Board of Managers may borrow and incur debt on the Condominium in accordance with Section 339-jj of the Real Property Law of the State of New York.

14. To act as an agent for one (1) or more Residential Unit Owners to file a single complaint and bring a special proceeding on behalf of Residential Unit Owners who wish to contest the real estate tax assessments of their Residential Unit pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board could retain counsel on behalf of such Residential Unit Owners and charge each Residential Unit Owner for whom it is acting a pro rata share of expenses,

disbursements and legal fees, the payment for which would be secured by a lien on each Residential Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Residential Unit Owners;

15. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Residential Unit Owners without the necessity of the consent thereto, or joinder therein, by the Residential Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Residential Unit Owners who have the right to use such Common Elements to the exclusion of any other Residential Unit Owner, the consent of all such affected Residential Unit Owners shall be required in writing before such easement shall be granted).

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to include at least one (1) manager which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, for a period ending not more than five (5) years after the closing of title to the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers, may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the Common Elements or to any Residential Unit, costing cumulatively more than $10,000, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, in excess of the reserve for contingencies contained in the Condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of closing of the first Residential Unit, or (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, or (vii) charge any special Common Charge assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater

than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals.

(d) Notwithstanding Article III, Section 6(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer.

(e) Sponsor may exercise veto power over expenses, other than those described in Article III, Sections 6(c) and (d) of the By-Laws, for a period ending not more than five (5) years after the closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

Section 7. Repairs and Maintenance. All maintenance, repairs and replacements to the General Common Elements including but not limited to exterior walls of the Building, windows, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Residential Unit and services another Residential Unit or more than one (1) Residential Unit or so much of any pipes (including sewer and water pipes), wires, conduits and public utility lines as are located in the Common Elements but serve one or more Residential Units shall be made by the Board of Managers and the cost thereof shall be a Common Charge payable by all Residential Unit Owners. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements.

All maintenance (including electrical and plumbing repairs in the Residential Units and painting and decorating of the inside of the Residential Units), repairs and replacements to the Residential Units including windows (including all glass breakage), doors, windows and doors which open from a Residential Unit (except painting and maintenance of the exterior surface which is performed by the Board of Managers on behalf of the Condominium), and repairs to any heating (boiler)/air conditioning/hot water system servicing a Residential Unit, pipes, wires and conduits located within or without the same Residential Unit other than as set forth above shall be made by the respective Residential Unit Owners at their own expense.

All maintenance, repair, replacement and landscaping, as required, to a Limited Common Element appurtenant to a Residential Unit including the rear yard for Residential Units 1A, 1B and 1C on the first floor and the roof terraces for Residential Units 4B and the Penthouse shall be the sole responsibility of the Residential Unit Owner whose Residential Unit includes the Limited Common Element. Any repairs and replacement to a Limited Common Element done by a Residential Unit Owner, if permitted, shall conform to the requirements contained in Article Eighteenth (c) of the Declaration of Condominium.

The Board of Managers on behalf of the Condominium shall repair and replace any public utility lines located underground or overhead of any Limited Common Element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Residential Unit Owner to which the Limited Common Element is restricted in use, in which event such Residential Unit Owner shall make such repairs or replacements at their own expense.

The Board of Managers and their agents, employees and contractors shall have a right of access to any Residential Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium.

All replacements, repairs, painting or maintenance, whether made by the Residential Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of a Residential Unit, including roofs, or to any generally visible portion of the Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor and shall comply with the requirements of Article Eighteenth(c) of the Declaration of Condominium.

In the event that a Residential Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements or any other Residential Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Residential Unit Owner to do so after 10 days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Residential Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Residential Unit Owner for repairs or maintenance to the Residential Unit Owner's Residential Unit or for repairs to any Common Element restricted in use to such Residential Unit Owner, and the Residential Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential Unit Owner shall be liable for the reasonable Attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

Section 8. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 9. Meetings. (a) The first meeting of each Board newly elected by the Residential Unit Owners shall be held immediately upon adjournment of the meeting at

which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Residential Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) managers.

(d) At all meetings of the Board, a majority of the managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of managers, the managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 10. Annual Statement. The Board of Managers shall furnish to all Residential Unit Owners and their mortgagees and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Residential Unit Owners at any special meeting of the Residential Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Residential Unit Owner and a notice of the holding of the annual Residential Unit Owners meeting.

Section 11. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 12. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 13. Liability of the Board of Managers, Officers and Residential Unit Owners. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Residential Unit Owner for damages for any breach of duty in his or her capacity as a 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 Residential 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 judgement 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 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 judgement 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 the advantage to which he or she was not legally entitled.

The Residential 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 provision 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 Residential Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor,

to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Residential Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the Member of the Board of Managers 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 the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners).

Each Residential Unit Owner's liability pursuant to this Section 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 Residential Unit Owners in the Common Elements.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Managers may also choose one (1) or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be Residential Unit Owners, members of the first Board of Managers or designated members of the Board of Managers of the Sponsor. Two (2) or more offices may be held by the same person, except that the President may only hold the office of President.

Section 2. Election. The Board of Managers at its first meeting after each annual Residential Unit Owners Meeting shall elect a President, a Vice-President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; the President shall preside at all meetings of the Residential Unit Owners and Managers, the President shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York.

Section 6. The Vice-President. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Residential Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all Residential Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision the Secretary shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium as may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of common charges against such Residential Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Residential Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Residential Unit Owner at such address as appears on the books of the Condominium.

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

ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Residential Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Residential Units and prorated against each of said Residential Units according to the respective common interest appurtenant to such Residential Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Residential Unit or the Common Elements restricted to the use of the Residential Unit Owner of said Residential Unit.

Said assessments shall be payable monthly or such other manner as ordered by the Board of Managers and shall be referred to as Common Charges. Special Common Charge assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments.

The Residential Unit Owner agrees to pay promptly when due the monthly Common Charges and all special Common Charge assessments assessed against the Residential

Unit Owner's own Residential Unit. In the event any Residential Unit Owner fails to make payment of the Residential Unit Owner's Common Charge payment, the Residential Unit Owner who owns such Residential Unit shall be obligated to pay (a) a "late charge" of $.15 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Residential Unit Owner's Residential Unit arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Residential Unit Owner.

In addition, in the event of a default in payment of Common Charge assessments by any Residential Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Residential Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Residential Unit Owner and the mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment.

The Board may take action to collect any Common Charges due from any Residential Unit Owner which remains unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Residential Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Residential Unit Owner shall be liable for any Common Charges which accrue against the Residential Unit Owner's Residential Unit subsequent to a sale, transfer or other conveyance by the Residential Unit Owner in accordance with these By-Laws and the Declaration. A purchaser of a Residential Unit (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all future Common Charges assessed against the Residential Unit and unpaid Common Charges assessed against the Residential Unit at the time of the purchase.

Section 3. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Residential Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Residential Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Residential Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Residential Unit. In either event the Residential Unit Owner shall be liable for all costs of suit, including reasonable attorneys' fees.

Section 4. Statement of Common Charges. Upon the written request of any Residential Unit Owner or their mortgagee, the Board shall promptly furnish such Residential Unit Owner or their mortgagee with a written statement of the unpaid common charges due from such Residential Unit Owner.

Section 5. Liability for Utilities. Any utility, including gas and electricity, consumed in the Residential Units shall be an expense of each individual Residential Unit Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account," into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Residential Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Residential Units.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fidelity insurance covering all officers, Board members, employees and the managing agent or agents who handle funds of the Condominium; fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Building in the Condominium (but not including furniture, furnishings or other personal property supplied or installed by Residential Unit Owners), together with all heating, air-conditioning and other service machinery, contained therein, covering the interest of the Condominium, the Board of Managers and all Residential Unit Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Residential Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if $40,000 or less, shall be payable to the Board of Managers, and if more than $40,000 shall be payable to the Insurance Trustee.

The fire insurance will commence with the closing of title to the first Residential Unit in an amount as required by the mortgagee of such Residential Unit and such amount will be increased upon the closing of title to all Residential Units and until the first meeting of the Board of Managers following the first Residential Unit Owners meeting, such amount shall be at least in the sum of $3,000,000. All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Residential Unit Owners or of the invalidity arising from any acts of the insured or any Residential Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Residential Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of Residential Units at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent and each Residential Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Residential Unit Owners meeting, such public liability insurance shall be in a single limit of $1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Residential Unit.

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

Section 2. The Insurance Trustee. A New York Bank or Trust Company shall be the Insurance Trustee and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential 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 Buildings (including any damaged Residential Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Residential Unit Owners in the Residential Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Residential Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Residential Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Residential Unit Owners in proportion to their respective common interests, after first paying out of the share of each Residential Unit Owner the amount of any unpaid liens on his Residential Unit, in the order of the priority of such liens.

ARTICLE VIII. HOUSE RULES

Section 1. In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Residential Units and the conduct of all residents thereof.

Section 2. All Residential Units shall be used for residential purposes only. All rentals, other than rentals by the Sponsor, must be subject to local zoning ordinances and must comply with the requirements contained in these By-Laws under Article XI, Section 2.

Section 3. Residential Unit Owners of a Residential Unit, members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other Residential Unit Owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 4. The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

Section 5. Every Residential Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Residential Unit Owner or such other person for whose conduct he is legally responsible.

Section 6.

(a) Every Residential Unit Owner must perform promptly all maintenance and repair work to the Residential Unit Owner's own Residential Unit and Limited Common Element, if not a Condominium obligation, which, if omitted, would affect the Community in its entirety or in a part belonging to other Residential Unit Owners, or the Building of which the Residential Unit forms a part, the Residential Unit Owner being expressly responsible for the damages and liabilities that the Residential Unit Owner's failure to do so may engender.

(b) All the repairs to internal installations of the Residential Unit located in and servicing only that Residential Unit, such as telephones and sanitary installations shall be at the Residential Unit Owner's expense.

(c) Screen storm doors, if any, must conform to models installed by the builder and may not be installed without the approval of the Board of Managers.

Section 7. No Residential Unit Owner may make any alterations to any part of the Common Elements nor may any structure or other improvement be built or placed on any portion of the Common Elements or Limited Common Elements nor may any Residential Unit Owner make any structural addition, alteration or improvement in or to their Residential Unit, except for the rear yards that are Limited Common Elements of specific Residential Units as reflected in Article Fifth (B)(1) of the Declaration of Condominium, without the written consent of the Board of Managers as detailed in Article Eighteenth (c) of the Declaration of Condominium.

Section 8.

(a) No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Condominium or their Residential Units including "For Sale" and "For Rent" signs except as authorized and approved by the Board of Managers.

(b) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out of a Residential Unit or on any patio, terrace or balcony or exposed on any part of the Common Elements. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. No rugs or mops

shall be shaken or hung from or on any of the windows or doors, nor shall a Residential Unit Owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

(c) No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Residential Unit.

(d) No animals or reptiles of any kind shall be raised, bred, or kept in any Residential Unit or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets may be kept in Residential Units, subject to any rules and regulations adopted by the Board of Managers. No animals are permitted to be kept or maintained for any commercial purposes and any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominium upon three (3) days written notice from the Board of Managers. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose. Residential Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to the Common Elements1. No cages or "runs" shall be constructed on the Common Elements.

(e) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior Residential Unit without the prior written consent of the Board of Managers except that a Residential Unit Owner may install a satellite dish on their Limited Common Element subject to the rules regarding the size of a satellite dish contained in the Federal Communications Commission rules adopted on October 14, 1996. The Board of Managers may adopt such other rules and regulations pertaining to antenna so as to comply with the Federal Communications Commission rules adopted on October 14, 1996.

(f) No Residential Unit Owner shall do anything to the Residential Unit Owner's Residential Unit or the Common Area to alter the drainage.

(g) No building, deck, patio, fence, gate, sign, statuary, wall or other structure, or change or alteration to the exterior or interior of the Residential Units or color of the Residential Units or in the landscaping shall be commenced, erected, replaced, repaired or maintained, nor shall any exterior or interior addition to, or change or alteration thereto, be made unless the Residential Unit Owner if permitted, complies with requirements of Article Eighteenth (c) of the Declaration of Condominium.

(h) Any Residential Unit Owner who mortgages or sells their Residential Unit shall immediately notify the Board of Managers, providing the name and address of his mortgagee or new Residential Unit Owner.

(i) The Board of Managers shall, at the request of the mortgagee of the Residential Unit, report any delinquent assessments due from the Owner of such Residential Unit.

(j) Every Residential Unit Owner shall be liable for any and all damage to the Common Elements, which shall be caused by said Residential Unit Owner, the Residential Unit Owner's permitted lessees and occupants of Residential Units, their respective family members and guests and such other person for whose conduct the Residential Unit Owner is legally responsible.

(k) No Residential Unit Owner shall make or permit any disturbing noises in any Residential Unit or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Residential Unit Owners.

(l) Each Residential Unit Owner shall keep their Residential Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, or windows thereof, any dirt or other substance.

(m) No Residential Unit Owner nor any of the Residential Unit Owner's agents, servants, employees, licensees, or visitors shall at any time bring into or keep in their Residential Unit any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

(n) The agents of the Board of Managers or the managing agent, if any, and any contractor or workman authorized by the Board of Mangers or the managing agent, may enter any Residential Unit at any reasonable hour of the day for the purpose of inspecting such Residential 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, insect or other pest, provided that such right will be exercised in such a manner as will not unreasonably interfere with the residential use of the Residential Units.

(o) If any key or keys are entrusted by a Residential Unit Owner or occupant or by his agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for such Residential Unit or an automobile or other type of personal property, the acceptance of the key shall be at the sole risk of such Residential 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.

(p) The Board of Mangers or the Managing Agent may retain a pass-key to each Residential Unit. The Residential Unit Owner shall not alter any lock on any door leading to their Residential 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.

(q) Planting of fruits or vegetables is absolutely prohibited in or on any Common Element.

(r) All repair, maintenance and replacement to any landscaping or other improvements located in a rear yard that is a Limited Common Element and appurtenant to a Residential Unit shall be the sole responsibility of the Residential Unit Owner of the Residential Unit of which the rear yard is appurtenant.

(s) Residential 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 the management of the Building.

(t) 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.

(u) All Residential Unit Owners shall keep their thermostats at a minimum of 55 degrees Fahrenheit to prevent freezing of pipes. Any Residential Unit Owner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and any other Residential Unit.

(v) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the House Rules or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. If in their determination the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to $100.00 upon the violator; such fine is to be considered as an additional common charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium, By-Laws or Offering Plan. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to $100.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to a Common Element, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

Any costs incurred by the Board of Managers to remedy or cure any violation of these By-Laws, the Rules and Regulations as herein or hereafter established, shall be an additional Common Charge charged to the violator in addition to the One Hundred Dollar ($100.00) fine(s) levied upon the violator. Fines may be levied against a Residential Unit Owner's tenant, and the Residential Unit Owner shall be jointly and severally liable with his tenant for the payment of same.

In the event the Condominium institutes legal action for the collection of any fines or the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

ARTICLE IX. DEFAULT

In the event a Residential Unit Owner does not pay any sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting in behalf of the Board shall notify the Residential Unit Owner and the mortgagee, if any, of such Residential Unit. If such sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of such notice, the Board may foreclose the lien encumbering the Residential Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Residential Unit does not pay the Common Charge assessment required to be paid by him on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI, Section 2 of these By-Laws and said Residential Unit Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

In addition to the Board's right to bring an action to foreclose a lien on a Residential Unit Owner's Residential Unit, the Board (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event the Residential Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Residential Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Residential Unit Owners' interest and the interests of holders of a mortgage encumbering a Residential Unit or Residential Units.

Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from the By-Laws or any rules and regulations shall be effective in any way against Sponsor or its designee or any Unsold Residential Unit, as long as the Sponsor owns an Unsold Residential Unit in the Condominium unless

Sponsor has given its prior written consent thereto. This provision is not subject to amendment.

ARTICLE XI. SELLING, MORTGAGING AND LEASING RESIDENTIAL UNITS

Section 1. Selling and Leasing Residential Units. Any Residential Unit may be conveyed or leased, subject to the leasing requirements contained in Section 2, subject to local zoning ordinances, by its Residential Unit Owner free of any restrictions except that no Residential Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease their Residential Unit unless and until all unpaid Common Charges assessed against the Residential Unit Owner's Residential Unit shall have been paid to the Board of Managers of the Condominium. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Residential Unit, or by the Grantee. Notwithstanding the above any Residential Unit Owner who wishes to enter into a lease for the Residential Unit Owner's Residential Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease prior to its execution. All leases must comply with all the requirements contained in Section 2 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, a Residential Unit Owner may convey the Residential Unit Owner's Residential Unit and common interest appurtenant thereto, to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board or the Residential Unit Owners and upon such conveyance such Residential Unit Owner shall not be liable for any Common Charges thereafter accruing against such Residential Unit. Any sale or lease of any Residential Unit in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Residential Unit by a first mortgagee who shall acquire title to such Residential Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Residential Unit" is referred to in this section, it shall include the Residential Unit, the Residential Unit Owners undivided interest in the Common Elements and the Residential Unit Owners interest in any Residential Units acquired by the Board of Managers.

Section 2. Leasing Requirements. Except as noted in Sections 4, 5 and 6 every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease:

(a) the lease must be in writing;
(b) the lease must be for the entire Residential Unit;
(c) the lease must be for a minimum and maximum of twelve (12) months. Renewals shall be for a one (1) year term and are subject to review by the Board of Managers of the Condominium;

(d) the use of the premises is subject to the Declaration and the By-Laws of the Condominium and the rules and regulations of the entire Condominium;

(e) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Managing Agent or if no Managing Agent to a Member of the Board of Managers of the Condominium;

(f) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Managers of the Condominium for review;

(g) the Residential Unit cannot be used as a motel or hotel or otherwise for transient tenants;

(h) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Residential Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

If the court finds that the tenant is or has violated any of the provisions of the Declaration or the By-Laws of both the Condominium, or the rules and regulations the Court may find the tenant guilty of forcible detainer despite the facts that the Residential Unit Owner is not a party to the action and/or that the tenant is not otherwise in violation of tenant's lease or other rental agreements with the Residential Unit Owner. For purposes of granting the forcible detainer against the tenant, the court may consider the Residential Unit Owner a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (the Condominium). The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that shall bind the Residential Unit in the hands of the then Residential Unit Owner and the Residential Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Residential Unit Owner written notice of the nature of the violation of the rules, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

Section 3. Tenant Bound by Declaration. By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the other rules and regulations of the Condominium and recognizes and accepts the right and the power of the Board of Managers of the Condominium to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Condominium.

Section 4. Lenders. To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Residential Units in the Condominium, only subsections (b), (d), (e), (f), (g) and (h) of Section 2 of this Article XI shall apply to a first

mortgage lender who has title to the Residential Unit through (a) foreclosure of its first mortgage on the Residential Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Residential Unit. Any subsequent purchaser from the first mortgage lender is subject to all the terms of Article XI.

Section 5. Sponsor. The terms of Sections 2, 3 and 4 of this Article XI shall not be applicable to the Sponsor, its successors or assigns.

Section 6. Waiver of Partition Rights. The Residential Unit Owners waive all of their voting rights concerning partition respecting any Residential Unit acquired by the Board of Managers in accordance with this Article.

Section 7. Gifts, etc. Any Residential Unit Owner may convey or transfer their Residential Unit by gift during their lifetime or devise their Residential Unit by will or pass the same by intestacy, without restriction.

ARTICLE XII. CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $40,000 and to the Board of Managers if the award is $40,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) so much of the award as is applicable to unrestricted Common Elements, to the Residential Unit Owners pro rata according to the respective common interest appurtenant to the Residential Units owned by such Residential Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted (limited) Common Elements to the Residential Unit Owner having general use of such Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII. SPONSOR RIGHTS

Section 1. Sales. The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Residential Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Residential Units to prospective purchasers, to utilize the Common Elements, and without limitation, to do any and all things necessary to incident to the sale of the Residential Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

Section 2. Signs. The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct and sell the Residential Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. This Article XIII may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Residential Units.

ARTICLE XIV. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Residential Unit Owner permit or suffer anything to be done or left in their Residential Unit which will increase the insurance rates on their Residential Unit or any other Residential Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Residential Unit Owner who mortgages a Residential Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers of the Condominium and the President of the Board of Directors of the Residential Unit Owners Association in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Residential Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Residential Unit, report any unpaid assessments due from the Residential Unit Owners of such Residential Unit.

Section 5. Examination of Books and Records. Every Residential Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

(Send this application to the reviewing attorney assigned to the subject plan.)

Re:_____
Address of Building or
Name of Project

File Number:_____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name_____
of Applicant

2. Address_____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____
_____
_____

4. This is an application for

( ) return of down payment.
( ) forfeiture of downpayment.
( ) other: _____

_____

5. The project is ( ) a conversion of occupied premises.
( ) newly constructed or rehabilitated.
( ) vacant (as is).

6. The project is structured as
( ) a cooperative.
( ) a condominium.
( ) a homeowners association.
( ) a timeshare.
( ) other:_____

SCHEDULE K

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

   (a) Name of account _____

   (b) Name and address of bank _____

   (c) Account number (if known) _____

   (d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

   (a) Name and address of bond issuer or surety: _____

   _____

   (b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

   _____

   _____

   _____

   _____

11. If downpayments have been secured by a letter of credit:

   (a) Name and address of bank which issued the letter of credit:

   _____

   _____

   _____

   (b) Date of expiration of the letter of credit, if known:

   _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

( ) has been declared effective. Approximate date: _____

( ) has not been declared effective.

(c) If effective, the plan

( ) has closed or the first unit has closed.
(Approximate date) _____

( ) has not closed.

( ) don't know.

(d) Downpayments are secured by

( ) escrow account.

( ) bonds.

( ) letter of credit.

13. Contract information:

(a) Copy of contract and if 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:

ESCROW AGREEMENT

AGREEMENT made this 2nd day of February, 2003, between SAGE DEVELOPMENT CORP., as Sponsor of an Offering Plan for Condominium Units in a Condominium know as THE METROPOLITAN CONDOMINIUM and CERTILMAN BALIN ADLER & HYMAN, as ESCROW AGENT.

WHEREAS, SAGE DEVELOPMENT CORP., is the SPONSOR of an Offering Plan for Condominium Units in a Condominium located in Brooklyn, New York, which Condominium is to be known as THE METROPOLITAN CONDOMINIUM; and

WHEREAS, CERTILMAN BALIN ADLER & HYMAN, LLC, is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the New York State Attorney General's ("Attorney General") regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as ESCROW AGENT for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with North Fork BANK (depository bank) at its branch located at 275 Broad Hollow Road, Melville, New York. The account number is [redacted]

1.2 The name of the account is "CERTILMAN BALIN ADLER & HYMAN, LLP/THE METROPOLITAN CONDOMINIUM, SPECIAL IOLA ESCROW ACCOUNT".

1.3 A member or members of the ESCROW AGENT are the sole signatories on the account.

1.4 The escrow account is an Interest-on-Lawyer-Account ("IOLA") account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow shall be made payable to, or endorsed by the purchaser or subscriber to the order of CERTILMAN BALIN ADLER & HYMAN, LLC, as ESCROW AGENT for THE METROPOLITAN CONDOMINIUM OFFERING PLAN. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (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 shall deliver to the ESCROW AGENT all deposits submitted pursuant to a subscription or purchase agreement, within three (3) business days after tender of the deposit by a prospective purchaser to the SPONSOR or any agent engaged by the SPONSOR, along with the form of tender of deposit attached hereto as Exhibit A to this Escrow Agreement, executed by the SPONSOR.

2.3 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, the ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan or amendment thereto, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after the tender of the deposit, the purchaser may cancel the subscription or purchase agreement 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 the escrow regulations promulgated by the Attorney General 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 deposited by 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 (d) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds; or (e) the ESCROW AGENT is changed pursuant to the terms of the Escrow Agreement in connection with the transfer of funds to the new escrow agent; or (f) funds which were deposited prior to the acceptance of the contract are returned to the purchaser because of rejection of the contract by the SPONSOR; or (g) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from SPONSOR's regular suppliers or from using same in the construction and/or completion of the Home making the construction or completion of the Development unlikely; or (h) SPONSOR is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, acts of God or national emergencies making the construction or completion of the Development unlikely; or (i) the installation of public utilities is restricted or curtailed making the construction or completion of the Development unlikely; or (j) until released in accordance with paragraphs 3.3 and 3.4.

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

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made an application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

3.5 ESCROW AGENT shall disburse the purchaser's deposit(s) escrowed under this Escrow Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Agreement.

4. RECORDKEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was the ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by 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.

5.3 No disbursement need or will be made by ESCROW AGENT until the deposit has actually and finally cleared ESCROW AGENT's account.

5.4 ESCROW AGENT shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

5.5 ESCROW AGENT may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertions contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so.

5.6 ESCROW AGENT undertakes to perform only such duties as are expressly set forth in this Agreement and the Escrow Regulations promulgated by the New York State Attorney General's Office, and no implied duties or obligations shall be read into this Agreement against ESCROW AGENT.

6. RESPONSIBILITIES OF SPONSOR

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall within three (3) business days of receipt of all deposits and payments deliver to ESCROW AGENT all such deposits and payments received by them prior to closing of an individual transaction.

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

7. INDEMNIFICATION

7.1 ESCROW AGENT shall not be liable for SPONSOR's failure to tender the purchasers' funds to ESCROW AGENT within three (3) business days, for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence, and SPONSOR agrees to indemnify and hold ESCROW AGENT harmless from any claims, demands, causes of action, liability, damages, judgments, including the cost of defending any action against it together with any reasonable attorneys' fees incurred therewith and/or reasonable value of services rendered by ESCROW AGENT's litigation attorneys representing ESCROW AGENT pro se, in connection with ESCROW AGENT's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of ESCROW AGENT.

7.2 ESCROW AGENT shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

7.3 The duties of ESCROW AGENT shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Agreement.

8. TERMINATION OF AGREEMENT

8.1 This Agreement shall remain in effect unless and until it is canceled, by either:

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

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All Homes offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

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

8.2 Upon termination of the duties of ESCROW AGENT as described in Paragraph 8.1 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 designated in the duly filed amendment related thereto.

8.3 Upon delivery of all funds held by the ESCROW AGENT to the new escrow agent pursuant to 8.2 supra, this Agreement shall be terminated and the ESCROW AGENT shall be released from all liability hereunder.

8.4 Upon ESCROW AGENT disbursing the deposit of an individual purchaser in accordance with the provisions of this Agreement, the escrow obligation's shall terminate as regards said purchaser's deposit, and ESCROW AGENT shall thereafter be released of all liability in connection with said purchaser.

9. MISCELLANEOUS

9.1 In the event of a good faith disagreement about the interpretation of this Agreement, or about the rights and obligations, or the propriety, of any action contemplated by ESCROW AGENT hereunder, ESCROW AGENT may, at its sole discretion, retain purchasers's deposits and payments in escrow and apply to the Attorney General for a determination on the disposition of the down payment or file an action and deposit any applicable funds in court to resolve said disagreement. ESCROW AGENT shall be indemnified by SPONSOR for all costs, including reasonable attorneys' fees or reasonable value of services rendered by ESCROW AGENT's litigation attorneys representing ESCROW AGENT pro se, in connection with the aforesaid action. No such action shall be filed where the ESCROW AGENT's required course of action is clearly dictated within this Agreement.

10. SUCCESSORS AND ASSIGNS

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

11. GOVERNING LAW

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

12. ESCROW AGENT'S COMPENSATION

12.1 SPONSOR agrees that ESCROW AGENT's compensation, if any, shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

13. SEVERABILITY

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

14. ENTIRE AGREEMENT

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

15. NOTICES

15.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, Federal Express or similar overnight courier, facsimile transmission, messenger service (with proper receipt therefor), addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:

Certilman Balin Adler & Hyman, LLP
90 Merrick Avenue
East Meadow, New York 11554
Attn: Richard Herzbach, Esq.

IF TO SPONSOR:

SAGE DEVELOPMENT CORP.
10-34 44th Drive
Long Island City, New York 11101
Attn: Eugene Aydin

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

16. CAPTIONS AND HEADINGS

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

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

ESCROW AGENT:

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____

Richard Herzbach, Partner
Print Name and Title or Position

SPONSOR:

By: _____

Ulgur Aydin, Principal

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO 13 NYCRR 20.4 (b)

Date: Jan. 27, 2003

State of New York
Department of Law
120 Broadway
23rd Floor
New York, NY 10271

RE: **THE METROPOLITAN CONDOMINIUM**

Gentlepeople:

We are the Sponsor and the principals of Sponsor of the Condominium Offering Plan for the above-captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as they may be applicable.

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

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

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

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

SPONSOR:

SAGE DEVELOPMENT CORPORATION

By: _____
Ulgur Aydin, Principal

SPONSOR'S PRINCIPALS:

_____
Ulgur Aydin

_____
Erden Arkan

_____
Selim Akyuz

_____
Alev Dundar

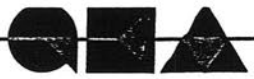
_____
Patricia Sasso

_____
Osman Ozcan

Sworn to before me this
27 day of JANUARY, 2003.

_____
Notary Public

KEMAL G. DUNDAR
NOTARY PUBLIC, State of New York
No. 01DU4986464
Qualified in New York County
Commission Expires Sept. 16, 2005



SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 20.4 (c)

Date: September 9, 2003

State of New York
Department of Law
120 Broadway
23rd Floor
New York, NY 10271

RE: **209-211 North 5th Street, Brooklyn, New York**

Gentlepeople:

The sponsor of the offering plan to covert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by **Gene Kaufman, Architect P.C.** dated **5.15.03** and we prepared the Report dated **6.19.03** a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State in which the property is located.

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

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 in so far as they are applicable to this Report.

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

We certify that the Report:

(i) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact.

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted be existing circumstances;

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

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing the Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

Gene Kaufman, Architect P.C.

By:

Signature of Individual if prepared by Firm

President

Title of Position if prepared by Firm

Sworn to before me this

9 Day of Sept ,20 03

Notary Public

STANLEY TISCHLER
COMMISSIONER OF DEEDS
CITY OF NEW YORK-NO. 4-3961
CERTIFICATE FILED IN NEW YORK COUNTY
COMMISSION EXPIRES MAY 1, 2004

SCHIFFER MANAGEMENT GROUP

10 Mitchell Rd.
Westhampton Beach, NY 11978
Tel 631-288-4343
Fax 631-288-4772

Department of Law
State of New York
120 Broadway- 23rd Fl
New York, New York 10271

July 29, 2003

Gentlepeople,

Re: Metropolitan Condominium

The Sponsor of the Condominium Offering Plan for the captioned property has retained me to review the Schedule containing projections of income and expenses for the first year of condominium operation. My experience in this field includes the current management of two (2) multi-family properties with many similarities to the captioned property's as well as more than twenty-five (25) years' experience in managing condominium and cooperative property.

I understand I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Schedule.

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

I certify that the projections in the Schedule appears reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet anticipated operating expenses for the first year of condominium operation.

I certify that the Schedule:

(I) sets forth in detail the projected income and expenses for the first year of condominium operation.

(11) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a condominium;

(111) does not omit any material fact;

(1V) does not contain any untrue statement of a material fact;

(V) does not contain any fraud, deception, concealment, or suppression;

(VI) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(VII) does not contain any representation or statement which is false where I (a) knew the truth; b) with reasonable effort could have known the truth; c) made no reasonable effort to ascertain the truth or; d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. The statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very Truly Yours,

Joseph Gill Schiffer
Schiffer Management Group

Sworn to before me this 29th day of July 2003

Notary Public

RICHARD HERZBACH
Notary Public, State of New York
No. 52-4720216
Qualified in Suffolk County
Commission Expires Nov. 30, 2006

The Real Property Law is amended by adding a new Section 339-kk to read as follows:

"§ 339-kk. Rents. (a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

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

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

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

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

SCHEDULE N