CONDOMINIUM OFFERING PLAN

LAWN COURT CONDOMINIUM III

A Plan For Condominium Ownership

of

3411 GUIDER AVENUE
BROOKLYN, NEW YORK 11235

Total Purchase Price of
the Six (6) Units, five (5) Parking and one (1) Garage Space
Offered at $2,650,000.00

Name and Address of Sponsor and Selling Agent:

3411 GUIDER REALTY LLC
2500 65TH STREET AVENUE
BROOKLYN, NEW YORK 11204

The Date of the First Offering of this Plan is MARCH 11, 2004. This plan may not be used for more than 12 months from such date unless extended by Amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS, SEE PAGE 1

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE 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.

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A. SPECIAL RISKS

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

(A) A Purchaser has thirty (30) days to cure a default under his Purchase Agreement after being sent written notice. Time is of the essence to cure the default within such thirty (30) day period, failing which the Purchaser will lose his downpayment. (See Section L, "Procedure to Purchase" for further details.)

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

(C) Although usually a Seller's expense, Purchasers shall be required to pay the Real Property Transfer Tax due to The City of New York. This tax is in the amount of one percent (1%) of the total purchase price of the unit, if under $500,000; and 1.425% of the total purchase price of the unit, if $500,000 or over. The amount of the Real Property Transfer Tax paid by the Purchaser is added to the purchase price as additional consideration upon which the Real Property Transfer Tax is based. The Purchaser shall also pay for the New York State Deed Documentary stamps (currently $2.00 per $500 or a fractional portion thereof of the purchase price) imposed by statute on the transferors of the property. The total amount of the transfer taxes is then added to the purchase price and the transfer tax is calculated in accordance with the percentages set forth above. (See Section O, "Unit Closing Costs and Adjustments" for further details.)

(D) No bond or other security has been furnished to secure the Sponsor's obligations, including Sponsor's obligation to complete the construction of the Condominium. (See Section P, "Rights and Obligations of Sponsor" for further details)

(E) As the premises consists of a newly constructed six(6) family dwelling, at the present time the budget of operations will not provide for a contingency for labor or management expense. As such Unit Owners be responsible for the routine maintenance and operation of the Premises and will be required to perform certain tasks normally done by a superintendent such as rubbish and snow removal and cleaning common areas. This may create an additional expense to the unit owners if the same shall be required in the future. In addition, the Budget will not provide for common heating as the Units are individually metered. (See Section G1, "Notes to Schedule B" for further details)

(F) The Sponsor will be required to provide purchasers with a temporary certificate of occupancy prior to the closing of title to the first unit. (See Section P, "Rights and Obligations of Sponsor" for further details)

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

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

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

(H) The units will not be furnished with refrigerators or washer and dryers. Purchasers will be required at their own cost and expense to obtain said appliances. See Section D, "Description of Property and Improvements" for further details.

(I) All funds received by the sponsor for special work, upgrades or extras shall initially be placed in the escrow account. However, such funds may be released to the Sponsor from the escrow account, provided the Sponsor utilizes said funds for such special work, upgrades and extras. Accordingly, in the event a prospective purchaser is entitled to a right of rescission, the purchaser will not receive a refund for such special work, upgrades and extras. (See Section L, "Procedure to Purchase" for further details.)

(J) There shall be an additional fee of $750.00 payable to Sponsor's counsel if Purchaser obtains fee title insurance from a title insurer other than Lighthouse Land Services Inc., representing payment for additional work involved and to pay for the work done by Lighthouse Land Services Inc., in connection with the preparation of the offering plan. (See Section O, "Unit Closing Costs and Adjustments" for further details.)

(K) All purchasers shall be required to pay the Sponsor, a fee of one percent (1%) of the purchase price for obtaining a tax abatement for the Condominium and $450.00 for the installation of the water meter. (See Section O, "Unit Closing Costs and Adjustments" for further details.)

(L) At the first meeting of the Board of Managers, the Sponsor may still designate the majority of the Board of Managers as long as the Sponsor owns at least 50% of the Units. However, after the earlier of conveyance of title to at least 50% of the Units offered for sale or the second anniversary of the first conveyance of title to the first Unit under this Plan, Sponsor and its designees will not appoint a majority of the Board of Managers.

Furthermore, until the Sponsor or its designee shall own less than 25% of the Units, or for a period of five (5) years after closing of title to the first Unit, whichever is sooner, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any

Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan. (See Section Q, "Control by Sponsor" for further details.)

(M) At each closing purchaser will be required to execute a power of attorney in favor of the Board of Managers. The power of attorney will grant the Board of Managers certain powers including, without limitation, the right to execute certain documents on behalf of the Unit Owners. (See Document No. 3 in Part II "Form of Unit Owner's Power of Attorney" for further details.)

(N) In the event that purchaser is notified by the lending institution of the rejection of his application, he must furnish the Selling Agent with a copy of the application and the rejection letter. The Sponsor shall, within ten (10) days after receiving notice of the rejection, have the option to designate one other lending institution with which purchaser will be required to file a new application for financing. In the event that the Sponsor fails to designate a lending institution or if the Sponsor's designated lending institution rejects the application, then the selling agent shall promptly have the downpayment refunded and all the parties will be relieved of any liability under this Purchase Agreement. (See Section L, "Procedure to Purchase" for details.)

(O) The Purchaser will represent to Sponsor that he or she has not dealt with any broker other than the Selling Agent in connection with the acquisition of his or her Unit and will indemnify the Sponsor against the claims of any other broker. (See Section L, "Procedure to Purchase" for further details.)

(P) In the event a Purchase Agreement shall be contingent upon the Purchaser obtaining a mortgage commitment and the Purchaser shall fail to obtain a mortgage commitment and thereafter fail too exercise the right of termination within time periods set forth in the Purchase Agreement or has failed to satisfy the conditions set forth in the Secured Loan Condition Rider, then, in either case, the Purchase Agreement shall remain in full force and effect and purchaser shall no longer have the right to terminate the Purchase Agreement. (See Section L, "Procedure to Purchase" for details.)

(Q) Purchaser shall be obligated to pay a fee of $900.00 to LEONARD J. MAZZARISI, ESQ. (hereinafter the "Sponsor's Attorney") for services rendered in connection with the preparation of the closing documents and the closing. If Purchaser shall obtain financing, Purchaser shall be required to pay the Sponsor's Attorney an additional fee of $100.00. If the closing shall not take place in the offices of the Sponsor's Attorney, then Purchaser shall be required to pay Sponsor's Attorneys a travel fee of $450.00. (See Section O, "Unit Closing Costs and Adjustments" for further details.)

(R) All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws or the breach of any fiduciary duty owed by the Board to the condominium and Unit Owners. (See Section R, "Rights and Obligations of The Board of Managers And Summary of The By-Laws" for further details.)

(S) It is anticipated that the Condominium will require no full time help and that part time help will be supplied on an "independent contractor" basis which will obviate the need to allocate money for payroll costs. In the event it is determined that full or part time help is required the Budget will be increased accordingly, increasing the monthly maintenance allocated to each Unit. (See Section G1, "Notes to Schedule B" for further details.)

(T) The Sponsor has retained the firm of Moseson & Associates to obtain a tax abatement for the Premises. When granted the taxes for the building will be based upon the pre-construction assessed valuation for the Premises. The Sponsor will have a preliminary certificate of tax abatement prior to the first closing (See Section T, entitled "REAL ESTATE TAXES" for further details).

HOWEVER, DUE TO POSSIBLE INCREASES IN THE TAX RATE AND/OR POSSIBLE FURTHER INCREASES IN THE PROPERTY'S NON-ABATED ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN AS SET FORTH ABOVE.

NO WARRANTY IS OR CAN BE MADE BY SPONSOR OR ANY OTHER PERSON THAT THE NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY OTHER AGENCY WITH JURISDICTION, WILL APPROVE SPONSOR'S APPLICATION FOR A 421-A TAX ABATEMENT, AND NEITHER THE SPONSOR NOR ITS COUNSEL SHALL BE LIABLE IF, BECAUSE OF CHANGES IN LAWS AND/OR REGULATION OR THE INTERPRETATION OF LAWS AND/OR REGULATIONS (OR AS TO DANIEL J. LIEBERMAN, ESQ. IF THE FACTS REPRESENTED BY SPONSOR PROVE INCORRECT) THE PROPERTY FAILS TO OBTAIN, IN WHOLE OR IN PART A 421-A ABATEMENT. SHOULD TAX ABATEMENT AND/OR EXEMPTION BE DENIED, IN WHOLE OR PART, THEN THE UNIT OWNERS WILL BE RESPONSIBLE FOR ALL OF THE TAXES DUE

U. As stated in Section E of the Architect's report, the Premises does lie in a flood plain. The Premises is in a A5 flood Plain. The Federal Emergency Management Agency has determined that any property in an A1 to A30 may be subject to flooding in a given 100 year period. Prospective Purchasers will be required to procure flood insurance if they so desire.

V. Future construction on adjoining parcels adjoining the premises may result in the closure of lot line windows.

W. Terraces are rated for live loads only and are not intended to be used for the storage of furniture or others items personalty.

B. INTRODUCTION

Purpose of the Offering Plan

The purpose of the Plan is to set forth all the material terms of the offer to sell these apartments as condominium units. The Plan may be amended from time to time to reflect changes which materially affect the offering. All amendments will be filed with the New York State Department of Law and will thereafter be served upon purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent and are not in default, Unit Owners and any other person entitled to service pursuant to local law or regulation.

The Offer

The Sponsor presents this Offering Plan (the "Plan") for conversion to condominium ownership of the Property pursuant to and in compliance with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The condominium shall be known as LAWN COURT CONDOMINIUM III (the "Condominium").

The offering plan encompasses the structure and all appurtenances thereto at 3411 Guider Avenue, Brooklyn, New York (the "Building"), and the land on which it is to be erected. The Sponsor is 3411 GUIDER REALTY, LLC, having an address at 2500 65th Street, Brooklyn, New York 11204 ("Sponsor"). The sponsor acquired title to the property on June 25, 2003 such building and land are hereinafter collectively called the "Property".

Under the Plan the Sponsor hereby offers a total of six (6) residential Units and five (5) parking and one (1) garage space, which will be offered on a first come first serve bases. The purchase prices, estimated Common Charges for each of these Units are listed in Schedule A -- Purchase Price and Other Financial Details for Each Unit. THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW AND HAVE NOT BEEN APPROVED BY ANY GOVERNMENTAL AGENCY.

This Offering Plan includes all Schedules and Parts A, B and C and D of the Exhibits and constitutes the entire offer of the Sponsor, copies of the Offering Plan and Parts A, B, C and D of the Exhibits will be available for inspection by prospective purchasers without charge at the Property Site whenever the on-site office is open, and at the office of the selling agent, the Sponsor or the Sponsor's attorney.

Basic Aspects of Condominium Ownership

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

Legal Description of Common Elements

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

Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more, but fewer than all Unit Owners. An easement is granted in all Limited Common Elements in favor of those Units which they are designed to serve, or to which they are otherwise expressly allocated. For example, Units 3A-6A have balconies which are limited common elements to the Units. In addition, Unit 6A has the exclusive use of a roof deck, which shall be deemed a limited common element to the Unit.

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

Other than as set forth herein, there is no restriction upon ownership of a Unit. Occupancy of a Unit, however, may only be for residential use and subject to consent of the Board of Managers.

No Unit Owner may sell or lease his Unit or any interest therein except by complying with the following condition. Any Unit Owner can sell or lease his or her Unit to anyone, without restriction or limitation, subject only to the right of first refusal in favor of the Board of Managers of the Condominium (the "Condominium Board") or a third party produced by the Condominium Board to acquire or lease such Unit upon the same terms that were offered to the prospective buyer or tenant. Note that the foregoing is merely a summary of conditions for the resale or lease of a Unit, and you are referred to Article 7 of the By-Laws attached hereto for detailed restrictions on sale, resale or leasing of Units. Any deed to a subsequent purchaser must provide that the acceptance thereof by the grantee constitutes an assumption of the provisions of the Declaration, the By-Laws, and the rules and regulations of the Condominium as they may be amended from time to time.

No Unit Owner may convey or mortgage title to his Unit without including therein the appurtenant interest. No Unit Owner is permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he has paid in full to the Board of Managers all unpaid Common Charges previously assessed by the Board of Managers against his Unit, and until he shall have satisfied all unpaid liens against the Unit, except permitted mortgages.

No Unit Owner may mortgage his Unit except by a first mortgage made to a bank, trust company, insurance company, savings and loan association, pension fund, or other institutional lender, or by a purchase money mortgage taken by a Unit Owner in the sale of a Unit. Any such mortgage must be substantially in the form on file with the Board of Managers, except for such changes or additions which may be necessary in order to permit or induce the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers.

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

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

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

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

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

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

Limitations on Purchase of Units

There are no restrictions on who may purchase a Unit in the Condominium. However, the Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever to refuse to approve and execute a Purchase Agreement for any Unit to any one person or entity; provided, however, that neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, sex, color, disability, marital status or national origin. In addition, it is the intent of the Sponsor to sell all the Units at the Premises. As such the Sponsor will only enter into rental agreements for Units with people who have executed Purchase Agreements for a Unit at the Premises, this is known as an interim lease. As the Premises is not encumbered by a construction loan the Sponsor has no obligations to third parties with respect to the sale or possible rental of units to prospective purchasers. If the Sponsor makes a "bulk" sale of all or some of its Unsold Units, the subsequent Sponsor or Hold of Unsold Units will be bound by the Sponsor's representation to sell the Units.

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

Contents of Part II

The agreement to purchase a Unit is called a "Purchase Agreement", the general form of which is set forth in Part II as Document No. 2. The terms of sale of Units, as well as the procedure to purchase the same, are summarized in Section L, "Procedure to Purchase". The form of Unit Owner's Power of Attorney that each Unit Owner will be required to give to the Condominium Board and to Sponsor pursuant to the terms of the By-Laws and the form of deed that Sponsor will issue to purchasers of Units are set forth as Documents Numbers 4 and 5, respectively, in Part II.. A detailed description of the physical condition of the Property is set forth in Part II as Document Number 1, entitled "Description of Property and Specifications" which includes an architect's report describing the property, and should be reviewed carefully by prospective purchasers. Floor plans of the Units are set forth in Part II as part of Document Number 1.

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

Parts I and II constitute the entire offering and contain all the detailed terms of the offer. The exhibits submitted to the Department of Law in connection with the filing of the Plan contain additional supporting documentation. All of these are available for inspection and copying to prospective purchasers and their attorneys at the office of the attorneys for the Sponsor during regular business hours. There will be no charge for inspection. However, there will be a charge of forty cents ($0.40) per page for copying. The Plan and exhibits are also available for inspection and copying by appointment (at a current charge of $0.25 per page) at the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271. There is a $50.00 deposit required for each copy of the book, which will be refunded if it is returned to the Sponsor in good condition.

C. DEFINITIONS

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

1. Sponsor: As used in New York State regulations pertaining to newly constructed and vacant condominium, the word "sponsor" means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty." In this case, the Sponsor is The 3411 GUIDER REALTY, LLC.

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

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

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

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

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

7. Limited Common Elements: Those parts of the Condominium which would normally be part of the Common Elements, but to which a Unit Owner has an easement for exclusive use and enjoyment including, without limitation, cellar rooms, attics, parking spaces and balconies and further delineated in the Description of Property.

8. The Condominium: LAWN COURT CONDOMINIUM III, proposed to be created and organized as provided for in this Offering Plan, consisting of land, building, and appurtenances.

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

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

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

12. Common Charges: Assessments by the Board of Managers upon the Unit Owners, in proportion to their respective interests in the Common Elements for the purpose of paying Common Expenses.

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

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

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

D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

These outline specifications are intended to outline generally the nature of the work, materials and equipment and to indicate the contemplated character of the Building, but shall not be interpreted as enlarging in any manner, directly or by reference, the obligations or liability of the Sponsor as set forth in this Plan. A more detailed description and approximate three dimensional floor plans are set forth in the "Description of Property and Specifications," Document No. 1 in Part II of the Plan.

The building is located at 3411 Guider Avenue, Brooklyn, New York. It is located in an R6 Zoning District, which permits the construction of a multi-story residential building of this nature. The structure is being newly constructed under Plans filed with the Brooklyn Office of the Department of Buildings, and has been assigned Application

The streets beyond the lot lines are New York City sidewalks, curbs and roadways. The roadways are asphalt paving. Catch basins are located in the street to catch the storm run-off into New York City Sewer System. The Streets are lighted by The City with mercury arc lamps. Water is provided by the City of New York. The structure will have a common water meter and will be billed for water consumption. Natural gas for cooking hot water and heating is provided by the Brooklyn Union Gas Co. Each unit will be separately metered and billed. Telephone service is provided by the New York Telephone Company. Electricity is provided by the Consolidated Edison Co. Each unit is metered and billed separately. Storm water is carried into the New York Sewer System as is the entire sanitary waste from the building.

Building:

The offering consists of one building containing six (6) residential units and five (5) parking and one (1) garage space. The garage and parking space will be allocated as set forth on Schedule A. Ownership to the parking spaces will be in fee and not as a limited common element. Each unit will be heated and cooled by a separate heating system.

Occupancy and Unit Information: The units are subdivided as follows:

Unit	Location	Usage	Rooms/Baths
1	1st floor	Residential	6/2
2	2nd floor	Residential	6/2
3	3rd floor	Residential	6/2
4	4th floor	Residential	6/2
5	5th floor	Residential	6/2
6	6th floor	Residential	7/3

Units 1-5 consist of 3 bedrooms, 2 bathrooms, living/dinning room and kitchen. Unit 6 consists of a 4 bedrooms, 3 bathrooms, living/dinning room and kitchen.

Parking Spaces

Parking Space 6 has been designated as a handicapped parking space and will be the last parking space to be sold. The purchase of Parking Space 6 and any subsequent sale, transfer or hypothecation of it, is hereby subject to the following covenant and restriction in the deed:

In the event the present or future Owner of a Unit, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, and said Unit Owner is the Owner of a Parking Space, said Unit Owner has the right to demand that the Owner of Parking Space 6 trade the handicapped parking space he/she owns with said handicapped Owner.

In the event the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner does not own a Parking Space, said Unit Owner has the right to demand that the Owner of Parking Space 6, sell it at the then current, fair market value, to said handicapped Owner. All costs and expenses entailed in the transfer of title to the parking spaces, including without limitation, title abstracts, title insurance, transfer taxes and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

If the parties can not agree on the fair market value of the Parking Space then the parties agree to submit the matter to binding arbitration in accordance with Article 10 of the By-Laws of the condominium. The party seeking the arbitration shall be required to send the appropriate notice as more fully set forth in Article 11 of the By-Laws. Article 11 provides in part that all notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed.

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his or her address at the Property;

(iii) if to Sponsor or its designee, to Sponsor or such designee; and

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

The Owner of Parking Space 6 must comply with the aforementioned demand upon thirty (30) days notice.

Additional details regarding the construction and other data regarding the Units may be found in Document No. 1, of this Plan, entitled "Description of Property and Specifications", which includes an architect's report describing the property.

The Sponsor reserves the right to amend or modify in any way such plans, specifications and description of property (including changing materials, and other construction details) and substitute in place of any materials and other construction details set forth herein or in Document No. 1 to Part II of this Plan, materials and other construction details of equal or better quality; provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. Certain changes to the plans, specifications and description of property can only be made with consent of the Unit Owners and/or by amendment to the Plan. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Building prepared by the Sponsor's Architects and Engineers as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this paragraph.

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

Statement of Dimensions. Dimensions indicated are approximate and shall consist of the area enclosed horizontally by the interior surface of the exterior walls of the buildings and to the center line when a partition divides the units from corridors or other units, and vertically by the upper face of the subfloor of the unit up to the unexposed face of the dry wall forming the upper ceiling of the unit.

No Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Vertically, each unit consists of the space between the upper face of the subfloor and the upper face of the dry wall ceiling. Doors and windows which open from a Unit shall be deemed part of the Unit.

The property will be improved and the Units constructed in accordance with all applicable zoning and building laws, regulations, codes, and other government requirements. The proposed project is governed by the New York City zoning laws and Building Code. Sponsor projects that the construction will be completed by July 1, 2004. However, Sponsor makes no representation or warranty that the units will be completed by said date. The following kitchen appliances are being included in the offering: one (1) Tappan gas range, model MGF 300TBW and one (1) Tappan dishwasher, model MDB 121RFM or appliances of equal value. The units will not be supplied with refrigerators or washer and dryers.

E. LOCATION AND AREA INFORMATION

The following is a general description of the property location, including the Building, the Units and the Common Elements. Reference should be made to the Engineer's Inspection Report, reproduced in full as Document Number 1 in Part II of the Plan, for a more detailed description of the Property and its physical condition.

Location

The building is located on the north side of Guider Avenue, from the corner formed by the intersection of Guider Avenue and East 11th Street, in the Borough of Brooklyn, County of Kings, City and State of New York. The building is known by the street address 3411 Guider Avenue, Brooklyn, New York, and is situated in an area of Brooklyn known as Sheepshead Bay. The major access roads are the Brooklyn Queens Expressway (BQE) and the Belt Parkway (BELT). The Williamsburg Bridge and Brooklyn Bridge, Manhattan Bridge, Brooklyn Battery Tunnel, Prospect and Gowanus Expressways are closely accessible via the BQE and the BELT. The Premises is located near the F, D, N, Q & R, subway lines. The Premises is located in Community School District 22 and is near PS26 and PS52

The Condominium is located in a residential neighborhood with convenient residential amenities. The immediate area consists of multi-occupancy housing with elementary schools in walking distance. Located nearby are public, private and parochial schools, religious institutions, day care centers and a senior citizen center. The nearest police stations are the 61st Precinct located at Coney Island Avenue and Avenue W, Brooklyn, New York. This police station is located approximately within a ten to fifteen block radius of the Property. The Fire Department has station house located in the neighborhood within a one mile radius Engine Co. 246 is located at Banner Avenue and East 11th Street, Brooklyn, New York.

Many retail facilities such as supermarkets, fruit and vegetable stores, meat and fish stores and bakeries exist on the surrounding streets. Complete shopping needs and services are available on many of the local Avenues and Streets. The Condominium is within walking distance of banks, restaurants, parks and subway and bus transportation. Coney Island Hospital is located at Ocean Parkway and Neptune Avenue and Brookdale Hospital is located at Brookdale Plaza and Linden Boulevard. IS 98 is locate at Emmons Avenue and East 14th Street, PS209 is located at East 7th Street and Avenue Z All of these facilities are within a 3 mile radius of the Condominium. The City of New York provides police, fire, sanitation, snow removal and road maintenance services.

SCHEDULE A

LAWN COURT CONDOMINIUM III

3411 GUIDER AVENUE, BROOKLYN, NEW YORK

PURCHASE PRICES AND ESTIMATED INDIVIDUAL EXPENSES FOR FIRST YEAR OF OPERATION

BEGINNING JULY 1, 2004 AND ENDING JUNE 30, 2005

Unit	Rooms/ Baths (1)	Approx. Sq. Ft. Of Unit (1)	Est. Total Offering Price (2)	Percentage Common Interest (3)	Monthly Common Charges (4)	Est. Monthly Total Real Estate Taxes Assumes Partial Exemption (5)	Estimate Monthly Carrying Charges* (6)	Estimated Deduction for First Year of Operation (7)	Est. Monthly Total Real Estate Taxes with No Partial Exemption (5)	Estimate Monthly Carrying Charges** (6)	Estimated Deduction For First Year of Operation (7)
1	6/2P	1,255	$380,000.00	14.00%	$152.00	$15.00	$167.00	$180.00	$307.00	$459.00	$3,684.00
2	6/2P	1,255	$390,000.00	14.00%	$152.00	$15.00	$167.00	$180.00	$307.00	$459.00	$3,684.00
3	6/2P	1,255	$400,000.00	14.00%	$152.00	$15.00	$167.00	$180.00	$307.00	$459.00	$3,684.00
4	6/2P	1,255	$410,000.00	14.00%	$152.00	$15.00	$167.00	$180.00	$307.00	$459.00	$3,684.00
5	6/2P	1,255	$440,000.00	14.00%	$152.00	$15.00	$167.00	$180.00	$307.00	$459.00	$3,684.00
6	7/3G	1,960	$630,000.00	19.50%	$211.25	$21.00	$232.25	$252.00	$427.50	$638.75	$5,130.00
P1	N/A	153	INCLUDED	1.75%	$ 19.00	$ 2.00	$ 21.00	$ 24.00	$ 38.50	$ 57.50	$ 462.00
P2	N/A	153	INCLUDED	1.75%	$ 19.00	$ 2.00	$ 21.00	$ 24.00	$ 38.50	$ 57.50	$ 462.00
P3	N/A	153	INCLUDED	1.75%	$ 19.00	$ 2.00	$ 21.00	$ 24.00	$ 38.50	$ 57.50	$ 462.00
P4	N/A	153	INCLUDED	1.75%	$ 19.00	$ 2.00	$ 21.00	$ 24.00	$ 38.50	$ 57.50	$ 462.00
P5	N/A	153	INCLUDED	1.75%	$ 19.00	$ 2.00	$ 21.00	$ 24.00	$ 38.50	$ 57.50	$ 462.00
G1	N/A	153	INCLUDED	1.75%	$ 19.00	$ 2.00	$ 21.00	$ 24.00	$ 38.50	$ 57.50	$ 462.00
		9,153	$2,650,000.00	100.00%	$1,085.25	$108.00	$1,193.25	$1,296.00	$2,193.50	$3,489.50	$26,322.00

*This estimate assumes that 421-A real estate tax benefits will be granted by July 1, 2004.

**This estimate assumes that 421-A real estate tax benefits will be granted by July 1, 2004

P= Parking Space and G= Garage Space

Limited Common Elements: Balconies - Unit 3 to Unit 6
Roof Deck - Unit 6

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

(1) Any floor plan or sketch shown to a prospective purchaser is only an approximation of the dimensions and layout of a Unit. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The number of rooms in each Unit is computed in accordance with the standards established by the Real Estate Board of the State of New York. Balconies and terraces shall be deemed limited common elements to the units to which they are affixed. Purchasers are referred to the Unit drawings annexed to the Architect's report in Part II of the Plan.

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

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

(3) In accordance with Section 339-i(1)(iv) of the New York State Condominium Act, the Common Interests of each of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

(4) Common charges have been estimated by the Sponsor and include fire and liability insurance for the Units and Common Elements, and maintenance and operation of the Common Elements. Common Charges exclude repair or decoration to the inside of the Units, electricity and gas for each Unit and insurance for personal effects. Common Charges have been estimated by the Sponsor based on the estimated operating budgets annexed as Schedule B to this Plan. For individual electricity gas and heating charges, Purchasers are referred to Schedule B-1.

(5) Each Condominium Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner will be responsible for the payment of real estate taxes on his/her Unit. However, no Unit Owner will be responsible for the payment of real estate taxes on a Unit not owned by him/her, nor will his/her Unit be subjected to any lien arising from the non-payment of taxes on other Units.

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the Board of Managers will collect the taxes as proportioned in Schedule A. The Board of Managers will hold said amount in escrow for the payment of taxes. IT SHOULD BE NOTED THAT ACTUAL FIGURES FROM THE CITY OF NEW YORK ARE NOT AVAILABLE FOR THE 2004/2005 TAX YEAR, AND THE TAXES AS SET FORTH ON SCHEDULE A ARE ESTIMATES. THE CITY OF NEW YORK MAY ASSESS EACH UNIT ON A BASIS THAT DIFFERS FROM THE ALLOCATION OF COMMON INTERESTS AND MAY BE EITHER HIGHER OR LOWER THAN REFLECTED IN SCHEDULE A.

Assuming a 421-a Tax Abatement is granted, the first year's tax as represented in Schedule A is based upon the estimated tax for land only at the rate previously charged on the unimproved property (the land tax). This rate is currently $12.517 per $100.00 of assessed valuation which at the present time is approximately $9,706.00. The resulting estimated tax per unit would be derived by multiplying the assessed land value by the tax rate and multiplying this amount by the percentage of Common Elements for each Unit for a twelve month period. Although the City of New York has used this approach to determine taxes on properties applying for the 421-a Tax Abatements, no representations or guarantees that the City will continue to use this same formula.

Assuming that there is no partial abatement, the full tax will prevail.

Based upon an estimated valuation of 210,000.00 for land and building after construction which is anticipated to be in July 2004, and an estimated tax rate of $12.517 per $100 of assessed valuation for the 2004/2005 fiscal tax year, the estimated tax for the Condominium building would be approximately $26,300.00 for the First Year of Condominium operation, which would be proportionately divided among the units. The estimated tax for each residential unit shown for the first year of Condominium Operation assumes that the amount of tax will be computed on the basis of the percentage of common interest attributable to such unit. Absent an individual mortgage on the unit, the total amount of carrying charges deductible for income tax purposes would equal the monthly real estate taxes.

According to an opinion prepared by the firm of Moseson and Associates, which opinion is included as Document 9 in Part II of this Offering Plan and further summarized in Section T of the Plan, entitled "Real Estate Taxes", an exemption under Section 421-(a) would result in an abatement of real estate taxes for a fifteen (15) year period for each residential Unit. Under 421-(a), the abatement from taxation consists of eleven (11) years of full abatement followed by one (1) year of eighty (80%) percent abatement, followed by one (1) year of sixty (60%) percent abatement, followed by one (1) year of forty (40%) percent abatement, followed by one (1) year of twenty (20%) percent abatement.

DUE TO POSSIBLE INCREASES IN THE TAX RATE AND/OR POSSIBLE FURTHER INCREASES IN THE PROPERTY'S NON-ABATED ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN AS SET FORTH ABOVE.

NO WARRANTY IS OR CAN BE MADE BY SPONSOR OR ANY OTHER PERSON THAT THE NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY OTHER AGENCY WITH JURISDICTION, WILL APPROVE SPONSOR'S APPLICATION FOR A 421-A TAX ABATEMENT, AND NEITHER THE SPONSOR NOR ITS COUNSEL SHALL BE LIABLE IF, BECAUSE OF CHANGES IN LAWS AND/OR REGULATION OR THE INTERPRETATION OF LAWS AND/OR REGULATIONS (OR AS TO DANIEL J. LIEBERMAN, ESQ. IF THE FACTS REPRESENTED BY SPONSOR PROVE INCORRECT) THE PROPERTY FAILS TO OBTAIN, IN WHOLE OR IN PART A 421-A ABATEMENT. SHOULD TAX ABATEMENT AND/OR EXEMPTION BE DENIED, IN WHOLE OR PART, THEN THE UNIT OWNERS WILL BE RESPONSIBLE FOR ALL OF THE TAXES DUE.

(6) All projected total carrying charges are for the projected first year of operation beginning July 1, 2004 to June 30, 2005. NOTE: Sponsor has not obtained, nor is it offering, permanent financing commitments to purchasers. Therefore, if a purchaser obtains financing, debt service on such financing will be a monthly expense additional to the total monthly charge listed.

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

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

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

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G. SCHEDULE B

Projected Budget for First Year of Operation
Beginning July 1, 2004
3411 Guider Avenue
Brooklyn, New York

Income

Common Charges	$13,000.00
Total Income	$13,000.00

Expenses

Labor (1)	$ 0.00
Heating (2)	$ 0.00
Utilities (electricity) (3)	$ 2,500.00
Water and sewer (4)	$ 2,500.00
Repairs, maintenance and supplies (5)	$ 1,500.00
Insurance (6)	$ 4,000.00
Legal fees and audit fees (7)	$ 1,500.00
Contingency (8)	$ 1,000.00
TOTAL	$13,000.00

G1. NOTES TO SCHEDULE B

The projected budget assumes that the first year of condominium operation will commence on July 1, 2004

1. Labor. It is anticipated that the Condominium will require no full time help and that part time help will be supplied on an "independent contractor" basis which will obviate the need to allocate money for payroll costs. In the event it is determined that full or part time help is required the Budget will be increased accordingly, increasing the monthly maintenance allocated to each Unit. As such Unit Owners be responsible for the routine maintenance and operation of the Premises and will be required to perform certain tasks normally done by a superintendent such as rubbish and snow removal and cleaning common areas.

2. Heating. Each Unit will be individually heated. At the present time no common heat will be provided. Budgets for individual Unit heat costs are set forth in Schedule B-1.

3. Electricity. This item includes the cost of electricity to the public areas of the building. This figure assumes an approximate usage of 15,700 KWH at an average cost of approximately $0.15 per KWH. This figure is inclusive of sales tax and a reasonable anticipated increase due to inflation Each Unit will be individually metered for electricity. The cost of electricity to units is separately metered and the charges therefor will be paid directly to the utility company by Unit Owners. A detailed projection is set forth in Schedule B-1.

4. Water and Sewer. This estimate is based on the cost and projected consumption of water services to be furnished by the City of New York for the common areas and units in the property. The Condominium shall have a common water meter which will service all six units and the common areas. Current meter water rates are approximately $1.52 per hundred cubic feet (HCF) which is equivalent to approximately 748.00 gallons of water. Sewer rates are based $2.42 per hundred cubic feet. The budgeted figure allows for a consumption of approximately 438,000 gallons of water. The budgeted amount is inclusive of consumption, rates, sales tax and reasonable anticipated increase due to inflation.

5. Repairs Maintenance and Supplies. The projected amount does not include repairs, painting, maintenance, or supplies for the interior of the Units, all of which are the responsibility of the individual Unit Owners As this is new construction, repairs and maintenance costs should be minimal and a small contingency should suffice. This budget amount is reserved for routine repairs and maintenance including painting, repairs to common areas, plumbing and electrical repairs.

6. Insurance. The following estimate for the cost of insurance is not based upon existing coverages for the Building. This estimate is based upon coverages suggested and premiums estimated by B.R. Vital Brokerage, Inc. 7501 15th Avenue, Brooklyn, New York 11228 ("Insurance Agent"). Although the projection is considered to be reasonable, there can be no guarantee that the estimated premium will not escalate or that such coverages will continue to be available. The insurance proposal provides for the following coverages:

Fire Insurance, All Risk Replacement Cost Guaranteed (Deductible $1,000.00)	$1,000,000.00
Broad Form Liability	$1,000,000.00 per occurrence/ $1,000,000.00 in the aggregate

Sponsor, at the sole cost and expense of the Condominium, will cause to be delivered to the Condominium on the Closing Date, policies providing the insurance described above or binders therefor. The policy will include, without limitation, terms that provide that: (i) each Unit Owner will be named as an additional insured; (ii) there will be no cancellation without prior notice to the Board of Managers; (iii) a waiver of subrogation clause; (iv) a waiver of invalidity because of acts of the insured and Unit Owners; and (5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

In the opinion of the Insurance Agent, the amount of fire insurance is adequate, and the inclusion by the insurance company of the Agreed Amount clause avoids any issue of co-insurance penalties. IT SHOULD BE NOTED THAT IN THE EVENT THE PROPERTY IS TOTALLY DESTROYED BY FIRE OR OTHER CASUALTY, THE INSURANCE COVERAGE AS STATED HEREIN DOES NOT COVER THE FULL INVESTMENT OF THE UNIT OWNERS FOR ANY PERSONAL ITEMS, FIXTURES OR FURNISHINGS THAT THEY MAY INSTALL AT THE PREMISES. HOWEVER, THE AMOUNT OF INSURANCE WHICH WILL BE IN EFFECT AT THE TIME OF THE FIRST CLOSING SHOULD BE SUFFICIENT TO PREVENT THE IMPOSITION OF ANY CO-INSURANCE FACTOR IN THE EVENT OF PARTIAL LOSS.

Unit Owners are advised to obtain at their own cost the following insurance, since it will not be provided by the Condominium: (i) liability coverage for occurrences within their respective unit, and (ii) all-risk coverage for losses relating to Unit contents, replacements, additions, upgraded fixtures and improvements.

7. Legal and Audit Fees. Based upon a quote from Vicky Korchmar, CPA, of 6 Hemingway Drive, Dix Hills, New York 11746, $750.00 of the budgeted item will be used for auditing fees in connection with the preparation of the first year's audited financial statements of the Condominium and its Federal, State and City income tax returns. $750.00 is provided for miscellaneous (but not major) legal services, in the event the Board of Managers decides to engage an attorney.

8. Contingency Fund The contingency fund is intended to provide for unanticipated operating expenses, unanticipated increases in the projected expenses and such other purposes as the Board may determine. The contingency fund is not intended as a reserve for capital expenditures; however, the Board may utilize it for such purposes. The Budget does not provide for a reserve for capital expenditures.

IN THE OPINION OF GREGORY KORCHMAR, A REAL ESTATE EXPERT, LOCATED AT 2405 AVENUE X, BROOKLYN, NEW YORK 11235, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSE FOR THE BOARD OF MANAGERS' FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING JULY 1, 2004. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE BUILDING BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN SAID SCHEDULE AND IT IS LIKELY THAT THE ACTUAL ANNUAL COMMON CHARGES OR EXPENSES WILL VARY FROM THE ACTUAL AMOUNTS SHOWN IN THE SCHEDULE.

THE SPONSOR ANTICIPATES THAT THE CLOSING OF TITLE TO THE FIRST UNIT WILL TAKE PLACE ON OR ABOUT JULY 1, 2004. IN THE EVENT THAT THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION DIFFERS FROM THE BUDGET YEAR PROJECTED HEREIN BY SIX (6) MONTHS OR MORE FROM THE ANTICIPATED DATE OF THE CLOSING OF THE FIRST UNIT, THIS PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET WHICH WILL DISCLOSE NEW PROJECTION. IF SUCH NEW PROJECTIONS EXCEED THE PROJECTIONS CONTAINED HEREIN BY TWENTY-FIVE (25) PERCENT OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT FOR THIRTY (30) DAYS FOLLOWING THE PRESENTATION OF SUCH AMENDMENT WITHIN WHICH TO RESCIND THEIR OFFER TO PURCHASE AND HAVE THEIR DOWNPAYMENTS REFUNDED WITHIN 10 DAYS THEREOF.

IN THE EVENT THAT THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION DIFFERS FROM THE BUDGET YEAR PROJECTED HEREIN BY TWELVE (12) MONTHS OR MORE FROM THE ANTICIPATED DATE OF THE CLOSING OF THE FIRST UNIT, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND THEIR OFFER TO PURCHASE AND HAVE THEIR DOWNPAYMENTS REFUNDED WITHIN 10 DAYS THEREOF.

H. SCHEDULE B-1

ENERGY COSTS FOR UNITS DURING
FIRST YEAR OF CONDOMINIUM OPERATION

Estimated* Monthly Cost of Gas Cost	Estimated Annual of Gas	Estimated Annual Usage
$94.00	$1,130.00	1,255 Therms
Estimated* Monthly Cost of Elec.	**Estimated Annual Cost of Elec.**	**Estimated Annual Usage**
$75.00	$900.00	6,171 KWH

*estimated monthly figures have been rounded to the next highest dollar amount.

1. Each Unit Owner will be responsible for the cost of natural gas (heating, hot water, cooking) and for the cost of electricity, supplied to his Unit. Each Unit will be separately metered and charges will be payable directly to the utility company.

2. Heating, cooking, hot water gas costs and electrical costs are based on estimated gas and KWH usage and on prevailing rates.

3. The rates set forth in the consumption letter have been determined by the current cost of gas and electricity as set forth by Brooklyn Union Gas Co. and Consolidated Edison and are inclusive of sales tax. These estimates are subject to change based on changes in Con Edison Rates and Brooklyn Union Gas Company Rates. The figures set forth above are based upon $0.15 per KWH used and $.90 per CCF used and include reasonable inflation factor of five (5%).

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

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DANIEL J. LIEBERMAN, ESQ.
50 BROADWAY, FIFTH FLOOR
NEW YORK, NEW YORK 10004
TEL. (212) 483-1444
FAX. (212) 483-1480

I. COMPLIANCE WITH
REAL PROPERTY LAW SECTION 339(i)

January 2, 2003

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

Re: LAWN COURT CONDOMINIUM III
3411 Guider Avenue, Brooklyn, New York
Compliance with Real Property Law Section 339(i)

Dear Sir/Madam:

I am the attorney for the Sponsor and I have had seven (7) years of experience in preparing cooperative and condominium offering plans and preparing contracts of sale and closing tile to the units in the respective offering plans and as such have the requisite experience to prepare this compliance letter. I am not the selling agent or managing agent for this property.

I have reviewed the pertinent data with respect to the floor area, relative values of the units, and other pertinent information with respect to the units. Based on these factors, and the annexed letter of Gregory Korchmar, the allocation of common interest is being made pursuant to Real Property Law Section 339-i (1) subparagraph (iv), which provides:

"(iv) [Such interest shall be] based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

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

Very truly yours,

Daniel J. Lieberman

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GREGORY KORCHMAR
2405 AVENUE X
BROOKLYN, NEW YORK 11235
(718) 891-8600

I. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

January 2, 2003

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

Re: LAWN COURT CONDOMINIUM III
3411 Guider Avenue, Brooklyn, New York
Compliance with Real Property Law Section 339(i)

Dear Sir/Madam:

I have been retained by the Sponsor of the above referenced condominium to review certain elements of the offering plan. I have had over ten (10) years experience in managing multi-family residential real estate including, without limitations, cooperative and condominium properties and as such have the requisite experience to prepare this compliance letter. I am not in any manner affiliated with either the selling agent or managing agent for this property.

I have reviewed the pertinent data with respect to the floor area, relative values of the units, and other pertinent information with respect to the units. Based on these factors, the allocation of common interest is being made pursuant to Real Property Law Section 339-i (1) subparagraph (iv), which provides:

"(iv) [Such interest shall be] based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

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

Very truly yours,

Gregory Korchmar

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J. CHANGES IN PRICES AND UNITS

Changes in Purchase Price

The Sponsor reserves the right at any time and from time to time prior and subsequent to the date of transfer of title to the first Unit, to increase or decrease the amount of the purchase price of one or more Units from the amounts shown in Part I --Schedule A--Offering Prices and Other Financial Details for Each Unit." Notwithstanding the foregoing, however, no such change shall be made with respect to a Unit for which a Purchase Agreement is then in effect without the consent of the Purchaser thereunder, unless such Purchaser is then in default.

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

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

Changes in Size, Layout and Number of Units

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

In the event that Sponsor shall change the size and/or number of Unsold Units, Sponsor shall increase or decrease the Common Interests appurtenant thereto accordingly; however the aggregate amount of the Common Interests of all of the Units shall always remain at 100%. As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of Units unaffected thereby will not be varied. Any changes set forth in this paragraph may only be done by a duly filed amendment to the Offering Plan and, when applicable, to the Declaration.

No change may be made in the size or number of Units and/or their respective percentages of common interest and that no material change will be made in the size or quality of the common elements, except by amendment to the Plan and, when applicable, to the Declaration. As more particularly provided in the Declaration, Sponsor or its designee, as the Owner of an Unsold Units, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior consent of all affected Unit Owners. In addition, no material change will be made in the unit size, layout or Common Interest of any Unit for which a Purchase Agreement is in effect and the Purchaser is not then in default without obtaining the prior written consent of the Purchaser's thereof. Likewise no material change will in the size and no material adverse change will be made in the quality of the common elements, without the consent of all purchasers.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan and the Condominium Documents and, in connection therewith, a wall, space, or other area forming a part of the Common Elements servicing and benefitting only such Unit is razed or incorporated into the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the Owner of such Unit and the Unit's Common Interest will remain unchanged.

K. INTERIM LEASES TO PURCHASERS

It is the intention of the Sponsor to sell all the Units and the Sponsor will not rent the Units to non-purchasing parties. The Sponsor-Seller may rent or lease a vacant Units to prospective purchasers only. Once a vacant unit is sold, and so long as the Purchase Agreement is in effect, it may only be leased to the purchaser of such unit. No purchaser shall have the right to occupy the unit purchased by him prior to the closing unless Sponsor-Seller agrees to permit such occupancy under an interim lease or other written rental agreement. It is possible that Sponsor-Seller will condition the sale of a vacant unit upon the purchaser entering into an interim lease.

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

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

L. PROCEDURE TO PURCHASE

Procedure to Purchase

A person desiring to purchase a Unit will be required to execute, in triplicate, a Purchase Agreement in the form set forth as Document Number 1 in Part II of the Plan. Purchaser must deliver all of the above documents to the Selling Agent, together with a check for the downpayment payable to the order of "LEONARD J. MAZZARISI, ESQ., AS ESCROW AGENT". The downpayment shall be ten percent (10%) of the purchase price and shall be held in a segregated special escrow account. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed.

Purchasers shall have at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement. A Purchase Agreement submitted by any prospective purchaser will not be binding on the Sponsor until a fully executed duplicate original of such Purchase Agreement is returned to such prospective purchaser. If such duplicate Purchase Agreement is not returned to the prospective purchaser within twenty (20) days after it is received by the Selling Agent, it will be deemed rejected and all monies submitted with such Purchase Agreement will be promptly returned to such prospective purchaser, without interest. Sponsor may reject any Purchase Agreement without cause or explanation so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, or any other ground prohibited by law.

After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in The City of New York) for the transfer of title to his or her Unit. At title closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement by his or her unendorsed certified personal check or by official cashier's check drawn on a New York bank, a member of the New York Clearing House Association, and execute a Unit Owner's Power of Attorney.

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

Terms of Purchase Agreement

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

(a) Incorporation of the Plan. The Plan (including, without limitation, the Condominium Documents contained in Part II of the Plan) and any amendments thereto duly filed by Sponsor are incorporated into each Purchase Agreement by reference. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan (Parts I and II) and his or her agreement to abide and be bound by the terms of the same, as well as all amendments to the Plan duly

filed by Sponsor. No Purchaser shall have the right to approve or consent to any such amendments, including, without limitation, any changes, modifications, or updating of the estimated Common Charges or estimated real estate taxes and assessments to be paid by the Purchaser on Schedule B -- "Budget for First Year of Condominium Operation" and no such amendment will excuse a purchaser from performing his or her obligations under a Purchase Agreement or entitle such purchaser to any credit or offset against the purchase price set forth therein. However, if an amendment materially adversely affects the rights, obligations, or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within thirty (30) days of presentation of such amendment and will receive a refund of their Down Payments, without interest (unless interest is earned), within thirty (30) days after Sponsor's receipt of Purchaser's election to rescind.

(b) Funds. All funds, except those paid directly to the Sponsor for work and/or optional extras pursuant to a purchase agreement, received will be placed in an account in conformity 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.

All funds received by the sponsor for special work, upgrades or extras shall initially be placed in the escrow account. However, such funds may be released to the Sponsor from the escrow account, provided the Sponsor utilizes said funds for such special work, upgrades and extras. Accordingly, in the event a prospective purchaser is entitled to a right of rescission the purchaser will not receive a refund for such special work, upgrades and extras.

Any provision of any Purchase Agreement, whether oral or in writing, by which a purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the 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 escrow/trust funds.

All deposits or advances made by purchasers prior to closing of each individual Unit will be placed, within five (5) business days after the contract or Purchase Agreement is signed by all necessary parties, in a segregated special escrow account, which may include other purchasers' deposits relating to this offering, of LEONARD J. MAZZARISI, ESQ., the Escrow Agent, whose address is 1203 bay Ridge Parkway, Brooklyn, New York 11228 and whose telephone number is (718)234-1122. Funds may be released from the escrow/trust account only upon the signature of LEONARD J. MAZZARISI, ESQ.

The account will be non-interest-bearing IOLA Account. The name of the account is "LEONARD J. MAZZARISI, ESQ. ATTORNEY TRUST ACCOUNT, IOLA NO. 3" located in Victory State Bank at 3155 Amboy Road, Staten Island, New York ("Bank") and the account number is [redacted] The Bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual account depositor. Deposits in excess of $100,000 in one depositor account may not be covered by federal deposit insurance.

All checks or drafts of deposit or down payment amounts shall be made payable to or endorsed to the order of "LEONARD J. MAZZARISI, ESQ. AS ESCROW AGENT". Within ten (10) business days after tender of the deposit submitted with the Purchaser Agreement, the Escrow Agent will notify the purchaser that such funds have been deposited into the Escrow Account and will provide the purchaser with the account number. If the purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. (Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser or subscriber in conformity with the Attorney General's regulations. In addition, the Purchaser may apply to the Department of Law for relief in the event the Sponsor fails to notify Purchaser of the Deposit of funds into the escrow account.

The Escrow Agent will hold funds in escrow until

(a) a writing (Purchase Agreement) signed by both the Sponsor and the purchaser or other subscriber directing the release of the funds; or

(b) if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent shall not pay the funds to the Sponsor until the Escrow Agent has given Purchaser written notice of the proposed release of such funds of not less then ten (10) business days. Thereafter the funds may be paid to the Sponsor, Unless the Purchaser has already made an application to the Department of Law pursuant to the dispute resolution provisions contained in the regulations promulgated by the Department of Law and has so notified the Escrow Agent in accordance with said provisions; or

(c) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulation. Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II to this Offering Plan. The party applying for a determination must send all other parties a copy of the application for such determination. Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General; or

(d) a judgment or order of a court of competent jurisdiction; or

(e) released to a purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or in an amendment to the Offering Plan; or

(f) an amendment abandoning the Offering Plan is filed with the Department of Law, in which event all deposits of purchasers shall be returned to them.

A copy of the Escrow Agreement which incorporates the terms of the Attorney General's regulations is set forth in detail in Part II of the Offering Plan.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds from the Escrow Agent. In addition to the foregoing, the Escrow Agent will comply with Section 71-a(3)(a) of the Lien Law and shall be used by the Sponsor only in connection with the consummation of the Plan. Section 71-a(3) of the Lien Law requires, at the purchaser's option, that the deposit funds be placed in an escrow account in a bank trust company, savings bank, or state or federal savings and loan association located in New York State. Said monies must be

deposited within five (5) business days of the Sponsor's receiving them. The Sponsor must advise the purchaser in writing within ten (10) business days after the deposit has been made of the name of the depository where the funds have been placed.

Section 71-a(3)(b) of the Lien Law also provides that in lieu of making the deposit of monies in an escrow account as provided by Section 71-a(3)(a), the Sponsor may post with the purchaser a bond or contract of indemnity issued by a surety company guaranteeing the return of the deposit monies which would otherwise be required to be deposited in the escrow account. If such a bond or contract of indemnity is posted by the Sponsor, the Sponsor need not place deposit monies in the escrow account. In such event Sponsor will first make an application to the office of the Attorney General and if approval is obtained, the Plan will be amended accordingly. Any such bond or contract of indemnity shall be delivered to the purchaser within ten (10) business days after receipt of the deposit monies.

Section 71-a(3)(c) of the Lien Law provides that, any time after making the deposit of monies in the escrow account, the Sponsor may post with the purchaser a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in New York State, guaranteeing the return of such monies, in which case, the Sponsor need not keep the deposit of such monies in the escrow account.

In the event the Sponsor wishes to exercise the options set forth in Sections 71-a(3)(b) or 71-a(3)(c), the Sponsor will comply with all of the rules and regulation promulgated by the office of the Attorney General with respect to the posting of a bond or letter of credit in lieu of escrowing the funds received by the Sponsor or Sponsor's attorney. If no bond or contract of indemnity is posted, the Sponsor will deposit all deposit monies, except those paid directly to the Sponsor for special work and/or optional extras pursuant to a purchase agreement, in the Bank. All funds will be held as trust funds pursuant to Sections 352-e(2)(b) and 352-h of the General Business Law. The signature of Leonard J. Mazzarisi, Esq., shall be required for withdrawals or drafts on such account. Such funds will be payable to the Sponsor upon the closing of title to the Units covered by the Purchase Agreement, or upon the posting of a bond in favor of the purchaser as noted above. Interest, if any, earned on such funds will be turned over or assigned to the purchaser at Closing.

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

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

(ii) defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within fifteen (15) days after Sponsor sends written notice to such Purchaser specifying the nature of the default,

Sponsor's sole remedy is to cancel the Purchase Agreement by sending thirty (30) days' written notice to such Purchaser and, if such Purchaser shall fail to cure such default within the said thirty (30) day period, to retain, as and for liquidated damages, no more than ten percent (10%) of the offering price may be retained as liquidated damages (the "Liquidated Sum") except that the actual cost incurred by Sponsor for any special work ordered by purchaser may also be retained as liquidated damages. Any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation.

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

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

(d) Fixtures and Appliances. Each Unit will include a range, but otherwise will be sold unfurnished, without a refrigerator, window blinds or shades. Furniture, wall coverings, furnishings, decorations and the like in or about any model are not included in the sale. For a complete discussion please refer to the engineer's report annexed as Document No. 1 to Part II of the Offering Plan. There will be no modifications or extras unless agreed to in writing by the parties.

(e) Closing of Title. The closing of title to each Unit will be held at the office of the Sponsor's attorney, on such date and at such hour as the Sponsor shall designate to the Purchaser of such Unit on not less than thirty (30) days' prior written notice. It is anticipated that the first closing will occur in July 2004, if the closing will be delayed by more then twelve (12) months, Purchasers will be offered a right of rescission. The Sponsor has the right to postpone the closing date and to fix a new closing date. In such event, Sponsor shall give the Purchaser not less than ten (10) days' notice of the new date and time of closing. The closing shall take place only after or concurrently with the occurrence of the events set forth in Section O, "Unit Closing Costs and Adjustments". Purchasers desiring to arrange for such closing to take place at another location in New York City should promptly notify Counsel for Sponsor of that address and, in addition, will be responsible for the payment of an attendance fee to such Counsel. (See Section O, "Unit Closing Costs and Adjustments".)

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

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

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

(h) Purchase Agreements may be Conditioned Upon Obtaining Financing. Each purchaser who desires to obtain a loan to finance the purchase of a Unit will have the right to condition his Purchase Agreement upon obtaining the loan from an institutional lender doing business in New York of not more than seventy-five (75%) of the Unit's Total Cash Payment, at prevailing terms and interest rates and origination and other fees in accordance with the lender's then customary practice.

The Purchase Agreement of any purchaser who desires to condition his purchase upon obtaining the aforementioned financing will be modified by appending to same the Secured Loan Condition Rider set forth as Exhibit B to the Purchase Agreement in Part II of this Plan. Under the Secured Loan Condition Rider, the purchaser must complete, sign and submit a loan application (in the form provided by the lender), together with such other financial information as the lender may require, within five (5) business days after the Sponsor sends to purchaser a fully executed Purchase Agreement. Thereafter the purchaser must cooperate in good faith to obtain and close the loan. Reference should be made to the Secured Loan Condition Rider for a complete discussion of all obligations of the purchaser to be satisfied in order to condition his purchase upon obtaining financing.

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

In accordance with the Secured Loan Condition Rider, the purchaser will have the right to terminate the Purchase Agreement and be refunded all monies deposited thereunder, without interest, in the event:

(i) an institutional lender fails, through no fault of the purchaser, to issue its commitment on the terms described above within thirty (30) days (or such greater period as Sponsor may permit, in Sponsor's sole discretion), provided the purchaser gives notice of termination not later than five (5) days after the expiration of the aforementioned period; or

(ii) the commitment issued by the lender is not funded by the closing through no fault of the purchaser, provided the purchaser gives notice of termination no later than ten (10) days from the closing.

In the event that purchaser is notified by the lending institution of the rejection of his application, he must furnish the Selling Agent with a copy of the application and the rejection letter. The Sponsor shall, within ten (10) days after receiving notice of the rejection, have the option to designate one other lending institution with which purchaser will be required to file a new application for financing. (The Sponsor does not have to designate this new lending institution until the plan has been declared effective.) In the event that the Sponsor fails to designate a lending institution or if the Sponsor's designated lending institution rejects the application, then the selling agent shall promptly have the downpayment refunded and all the parties will be relieved of any liability under this Purchase Agreement.

In the event purchaser shall fail to exercise the right of termination within time periods set forth above or has failed to satisfy the conditions set forth in the Secured Loan Condition Rider, then, in either case, the Purchase Agreement shall remain in full force and effect and purchaser shall no longer have the right to terminate the Purchase Agreement. In addition, if a Purchaser does not exercise the option to obtain financing, the Purchase Agreement will be deemed an "all cash transaction" in which case, in the event a Purchase shall fail to close by the Closing Date (or any grace period thereof) the Purchaser will be in default of the terms of the Purchase Agreement.

(i) Non-Survival of Obligations. No provisions of the Purchase Agreement shall survive the delivery of the deed. Notwithstanding the foregoing, 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.

Any conflict between the Plan and the purchase agreement shall be resolved according to the terms of the Plan. Acceptance by Purchaser of the deed will constitute Purchaser's acceptance and acknowledgment of the full performance by Sponsor of, and the discharge of Sponsor from, all obligations under the Purchase Agreement, except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed.

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.

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

(k) Purchaser's Remedies. In the event that any of the representations and warranties set forth in the offering plan shall be untrue or incorrect as of the date made or on the Closing Date, or if Sponsor shall fail to perform any of Sponsor's undertakings, the sole remedy under the provisions of this Plan and the Subscription Agreements of purchasers who are in good standing under their respect Subscription Agreements shall be to rescind their Subscription Agreements and be refunded their entire down payment with interest, to the extent earned, plus the cost of title searches, if any. The foregoing shall not apply to those obligations to be preformed under Plan or obligations imposed by applicable statute or regulation.

Except as set forth in the preceding paragraph, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair the damage. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the

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

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

M. EFFECTIVE DATE

The Sponsor's offer and obligations under this Plan are contingent upon the Plan being declared effective in compliance with the relevant conditions and time periods set forth in this section. The Plan may be declared effective by Sponsor, in its sole discretion, at any time when firm, bona fide Purchase Agreements have been executed and accepted by the Sponsor for not less than fifteen (15%) percent of the units, which is equal to one (1) Unit offered under the Plan. However, Sponsor must declare this Plan effective when Purchase Agreements have been executed and are in effect for eighty percent (80%) of the Units, which is equal to five (5) Units.

This Plan will be declared effective either by amendment to the Plan or by written notice sent by mail or personally delivered to all purchasers. If the Plan is declared effective by notice, then within three (3) business days after the service of such notice, an amendment to the Plan reflecting that it has been declared effective will be submitted for processing to the Department of Law. In no event shall a closing be scheduled until such amendment is accepted for filing by the Department of Law. Sponsor may, only by a duly filed amendment, and in its sole discretion, abandon this Plan for any reason whatsoever before it is declared effective or the eighty percent (80%) quota referred to above is satisfied.

Once the Plan has been declared effective, it may not be abandoned except in the event of: (a) the existence of a defect in title (including, without limitation, violations of record or work orders of the insurance carrier), affecting one or more Units and/or the Common Elements, that cannot be removed, cured, or complied with for less than one-half of 1% of the total amount of the offering; (b) work orders of a mortgagee or violations that cannot be cured for less than one-half of 1% of the total amount of the offering, unless Sponsor elects to repair the same; (c) the taking of all or part of the

Property in condemnation proceedings or by eminent domain; or (d) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half of 1% of the total offering price. In no event, however, will Sponsor be obligated to engage in litigation or to expend monies with respect to defects in title or casualty losses to the Building, except to the extent of one-half of 1% of the total offering price to remove, cure, or comply with defects in title.

Title to the Units will be delivered free and clear of all liens and encumbrances, except those allowed by law. However, if the cost of litigation or expenditures of monies with respect to defects in title or casualty losses to the Building, exceed of one-half of 1% of the total offering price, the Sponsor will have the right no to close and not to deliver title to the Units, in which case that plan will be abandoned by a duly filed amendment and Form RS-3 and all downpayments will be duly refunded. The Sponsor will not be obligated to remedy violations to be performed by, or caused by the acts or omissions of, any person who becomes a occupant of the Building in a sold unit. However, the Sponsor will be obligated to remedy violations to be performed by, or caused by the acts or omissions of, any tenant occupying Unsold Units owned by the Sponsor. Subsequent to the First Closing, this Plan may not be withdrawn or abandoned unless at least sixty-six and two-thirds (66 2/3%) percent of the Unit Owners, in number, vote to terminate the Condominium. (See Section S, "Rights and Obligations of Unit Owners" for further discussion.)

If this Plan is withdrawn or abandoned, all purchasers will be so notified in writing. Within ten (10) days thereafter, all moneys paid to Sponsor pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to purchasers. Upon the return of the down payments and any such interest, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to purchasers under this Plan or under such Purchase Agreements. In the event the Plan is abandoned, Sponsor will promptly submit an amendment to the Department of Law reflecting such abandonment and file a notice of abandonment on form RS-3 and such other form as the Department of Law may require.

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

N. TERMS OF SALE

After the Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The First Closing will be held no sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective. The closing of title to each Unit will take place in accordance with the terms of the applicable Purchase Agreement. (See the section entitled Section L, "Procedure to Purchase" in the Plan.)

The closing of title to each Unit shall take place only after, or concurrently with, the latest of the following events to occur:

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

(b) the Plan has been amended to declare it effective and Sponsor or Sponsor's architect has confirmed that any Units to be closed have been constructed in accordance with applicable plans and specifications and compliance with the prerequisites of this subsection;

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

(d) either (A) the release of such Unit and its appurtenant Common Interest from the lien of all mortgages or (B) in the event that the purchaser obtains mortgage financing and such mortgagee shall so elect, the assignment of any mortgages that are then a lien against such Unit and its appurtenant Common Interest to such mortgagee and the assumption of such mortgages by the purchaser (provided that, to the extent that the aggregate outstanding balance of such existing mortgages exceeds the amount of financing desired, or that the terms of such mortgages differ from the terms of such financing, the amount of such mortgages shall be reduced and/or the terms of such mortgages shall be modified accordingly, as the case may be);

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

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

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

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

(i) All personal property located within the Unit on the date the Purchase Agreement is signed or located within the common elements on the date the declaration is filed, that is owned by the Sponsor will be included in the conveyance. Items such as construction material and tools are specifically excepted .

Deed and State of Title

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

For a discussion of Sponsor's obligations with respect damage to the Units prior to closing and the requirements of the Sponsor to deliver the Unit free and clear of liens and other encumbrances, purchaser are referred to the Section L, subparagraph j, entitled "Damage to Units" and the fourth paragraph in Section M.

O. UNIT CLOSING COSTS AND ADJUSTMENTS

(a) Closing Adjustments. At the closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and escrows for real estate taxes, if any; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, pursuant to a lease for, or tenancy of, such Unit. In the event that units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, the sponsor shall place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the unsold units for such six month period and will collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the 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 unit owners to the extent of the actual assessment.

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

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

(1) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered through Lighthouse Land Services, Inc., or similar title insurance companies, should be $714.00 for the first $100,000.00 and an additional fee insurance of $4.00 for each $1,000.00 or fraction thereof of additional fee insurance. In the event a Purchaser obtains title insurance from a title insurance company other than Lighthouse Land Services, Inc. Purchaser shall be required to pay Sponsor's attorney an additional $500.00. Lighthouse Land Services, Inc., is located at 51 main Street, Holmdale, New Jersey and whose telephone number and fax number respectively are (732) 332-1282 and (732)332-1283.

(2) A fee for recording the deed and Unit Owner's Power of Attorney of $15.00 for each instrument plus $8.00 per page, together with a service charge to the title company for such recording of approximately $10.00-$15.00 per instrument;

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

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

(b) a mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax is 1.755% of the face amount of the mortgage for mortgages under $500,000.00 and 2% for mortgages of $500,000.00 or more);

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

(d) all costs and expenses in connection with such loan in amounts determined by the lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

(4) Although usually Seller's expense, Purchaser shall pay the Real Property Transfer Tax due to The City of New York. This tax is in the amount of one percent (1%) of the total purchase price of the Unit. The Purchaser shall also pay for the New York State deed documentary stamps (currently $2.00 per $500.00, or fractional portion thereof of the purchase price) imposed by statute on transferors of property. The amount of the Real Property Transfer Tax paid by the Purchaser is added to the purchase price as additional consideration upon which the Real Property Transfer Tax is based. The total amount of the transfer taxes is then added to the purchase price and the transfer tax is calculated in accordance with the percentages set forth above.

(5) Purchaser will be required to deposit the sum of $750.00 with the Board of Managers for the initial contribution to the working capital fund.

(6) Purchaser shall be obligated to pay a fee of $900.00 to LEONARD J. MAZZARISI, ESQ. for services rendered in connection with the preparation of the closing documents and the closing. If Purchaser shall obtain financing, Purchaser shall be required to pay the Sponsor's attorneys an additional fee of $100.00. This fee represents that additional work that will be required by the Sponsor's attorney in coordinating the closing with attorney for the Lender and for the preparation of the Lender's condominium questionnaire. If the closing shall not take place in the offices of the Sponsor's attorney, then Purchaser shall be required to pay Sponsor's attorneys a travel fee of $450.00.

(7) There shall be an additional fee of $500.00 payable to Sponsor's counsel if Purchaser obtains fee title insurance from a title insurer other than Lighthouse Land Services, Inc., representing payment for additional work involved in clearing any objections to title already cleared by the title company and to pay for the work done by the title company in connection with the preparation of the offering plan.

(8) Purchasers shall be required to pay the Sponsor a fee of one percent (1%) of the purchase price for obtaining a tax abatement and $450.00 for the installation of the water meter for the condominium.

Assuming a Purchase Price of $365,000.00 for a Unit the closing expenses would be approximately as follows:

Fee Insurance:	$1,925.00	Base Sponsor Attorney Fee:	$ 900.00
Title Abstract:	$ 450.00	NYS & NYC Transfer Taxes:	$ 5,180.00
Recording Fees:	$ 300.00	Tax Abatement Fee:	$ 3,650.00
Water Meter Fee:	$ 450.00		

These fees do not include mortgage fees which are negotiated between the Purchaser and the Lending Institution. All fees are cumulative to the extent applicable to an individual Purchaser.

P. RIGHTS AND OBLIGATIONS OF SPONSOR

The Sponsor is using its own capital to complete the construction of the Apartments, as set forth herein and represents that it has adequate resources to complete same. The Sponsor will complete the work set forth in this Offering Plan relating to the Buildings and the Apartments contained therein in accordance with the plans filed and approved by the Department of Buildings of the City of New York and as set forth in this Offering Plan.

The Sponsor or a Holder of Unsold Units may not make modifications in size, design, layout and arrangement of Apartments or Units without first filing all required amendments to the: (i) offering plan; (ii) filed declaration, if applicable; (iii) approved building plans and substitute equipment or material except that the Sponsor may not:

(a) substitute equipment or materials of lesser quality or design; or,

(b) change the size, location or value of Buildings, any Units, other improvements or Common Elements if such changes do not affect the percentage of common interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been fully executed and is in effect, unless:

(i) all affected Purchasers consent in writing to such changes;

(ii) each affected Purchaser (contract-vendee) not in default of his/her Purchase Agreement, has been given the right to rescind his/her Purchase Agreement and obtain a refund of his/her Down Payment (said Purchaser shall have fifteen (15) days from the Presentation Date of the Amendment to send written notice to the Sponsor of his or her rescission by certified mail, return receipt requested); and,

(iii) an amendment to this Plan is filed.

(See "CHANGES IN PRICES AND UNITS" for further information regarding such changes).

The Sponsor has filed building plans with the Department of Buildings of the City of New York, County of Kings, to construct one building, containing a total of six(6) Units. At the time the Property is conveyed to each Condominium, the Sponsor will produce a temporary or permanent Certificate of Occupancy for the Apartments in the Building conveyed to the Condominium. A permanent Certificate of Occupancy will be obtained within two (2) years of the First Closing or at such sooner time as the temporary Certificate of Occupancy, as renewed, replaced or extended, expires.

If the Sponsor fails to obtain a permanent Certificate of Occupancy for the Property prior to the First Closing, the Sponsor will be obligated to: (i) hold and maintain all monies received pursuant to all Purchase Agreements in the special trust account required by the General Business Law of the State of New York, Section 352-e(2)(b) and 352(h), originally established with the Escrow Agent for the purpose of holding such deposits, provided however, that if Sponsor's Architect or Engineer certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, then the amount exceeding the sum so certified by the Sponsor's Architect or Engineer shall be released from the special escrow account to the Sponsor, or (ii) the Sponsor shall deposit with Escrow Agent an unconditional, irrevocable letter of credit or post a surety bond in an amount the Sponsor's Architect or Engineer, from time to time, certifies as reasonably necessary to complete the work needed to

obtain the permanent Certificate of Occupancy, provided the Sponsor has amended the Plan to disclose such facts and promptly notifies all Purchasers with Purchase Agreements outstanding and not in default beyond any applicable grace period, of such amendment.

In the event the work on the Building as set forth herein is not fully completed at the time the Building becomes occupied, the Sponsor will have the right to enter the premises to complete work the Sponsor deems necessary to fulfill its obligations under this Plan. Any such entry shall be conducted in such a manner as to produce a minimum of discomfort to Unit Owners and may be made, provided:

a) such work is performed on Common Elements and vacant Apartments only between 8 A.M. and 10 P.M. on any day;
b) such work is performed in any occupied Apartment only between 8 A.M. and 6 P.M. on non-holiday weekdays;
c) any damage created by virtue of such work whether to the Common Elements or any Apartment is repaired in a good and workman-like manner.

The Sponsor gives no warranty as to materials or workmanship that shall survive the transfer of the Units or of the Common Elements, except as expressly set forth herein. The Limited Warranty shall cover latent or hidden defects which could not have been discovered on a final inspection of the Unit. Said warranty shall inure to the benefit of the first purchaser of a Unit and shall not exceed 60% of the purchase price of the Unit. The Limited Warranty shall warrant that for the first year that the Unit will be free from certain latent defects The limited Warranty will also warrant that for the first two years major building systems will be free from latent defects that constitute defective installation. Finally, the he limited Warranty will also warrant that for the first six years the building will be free of major structural defects. The specific coverages are enumerated in the Limited Warranty Rider annexed to the Purchase Agreement contained in Part II of the Plan. The Sponsor, however, shall assign to each Unit Purchaser all warranties, if any, in the Sponsor's possession at the closing for the Unit. All warranties, if any, in the Sponsor's possession as of the First Closing which relate to Common Elements will be assigned to the Condominium at the First Closing. In no event shall the Sponsor be responsible for the partial or total death of any trees, or other landscape improvements; damage to walkways or other concrete areas caused by the application of salt or deicers; nail pops, ridging, normal lumber shrinkage, normal settlement or any consequential damage resulting therefrom, water problems caused by ice dams; normal plumbing, heating and lumber noises or carpet stretching; normal settlement cracks on concrete foundations, patios, sidewalks, other flat work, leakage resulting from "ice dams" forming on roofs; scuffing on kitchen cabinets or vanity surfaces; and minor chips (nicks) to Formica tops, and tubs (edges, surface or grooves). Subsequent to the conveyance of title to a Residential Unit, the Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or Formica chips and scratches, mars, breaks or other blemishes in windows, sliding glass doors, screens, electric fixtures, painted surfaces, sinks, basins, tubs, kitchen cabinets and countertops, medicine cabinets, ceramic title, saddles, resilient flooring, woodwork, doors and appliances, if such are not included on the "punch-list" prepared in the event the Sponsor fails to complete the improvements the Sponsor is obligated to complete by the Closing Date for the Unit in question. The Sponsor has no obligation to make any repair to the Residential Units or the Common Elements except as expressly set forth in the Offering Plan. The Sponsor will not indemnify the Board of Managers except as specifically stated herein. Nothing herein is intended to abrogate the

responsibilities of the Sponsor under the State General Business Law, the Offering Plan or 13 NYCRR Part 20 (the regulations of the Attorney General of the State of governing the acceptance for filing of the Plan). Each prospective Purchaser may have the Building and Apartments therein inspected by an architect or engineer of his or her choosing to determine the quality of materials and workmanship.

The Sponsor will pay for the authorized and proper work involved in the construction, establishment and sale of the Units that the Sponsor is obligated to complete under this Plan. All mechanic's liens that are lodged against the Property by virtue of work done by the Sponsor or on the Sponsor's behalf will be promptly discharged or appropriately bonded.

The Sponsor will deliver a set of "As Built" plans to the Condominium Board of Managers thirty (30) days after the "First Closing".

As set forth in this Plan, the Sponsor shall pay all of the Common Charges and special assessments and real estate taxes with respect to Unsold Units. Sponsor represents that it has sufficient financial resources to meet its obligations with respect to the Unsold Units from income received from projected sales from this condominium and income received from other investment properties owned by the Sponsor and rents to be received form the Unsold Units. However, no bond or other security has been furnished to secure the Sponsor's obligations. After title to the last apartment is closed, the Sponsoring entity may be dissolved or liquidated.

The Sponsor will secure a policy covering fire and liability insurance at Closing, which will be an agreed amount replacement value policy, thus avoiding the requirements of co-insurance. The premium for such policy shall be paid by the Condominium and the cost thereof is provided for in (See footnote to for further details).

The Sponsor will use its best efforts to secure the 421-a tax benefits described in "TAX EXEMPTION BENEFITS" DISCUSSED HEREINAFTER.

The Property will be conveyed free and clear of all liens except Permitted Encumbrances.

NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE SPONSOR'S OBLIGATIONS HEREUNDER INCLUDING SPONSOR'S OBLIGATIONS TO COMPLETE THE CONSTRUCTION SET FORTH HEREIN. 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.

Copies of this Offering Statement-Plan of Condominium Organization, all exhibits and documents referred to herein including Parts A, B, C and D of the Exhibits Folder, shall be available for inspection by prospective Purchasers and by any person who shall have purchased Units under this Plan or shall have participated in the offering of such Units, at the office of the Sponsor's attorney, Daniel J. Lieberman, Esq., 50 Broadway, 5th Floor, New York, New York, 10004 and shall remain available for a period of six (6) years from the date of First Closing for such inspection. All documents may be copied at a reasonable charge after reasonable notice.

All obligations which are imposed upon the Sponsor by virtue of this Offering Plan or the General Business Law, the performance of which shall occur after the transfer of title, shall survive delivery of a deed of a Unit. The Sponsor will deliver to the Board of Managers all books of account and records pertaining to the Building's operation which are in the Sponsor's possession on the First Closing.

The Sponsor has the right to designate the first members of the Board of Managers of the Condominium, and such members shall have voting control of the Board until the first meeting of Unit Owners. So long as the Sponsor or its designee shall continue to own at least 50% of the votes appurtenant to the Units of the Condominium, but in no event later than the fifth anniversary of the First Closing of Units, the Board of Managers may not undertake certain actions without the Sponsor's prior written consent. Please see next section entitled "CONTROL BY THE SPONSOR".

After the First Closing and until the first meeting of Unit Owners, the Board of Managers shall consist of three members designated by the Sponsor. The Sponsor shall call the first meeting of Unit Owners, at which time all the Unit Owners, including the Sponsor, or the Sponsor's designee, shall elect a new Board of Managers. However, immediately after such first annual meeting of Unit Owners, the Sponsor shall not have voting control of the Board of Managers unless Sponsor and its designees are able to cast sufficient votes (as owners of n Unsold Units) to establish such control.

The Sponsor, however, retains the right to vote on certain actions taken by the Board of Managers. As long as the Sponsor or its designee shall own less than 25% of the Units, or for a period of five (5) years after closing of title to the first Unit, whichever is sooner, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law or order of an insurance carrier. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan. Please see next section entitled "CONTROL BY THE SPONSOR".

The Sponsor shall indemnify the Board of Managers and Purchasers against any liability incurred before Closing; in the event that there are any judgments or liens or if litigation has been commenced, the Sponsor shall amend the Plan to so state. The Sponsor has no obligation to defend any suits arising out of any acts or omissions occurring prior to the recording of the Declaration except claims arising out of the acts, omissions or representations of the Sponsor.

All Units owned by the Sponsor are Unsold Units. All Units which are Unsold Units retain their character as such, regardless of transfer, until (a) such Units become the property of a Purchaser for bona fide occupancy (by himself/herself or a member of his/her family) or (b) a Holder of such Units or a member of his/her family becomes a bona fide occupant of the apartment.

The Sponsor, and any Holder of Unsold Units, agree to fulfill all their obligations pursuant to the By-Laws, including the payment of all Common Charges thereunder, and the Condominium will have a lien upon the Units to secure payment of all Common Charges by the Sponsor as Holder of Unsold Units. The Sponsor agrees that if an individual Holder of Unsold Units fails to fulfill his/her obligations under the Plan, including the payment of all Common Charges, then and in such event the Sponsor will become liable for such obligations. The Sponsor represents and warrants that at this time it has the financial resources to enable it to meet the obligations with respect to Unsold Units. HOWEVER, NO BOND OR OTHER SECURITY HAS BEEN FURNISHED BY THE SPONSOR, AND THE SPONSOR'S ABILITY TO PERFORM WILL DEPEND SOLELY UPON ITS FINANCIAL CONDITION.

The Sponsor, and any Holder of Unsold Units, may sell, assign, pledge or hypothecate such Units and lease or sublet its Apartment(s) without the requirement of any consents. Any subsequent Holder of Unsold Units shall have the right to use, lease, sublet, sell, pledge, hypothecate or transfer the Unsold Units subject only to the consent of the Sponsor, without first obtaining the consent of the Board of Managers and without being charged any fee, levy or any assessment arising from such occurrence. The Holder(s) of Unsold Units will have the same right as the Sponsor to change the size (either as a result of subdivision, combination, alteration of boundary walls, or otherwise) and/or layout of any Apartment(s) owned by them and to reallocate the percentages of Common Charges in connection with such changes, by amendment to the plan and declaration, if applicable, provided that the total percentage of Common Charges reallocated to all Apartments will not vary as a result of such reallocation. Such Holder(s) of Unsold Units will also have the right to place "For Sale" signs in, at or on the Building, to maintain one or more vacant and Unsold Apartments in the Building as a sales office and to use Apartments to store construction materials and supplies. The rights of the Holder(s) of Unsold Units may be exercised without the consent or approval of the Board of Managers, its Unit Owners or others and without payment of any charge or fee to the Condominium, or others. In addition, such Holder(s) of Unsold Units may resell their Apartments for any price established by them, provided that any increase in the Cash Purchase Price as set forth in Schedule A will be made by an amendment to this Plan. Individually negotiated decreases in price will not be subject to either prior notice or amendment to this Plan. Notwithstanding the foregoing, the Plan must be amended to reflect a general price change by the Holder(s) of Unsold Units affecting a group, line or other category of Apartments (as distinguished from an isolated price change affecting an individual Apartment) or any price change to be advertised in a newspaper or any other media. Any subsequent individual Holder of Unsold Units may elect to become the occupant of his/her Apartment.

The Sponsor and the Holder(s) of Unsold Units shall comply with the trust fund and escrow provisions of General Business Law 352-h and 352-e(2-b). The Holder(s) of Unsold Units shall provide prospective Purchasers with a copy of the Offering Plan and all filed amendments, until the Apartments held by the Holder(s) of Unsold Units have been sold to bona fide Purchasers.

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

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Q. CONTROL BY SPONSOR

Under the Condominium By-Laws, as set forth in Part II of the Plan, until the first meeting of Unit Owners, the Board of Managers of the building will consist of three (3) members designated by the Sponsor. Sponsor will call the first meeting of Unit Owners within approximately four (4) months after the earlier of (i) conveyance of title by Sponsor to purchasers of 3 of the Units offered for sale, or (ii) two (2) years from title to the first Unit was conveyed under this Plan. At the first meeting of Unit Owners a new Board shall be installed consisting of five (5) managers, including the Sponsor or its designee. The foregoing notwithstanding, the Sponsor may still designate the majority of the Board of Managers as long as the Sponsor owns at least 4 of the Units. However, after the earlier of conveyance of title to at least 3 of the Units offered for sale or the second anniversary of the first conveyance of title to the first Unit under this Plan, Sponsor and its designees will not appoint a majority of the Board of Managers.

At the first annual meeting of Unit Owners and at all times thereafter, Sponsor or its designee shall be able to vote and thus may be able to elect members of the Board if they retain any unsold Units. In addition, while Sponsor or its designee owns at least 4 of the Units, Sponsor or its designee shall have a right to appoint a majority of the Board. However, after the earlier of conveyance of title to at least 3 of the Units offered for sale or the second anniversary of the first conveyance of title to the first Unit under this Plan, Sponsor and its designees will not appoint a majority of the Board of Managers. However, so long as Sponsor or its designee shall continue to own at least one (1) Unit, Sponsor or its designee shall have the right to appoint one member of the Board of Managers. As long as there is at least one (1) Unsold Unit, the number of members of the Board of Managers may not be changed without Sponsor's consent. When the Sponsor or its designee owns less than one (1) Unit, Sponsor's appointee to the Board shall step down at the end of his or her term and a successor shall be elected in accordance with the terms of the By-Laws. At such time neither Sponsor nor its designee shall have any further right to appoint a member of the Board of Managers.

Furthermore, until the Sponsor or its designee shall own less than 25% of the Units, or for a period of five (5) years after closing of title to the first Unit, whichever is sooner, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law or order of an insurance carrier. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, except any member elected or appointed by Sponsor or its designee, may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board

appointed by Sponsor or its designee may be removed by Sponsor or its designee for any reason and by a majority of the Unit Owners for cause. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board. Regardless of whether a Sponsor-appointee to the Board is removed by the Sponsor, its designee or the Unit Owners, only the Sponsor or its designee shall have the right to designate a replacement for such Sponsor-appointee. No members of the Board of Managers will receive any compensation from the Condominium for acting as such.

R. RIGHTS AND OBLIGATIONS OF THE BOARD OF MANAGERS AND SUMMARY OF THE BY-LAWS

Board Members:

The affairs of each building of the Condominium shall be governed by the Condominium Board, which shall consist initially of three (3) members designated by the Sponsor. At the first meeting of the Unit Owners, which will be held within four (4) months after the First Closing, the three-member Condominium Board shall resign in favor of a new three-member Condominium Board, to be elected by Unit Owners. Thereafter, elections to the Condominium Board shall be held at the regular annual meeting of Unit Owners, which shall be within sixty (60) days of the anniversary date of the prior annual meeting. Each member of the Board shall serve until the next annual meeting. Each Unit Owner shall be entitled to one (1) vote for each member of the Condominium Board.

Each Unit Owner shall exercise his vote in the manner set forth in the By-Laws, which provides as follows: when voting for members of the Condominium Board, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote for each unit owned. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. Managers shall be elected by a plurality of the votes cast at a meeting at which a quorum shall be present. (See the subsection below entitled "Meetings and Votes of Unit Owners" for further discussion."

The term of office of the three (3) members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the three (3) individuals elected at such meeting are so elected and qualified. The term of office of each of the three (3) individuals elected and qualified at the first annual meeting of the Unit Owners shall be fixed at such meeting. At each annual meeting of the Unit Owners subsequent to the first such meeting, three (3) members of the Condominium Board shall be elected pursuant to the terms of Section 4.9 of the By-Laws to serve a term of office to be fixed at the meeting. Notwithstanding anything to the contrary, however, each member of the Condominium Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve. All members of the Condominium Board shall serve without compensation. It is anticipated that the first board will be comprised of Sergery Guberman, Principal of the Sponsor, Leonard Mazzarisi, Esq., General Counsel to the Sponsor and at least one of the prospective Purchasers of a Unit.

Powers and Duties of the Condominium Board

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

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

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

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

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

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

(6) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least two-thirds of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $5,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of at least two-thirds, both in number and in aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of $5,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph.

(7) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of n outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

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

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

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

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

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

(13) to accept the surrender of any Unit in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

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

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

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

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

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

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

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

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

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

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

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

Certain Limitations on the Powers of The Condominium Board

(A) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless two-thirds (2/3) of all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:

(i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;

(ii) provide for new or additional services from those being provided at the time of recording the Declaration;

(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement alteration or addition to the Common Elements or to any Unit, unless required by Law or is necessary for the health or safety of residents of the Building (nothing contained herein shall restrict the right and obligation of the Condominium Board to maintain and repair the Common Elements); or

(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a twelve- month reserve for contingencies not exceeding five percent of the budgeted operating expenses for the ensuing twelve months of operation (nothing contained herein shall restrict the right of the Condominium Board to assess Unit Owners from time to time for any budget deficiency).

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

Officers of the Condominium

The officers of the Condominium shall consist of the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Condominium Board may also appoint additional officers. All officers shall serve without compensation from the Condominium. None of the officers need be Unit Owners until the three-member Condominium Board is elected at the first meeting of the Unit Owners. Thereafter, at least two (2) officers must be members of the Condominium Board and Unit Owners (or officers, directors, partners, employees, beneficiaries (or members of their family) of corporations, partnerships, fiduciaries, or mortgagees that are Unit Owners). Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

Meeting and Votes of the Unit Owners

Except for the first meeting, the Unit Owners shall hold annual meetings on or about the anniversary of the first meeting and every anniversary thereafter, unless such date shall occur on a legal holiday, in which event the meeting shall be held on the succeeding business day. At each annual meeting, the Unit Owners shall elect successors to the members of the Condominium Board whose term of office expires as of such meeting. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

Each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote for each Unit owned. The presence, in person or by proxy, of 2/3 of all Unit Owners shall constitute a quorum at all meetings of Unit

Owners, and unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners. However, elections of members of the Condominium Board shall be determined by plurality vote.

Repairs, Alterations and Improvements to Common Elements

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

Whenever, in the judgment of the Condominium Board, the Common Elements shall require additions, alterations, or improvements costing more than $5,000.00, in the aggregate, in any calendar year, such additions, alterations, or improvements shall not be made unless the same have been approved by the Unit Owners (including Sponsor, if it then owns any Unit) owning a majority of the Common Interests at a duly constituted Unit Owner's meeting and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgage Representatives"). If approved, the Condominium Board may, in its discretion, assess each Unit Owner his or her pro rata share of the cost of such additions, alterations, or improvements according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing $5,000.00 or less, in the aggregate, in any calendar year may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of the Sponsor or its designees is first obtained (so long as Sponsor or its designee or both shall collectively own Units representing at least twenty-five (25%) percent or more in number or in Common Interests), unless same is required by law or is necessary for the health or safety (but not the general comfort or welfare) of the residents of the Building.

Insurance

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

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

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

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

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by all Unit Owners as part of the Common Charges. The Unit Owners shall be named as additional insured parties under any policies of insurance obtained by the Board of Managers on behalf of the Condominium.

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

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

Repair or Restoration After Fire or Other Casualty

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

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

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

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

Units Acquired by the Condominium Board

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

Liability of the Condominium - Board and the Unit Owners

The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith or willful misconduct. The Condominium Board may not self deal, contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them.

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

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

Amendments to the Condominium Documents

Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to or deleted by the affirmative vote of not less than 66 2/3% of all Unit Owners. However, for so long as Sponsor or its designee is the owner of one (1) or more Units in the entire Condominium, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of every Unit Owner affected by such amendment.

Termination of Condominium; Partition of Common Elements

The Condominium shall continue (unless terminated by casualty loss, condemnation, or eminent domain as provided by the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so by at least sixty-six and two-thirds (66 2/3%) percent of all Unit Owners in number. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-I(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue

shall be presented for arbitration in accordance with Article 10 of the By-Laws. Before paying any of the proceeds to a unit owner, the shares of such proceeds payable to such unit owner shall first be applied to the payment of any liens on his or her Unit, in the order of priority of such liens.

Reports to Unit Owners

The Board of Managers or the Secretary shall keep detailed records of the actions of the Board of Managers, minutes of the meeting of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium. In addition, an annual audited financial report of the receipts and expenditures and financial condition of the Condominium, certified by an independent Certified Public Accountant, shall be rendered by the Board of Managers to all Unit Owners within three (3) months after the end of each fiscal year. In addition, the Board of Managers shall also send to each Unit Owner an income tax deduction statement by March 1 of each calendar year, setting forth that portion of the Common Charges paid by each Unit Owner during such year which has been used by the Board of Managers for payment of real estate taxes and interest on mortgages or other indebtedness with respect to the Common Elements.

Sales and Leases of Units

Each owner of a Unit may sell or lease his or her Unit; provided, however, that such owner first gives the Condominium Board written notice of his or her intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee. The Condominium Board, on behalf of all Unit Owners, shall have the exclusive right to purchase the Unit within fifteen (15) business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. If the Condominium Board does not notify the Unit Owners of its election to purchase or lease the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice; failing to do so the Unit Owner will again be required to offer the same first to the Condominium Board as provided above.

The Condominium Board may not exercise its option to purchase or lease any Unit unless a majority of the Unit Owners affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his or her Common Interests, an amount necessary to effectuate the purchase or lease.

Notwithstanding the foregoing, any Unit Owner may sell or lease his or her Unit to his or her spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his or her Unit by gift, devise it by will, or have it pass by intestacy to the aforementioned persons, without complying with the restrictions described above; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, such restrictions. In addition, any Unit Owner that is not a natural person may sell, lease or convey its Unit to a related or controlled entity as more particularly set forth in Article 7 of the By-Laws.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In

addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth as Document Number 4 in Part II of the Plan, in accordance with Article 14 of the Declaration.

Review of Real Estate Assessments

The Board of Managers will be responsible for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the owners. Such owners shall execute any documents required for such filing. After the Units have been separately assessed the tax review will be the responsibility of the Unit Owner.

Covenant Against Partition of Common Elements

The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his/her Unit without including therein the Unit Owner's interest in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all Unit Owners.

Capital Reserves

The Condominium Board has the power to accumulate reserve funds for capital replacements or other purposes in accordance with the Declaration and By-Laws, as set forth in Documents 6 and 7 in Part II of the Offering Plan.

Easements

Each Unit Owner shall have an easement in common with the owners of all other Units over Common Elements serving such other Units and located in such other Units. The Sponsor and/or its designees, successors, assignees, agents and employees shall have an easement to complete construction under the Offering Plan and use of the common property for any lawful purpose including advertisement and sale of the Units.

Power of Attorney

Each Unit Owner shall grant the Board of Managers an irrevocable power of attorney coupled with an interest to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same (but not vote the votes appurtenant thereto). The power of attorney shall empowers the Board to take any and all action as set forth in Section 2.4 of the By-Laws set forth as Document No. 6 in Part II of the Offering Plan, which include, without limitation, taking appropriate steps to ensure that Condominium shall at all time remain in compliance with all laws, regulation, zoning requirement and other regulations that may be issued by the various governmental agencies. In addition, in the event the Declaration or By-Laws are amended as prescribed therein, the Board shall act as the attorney in fact of the Unit Owners to execute the requisite documents to reflect said amendment.

Text of Declaration and By-laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective Purchaser should read the Plan in its entirety.

S. RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each owner of a Unit (other than Sponsor or its designee with respect to Unsold Units) may sell or lease his or her Unit; provided, however, that such owner first gives the Condominium Board written notice of his or her intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee. The Condominium Board, on behalf of the remaining Unit Owners, shall have the exclusive right to purchase the Unit within fifteen business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. If the Condominium Board does not notify the Unit Owners of its election to purchase or lease the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice, failing which the Unit Owner will be required to offer the right of first refusal to the Condominium Board as provided above.

The Condominium Board may not exercise its option to purchase or lease any Unit unless those Unit Owners owning a majority of the aggregate Common Interests of all Units affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his or her Common Interests, an amount necessary to effectuate the purchase or lease.

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

The foregoing restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure; they shall be free to sell or lease without first offering to sell or lease to the Condominium Board. Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's:

(i) Common Interest;
(ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and
(iii) undivided interest in any other assets of the Condominium.

In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to

execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth as Document Number 4 in Part II of the Plan, in accordance with Article 14 of the Declaration.

Real Property Law Section 339-kk

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

Such notice shall provide that commencing immediately and until such time that all such sums are made current, all rental payments due subsequent to the issuance of such notice are to be made to the Board of Directors has been elected by Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Cooperative Corporation. When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 business days to the rental tenant and non-occupying owner; thereafter, all rental payments shall be made payable to the non-occupying owner or a designated agent.

A non-occupying owner who disputes the Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such position at the next scheduled meeting of the Board receives notice that such owner seeks to dispute such claim. Nothing in Section 339-kk shall limit any rights of Unit owners of the Condominium Board existing under any other law or agreement.

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

Mortgages of Units

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any Unit Owner may, by conveying his or her unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself or herself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his or her Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages and any statutory lien for unpaid Common Charges. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing, unless:

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

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

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

Under the provision of Section 339-z of the Condominium Act and Article 6 of the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges and expenses assessed against such Unit together with interest and costs thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit. Any lien for unpaid Common Charges and expenses against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office and until all sums secured thereby, with interest and costs accrued thereon, shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing the lien. Moreover, pursuant to RPL § 339aa the Sponsor will cause a lien to be filed on Units in which the Sponsor is more then 30 days in arrears of common charges, while it is in control of the Board.

Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By- Laws, each Unit shall be used only as a dwelling (except as otherwise described herein), and not more than one (1) family may occupy a Unit at any one time.

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

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

No nuisance, or immoral, improper, offensive, or unlawful use, shall be allowed in the Building or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such portion of the Property. The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Condominium Board, provided that copies of such amendments are furnished to each Unit Owner prior to the time that they become effective.

Repairs to, and Maintenance Of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(a) in or to any Unit (other than the Common Elements contained therein) shall be performed by the Owner of such Unit at his or her sole cost and expense; and

(b) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

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

All Unit Owners will have reasonable access to all common areas for the purposes of inspection and repairs. With respect to those common elements passing over, through and under the front, rear and/or side yards, the financial responsibility of maintaining same shall be borne by the Condominium.

In the event the Owners of Units wish to do any construction at the premises, if allowed by law, Board of Managers may regulate any one or more of the following aspects of construction:

1. Time periods in which construction is permitted
2. The manner in which construction debris will be handled
3. Measures which will be taken to prevent compromising the security and integrity of the Condominium during construction.
4. The interruption of services during construction.
5. The amounts of liability insurance required for contractors during construction.

In addition, Owners may not commence any construction without first obtaining approvals and permits from the appropriate regulatory agency.

Notwithstanding the foregoing, however, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or non-extraordinary, that are necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by such Unit Owner at his or her sole cost and expense. Furthermore, certain structures may not be built as a matter of right and may require a variance from the various regulatory agencies governing construction at the condominium. Even if a variance is granted if the Board of Managers is opposed to the construction, it may be denied. The Property is not the subject of any landmark designation.

The By-Laws require that each Unit, and all portions of the Common Elements be kept in first-class condition (and, with respect to any terrace, roof, or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether the same are required to be maintained by a Unit Owner or by the Condominium Board) be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board, as the case may be. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter his or her Unit to perform such acts as are necessary to cure such default. (See the subsection entitled "Rights of Access" for a further discussion.)

Alterations and Improvements Of Units and Common Elements

No Unit Owner may make any structural alteration, addition, improvement, or repair in or to his or her Unit without the prior written approval of the Condominium Board. This approval may not be unreasonably withheld. Such approval may be conditioned, in the discretion of the Condominium Board, upon the execution of an agreement by such Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such alteration, addition, improvement, or repair may be made. Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements.

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

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

(b) subdivide, combine and change the boundary walls of Unsold Unit or Units. (See Section J, Changes in Prices and Units" for further discussion.)

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

Rights of Access

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

Self-Help

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

Insurance Coverage

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

Mechanic's Liens

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

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

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

T. REAL ESTATE TAXES

After the units are separately assessed, each unit will be taxed as a separate tax lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will his or her unit be subjected to any lien arising from the non-payment of taxes on any other units. In the event that the units are not separately assessed at the time of the closing, the following procedure will be applicable:

1. To the extent that the taxes have been paid by the condominium for the 6 month period, there will be an adjustment made at the time of the closing in the amount of the prepaid taxes with respect to this unit. The adjustment will be based on the percentage common interest allocated to the unit.

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

Taxes are assessed by the Property Tax Division of the Department of Finance of the City of New York. The tax assessments of condominium apartment buildings are governed by Section 581 of the Real Property Tax Law. This law requires the tax assessor to disregard the condominium form of ownership in valuing such properties and to value the building in the same manner as similar but non-condominium owned rental buildings. The assessment for taxes is based on a percentage of fair market value of the building. The basis for the amount of real estate taxes payable but unit owners in the first year of condominium operation as set forth in Schedule A is in accordance with its percentage of common interest. The assessing authorities may allocate the tax assessment to each unit on a basis that differs from the allocation of common interest. Since actual figures are not currently available, the figures set forth in Schedule A are based on estimated data.

Section 421-a of the Real Property Tax Law authorizes the City Department of Housing Preservation and Development ("HPD") to grant City Tax abatements on new construction buildings. The requirements for eligibility for 421-a tax benefits include, among other things, whether the land for which the exemption has been applied is vacant and the number of bedrooms to be constructed on such land. Moseson & Associates, located at 709 Empire Avenue, Far Rockway, New York 11691 has been retained by the Sponsor to apply for approval for tax exemption under Section 421-a and to prepare an opinion as to Sponsor's eligibility for such benefits.

In the opinion of Mr. Jacob Moseson, of Moseson & Associates, the Condominium complies with the requirements for a Section 421-a tax abatement. If the Sponsor complies with the ministerial requirements of HPD and obtains the final approval of HPD, the Condominiums will be exempt from the payment of real estate taxes on the increased assessed valuation of the property due to the construction of the building according to the following percentages and timetable: first eleven years after construction completed 100%, 12th year 80%, 13th year 60%, 14th year 40% and 15th year 20%. At the end of the 15 year period following completion of construction, the Unit Owners will be required to pay real estate taxes on the current full-assessed valuation of their Units at n effective tax rate. This Tax Exemption Opinion is contained in Part II of the Offering Plan as Document No. 9, WHICH SHOULD BE READ CAREFULLY.

The Sponsor has agreed to advance all legal fees and costs in connection with the procurement of the tax abatement and will recoup the cost of same at closing in the form of a adjustment between Purchaser and Sponsor for one (1%) percent of the purchase price. See Section O entitled "Unit Closing Costs and Adjustments". The Sponsor will make his best efforts to obtain said real estate tax benefits. Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, the result of which can be either the reduction or revocation of benefits if proper documentation is not provided.

Upon closing, the Sponsor will make all 421-a documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will timely file all applications and timely comply with all procedures required to properly process and maintain the 421-a benefits. No closing will occur until the Sponsor has obtained at least a preliminary certificate of 421 (a) tax exemption.

SHOULD SAID 421-a BENEFITS NOT BE GRANTED, IT IS POSSIBLE THAT THE PROPERTY AND CONSEQUENTLY THE UNITS MAY BE REASSESSED AT A SUBSTANTIALLY HIGHER AMOUNT WITHOUT BENEFIT OF THE REDUCTIONS SET FORTH ABOVE. IF REAL ESTATE TAXES REMAIN AT $12.517 PER $100 OF ASSESSED VALUATION AND THE ABOVE ESTIMATES ARE CORRECT THE TAXES WOULD THEN BE APPROXIMATELY $26,300.00 FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WHICH WILL BE PROPORTIONATELY DIVIDED AMONG THE UNITS BY CITY. DUE TO POSSIBLE INCREASES IN THE TAX RATE AND/OR POSSIBLE FURTHER INCREASES IN THE PROPERTY'S NON-EXEMPT ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN AS SET FORTH ABOVE, AFTER THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS. NO WARRANTY IS OR CAN BE MADE BY SPONSOR OR ANY OTHER PERSON THAT THE CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT OR THE CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY OTHER AGENCY WITH JURISDICTION, WILL APPROVE SPONSOR'S APPLICATION FOR 421-a TAX BENEFITS, AND NEITHER THE SPONSOR NOR ITS COUNSEL SHALL BE LIABLE IF, BECAUSE OF CHANGE IN LAWS AND/OR REGULATIONS OR THE INTERPRETATION OF LAWS AND/OR REGULATIONS (OR, AS TO THE LAW OFFICES OF DANIEL J. LIEBERMAN, ESQ. IF THE FACTS REPRESENTED BY SPONSOR PROVE INCORRECT) THE PROPERTY FAILS TO OBTAIN IN WHOLE OR PART 421-a BENEFITS. SHOULD TAX ABATEMENT AND/OR EXEMPTION BE DENIED, IN WHOLE OR PART, THEN THE CONDOMINIUM WILL BE RESPONSIBLE FOR ALL OF THE TAXES DUE AND OWING FROM INCEPTION OF CONDOMINIUM OPERATION. See Counsel's "COUNSEL'S TAX EXEMPTION BENEFITS OPINION", in Part II as Document no. 10, for further details.

The projected income tax deduction may vary in the future due to changes in real property taxes resulting from the expiration of real estate tax benefits or from changes in the non-exempt assessed valuation, the tax rate or the method of assessing real property. There are no certiorari proceedings pending to challenge past Assessed Valuations.

Please refer to Section U. Counsel's Income Tax Opinion for additional tax consequences that may occur with the purchase of a condominium unit.

DANIEL J. LIEBERMAN, ESQ.
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U. COUNSEL'S INCOME TAX OPINION

September 22, 2003

LAWN COURT CONDOMINIUM III
2500 65th Street
Brooklyn, New York

Re: Offering Plan ("Plan") for the Conversion to Condominium Ownership of Premises known as 3411 Guider Avenue, Brooklyn, NY (the "Property")

Gentlemen:

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

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

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

I. Tax Deductions for Unit Owners

Under the Plan:

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

(2) each Unit will be a separate tax lot for the purposes of The New York City real estate tax, and the Unit Owner will be directly liable to The City for the real estate tax assessment with respect to his Unit, but not with respect to any other Unit;

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

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

Accordingly, it is our opinion that a Unit Owner who itemizes deductions will be entitled to deduct, for Federal income tax purposes, real estate taxes assessed against his Unit as well as interest on any mortgage indebtedness secured by his Unit.[1] See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1954, as amended (the "Code"); Revenue Ruling 64-31, 1964-1 (Part I) Cum. Bull. 300.[2] These expenses will be deductible when paid or accrued in accordance with the Unit Owner's method of accounting. In addition to the interest and real estate tax deductions discussed above, a Unit Owner who uses all or part of his Unit in the conduct of his trade or business or for the production of income may deduct a portion of common charges allocable to such use. Each such Unit Owner will be entitled to deduct cost recovery on his Unit (similar to depreciation), computed separately and based upon the cost of his Unit (see Code Section 1012). Such deduction may be determined under Code Section 168 by using the straight-line method or under ACRS tables which approximate the use of 175% declining balance method, switching to straight-line recovery in later years. The excess of accelerated cost recover deductions over deductions computed using the straight-line method is an item of tax preference and may result in Unit Owners incurring alternative minimum tax. The amount of permitted deductions have been modified by the Internal Revenue Code 1986. The deduction of Common Charges is limited to that portion which does not exceed the Unit Owners' share of expenses paid or incurred through the Condominium and which would constitute trade or business expenses under Code Section 162 or would constitute expenses for the production of income under Code Section 212, if they were paid directly by the Unit Owner. Common Charges may exceed the deductible amount to the extent that Common Charges are used by the Condominium Board to finance capital expenditures or reserves. The amount used to fund capital expenditures or reserves are not deductible and must be capitalized by Unit Owners, increasing the basis in the Unit and thus the cost recovery deduction available for that Unit.

II. Tax Treatment of Condominium and Board of Managers

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

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

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

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

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

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

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

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

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

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

To the extent that any portion of the Common Charge receipts is segregated and used to finance specified capital expenditures or reserves, said portion may be excluded from gross income of the Association. (See Rev. Rul. 74-563, 1974-2 Cum. Bull. 38; L.R.B. 1974-47.6; and Lake Petersburg Ass'n v. Commissioner, 33 CCH Tax Ct. Mem. 259 (1974).) In such event, the Unit Owners might be required to pay further Common Charges to fund the Federal income tax liability of the Association. Any such Common Charges would probably be deemed to constitute additional gross income to the Association -- upon which further Federal tax would be owing. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929), and cf. Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

Daniel Y. Lieberman

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

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V. RESERVE FUND

As this is new construction, no reserve fund will be established by the Sponsor.

W. WORKING CAPITAL FUND

The Sponsor, as agent of the Board of Managers, will collect from each original purchaser at the time of the Closing an "Initial Capital Payment" equal to $750.00. The Sponsor will deliver the funds so collected to the Board of Managers to provide the necessary working capital for the Condominium. Such funds may be used for certain prepaid items, organizational costs, and for such other purposes as the Board of Managers may determine and may be replenished as the Board sees fit. While the Sponsor is in control of the Condominium Board, the Working Capital Fund shall not be used to reduce estimated Common Charges. NO REPRESENTATION IS MADE THAT THE INITIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THE INITIAL CAPITAL FUND, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE THE CHARGES.

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

X. MANAGEMENT

Not Applicable

Y. IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor is The 3411 GUIDER REALTY, LLC, a New York limited liability company formed May 30, 2003, with an address at 2500 65th Street, Brooklyn, New York 11204. The principals of the Sponsor are Sergey Guberman and Alexandr Gerchik :

TITLE	NAME	ADDRESS
Member	Sergey Guberman	2500 65th St., Brooklyn, NY 11204
Member	Alexandr Gerchik	[redacted]

The Sponsor has no prior experience in prior public offerings. Alexandr Gerchik has no prior experience in public offerings. Sergey Guberman was the principal of the sponsor and selling agent for each of the prior public offerings, as set forth below:

NAME OF PROJECT	ADDRESS	ACCEPTANCE DATE	1ST CLOSING
Bella Vista Condo.	2517 East 13th Street Brooklyn, New York	August 1999	October 1999
Oxford Court Condo.	1806 Voorhies Avenue Brooklyn, New York	October 2000	January 2001
Seaside Condo.	2943 Brighton 4th St. Brooklyn, New York	February 2002	May 2002

Lawn Court Condo. I	3425 Guider Avenue Brooklyn, New York	November 2003	February 2003
Lawn Court Condo. II	3415 Guider Avenue Brooklyn, New York	August 2003	December 2003

Neither the Sponsor nor its principal has any felony convictions, injunctions or judgments. In addition, Mr. Guberman is current on all of his financial obligations for all offerings for which he is a principal of the Sponsor.

Copies of the offering plans for the above referenced offerings and all other exhibits and documents referred to therein are available for inspection and copying by appointment (at a current charge of $0.25 per page) at the office of the Attorney General for the State of New York, 120 Broadway, 23rd Floor, New York, New York 10271.

Attorney

DANIEL J. LIEBERMAN, ESQ., 50 Broadway, 5th Floor, New York, New York 10004, was retained by the Sponsor to prepare this Offering Plan and all related aspects thereto including without limitation, the submission of the Offering Plan to the Office of the Attorney General and the preparation and recordation of the Declaration of Condominium and will represent the Sponsor in connection with the sales and closings of the individual units. The Condominium does not have independent legal counsel. IT IS SUGGESTED AND EXPECTED THAT EACH PURCHASER WILL CONSULT WITH AND BE REPRESENTED BY HIS/HER OWN COUNSEL IN CONNECTION WITH THIS OFFERING.

Escrow Agent

LEONARD J. MAZZARISI, ESQ., is the Escrow Agent for the sale of the Units. Mr Mazzarisi's address is 1203 Bay Ridge Parkway, Brooklyn, New York 11228 and his telephone number is (718)234-1122. Funds may be released from the escrow account only upon the signature of LEONARD J. MAZZARISI, ESQ.

Engineer/Architect

Harry R. Simino, RA, 66 Summit Street, Brooklyn, New York, has rendered the Architect's Drawings and the Description of the Property and has rendered the report thereof as set forth in Part II. The firm has no financial interest in the Property, the Sponsor, the Condominium or any other party interested in this transaction, except for its fee for services rendered in connection with such report. Mr Simino has been an architect for over ten years and has prepared reports for offering plans for over fifteen (15) similar type of property.

Z. REPORTS TO UNIT OWNERS

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

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

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

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

AA. DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits and documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the office of DANIEL J. LIEBERMAN, ESQ., attorneys for the Sponsor, 50 Broadway, 5th Floor, New York, New York 10004, during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from the First Closing. There will be a charge of forty cents ($0.40) per page for copying any documents. The Plan and all other exhibits and documents referred to herein shall also be available for inspection and copying by appointment (at a current charge of $0.25 per page) at the office of the Attorney General for the State of New York, 120 Broadway, 23rd Floor, New York, New York 10271. In addition, a set of the floor plans showing the layout, locations, and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board. The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

AB. GENERAL

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

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

This property is not the subject of any prior public offerings. The Plan is offered only to persons eighteen (18) years of age or over and entities. In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground prescribed by law in the sale of the Units offered hy the Sponsor pursuant to the Plan or in the leasing of any such Units or any other portion of the Building.

Purchasers have a right to rescind purchase agreements following material adverse amendments. The purchaser shall have a right to rescind hy sending written notice to the Sponsor within fifteen (15) days after being presented by the Sponsor with a notice of his right to rescind as

contained in the amendment. Sponsor will return any deposit or downpayment to purchasers who rescind within 15 days of the receipt of written notice of rescission. No deposit or downpayment shall be returned to interim lessees prior to their vacating of the apartment.

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which the Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations, and liabilities of Sponsor, purchasers, or prospective purchasers, without obtaining the consent of purchasers or others. However, the Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in the case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing purchasers or reducing the undertakings or obligations of Sponsor, such purchasers will be given the right to rescind their Purchase Agreements if they notify the Sponsor in writing within thirty (30) days after the presentation of the amendment, and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after such notification to the Sponsor.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine, or neuter, includes the other two. No person has been authorized to make any statement or presentation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

AC. SPONSOR'S STATEMENT OF BUILDING'S CONDITION

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

Sponsor projects that the construction will be completed by July 1, 2004. At the present time the construction at the Property is substantially completed. The number and use of the units is identical to the number of units that will be stated in the permanent certificate of occupancy when the construction work is completed.

Dated: 2004

Sponsor:
3411 GUIDER REALTY, LLC

PART II

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LAWN COURT CONDOMINIUM III
DESCRIPTION OF PROPERTY
and SPECIFICATIONS

September 2, 2003

A. LOCATION AND USE OF PROPERTY

The condominium is located in Block 8810, Tax Lot 88; Kings County, Brooklyn, New York. The building lies within the residential zone district R6 recorded from Map 28c of the New York City Zoning Resolution dated 12/6/84. The New York City Zoning Resolution, as per Section 22-12, permits use Group 2 residential use as a matter of right. The plans were approved by the New York City Department of Buildings on July 31, 2003 under application #301555038.

B. STATUS OF CONSTRUCTION

This building will comply with Section 27-282 of the New York City Building Code for Type I-C Construction.

There is one building on the site. The building will consist of six (6) residential units. A Certificate of Occupancy will be issued upon completion of the buildings and sidewalks.

C. SITE

The land and premises is situated on the north side of Guider Avenue at the corner of East 11th Street.

The land and premises:
> begin at the aforementioned point
> and runs north direction 15.05'
> thence in a east direction 35.52'
> thence in a north direction 80.0'
> thence in a east direction 28.0'
> thence in a south direction 95.0'
> thence in a west direction 64.80' to the point of the beginning.

The area enclosed is 3,213.84 square feet or 0.07 acres. The street is owned and maintained by the City of New York. The pavement is composed of asphalt and the sidewalk and curbs are concrete. The new sidewalk will slopes away from the building providing positive drainage without ponding. Under current approved plans, this site will be graded to conduct storm water away from the buildings.

Street lighting is provided by the City of New York. Street lamps are located in front of the building and provide sufficient illumination to meet public safety. In addition to the lighting provided by the City, incandescent lamps will be provided to illuminate the entrance foyer.

D. UTILITIES

Water is furnished by the City of New York Water Distribution System and is obligated to the condominium owners in common. The Building contains a single water meter.

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

Electric service is provided by the Consolidated Edison Company of New York and is individually metered to each apartment unit. The electrical service provided to each unit is adequate for a full complement of modern appliances. A separate electric meter obligated to the condominium owners in common, services public areas, the cellar, meter room, and all other non-occupied spaces.

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

E. SUB-SOIL CONDITIONS

This site is located in a flood plain, flood plain 'A5' as indicated on F.E.M.A. map 360497 0107 B panel 107 of 131. Foundation walls have been designed to be soils whose bearing values have been determined by test borings. We have provided a system of perimeter drains under the cellar slab.

F. LANDSCAPING AND ENCLOSURES

The front area will consist of paved and landscaped areas. The paved areas will be pitched to prevent storm water runoff. A 6'-0" high fence will enclose the side perimeter of the property.

G. BUILDING SIZE

There is one building on the site, consisting of a cellar floor and first floor through sixth floors. The total number of residential units is 6:

Three bedroom apartments	5
Four bedroom apartments	1
	===
TOTAL	6

H. STRUCTURAL SYSTEMS

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

Foundation walls are supported on helical piles and concrete grade beams. Cellar Floor and foundation walls are poured concrete. Exterior bearing walls consist of solid brick and block bonded to each other. Interior bearing walls consist of metal studs. Floor construction consists of lightweight steel framing by Marino\Ware (or equal) with 26 gauge metal decking and 3 1/2" concrete. All exterior walls should be insulated with three-inch batt insulation having an "R" factor of 19. The roof will be insulated with batt insulation having and average "R" factor of 27. Local Law 10 of the City of New York does apply to this building.

I. WINDOWS

All Andersen casement or double hung, all with double pane glazing. The finish shall be vinyl-clad wood. All windows and doors to be insulated glass as per minimum requirements of the New York State Energy Code.

Skylights in eighth floor public halls to be 7'-0" X 3'-0" glass pane with wire mesh screen above and below skylight. Skylight housing to have minimum 144 square inches of vents by fixed louvers.

Air Infiltration as per Andersen section 08611 Performance Requirements 1.04b : Total air infiltration to average 0.04 cfm per linear foot of perimeter crack at a static pressure of 1.57 psf when tested in accordance with ASTM E 283
Water Penetration as per Andersen section 08611 Performance Requirements 1.04c : No water penetration beyond the interior face of window unit when tested in accordance with ASTM E 547 at a static pressure of 6.24 psf.

Manufactures warranty for (20) twenty years limited to glass and (10) ten years for product and components other than glass. Contractors warranty for (1) one year.

J. CHIMNEY AND CAPS

Provide an approved type galvanized metal dual wall 'Ameri-vent' chimney flue with anti-down draft gas vent cap. Top of flue minimum 3'-0" above any part of roof within 10'-0" of flue. (Approved Ameri-vent or approved equal flue.)

K. BALCONIES AND TERRACES

The building has balconies at the third through sixth floors. The balconies are located on the front and rear facades. The balconies are constructed of structural steel framing with concrete. Metal safety railings are provided on each balcony. Doors leading to front balconies are Andersen sliding glass doors set in metal frames. Terraces are located on the sixth and sixth floor mezzanine floors.

L. EXTERIOR ENTRANCES

Front entrance doors to be metal type with integral weather stripping, 3'-0" x 7'-0" Stanley or equal. Doors to be fitted with a cylinder lock. Doors to comply with New York State Energy Code. Doors to have a minimum of five square feet of glass area.

Vestibule doors to be metal type with integral weather stripping. Doors to be fitted with key lock set. Doors to comply with New York State Energy Code.

Apartment entry doors to be metal type with cylinder lock and an approved type peephole.
Door to be 1 1/2 hour fire rated and self-closing.

Two way buzzer system to be located in vestibules to contact each section.

Railings- Metal Railings for exterior stair to cellar shall be 2'-8" high. Metal Railings at grade shall be 3'-6" high.

Mail Boxes- Shall be U.S. Postal Service approved type (Superior Steel Door Co. or equal) cluster type.

M. ROOF AND ROOF STRUCTURES

The roof is constructed of structural steel framing with metal joists, metal decking and poured concrete with sloped rigid insulation on a waterproof membrane. All roof penetrations (e.g.: vent stacks, vents and fans) will be flashed with aluminum cap or base flashing where necessary.

The roof is pitched to permit storm water to flow towards drains. Storm water drains without ponding. The drains carry the flow of water to the house storm line where it enters the New York City Sewer System.

All lintels to be steel angles with a standard brick course

N. STAIRS and ELEVATOR

INTERIOR STAIRS IN PUBLIC HALL
Stair is to be metal with metal pan treads filled with concrete.
Handrails for stair to be 2'-8" high constructed of metal (childproof design).

A 2100# Hydraulic Elevator by "ThyssenKrupp Elevator" will be installed.

O. INTERIORS DOORS

Swing type room entry doors to be hollow core wood with masonite raised panel. Closet doors to be swing type, sliding type, or bi-fold type, hollow core with masonite raised panel.

Apartment entry doors to be metal self-closing, 1 1/2 hour rated with an STC rating equaling 35.

Apartment Entry	Mortise Lock
Bedroom Doors	Passage
Closet Doors	Passage
Bathroom Doors	Privacy

P. RATED PARTITIONS BETWEEN UNITS

Party walls will consist of metal studs on, cellar, basement, first and second floors. Each side of metal stud wall to be covered with two layers of 5/8" gypsum board and sound - proofing insulation.

Partitions enclosing the utility room to be 2-hour fire rated.

Q. FLOOR CONSTRUCTION & FINISHES

Floor construction to be lightweight steel framing with 26 gauge metal decking with 3 1/2 concrete topping.

Cellar floor to be 6" concrete slab with welded wire mesh. Smooth finish to be provided.

Underside of floor beams to receive to receive 1/2" resilient channel clips and 5/8" sheetrock type "x".

All units Living Rooms and Bedrooms, excluding Kitchens & Bathrooms, will be covered with wood strip flooring. All Bathroom floors will be ceramic tile with ceramic tile base. Kitchens to receive vinyl composition tile by Armstrong or equal.

Porches to be concrete arch construction consisting of 12" steel beams covered with minimum 2" concrete with 4" concrete slabs between steel. Balcony rails to be 3'-6" high decorative wrought iron rails (childproof). Balcony doors to be Andersen sliding patio doors or approved equal.

Public indoor spaces, lobby, stair landings and steps to be vinyl composition tile or approved equal. Public space walls and ceilings to receive one coat of primer with one coat of white sand paint for ceilings and one coat of off white flat paint for walls.

All gypsum board unit walls to receive one coat of primer with one coat of off white flat paint.

R. METAL WORK AT ROOF LEVELS

Metal work at the roof level consists of vents. All metal work is weather protected and flashed at the roof penetration.

S. ROOFTOP FACILITIES

The building has rooftop terrace as limited common element to unit 6a.

T. RECREATION FACILITIES

The building does not contain recreation facilities.

U. FIRE ESCAPES

The building does not contain fire escapes.

V. REFUSE DISPOSALS

Refuse will be stored in trashcans located in front of each building unit section. Refuse is removed by the New York City Department of Sanitation twice weekly. Refuge will be collected as per Department of Sanitation requirements as per their schedule.

W. PLUMBING AND DRAINAGE

Water is provided by the New York City Water Supply System. Water is metered by a single meter obligated to the owners of each section in common, located in the cellar. The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local city sewers. The roof storm drainage system is adequate to carry runoff without ponding. Water is disposed of by drains located in all paved areas to the NYC storm sewer with sump pumps located in the garage.

Within the property line: soil and waste stacks are made of cast iron, vent stacks of cast iron. Domestic hot and cool water piping is "L" copper tubing. Water distribution system piping will be ductile iron below grade, hard temper type "L" copper tube above grade only.

The entire building will be fully sprinklered as per Local Law 10/99.

X. HEATING

Each dwelling unit will have a gas-fired hot water boiler located at the roof level with baseboard radiation units. Heating system will be thermostatically controlled. Domestic hot water will be supplied by a gas-fired hot water heater located at the cellar level with a 50-gallon capacity, for each Unit.

Boiler : Low pressure Williamson with 70,000 btu input Model # GWA/070, MEA # 286-06-E or approved equal.

Water heater: A.O. Smith - Model # FSG-50 MEA # 402-93-E or approved equal.

Baseboard radiators: EMBASSY SYSTEM 6 or approved equal.

Systems to be approved for use in New York City under a Material Equipment Acceptance or Board of Standards and Appeals approved number. There shall be a water heating system with baseboard units. This system will maintain an inside temperature of 68 degrees Fahrenheit with an outside temperature of 0 degrees Fahrenheit with an allowance for a 3 degree Fahrenheit swing.

All heat piping to be 3/4" copper "M" tubing or PEX tubing. Circulator to be manufactured by. Taco Company of approved equal with 1/25 H.P. capacity.

Y. GAS SUPPLY

Natural gas for cooking, the boiler and domestic hot water is supplied by Keyspan Energy. Natural gas is metered through nineteen individual meters. The meters are located at the first floor level (above the flood plain elevation). Gas pipe is made of black iron (sch. 40).

Z. AIR CONDITIONING

Fredrick air conditioning sleeves are to be installed in the wall of living rooms and bedrooms. Air conditioning units will not be provided.

AA. VENTILATION

All interior bathrooms and kitchenettes are ventilated by exhaust fans through galvanized metal vent ducts.

BB. ELECTRICAL SYSTEM

Service to the units is from one separate service 200 AMP feeder supplying 120/208 volts with 2/0 copper cables, each unit has 8 double or 16 single circuit breakers. Each apartment unit is individually metered. A separate meter obligated to the condominium owners in common service public spaces. Meters are located in the cellar (above the flood plain elevation). Only copper wire shall be used. Lighting circuits are 15 AMPs. Appliance and air-conditioning circuits are 20 AMP. First, second and third floors shall have 60 AMP sub-feeder and circuit breakers. Intercom system per apartment shall be low Voltage (24 Volts). Outside fixtures shall be waterproof type. The electrical service provided is adequate for a full complement of modern appliances.

CC. SMOKE DETECTORS

Smoke detectors to be provided for each dwelling unit are to be hard wired and to be installed as per local Law 62/81 and R.S. 17 of the New York City Building Code. All detectors to be approved by the Board of Standards and Appeals.

DD. ASBESTOS DISCLOSURE

This statement is to disclose that there will be no asbestos made products, partially or in whole, specified for the construction of this condominium as per approved plans.

EE. PERMITS AND INSPECTIONS

PERMITS
Before starting any work, builder is to obtain work permits from the Department of Buildings, City of New York.

INSPECTIONS
Builder to retain the service of an architect or engineer for controlled inspection for borings, soil percolation tests, subgrade, drywell installation, concrete, concrete test cylinders, concrete design mix, masonry units, structural steel, Sprinkler, mechanical ventilation and firestopping, all in accordance with the requirements of the New York City Building Code.

FF. PUBLIC AREA LIGHTING

Under current "Approved Plans" the lobby will be illuminated by fluorescent ceiling mounted fixtures. Stair halls will be illuminated with ceiling hung fluorescent lamps and public corridor will be illuminated with ceiling mounted fluorescent fixtures. Sub-cellar lighting consists of ceiling mounted fluorescent lighting fixtures. All lighting, exterior lighting and night lighting in public parts of the buildings to comply with the New York State Multiple Dwelling Laws and New York City Housing and Maintenance Code.

GG. PARKING AREAS

Parking is provided. There are a total of six (6) parking spaces, three open spaces located at the rear and two open spaces located at the corner of the site paved with an asphalt surface and one interior garage located at the front of the building paved with concrete. Each parking space will be assigned to a unit as a limited common element.

HH. GUARANTEES AND WARRANTIES

Roof and roof materials to be guaranteed by the contractor.

II. UNIT DESCRIPTION

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

Each unit shall consist of the area enclosed horizontally by exterior walls of the building and to the center line when a partition divides the unit from corridors or other units, and vertically by the upper face of the sub-floor of the unit up to the unexposed face of the dry wall forming the upper ceiling of the unit. Door and windows which open from a unit and interior walls of a unit shall be deemed to be part of the unit.

The description of the units set forth herein pertains to the location of the walls, floors, and ceilings of the units as they are finally set forth in the certified `as built' floor plans to be filed simultaneously with the recording of the declaration. All dimensions are approximate. Plans and dimensions will vary from floor to floor.

JJ. UNIT INFORMATION

Room	Floor	Wall/Ceiling	Fixtures
Bath	Ceramic	Paint w/ 5'-4" Tile Tub Surround	Vitreous China Water Closet, Americast Lavatory & Americast Tub (Americast is porcelain bonded to enameling grade metal, bonded to a patented structural composite) American Standard fixtures or equal
Kitchen	Vinyl Tiles	Paint	Stainless Steel Sink Tappan gas range, model # M.G.F. 300T.B.W. or equal Tappan dishwasher, model # M.D.B.121R.F.M or equal
Bedroom	Wood	Paint	
Living/ Dining	Wood	Paint	
Entry Hall	Wood	Paint	
Laundry	Ceramic	Paint	

Bath fixtures consist of: Tub by American Standard Model # 2391 or equal, Lavatory Basin by American Standard 'Affinity' model # 3420 or equal, Water Closet by American Standard 'Cadet RF 1.6/pa' model # 2172 or equal, Shower Head and Medicine Chest.

Kitchen fixtures consist of: Sink, Gas Range by Tappan model # M.G.F. 300T.B.W. or equal, Dishwasher by Tappan model # M.D.B.121R.F.M. or equal, Cabinets are Yorktowne laminate faced cabinetry or equal and countertops are Formica brand laminate or equal.

KK. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Room	Floors	Walls	Ceiling
Lobby	Vinyl Tiles	Paint	Paint
Public Halls	Vinyl Tiles	Paint	Textured Paint
Cellars	Concrete	Paint	Paint Note:

Note: 1. All wood strip flooring to be #2 grade oak or equal.
2. A washer/dryer hookup will be provided in all units.

LL. UNIT DIMENSIONS AND OTHER INFORMATION

Unit 1A (First floor)
Three bedroom apartment which contains approximately 1,255 square feet.

Unit 2A (Second floor)
Three bedroom apartment which contains approximately 1,255 square feet.

Unit 3A (Third floor)
Three bedroom apartment which contains approximately 1,255 square feet.

Unit 4A (Fourth floor)
Three bedroom apartment which contains approximately 1,255 square feet.

Unit 5A (Fifth floor)
Three bedroom apartment which contains approximately 1,255 square feet.

Unit 5A (Sixth floor and Penthouse)
Four bedroom duplex apartment with which contains approximately 1,960 square feet.

Parking Spaces:
Parking Spaces: p1, p2, p3, p4, p5 & p6, each 153 s.f. Total of six (6)-parking spaces.

Each parking space will be assigned to a unit as a limited Common Element.

MM. GENERAL INFORMATION

The construction of the building is expected to begin in the summer of 2003. Plans and applications have been approved at the Department of Buildings. A permit will be obtained from the Dept. of Buildings. The construction of the building is expected to be completed in the spring of 2003. It is expected that title to the first unit can be delivered on or about June 2004.

The building and site will be constructed in accordance with the New York City Building Code, the Multiple Dwelling Code, the New York City Zoning Resolution and all other applicable authorities and in accordance with plans and applications on file with the Department of Buildings of the City of New York. With reference to the preparation of plans and specifications, the sponsor has retained the services of a registered architect who prepared same. The sponsor represents to the best of its knowledge that the plans accurately describe the building units, common elements and equipment as the same which will be delivered upon the completion of construction.

As of the date of the first closing, the sponsor represents that it will have a Temporary or Final Certificate of Occupancy for the building contained therein, and deliver title without violations or liens on the premises and in accordance with the sponsor's undertakings elsewhere as set forth in this offering.

Harry R. Simino, R.A.

REGISTERED ARCHITECT
HARRY R. SIMINO
No. 020654
STATE OF NEW YORK

Sworn to before me this
21 day of Sept 2003

DANIEL J. LIEBERMAN
Notary Public, State of New York
No. 24-4985198
Qualified in Kings County
Commission Expires August 12,

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Harry R. Simino, R.A., A.I.A.
68 Summit Street
Brooklyn, New York, 11231
718 596 5991
Fax 596 1666

December 1, 2003

NYS Department of Law
120 Broadway
New York, New York 10271

RE: CD 03-030253
LAWN COURT CONDOMINIUM III
3411 Guider Avenue
Brooklyn, New York

ADDENDUM TO THE ARCHITECT'S REPORT

The roof guarantee from the contractor is for (2) two years and (5) five years from the manufacturer.

Plans and applications were approved by the NYC Department of Buildings on July 31, 2003.

This project is designed within the requirements of all applicable local codes and regulations governing accessibility to the disabled including New York City Local Law 58/87.

There is a hydraulic elevator by ThyssenKrupp Elevator of West Babylon, NY, it has a 2100 lb capacity and a speed of 150 fpm up and 150 fpm down. The cab walls are ¾ " particle board core with the exterior faced with a 1/16" laminate backing sheet and interior faced with a plastic laminate, cab ceiling is 14 gauge steel which is primed and the interior is painted a reflective white. The cab doors and front are # 4 stainless steel. The interior lighting is a flourescent light diffused through a closed white translucent plastic grid. There will be an A.D.A. emergency push button alarm system and light and an emergency roof mounted exit.

Garage doors are manufactured by "Ammann" WeatherGuard Series plus with DuraSafe. The doors are made of a triple layer of construction, 24 gauge exterior steel, 2" polystyrene insulation, 27 gauge interior steel, an R-value of 8.34 and are powered by a ½ h.p. motor.

Each unit has 60 amps of electrical service available.

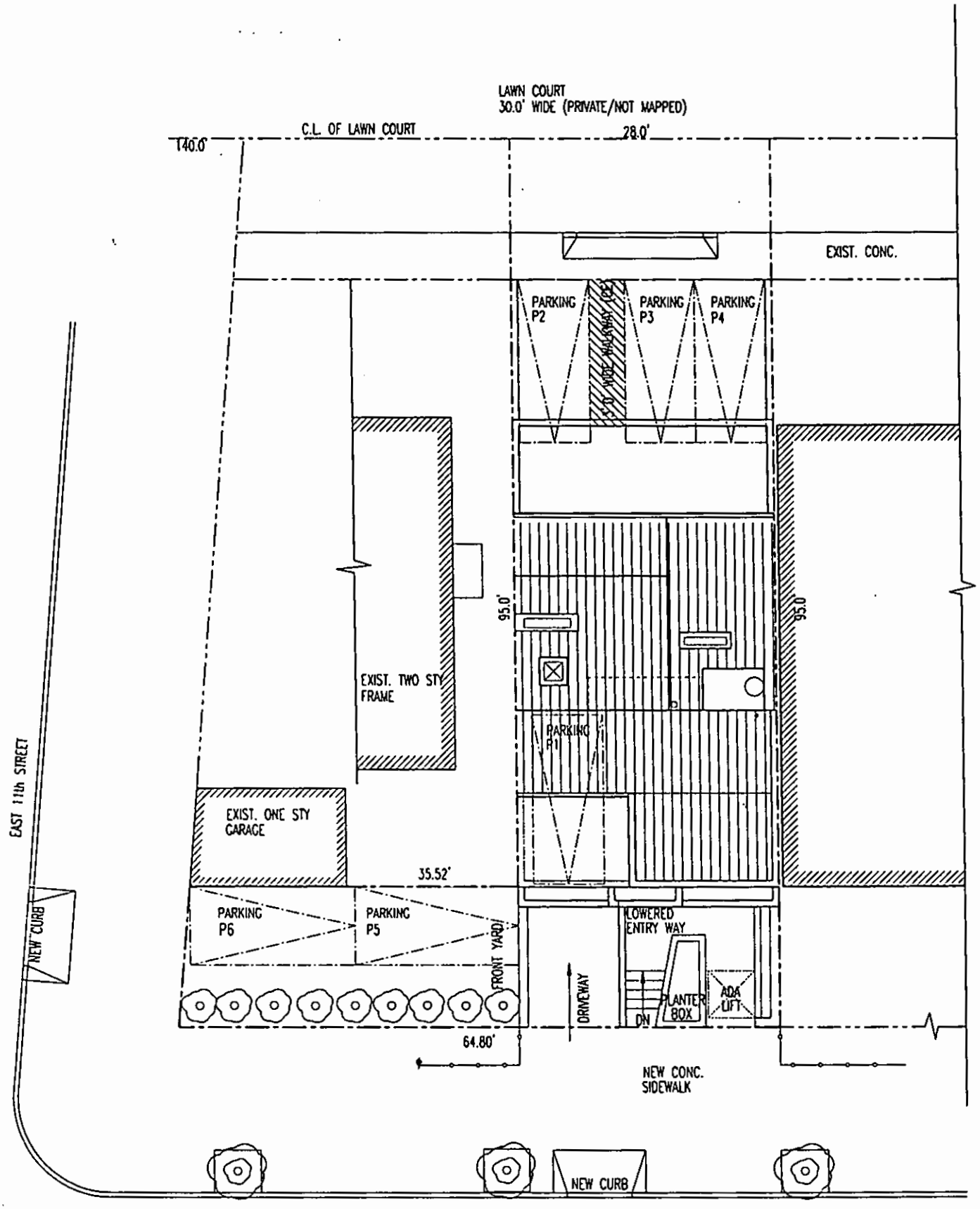
All parking spaces will be accessed directly to the street, the garage space will enter/exit via Guider Avenue, two spaces directly on East 11th and the three at the rear of the property via Lawn Court to East 11th Street

Lawn Court is a private right of way easement for ingress and egress to from East 11th Street and East 12th Street as recorded in the City Register under Reel # 8695 Page # 561

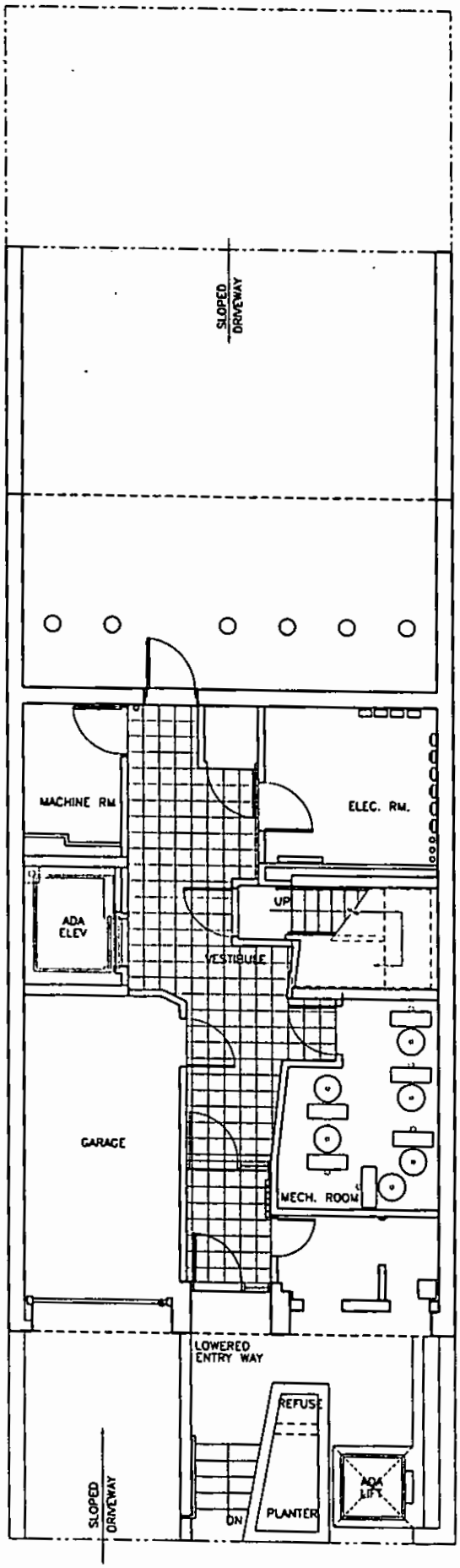
Lot line windows are operable steel frame fire rated windows with tempered glazing by 'Optimum' or an approved equal company. A sprinkler head shall be installed adjacent to each lot line window. Lot lines windows could be filled in if an adjacent structure were erected.

The Building lies in flood zone A5 with an elevation 6.44' All residential units are located above the flood elevation as per NYC Building Code and sump pumps have been installed at the cellar level.

Harry R. Simino, A.I.A.

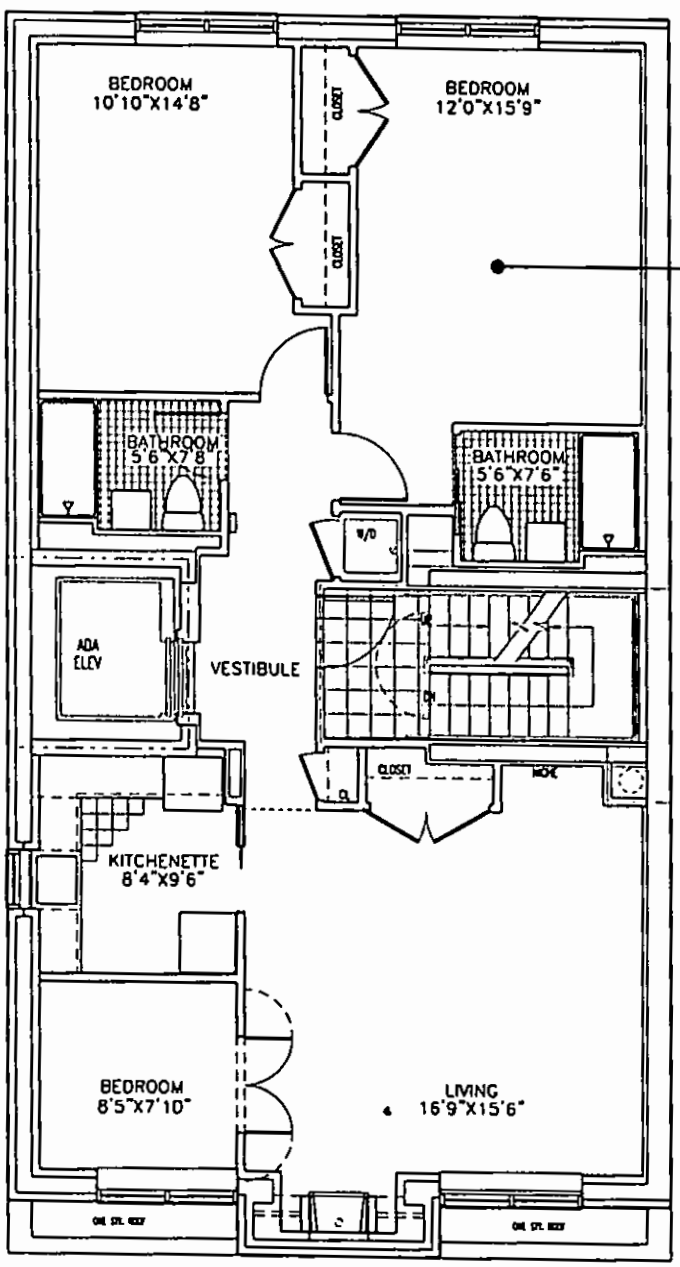


SITE PLAN
1108 LAWN COURT
A.K.A.
3411 GUIDER AVENUE



CELLAR FLOOR PLAN

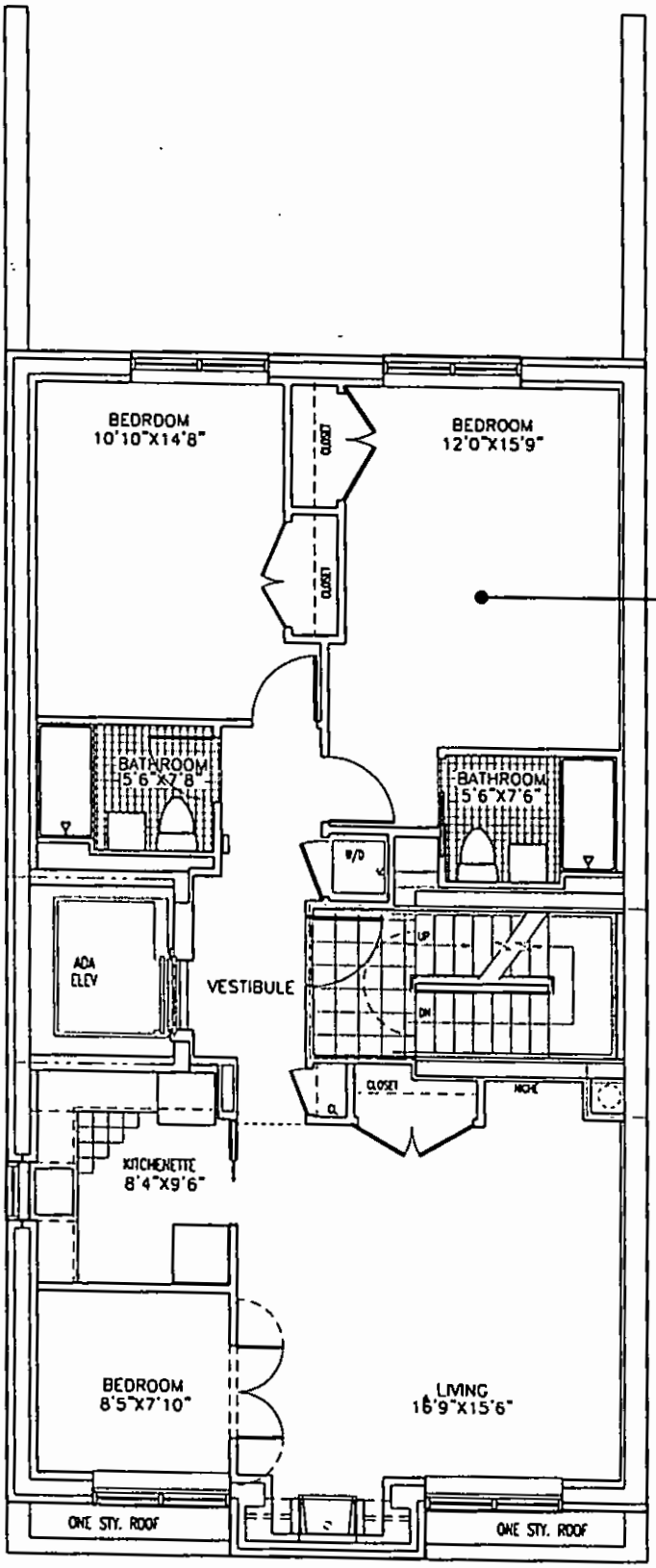
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.



UNIT 1A
Area @ 1st Floor=1255 s.f.

01 FLOOR PLAN

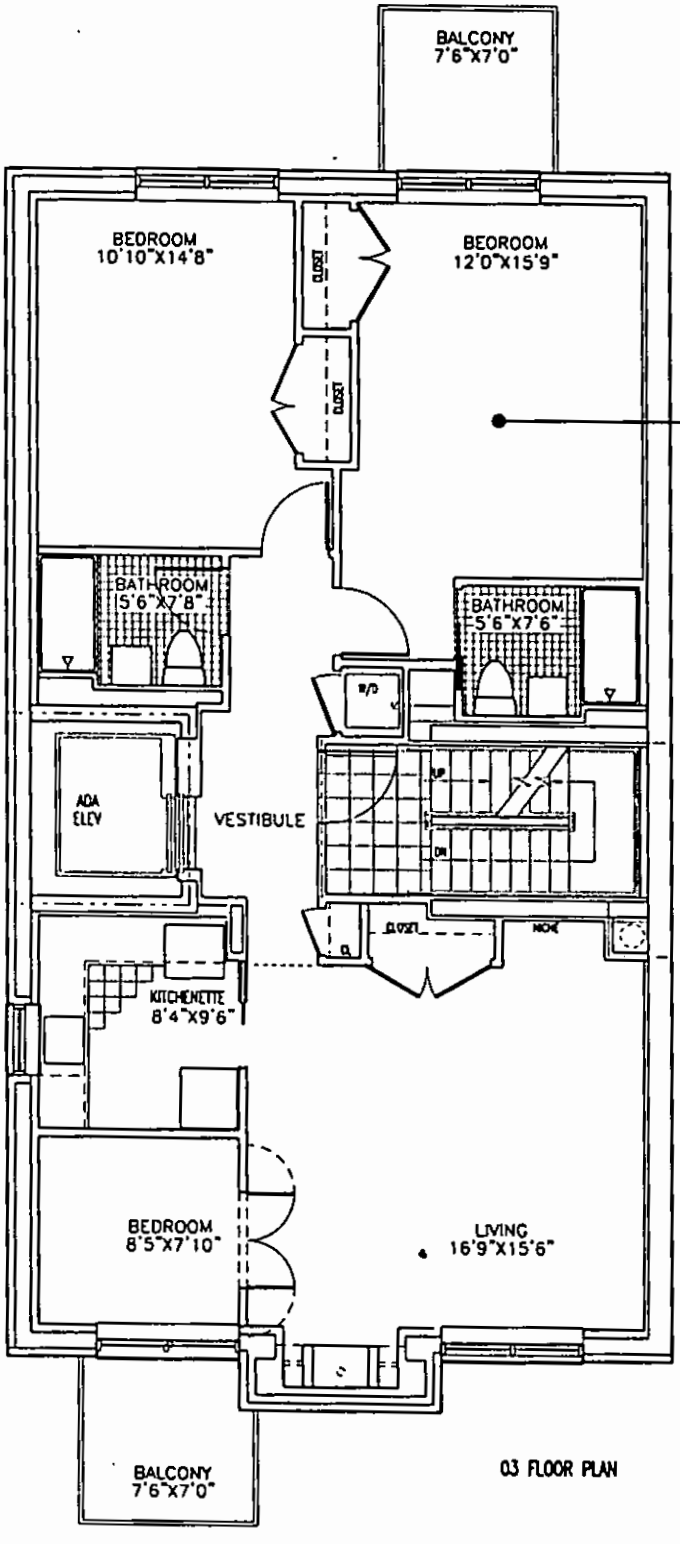
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.



UNIT 2A
Area @ 2nd Floor =1255 s.f.

02 FLOOR PLAN

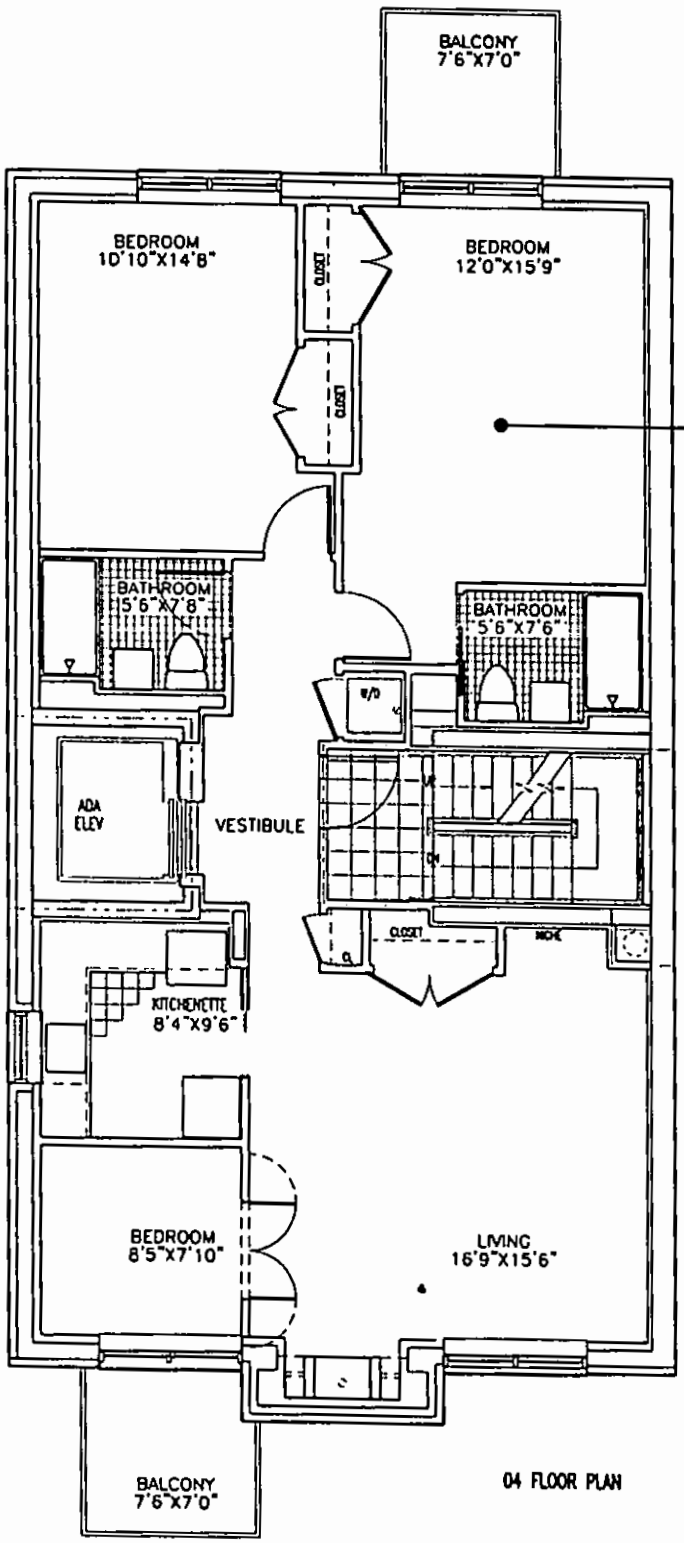
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.



UNIT 3A
Area @ 3rd Floor =1255 s.f.

03 FLOOR PLAN

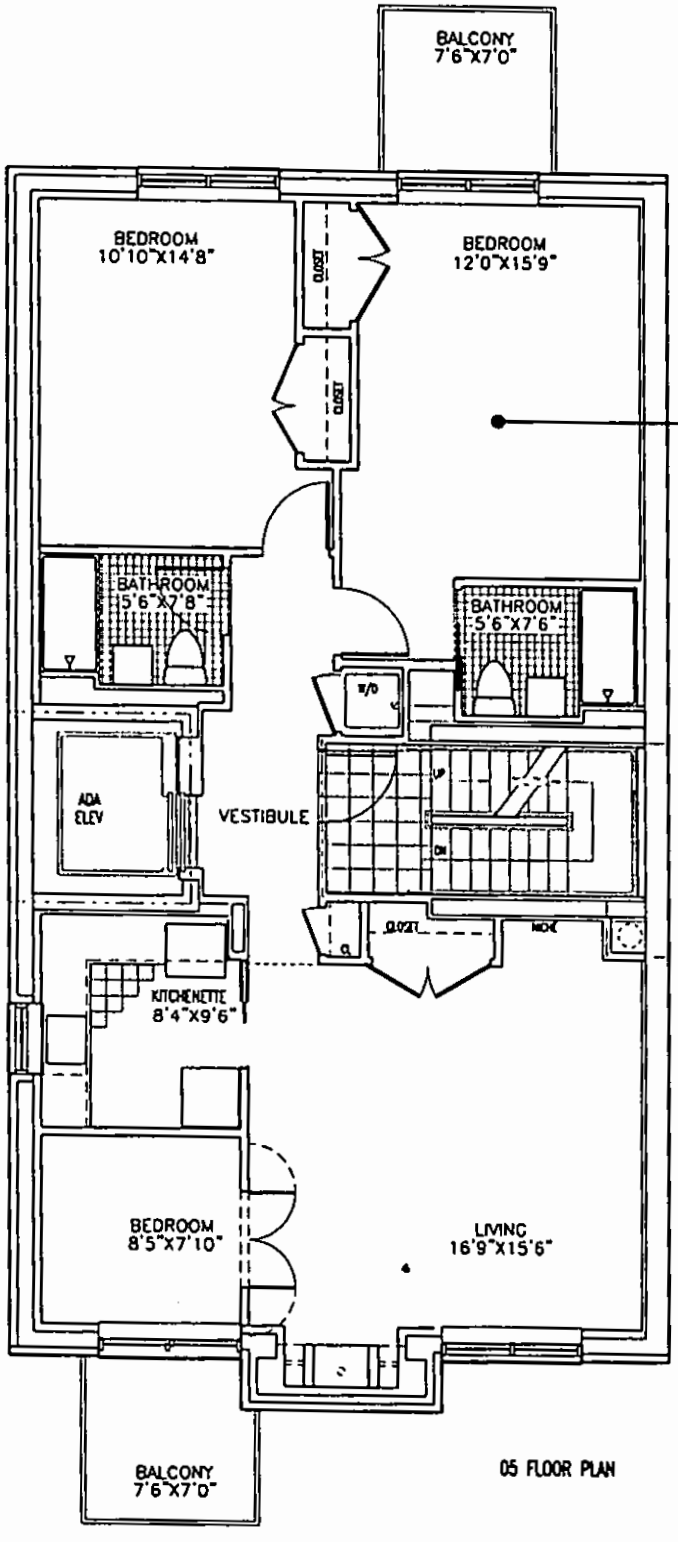
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.



UNIT 4A
Area @ 4th Floor =1255 s.f.

04 FLOOR PLAN

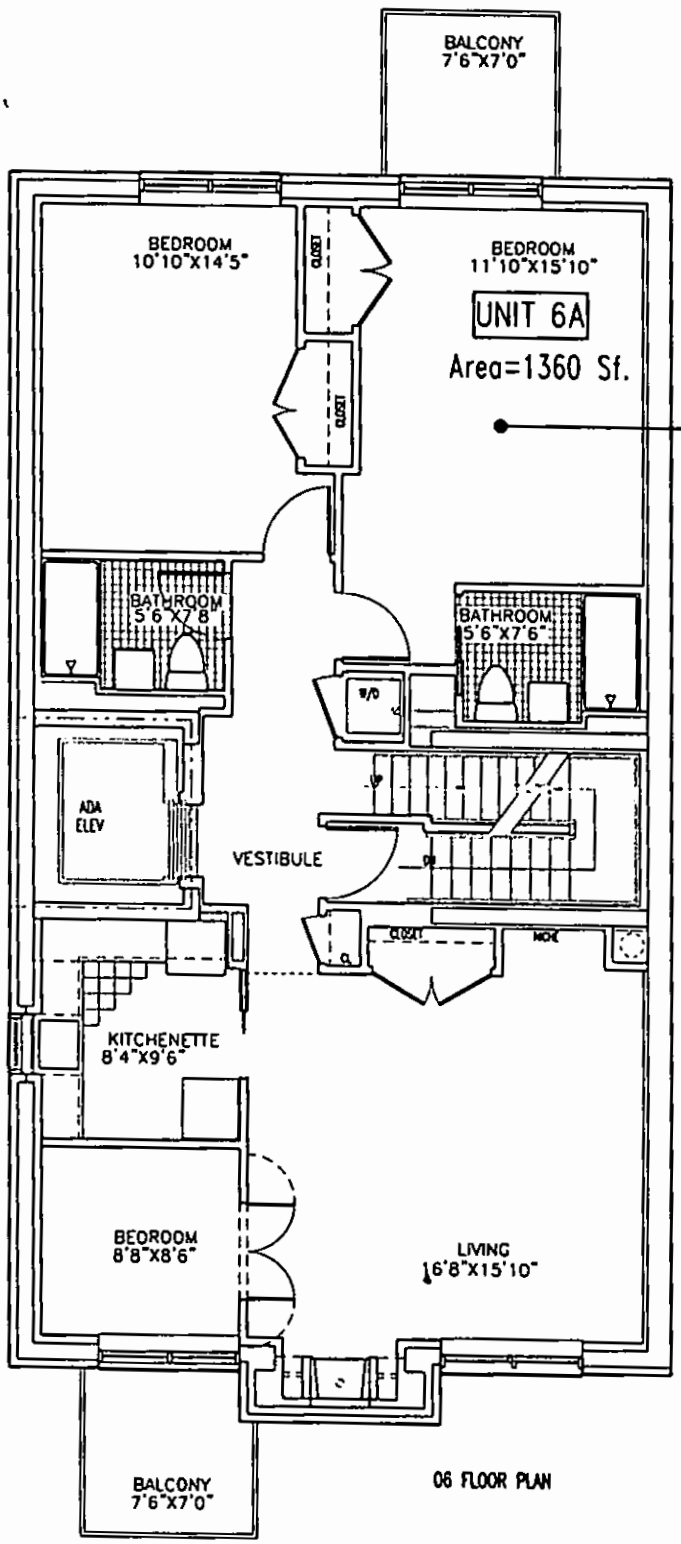
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.



UNIT 5A
Area @ 5th Floor =1255 s.f.

05 FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.

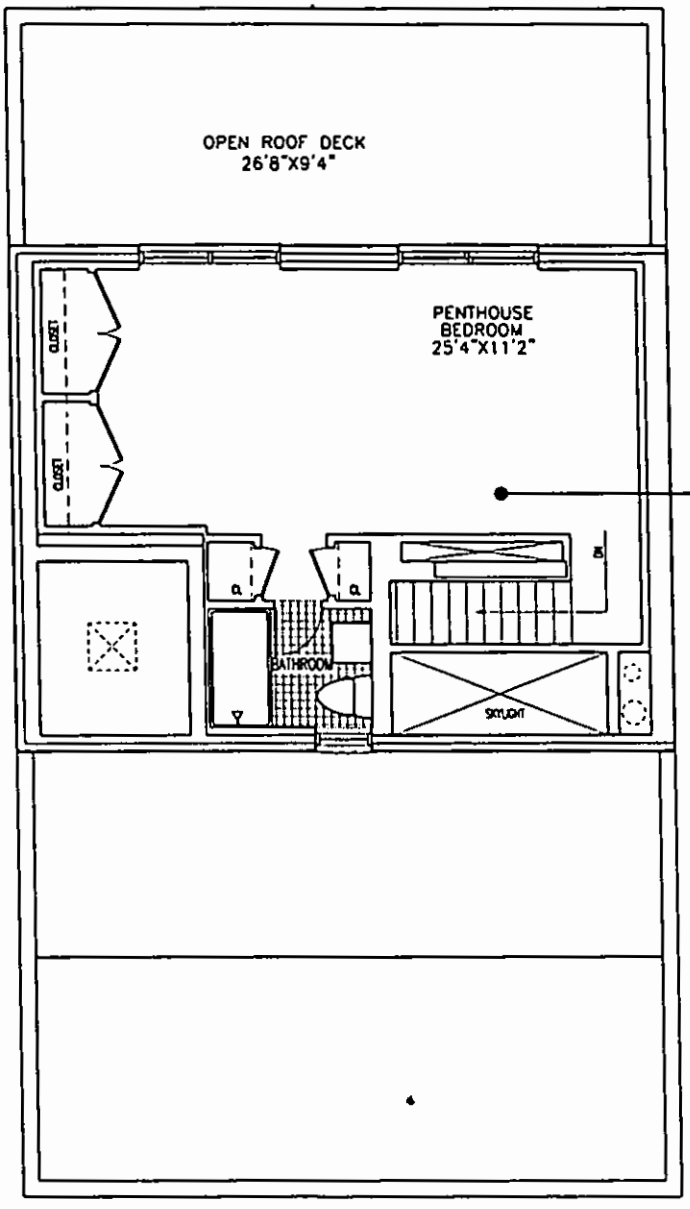


06 FLOOR PLAN

UNIT 6A

Area @ 6th Floor = 1360 s.f.
Area @ Penthouse = 600 s.f.
Total Area = 1960 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.



UNIT 6A
Area @ Penthouse =600 s.f.

PENTHOUSE FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION.

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PURCHASE AGREEMENT

LAWN COURT CONDOMINIUM III

Date of this Agreement:_____

Residence Phone:_____

Business Phone:_____

Purchaser(s) Name:_____

Address:_____

Unit No./Parking Space:_____

Percentage Interest in Common Property:_____

Estimated Closing Date:_____

10% Down Payment: $_____

Amount of Mortgage, If applicable$_____
(see Exhibit B)

Balance Due at Closing $_____

Total Purchase Price $_____

Purchaser(s)' Attorney_____

Purchaser(s)' Attorney's Address & Telephone No._____
_____

Broker's Name, Address & Telephone No. ONE CALL AWAY REALTY
2500 65TH STREET, BROOKLYN, NEW YORK (718)336-7700

SELLERS' ATTORNEY: LEONARD J. MAZZARISI, ESQ
1203 Bay Ridge Parkway
Brooklyn, New York 11228
Tel. (718)234-1122
Fax.(212)234-1110

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PURCHASE AGREEMENT
Unit Number _____
Parking Space_____
%Common Interest_____

LAWN COURT CONDOMINIUM III
3411 GUIDER AVENUE, BROOKLYN, NEW YORK

THIS AGREEMENT is made as of , 2003, between 3411 GUIDER REALTY LLC, (hereinafter called the "Sponsor"), having an address at 2500 65th Street, Brooklyn, New York and

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

SS#_____ Ss#_____

W I T N E S S E T H:

1. Definitions

The following terms shall have the meanings ascribed to them:

(i) "Building" shall mean the structure known as 3411 GUIDER AVENUE, Brooklyn, New York.

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

(iii) "Condominium" shall mean the LAWN COURT CONDOMINIUM III.

(iv) "Declaration" shall mean the Declaration of the LAWN COURT CONDOMINIUM III establishing ownership of the Property.

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

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

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

2. Plan

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

having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser, the unit designated as Unit Number _____ and Parking Space No. _____ in Building Number 3411 GUIDER AVENUE, Brooklyn, New York(hereinafter called the "Unit") in the Declaration, together with its undivided interest (hereinafter called the "Common Interest") in the Common Elements, on and subject to, the terms and conditions set forth herein.

4. Purchase Price

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is $, which Purchaser agrees to pay to the Sponsor

The purchase price for the Parking Space (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is $ "), which Purchaser agrees to pay to the Sponsor

The total purchase price for the Unit and Parking is $ which purchaser agrees to pay Seller as follows:

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

(ii) $ (hereinafter called the "Balance"), constituting the balance of the Purchase Price, is due on the delivery to Purchaser of the deed to the Unit and must be paid by Purchaser's personal certified check or official cashier's check, in either event drawn on a bank that is a member of the New York Clearing House Association.

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

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

IF PURCHASER DESIRES TO CONDITION THIS PURCHASE AGREEMENT UPON OBTAINING FINANCING FROM A LENDING INSTITUTION, PURCHASER MUST PROPERLY COMPLETE, INITIAL AND RETURN THE SECURED LOAN CONDITION RIDER (TO BE AMENDED AS EXHIBIT A HERETO) TOGETHER WITH THIS PURCHASE AGREEMENT. THIS PURCHASE AGREEMENT WILL NOT BE CONDITIONED UPON A PURCHASER'S SECURING SATISFACTORY FINANCING UNLESS PURCHASER PROPERLY COMPLETES, INITIALS AND RETURNS WITH THIS PURCHASE AGREEMENT SAID SECURED LOAN CONDITION RIDER.

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

5. Purchase Monies Held in Trust

Seller shall hold all down payments and deposits it receives from Purchasers directly or through Seller's agents and employees, in an escrow account until actually employed in the consummation of a transaction. All checks or drafts for down payments and deposits shall be made payable to the "LEONARD J. MAZZARISI, ESQ. AS ESCROW AGENT." such down payments and deposits shall be held in trust as provides pursuant to Sections 352(e)(2)(b) and 352(h) of the General Business Law, in a special segregated bearing account entitled "LEONARD J. MAZZARISI, ESQ. ATTORNEY TRUST ACCOUNT, IOLA NO. 3" in the Victory State Bank located at 3155 Amboy Road, Staten Island , New York. The signature of LEONARD J. MAZZARISI, Esq., located at 1203 Bay Ridge Parkway, Brooklyn, New York, as Escrow Agent and closing attorney for the Seller, shall be required to withdraw any such funds in compliance with the purchase agreement as hereby amended and the New York State Department of Law's regulations regarding escrow accounts. Such funds shall be payable to Seller upon the closing of title to the unit covered by this purchase agreement. In the event purchase agreement is terminated for reasons other then purchaser's default, such funds placed in escrow will be returned within fifteen (15) day of such termination.

In the event of Purchaser's default under this Purchase Agreement, which default continues for fifteen (15) days after notice of such default from Seller to Purchaser, all such funds, including interest, if any, earned thereon, shall be released to Seller from such account as liquidated damages and thereafter neither Seller nor Purchaser shall have rights or obligations against or to the other. In no event shall such liquidated damages exceed ten percent (10%) of the total Purchase Price of the Unit, plus the cost of optional extra, if any, together with interest, if any, earned on such sums.

All funds received by Seller shall be handled in accordance with the provisions of Section 352-e.2-b and 352-h of the General Business Law and shall be employed by Seller only in connection with the consummation of the plan.

6. Closing Contingent on Plan Being Declared Effective

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

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

7. Closing Date and Place

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

8. The Deed

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

9. State of Title

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

10. Title Company Approval

Sponsor shall give, and Purchaser shall accept, such title Lighthouse Land Services, Inc. as agent for Fidelity National Title Insurance Company of New York, will approve and insure, provided only the liens, encumbrances and conditions affecting title shall be the Permitted Encumbrances. Sponsor shall not be obligated to satisfy any exceptions to title raised by any other title insurance company.

11. Sponsor's Inability to Convey Title

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

12. Closing Adjustments

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

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

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

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

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

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

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

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

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

(1) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered through Lighthouse Land Services, Inc., or similar title insurance companies, should be $714.00 for the first $100,000.00 and an additional fee insurance of $4.00 for each $1,000.00 or fraction thereof of additional fee insurance. In the event a Purchaser obtains title insurance from a title insurance company other than Lighthouse Land Services, Inc., Purchaser shall be required to pay Sponsor's attorney an additional $750.00. Lighthouse Land Services Inc., is located at 51 main Street, Holmdale, New Jersey 07733 and whose telephone number and fax number respectively are (732)332-1282 and (732) 332-1283.

(2) A fee for recording the deed and Unit Owner's Power of Attorney of $15.00 for each instrument plus $8.00 per page, together with a service charge to the title company for such recording of approximately $10.00 per instrument;

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

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;
(b) a mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax is 1.75% of the face amount of the mortgage for mortgages under $500,000.00 and 2% for mortgages of $500,000.00 or more);
(c) Purchasers will pay a premium through Lighthouse Land Services Inc. for the mortgage title insurance policy. In addition, such Purchaser shall pay the costs of filing the UCC-1 Financing Statements (approximately $15.00), and will also pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.
(d) all costs and expenses in connection with such loan in amounts determined by the lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

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

(5) Purchaser will be required to deposit with the Board of Managers $750.00 as the initial contribution to the working capital fund.

(6) Purchaser shall be obligated to pay a fee of $900.00 to Leonard J. Mazzarisi, Esq. for services rendered in connection with the preparation of the closing documents and the closing. If Purchaser shall obtain financing, Purchaser shall be required to pay the Sponsor's attorneys an additional fee of $100.00. If the closing shall not take place in the offices of the Sponsor's attorney, then Purchaser shall be required to pay Sponsor's attorneys a travel fee of $450.00 . If the closing is adjourned for any reason other than an adjournment by the Sponsor, Purchaser shall be obligated to pay Sponsor's attorney an adjoumment fee of $400.00.

(7) There shall be an additional fee of $750.00 payable to Sponsor's counsel if Purchaser obtains fee title insurance from a title insurer other than Lighthouse Land Services, Inc., representing payment for additional work involved and to pay for the work done by the title company in connection with the preparation of the offering plan.

(8) All purchasers shall be required to pay the Sponsor, at closing, a fee of one percent (1%) of the purchase price for obtaining a tax abatement for the Condominium and $450.00 for the installation of water meter at the Premises..

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

14. Rent Security Deposit

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

15. Power of Attorney to Board of Managers and Sponsor

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

16. Transfer Tax Return

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

17. Events of Default

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

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

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

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

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

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

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

D. Notwithstanding the occurrence of an Event of Default Sponsor may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from Purchaser's damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection). Nothing herein shall be construed to mean that Seller is obligated to extend the closing date beyond thirty (30) days. Any extension granted shall be done so in the Sponsor's sole discretion.

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

18. Purchaser's Remedies.

In the event that any of the representations and warranties set forth in the offering plan shall be untrue or incorrect as of the date made or on the Closing Date, or if Sponsor shall fail to perform any of Sponsor's undertakings, the sole remedy under the provisions of this plan and the Purchase Agreements of purchasers

who are in good standing under their respective Purchase Agreements shall be to rescind their Purchase Agreements and be refunded their entire down payment with interest to the extent earned, plus the cost of title searches, if any.

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

19. Appliances and Equipment

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

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

20. Construction.

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

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

21. Inspection of Unit.

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

22. Possession; Risk of Loss

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

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

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

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

E. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 20 above.

23. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser

agrees (a) to purchaser the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 24 shall survive the closing of title.

24. Notices

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement or to his attorney and, if sent to Sponsor, addressed to the Sponsor, c/o LEONARD J. MAZZARISI, ESQ. 1203 Bar Ridge Parkway, Brooklyn, New York, New York 11204. Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch, station or depositary maintained by the U.S. Postal Service in the City and State of New York, except that a notice of a change of address shall be deemed given when actually received.

25. Broker

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 26 shall survive the closing.

26. No Lien; Agreement Subject to Mortgage

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

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

27. Entire Agreement

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

28 Joint Purchasers

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

29. Liability of Sponsor

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

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

30. Further Assurances

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

31 Severability

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

32 Strict Compliance

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

33. Governing Law

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York.

34. Waiver of Jury Trial

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

35. Gender

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

36. Certain References

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

37. Captions

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

38. Successors and Assigns

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

39. No Oral Changes

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

40. Acceptance of Purchase Agreement

A. On or prior to Purchaser's signing and delivering this Purchase Agreement, Purchaser agrees (if requested) to complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

B. The submission of such application or this Purchase Agreement to Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within twenty (20) days after the Selling Agent receives this Purchase Agreement signed by Purchaser, a duplicate of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status or other ground proscribed by law.

41. Agreement Not Assignable; Binding Effect

This Purchase Agreement is not assignable without the consent of the Sponsor. This Purchase Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, successors and permitted assigns.

42. Purchaser's Intent to Occupy the Residential Unit[1]

Purchaser hereby represents that Purchaser intends to occupy (or have one or more members of Purchaser's family occupy) the Residential Unit.

---

[1] Delete this paragraph if inapplicable.

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

Purchaser:

_____L.S.

_____L.S.

Purchaser's Address:

_____

Purchaser's Social Security Number:

_____

_____

Accepted and Agreed to:
3411 GUIDER REALTY LLC.

By:_____

Date Accepted:

_____

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EXHIBIT A: Permitted Encumbrances

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.
2. State of facts which an accurate survey or personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes.
3. The terms, burdens, covenants, restrictions, conditions, easements, and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.
4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.
5. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
7. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, n current installment shall be adjusted at closing).
11. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.
12. Any lease covering the Unit.
13. Certificate of Occupancy to be issued covering the Building.
14. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.
15. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Purchaser's title to the Unit.

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EXHIBIT B: SECURED LOAN CONDITION RIDER

THIS RIDER IS ANNEXED TO AN FORMS A PART OF THE PURCHASE AGREEMENT, DATED , 3411 GUIDER REALTY LLC., AS SPONSOR, AND , AS PURCHASER, RELATIVE TO THE SALE OF UNIT AT 3411 GUIDER AVENUE, BROOKLYN, NEW YORK.

A. On condition that Purchaser complies with the provisions of this Secured Loan Condition Rider, the obligations of Purchaser under the Purchase Agreement to which this Rider is annexed are subject to the issuance of a commitment letter by a commercial bank, licensed mortgage banker who is a direct lender, savings bank, savings and loan association, insurance company, pension fund, or other institutional lender doing business in the State of New York (the "Lender") to Purchaser within thirty (30) days from the date the plan has been declared effective (or within 30 days after Sponsor has sent written notice to the Purchaser requiring the purchaser to make an application for financing if this date is earlier than the effective date), pursuant to which the Lender agrees to lend $_____ of the Total Cash Payment stated on page 1 of the Purchase Agreement (or such lesser amount as may be acceptable to Purchaser), at the prevailing rate of interest (fixed, floating or adjustable), payment terms and maturity customarily offered by the Lender for condominium apartment loans, and shall be secured by a pledge, security interest or assignment of, and/or a mortgage on the condominium.

B. Purchaser shall first apply for a loan from a Lender of Sponsor's choosing and shall furnish to the Lender within five (5) business days from the date set forth above, signed by or on behalf of Sponsor, is returned to Purchaser, truthful, accurate and complete information on Purchaser and members of Purchaser's family as required, and shall promptly thereafter advise 3411 GUIDER REALTY LLC ("Selling Agent"), of the date upon which such application was made. In the event a commitment letter is issued, a copy thereof shall be furnished to Agent promptly after receipt.

C. Purchaser shall accept a commitment letter from the Lender complying with the terms of paragraph A above, if issued, shall pay the application, appraisal, commitment, origination or other fees in respect to the loan, and shall comply with the requirements of the commitment letter in all respects.

D.. In the event that purchaser is notified by the lending institution of the rejection of his application, he must furnish the Sellers Attorney with a copy of the application and the rejection letter. The Sponsor shall, within ten (10) days after receiving notice of the rejection, in its sole and unrestricted discretion, may elect one of the following:

(i) to require the Purchaser, within ten (10) days thereafter, to submit to Seller or its designee diligent, truthful and proper applications to a second lending institution designated by Seller or its agents in which event the time period referred to hereinabove shall be extended for an additional sixty (60) days or;

(ii) to terminate this contract, in which case this contract shall be deemed cancelled and the monies paid hereunder shall be refunded to the Purchaser, and upon such repayment the parties hereto shall be released from any and all liability or;

(iii) to grant to the Purchaser a first mortgage, in the full amount of the mortgage set forth in paragraph A above, or , if the Purchase shall have applied to a second lending institution pursuant to this subsection (i), then in the full amount contained in said mortgage application, upon the terms and conditions for the type of mortgage contained in the Purchaser's applicable mortgage application. In the event the Seller elects to grant to the Purchaser a first mortgage pursuant to this subsection (iii), the Purchase Money Note and Mortgage shall be drawn on the Seller's standard forms by the attorney for the Seller. At the closing of title, the Purchaser shall pay all expenses concerning the Purchase Money Note and Mortgage, including the mortgage recording tax, recording fees and $750.00 to the Seller's attorney for preparation of the Purchase Money Note and Mortgage.

(iv) To grant Purchaser additional time to apply for a mortgage for a Lender of Purchaser's choosing.

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

F. To the extent a commitment is conditioned on the sale of Purchasers current home and/or other property, payment of any outstanding debt, no material adverse change in Purchaser financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may no be met; however, a commitment conditioned on the Purchasers lending's approval of an appraisal shall not be deemed a "commitment" hereunder until an appraisal is approved. Purchaser's obligations hereunder are conditioned only on issuance of a commitment. Once a commitment is issued, Purchaser is bound under this contract even if the Purchaser's lender fails or refuses to fund the mortgage loan for any reason.

3411 GUIDER REALTY LLC.

INITIALS:_____ _____

Purchaser(s) Selling Agent

EXHIBIT C
FINAL INSPECTION REPORT

Re: LAWN COURT CONDOMINIUM III
Unit No.
Date:

Dear Sir:

As a result of my final inspection, please be advised that except as otherwise noted I/we found the following item in good condition, free of chips, mars, breaks or other defects.

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, and smoke alarms, will be installed just prior to my/our date of moving. I/we agree that I/we will sign off each item requiring adjustment or repairs as it is completed.

_____
Sponsor's Representative

_____
Purchaser's Signature

_____
Purchaser's Signature

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EXHIBIT D
RIDER TO PURCHASE AGREEMENT DATED_____
LIMITED WARRANTY No._____

NAME OF PURCHASER(S): _____
ADDRESS OF PURCHASER: _____
ADDRESS OF HOME WARRANTED: _____
NAME OF SELLER: _____
ADDRESS OF SELLER: _____
WARRANTY DATE: _____

The date that Purchaser or its family shall first occupy the Home Warranted or the date of delivery of the deed to such Home to Purchaser, whichever occurs first.

SELLER'S LIMIT OF TOTAL LIABILITY: Sixty (60%) percent of the purchase price of the Home set forth in the Purchase Agreement to which this Warranty is annexed as a rider less any insurance proceeds received by Purchaser.

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL AND INDIRECT DAMAGES.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE HOME AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE SELLER'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE HOME.

1. To Whom Given. This Limited Warranty is extended to the Purchaser named on page 1, while the Purchaser owns the Home. It does not extend to subsequent owners of the Home tenants, mortgagees in possession, or other persons.

2. By Whom Made. This Limited Warranty is made exclusively by the Seller who appears on Page 1.

3. Final Inspection of the Home. Before the Purchaser moves into the Home or accepts the deed, the Seller will set up an appointment for final inspection of the Home with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature, or any unfinished work.

All defects or flaws found on final inspection of the Home will be itemized on a Final Inspection Sheet. The Final Inspection Sheet will be signed by the Purchaser and the Seller before occupancy of the Home or transfer of the deed.

When the Purchaser moves into the Home or accepts the deed, the Seller's responsibility is limited to:
(a) completion of items shown on the Final Inspection Sheet, as provided in the Final Inspection Sheet, and
(b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below. The purpose of the Limited Warranty is to identify the Seller's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Home.

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

5. Warranty Coverage and Periods. The Warranty Period for all coverage begins on the Warranty Date shown on Page 1. It ends at the expiration of the coverage shown below:

FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Home will be free from latent defects that constitute:

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

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of the City of New York or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

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

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Warranty Date, the plumbing, electrical, heating, cooling and ventilation systems of the Home which have been installed by the Seller are warranted to be free from latent defects that constitute defective installation by the Seller.

Installation will be considered to be defective if the Seller's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the Building Code of the City of New York and the Accepted Standards which are attached to this Limited Warranty.

The plumbing system means: gas supply lines and fittings; water supply, waste and vest pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The electrical system means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The heating, cooling and ventilation system means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers. All systems are exclusive of appliances, fixtures and items of equipment.

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

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Warranty Date, the Home will be free from latent defects that are major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by the Seller, an agent of the Seller or subcontractor of the Seller;
(b) defective materials provided by the Seller, an agent of the Seller or subcontractor of the Seller or;
(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Seller.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of the City of New York or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

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

Damage to the following non-load bearing portions of the Home do not constitute a Material Defect for the Major Structural Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall title and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately fro foundations walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; hardware; insulation.

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

ALL TIME PERIODS FOR THESE COVERAGE ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

6. Exclusions from All Coverage. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

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

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

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

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

(e) Defects in outbuildings including but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls, retaining walls, bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Home itself.

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

(g) Raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves), and on facias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks or other blemishes in windows, sliding doors, screens, electrical fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops;

(h) Any damage to the extent that it is caused or made worse by:

(1) negligence, improper maintenance, or improper operation by anyone other than the Seller, its employees, agents, or subcontractors; or

(2) failure by the Purchaser or anyone other than the Seller, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(3) failure of Purchaser to give notice to Seller of any defects or damage within a reasonable time; or

(4) changes in the grading by anyone other than the Seller, its employees, agents or subcontractors; or

(5) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on Page 1; or

(6) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Home.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lighting, windstorm, hail, flood,

mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss and damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Home Owner has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage, vermin and/ or rodent damage, or infestation or damage caused by animals or pets.

(p) Bodily injury or damage to personal property.

(q) Failure of the Seller to complete construction of the Home.

(r) Loss or damage which arises while the Home is being used primarily for nonresidential purposes.

(s) Loss or damage due to abnormal loading on floors by the Home Owner which exceeds design loads as mandated by the Building Code.

(t) Costs of shelter, transportation, food, moving, storage or other incidental expense related to relocation during repair.

(u) Consequential, incidental, special and indirect damages.

(v) Any claim not filed in a manner set forth below in Paragraph 8, "Step-by-Step Claims Procedures".

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

In no event will the Seller's total liability for deficiencies under this Limited Warranty exceed the Seller's Limit of Total Liability, shown on Page 1.

Repair, replacement or payment of payment of reasonable cost for any Major Structural Defect is further limited to (1) the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, insanitary or otherwise unlivable.

When the Seller finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must signed and delivered to the Seller.

8. Step-by-Step /Claims Procedure. (a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Seller no later than the first business day after warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Seller by that deadline, the Seller will have no duty to respond to any complaint or demand, and any or all claims may be rejected.

NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Seller, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Seller's response to any complaint or request, other than a timely or properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Seller, including but not limited to the Seller's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Seller and the Seller's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide reasonable access to the Seller and the Seller's agents during normal business hours to complete inspection, testing and repair replacement.

(d) The Seller will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Seller will determine whether to accept or reject the claim. If the Seller

rejects the claim the Seller will give written notice of that decision to the claimant at the address shown on Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action within a reasonable time under circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Seller will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Seller's control.

9. Legal Actions. (a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Seller in any Court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim From as provided in paragraph 8 above.

10. General Provisions. (a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Seller and the Purchaser, their heirs, executives, administrators, successors, and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a Court of a competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the Laws of the State of New York.

(f) To the extent any coverage under this Warranty applies to common elements of a condominium, such coverage shall be deemed given to the Board of Managers of the condominium.

(g) Reference herein to the "Home" shall be synonymous with "Unit" as such term is used in the Offering Plan.

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NOTICE OF WARRANTY CLAIM FORM

Dear Home Owner:

To ask the Seller to correct a defect in your Home which you think is covered by the Limited Warranty, you must complete this form and deliver it to the Seller. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Seller is aware of the problem, fill out this form and deliver it to the Seller.

The information you will need to fill out the form will be on Page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't Know". Please do not leave any item blank.

Your Name:_____ Mailing Address:_____ Phone:_____

Limited Warranty No.: _____ Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem.

_____ _____
(signature) (date)

_____ _____
(signature) (date)

ACCEPTED STANDARDS

The Performance Standards list specific items (defects) within each separate area of coverage. The first section covers Workmanship and Materials; the second sections covers Systems. The standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

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

Workmanship and Materials, First Year Only

1. Site Work
2. Concrete
3. Masonry
4. Wood and Plastic
5. Thermal and Moisture Protection
6. Doors and Windows
7. Finishes
8. Specialties
9. Equipment
10. Plumbing
11. Heating and Cooling
12. Ventilation
13. Electrical Systems, First and Second Year
14. Plumbing System
15. Ventilation System
16. Electrical System

PERFORMANCE STANDARDS

1. SITE, WORK, COVERAGE 1ST YEAR ONLY, WORKMANSHIP AND MATERIALS

A. Site Grading

Deficiency: Setting of ground around foundation, utility trenches or other areas.

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

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

B. Site Drainage

Deficiency: Improper drainage of the site.

Standard: The necessary grades and swales shall have been established by the Builder to insure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours), except that in swales which drain other areas, or in areas where sump pumps discharge, a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.

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

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

A. Expansion and Contraction Joints

Deficiency: Basement or foundation wall cracks.

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

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

Deficiency: Cracking of basement floor.

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

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

Deficiency:	Cracking of slab in attached garage.
Standard:	Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement shall be required.
Responsibility:	Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.
Deficiency:	Uneven concrete floors/slabs.
Standard:	Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 1/4 inch in 32 inches.
Responsibility:	Builder will correct or repair to meet the Performance Standard.
Deficiency:	Cracks in concrete slab-on-grade floors with finish flooring.
Standard:	Cracks which rupture the finish flooring material shall be repaired.
Responsibility:	Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place. (See also Performance Standard 7, "Finishes".)
Deficiency:	Pitting, scaling or spalling of concrete work covered by this Limited Warranty.
Standard:	Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.
Responsibility.	Builder will take whatever corrective action necessary to repair defective concrete surfaces. Builder isn't responsible for deterioration caused by salt, chemicals, mechanical implements & other factors beyond its control.
Deficiency:	Settling, heaving or separating of stoops, steps or garage floors.
Standard:	Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures.
Responsibility:	Builder will take whatever corrective action is required to meet the Performance Standard.
Deficiency:	Standing water on stoops.
Standard:	Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.
Responsibility:	Builder shall take corrective action to assure drainage of steps and stoops.

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

A. Unit Masonry

Deficiency:	Basement or foundation wall cracks.
Standard:	Small crack not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 1/8 inch in width shall be repaired.
Responsibility:	Builder will repair cracks in excess of 1/8 inch by pointing or patching. These deficiencies shall be reported and repairs made during the first year of the Limited Warranty period.
Deficiency:	Cracks in masonry wall or veneer.
Standard:	Small hairline cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width are considered excessive.
Responsibility.	Builder will repair cracks in excess of Performance Standard by pointing or patching. These repairs shall be made during the first year of the Limited Warranty period. Builder will not be responsible for color variation between old and new mortar.

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

A. Rough Carpentry

Deficiency:	Floors squeak or subfloor appears loose.
Standard:	Floor squeaks and loose subfloor are often temporary conditions common to new construction, and a squeak-proof floor cannot be guaranteed.
Responsibility:	Builder will correct the problem only if caused by underlying construction defect.
Deficiency:	Uneven wood floors.
Standard:	Floors shall not have more than 1/4 inch ridge or depression within any 32 inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the applicable building code.
Responsibility:	Builder will correct or repair to meet Performance Standard.
Deficiency:	Bowed walls.
Standard:	All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the wall's finished surface. Walls should not bow more than 1/4 inch out of line within any 32 inch horizontal or vertical measurement.
Responsibility:	Builder will repair to meet Performance Standard.
Deficiency:	Out-of-plumb walls.
Standard:	Walls should not be more than 1/4 inch out of plumb for any 32 inch vertical measurement.
Responsibility:	Builder will repair to meet Performance Standard.

B. Finish Carpentry (Interior)

Deficiency:	Poor quality of interior trim workmanship.
Standard:	Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 3/8 inch in width.
Responsibility:	Builder will repair defective joints, as defined. Caulking is acceptable.

C. Finish Carpentry (Exterior)

Deficiency:	Poor quality of exterior trim workmanship.
Standard:	Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.
Responsibility:	Builder will repair open joints, as defined. Caulking is acceptable.

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

A. Waterproofing

Deficiency:	Leaks in basement.
Standard:	Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this Limited Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.
Responsibility.	Builder will take such action as necessary to correct basement leaks except where the cause is determined to result from Home Owner action or negligence.

B. Insulation

Deficiency:	Insufficient insulation.
Standard:	Insulation shall be installed in accordance with applicable energy and building code requirements.
Responsibility:	Builder will install insulation in sufficient amounts to meet Performance Standard.

C. Louvers and Vents

Deficiency:	Leaks due to snow or rain driven into the attic through louvers or vents.
Standard:	Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure.
Responsibility:	None.

D. Roofing and Siding

Deficiency:	Iced build-up on roof.
Standard:	During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and down spouts freeze up.
Responsibility:	Prevention of ice build-up on the roof is a Home Owner maintenance item.
Deficiency:	Roof or flashing leaks.
Standard:	Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Home Owner action or negligence.
Responsibility:	Builder will repair any verified roof or flashing leaks not caused by ice build-up or Home Owner action negligence.
Deficiency:	Standing water on flat roof.
Standard:	Water shall drain fro flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.
Responsibility:	Builder will take corrective action assure proper drainage of roof.
Deficiency:	Delamination of veneer siding or joint separation.
Standard:	All siding shall be installed according to the manufacturer's and industry's accepted standards. Separation and delaminations shall be repaired or replaced.
Responsibility:	Builder will repair or replace siding as needed unless caused by Home Owner's neglect to maintain siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The Home Owner can expect that the newly painted surface may not match original surface in color.

E. Sheet Metal

Deficiency:	Gutters and/or down spouts leak.
Standard:	Gutter and down spouts shall not leak but gutters may overflow during heavy rain.
Responsibility:	Builder will repair leaks. It is Home Owner responsibility to keep gutters and down spouts free of leaves and debris which could cause overflow.
Deficiency:	Water standing in gutters.
Standard:	When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth. Industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.
Responsibility:	Builder will correct to meet Performance Standard.

F. Sealants

Deficiency:	Leaks in exterior wall due to inadequate caulking.
Standard:	Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.
Responsibility:	Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies once, during the first year of the Limited Warranty period. Even properly installed caulking will shrink and must be maintained during life of the Home.

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

A. Wood and Plastic Doors

Deficiency:	Warpage of exterior doors.
Standard:	Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).
Responsibility:	Builder will correct or replace and refinish defective doors, during the first year of the Limited Warranty period.
Deficiency:	Warpage of interior passage and closet doors.
Standard:	Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standards. (1/4 inch measured diagonally from corner to corner).
Responsibility:	Builder will correct or replace and refinish defective doors to match existing doors as nearly as possible, during the first year of the Limited Warranty period.
Deficiency:	Shrinkage of insert panels show raw wood edges.
Standard:	Panels will shrink and expand and may expose unpainted surface.
Responsibility:	None.
Deficiency:	Split in door panel.
Standard:	Split panels shall not allow light to be visible through the door.
Responsibility:	Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of Limited Warranty period.

B. Glass

Deficiency:	Broken glass
Standard:	None
Responsibility:	Broken glass not reported to Builder prior to closing is the Home Owner's responsibility.

C. Garage Doors on Attached Garages

Deficiency:	Garage doors fail to operate properly, under normal use.
Standard:	Garage doors shall operate properly.
Responsibility:	Builder will correct or adjust garage doors as required, except where the cause is determined to result from Home Owner action or negligence.
Deficiency:	Garage doors allow entrance of snow or water.
Standard:	Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under abnormal conditions.
Responsibility:	Builder will adjust or correct garage doors to meet manufacturer's recommendations.

D. Wood, Plastic and Metal Windows

Deficiency:	Malfunction of windows.
Standard:	Windows shall operate with reasonable ease, as designed.
Responsibility:	Builder will correct or repair as required.
Deficiency:	Condensation and/or frost on windows.
Standard:	Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions, created by the Home Owner.
Responsibility.	Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

E. Weatherstripping and Seals

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

7. FINISHES: COVERAGE 1ST YEAR ONLY, WORKMANSHIP AND MATERIALS

A. Lath and Plaster

Deficiency: Cracks in interior wall and ceiling surfaces.

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

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

B. Gypsum Wallboard

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

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

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

C. Ceramic Tile

Deficiency: Ceramic tile cracks or becomes loose.

Standard: Ceramic tile shall not crack or become loose.

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

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

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

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

D. Finished Wood Flooring

Deficiency: Cracks developing between floor boards.

Standard: Cracks in excess of 1/8" wide shall be corrected.

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

E. Resilient Flooring

Deficiency: Nail pops appear on the surface of resilient flooring.

Standard: Readily apparent nail pops shall be repaired.

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

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

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

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

Deficiency: Resilient flooring loses adhesion.

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

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

F. Painting

Deficiency: Exterior paint or satin peels, deteriorates or fades.

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

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

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

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

Responsibility: Builder will finish repair areas as indicated.

Deficiency: Deterioration of varnish or lacquer.

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

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

Deficiency: Mildew or fungus on painted surfaces.

Standard: Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposures (i.e., rainfall, ocean, lake or river front.)

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

G. Wall Covering

Deficiency: Peeling of wall covering.

Standard: Peeling of wall covering shall not occur.

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

Deficiency: Edge mismatching in patter of wall covering.

Standard: None

Responsibility: None

H. Carpeting

Deficiency: Open carpet seams.

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

Responsibility: Builder will correct.

Deficiency Carpeting becomes loose, seams separate or stretching occurs.

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

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

Deficiency: Spots on carpet, minor fading.

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

Responsibility: None

I. Special Coatings

Deficiency: Cracks in exterior stucco wall surfaces.

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

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

8. SPECIALTIES: COVERAGES 1ST YEAR ONLY, WORKMANSHIP & MATERIALS

A. Louvers and Vents

Deficiency: Inadequate ventilation of attics and crawl spaces.

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

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

B. Fireplaces

Deficiency: Fireplace and chimney does not draw properly.

Standard: A properly designed and constructed fireplace and chimney shall function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some homes may need to have a window opened slightly to create an effective draft, if they have been insulated and weatherproofed to meet high energy conservation criteria.

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

Deficiency: Chimney separation form structure to which it is attached.

Standard: Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed ½ inch from the main structure in any 10 foot vertical measurement.

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

Deficiency: Firebox paint changed by fire.

Standard: None.

Responsibility: None. Heat and flames from "roaring" fires will cause cracking.

9. EQUIPMENT: COVERAGE 1ST YEAR ONLY, WORKMANSHIP AND MATERIALS

A. Residential Equipment

Deficiency:	Surface cracks, point delaminations and chips in high pressure laminates on vanity and kitchen cabinet countertops.
Standard:	Countertops fabricated with high pressure laminate coverings shall not delaminate.
Responsibility:	Builder will replace delaminated coverings to meet specific criteria. Builder will not be responsible for chips and cracks noted following first occupancy.
Deficiency:	Kitchen cabinet malfunctions.
Standard:	Warpage not to exceed 1/4 inch as measured from face frame to point of furthermost warpage with door or drawer front closed position.
Responsibility:	Builder will correct or replace doors or drawer fronts.
Deficiency:	Gaps between cabinets, ceiling or walls.
Standard:	Acceptable tolerance 1/4 inch in width.
Responsibility:	Builder will correct to meet Performance Standard.

10. PLUMBING: COVERAGE: 1ST YEAR ONLY, WORKMANSHIP AND MATERIALS

A. Water Supply System

Deficiency:	Plumbing pipes freeze and burst.
Standard:	Drain, waste and vent, and water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, and as defined in accordance with ASHREA design temperatures, to prevent freezing.
Responsibility:	Builder will correct situations not meeting the code. It is the Home Owner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

B. Plumbing System

Deficiency:	Faucet or valve leak.
Standard:	No valve or faucet shall leak due to defects in workmanship and materials.
Responsibility:	Builder will repair or replace the leaking faucet or valve.
Deficiency:	Defective plumbing fixtures, appliances or trim fittings.
Standard:	Fixtures, appliances or fittings shall comply with their manufacturer's standards.
Responsibility:	Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by manufacturer.
Deficiency:	Noisy water pipes.
Standard:	There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.
Responsibility:	Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer".
Deficiency:	Cracking or chipping of porcelain or fiberglass surfaces.
Standard:	Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when surface is hit with sharp or heavy objects.
Responsibility:	Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy.

11. HEATING AND COOLING: COVERAGE 1ST YEAR ONLY, WORKMANSHIP AND MATERIALS

A. Heating

Deficiency:	Inadequate heating.
Standard:	Heating system shall be capable of producing and inside temperature of 70 degrees F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in ASHREA handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.
Responsibility:	Builder will correct heating system to provide the required temperatures. However, the Home Owner shall be responsible for balancing dampers, registers and other minor adjustments.

B. Refrigeration

Deficiency:	Inadequate cooling.
Standard:	Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in ASHRAE handbook. In case of outside temperature exceeding 95 degrees F, a differential of 15 degrees F fro the outside temperature will be maintained. Federal, state or local energy codes shall supersede this standard where such codes have been adopted.
Responsibility:	Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

C. Condensation Lines

Deficiency: Condensation lines clog up.

Standard: None.

Responsibility. Condensation lines will clog eventually under normal use. This is a Home Owner maintenance item. Builder shall provide unobstructed condensation lines at time of first occupancy.

D. Evaporating Cooling

Deficiency: Improper mechanical operation.

Standard: Equipment shall function properly at temperature standard set.

Responsibility: Builder will correct and adjust so that blower and water system operate as designed.

12. VENTILATION: COVERAGE 1ST YEAR, WORKMANSHIP AND MATERIALS

A. Air Distribution

Deficiency: Noisy ductwork.

Standard: When metal is heated it expands and when cooled it contracts. The result is "ticking" or "cracking" which is generally to be expected.

Responsibility: None.

Deficiency: Oilcanning.

Standard: The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oilcan". The booming noise caused by "oilcanning" is not acceptable.

Responsibility: Builder will correct to eliminate this sound.

13. ELECTRICAL: COVERAGE 1ST YEAR ONLY, WORKMANSHIP AND MATERIALS

A. Electrical Conductors, Fuses, and Circuit Breakers

Deficiency: Fuses blow or circuit breakers (excluding ground fault interruptors) "kick out".

Standard: Fuses and circuit breakers shall not activate under normal usage.

Responsibility. Builder will check wiring circuits for conformity with local, state or approved national electrical code requirements. Builder will correct circuitry not conforming to code specifications.

B. Outlets, Switches and Fixtures

Deficiency: Drafts from electrical outlets.

Standard: Electrical junction boxes on exterior wall may produce air flow whereby the cold air can be drawn through the outlet into a room. The problem is normal in new home construction.

Responsibility: None.

Deficiency: Malfunction of electrical outlets, switches or fixtures.

Standard: All switches, fixtures and outlets shall operate as intended.

Responsibility: Builder will repair or replace defective switches, fixtures and outlets.

C. Service and Distribution

Deficiency: Ground fault interrupter trips frequently.

Standard: Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.

Responsibility: Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect.

SYSTEMS: FIRST AND SECOND YEARS

14. PLUMBING SYSTEM: COVERAGE 1ST AND 2ND YEARS, SYSTEMS

A. Water Supply

Deficiency: Water system fails to deliver water.

Standard: All non-site service connections to municipal water main and private water supply shall be the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.

Responsibility: Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the sources of the supply, the Builder has no responsibility.

B. Septic Tank System

Deficiency: Septic system fails to operate properly.

Standard: Septic system shall function adequately during all seasons, under climatic conditions normal or reasonable anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, approved Code requirements.

Responsibility: Builder will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the builder's control. Builder will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or owner's contractors, not under the control of the builder, including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to system's functioning.

C. Piping

Deficiency: Leakage from any pipe.

Standard: No leaks of any kind shall exist in any soil, waste, vent, or water pipe. Condensation on piping does not constitute leakage, and is not covered.

Responsibility: Builder will make repairs to eliminate leakage.

Deficiency: Stopped up sewers, fixtures and drains.

Standard: Sewers, fixtures and drains shall operate properly.

Responsibility: Builder will not be responsible for sewers, fixtures and drains which are clogged through the Home Owner negligence. If a problem occurs, the Home owner should consult Builder for a proper course of action. Where defective construction is shown to be the cause, Builder will assume the cost of the repair; where Home Owner negligence is shown to be the cause, the Home Owner shall assume all repair costs.

Deficiency: Refrigerant lines leak.

Standard: Refrigerant lines shall not develop leaks during normal operation.

Responsibility: Builder will repair leaking refrigerant lines and re-charge unit, unless damage was caused by the Home Owner.

15. VENTILATION SYSTEM: COVERAGE 1ST AND 2ND YEAR, SYSTEMS

A. Air Distribution

Deficiency: Ductwork separates or becomes unattached.

Standard: Ductwork shall remain intact and securely fastened.

Responsibility: Reattach & resecure separated/unattached ductwork.

16. ELECTRICAL SYSTEM: COVERAGE 1ST AND 2ND YEAR, SYSTEMS

A. Wiring

Deficiency: Failure of wiring to carry is designed load.

Standard: Wiring should be capable of carrying the designed load for normal residential use.

Responsibility: Builder will check wiring for conformity with local, state, or approved national electrical code requirements. Builder will repair wiring not conforming to code specifications.

17. APPLIANCES, FIXTURES AND EQUIPMENT

(1) Appliances, fixtures and equipment (including their fittings, attachments, controls and appurtenances) shall include but not limited to the furnaces, humidifiers, air purifiers, air handling equipment, ventilating fans, air conditioning condensors and compressors, water heaters, boilers, pumps, stoves, automatic garage door openers, washers and dryers, bath tubs, sinks, commodes, faucets and fittings, light fixtures, light switches, convenience outlets, circuit breakers, thermostats and controls.

(2) The warranty period for appliances, fixtures and equipment (including their fittings, attachments, controls and appurtenances) for which there is no written manufacturer's warranty shall be one year. The initial warranty period for appliances, fixtures and equipment on those items where a manufacturer's warranty is provided by the manufacturer is the builder's warranty under these performance standards and shall be limited to the duration of the manufacturer's warranty but in no event shall the builder's responsibility under these performance standards exceed one year. (This does not, however, limit to one year the stated period of the applicable manufacturer's warranty where such warranty exceeds one year.)

Article 36-B
WARRANTIES ON SALES OF NEW HOMES

Sec.
777. Definitions.
777.a. Housing merchant implied warranty.
777.b. Exclusion or modification of warranties.

777. Definitions.

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation., partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footing, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure if five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean;

a. in the case of plumbing systems; gas supply lines and fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems; work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

777.a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from materials defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period. as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period. as described in subdivision one of this section or within four years after one warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.
777.b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states. for example, that "There are no warranties which extend beyond the face hereof".

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act:

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5.a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

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UNIT OWNER'S POWER OF ATTORNEY
LAWN COURT CONDOMINIUM III

Any terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known as LAWN COURT CONDOMINIUM III and by the street number 3411 GUIDER AVENUE, Brooklyn, New York, under Article 9-B of the Real Property Law of the State of New York, dated and recorded in the Kings County office of the Register in The City of New York on in Reel _____ at page _____ hereinafter referred to as "Declaration"), or (b) in the By-Laws of LAWN COURT CONDOMINIUM III (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, residing at 3411 GUIDER AVENUE, BROOKLYN, NEW YORK, the owners of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. _____ in LAWN COURT CONDOMINIUM III, said Unit being designated as Tax Lot _____ in Block_____ of Section ____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with any interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owner's respective Common Interests, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

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

IN WITNESS WHEREOF, the undersigned have executed this Unit Owner's Power of Attorney as of the day of , 2003

_____ _____

STATE OF)
) SS.:
COUNTY OF)

On the day of in the year , before me, the undersigned, a notary public in and for said State, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF)
) SS.:
COUNTY OF)

On the day of in the year , before me, the undersigned, a notary public in and for said State, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the day of 2003, by and between 3411 GUIDER REALTY LLC having an address at 2500 65th Street, Brooklyn, New York, (hereinafter referred to as the "Grantor"); and with an address at (hereinafter referred to as the "Grantee").

W I T N E S S E T H:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (hereinafter referred to as the "Unit") known as Unit No. _____ in the building (hereinafter referred to as the "Building") known as LAWN COURT CONDOMINIUM III and by the street number 3411 GUIDER AVENUE, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described as Unit No. _____ in a certain declaration dated _____ made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "Property") upon which the Building is situate (which Land is more particularly described in Schedule A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Kings County office of the Register of The City of New York on in Reel _____, Page _____. This Unit is also designated as Tax Lot _____ in Block _____ of Section _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by AIA., 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 City Register's Office on as Condominium Plan No.

Together with an undivided % interest in the Common Elements (as such term is defined in the Declaration);

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions, agreements and other provisions set forth in the Declaration and the By-Laws of LAWN COURT CONDOMINIUM III, as the same may be amended from time to time (hereinafter referred to as the "By-Laws"), all of which shall constitute the covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The Grantee has examined the Unit and is purchasing the same in its existing condition.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:
3411 GUIDER REALTY LLC.

By:_____

GRANTEE:

By:_____

By:_____

STATE OF)
) SS.:
COUNTY OF)

On the day of in the year , before me, the undersigned, a notary public in and for said State, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF)
) SS.:
COUNTY OF)

On the day of in the year , before me, the undersigned, a notary public in and for said State, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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SCHEDULE A

DESCRIPTION OF THE LAND

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DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as

3411 GUIDER AVENUE
Brooklyn, New York

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

Name: LAWN COURT CONDOMINIUM III

Declarant:

3411 GUIDER REALTY LLC

Date of Declaration:

Record & return to:

DANIEL J. LIEBERMAN, ESQ.
50 Broadway, 5th Floor
New York, New York 10004

The land affected by the within instrument
lies in Section , Block , FKA Lot
NKA Lots:
on the Tax Map of Brooklyn,
City and State of New York

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INDEX TO DECLARATION

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PART II

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DECLARATION

of

LAWN COURT CONDOMINIUM III
Pursuant to Article 9-B of the Real
Property Law of the State of New York

3411 GUIDER REALTY LLC.("Declarant"), having an address at 2500 65th Street, Brooklyn, New York, hereby declares as follows:

PART I

Article 1: Definitions

All capitalized terms used in this Declaration that are not otherwise defined the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2: Submission of the Property

The Sponsor hereby submits the land (the "Land") hereinafter described, together with the building and improvements thereon erected (the "Building") owned by the Sponsor in fee simple absolute (the Land and Building being hereinafter referred to collectively as the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

Article 3: Area and Location of the Land

The land has dimensions of approximately square feet and is located in the Borough of Brooklyn, County of Kings, City and State of New York. See Exhibit A attached hereto for a description of the land.

Article 4: Description of the Building

The Building is comprised of a cellar, six (6) stories and attic/roof area containing six (6) residential units (hereinafter referred to as the "Units") and one (1) garage and five (5) parking spaces. The principal materials of which it is constructed are bricks, concrete blocks, with wood beams and studs.

Article 5: Name of the Condominium

The Condominium shall be known as LAWN COURT CONDOMINIUM III.

Article 6: The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location and areas of each Unit within the Building is shown on the Floor Plans of the Building, certified by the engineer, intended to be filed in the Office of the City Register simultaneously with the recording of this Declaration and are made a part of this Declaration. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

Description of Unit:

(b) Statement of Dimensions Dimensions indicated are approximate and shall consist of the area enclosed horizontally by the unexposed faces of the dry walls located at an exterior wall of the buildings and shall be to the center line when a partition divides the unit from corridors or other units, and vertically by the upper face of the sub-floor of the unit up to the unexposed face of the dry wall forming the upper ceiling of the unit. Door and windows which open from a unit and interior walls of a unit shall be deemed to be part of the unit.

The description of the units set forth herein pertains to the location of the walls, floors, and ceilings of the units as they are finally set forth in the certified 'as built' floor plans to be filed simultaneously with the recording of the declaration. All dimensions are approximate. Plans and dimensions will vary from floor to floor.

(c) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit or of the Building.

Article 7: The Common Elements

(a) The Common Elements consist of the Land and those rooms, areas and corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, Common Elements include:

(i) the Land;

(ii) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs, and ceilings in, on or under the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

(iii) all vestibules, stairs, mechanical and electrical equipment spaces and yard area, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

(iv) all central and appurtenant installations and Facilities for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, ventilation, garbage disposal, and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof, if any; and

(v) all other parts of the Property and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

(b) The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

Limited Common Elements

Certain portions of the common elements are limited in use to specified Unit Owners, subject to the right of the Board of Managers to enter upon any such limited area for maintenance, repair or improvement of a Unit or common element and subject to the rules of the Board of Managers. Any portion of the common elements which is not limited in use may be used by any Unit Owner subject to rules and regulations promulgated by the Board of Managers. The common elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law. Following are detailed descriptions of the irrevocably limited common elements:

1. Each of the balconies or terraces, if any, to which there is a direct and exclusive access from the interior of a Unit, shall be for the exclusive use of such Unit; as such they are Limited Common Elements.

2. Any area or installation which services one Unit but fewer than all of the Units.

Article 8: Determination of Common Interests

In accordance with Section 339-i(1)(iv) of the New York State Condominium Act, the percentages of Common Interests of each of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

Article 9: Use of Units

(a) As more particularly set forth in the By-Laws, each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy, and not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests).

Article 10: Use and the Enjoyment of Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, Sponsor, the Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

(b) Notwithstanding anything to the contrary contained in paragraph (a) hereof, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Units and shall have the right to use any one or more Unsold Units as sales, rental and/or management offices and/or as model units. Such Unsold Units shall remain Units within the meaning of this Declaration, the By-Laws and the Condominium Act, and shall not comprise a part of the Common Elements. In addition, Sponsor reserves the right, to the extent permitted by law, to use one or more portions of the Common Elements, as designated by Sponsor in its sole discretion, for sales, rental or display purposes, which right shall include, without limitation, the right to place "for sale," "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building (including the exterior walls thereof) and the Property.

Article 11: Other Easements

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his or her Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, each Unit Owner shall have a reasonable right of access through any other Unit for the purpose of entry to any part of his Unit where there is no other means of access to such part of his Unit or Limited Common Elements allocated to his Unit. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted only upon reasonable notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

(b) Sponsor reserves for itself, for so long as it shall own any Unsold Unit(s), and grants to the Condominium Board, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or the Condominium Board, as the case may be,

shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agent, shall have the right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(c) Each unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(d) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws, by, or with the consent of, the Condominium Board, by Sponsor or Sponsor's designee, or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

(e) Sponsor reserves to itself, its successors and assigns all rights and easements necessary to complete construction and sale of all Units and improvements in the Condominium, including rights of ingress, egress and access, rights to tie into and utilize utility lines and facilities, rights to maintain model units, sales and other offices and to install signs and to bring prospective purchasers upon the Property for inspection thereof.

(f) In addition, a right of access is hereby granted to the unit owners, their successors, heirs and assigns, for the purpose of gaining access to the mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such unit owner has a right of use. However, the right shall only be exercised in a reasonable manner.

(g) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 12: Alterations, Addition, Improvements and Changes to Units

(a) Units. Each Unit Owner shall have the right, upon prior consent of the Board of Managers, which consent shall not be unreasonably withheld, to:

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

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

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

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

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

In the event that any unit is subdivided, the subdivided units shall jointly share the vote allocated to the original unit. The Declarant have accepted the present use and construction of the building "as is".

Article 13: Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders his or her Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of Section 339-x of the Condominium Act or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, and to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 14: Power of Attorney to the Condominium Board

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(x) acquire or lease any Unit, together with its Appurtenant Interests, (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(y) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(z) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

(b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth in Document No. 4 to this Declaration.

Article 15: Termination of Condominium

The Condominium shall continue until terminated by (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least sixty-six and two-thirds percent (66 2/3%) of all Unit Owners in number. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-i(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens.

Article 16: Covenant of Further Assurances

(a) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board,

an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

Article 17: Covenants to Run with the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights, in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of

the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 18: Amendments to this Declaration

(a) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee of any Unsold Units, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of 66 2/3% of all Unit Owners, taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee or any Unsold Units, no amendment, modification, addition or deletion pursuant to the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. No such amendment, modification, addition, or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee or any Unsold Units, any such amendment, modification, addition, or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest, and the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor or its designee under Articles 9, 10, 11, 12, 14 and 15 of this Declaration, this Declaration may not be amended, modified, added to, or deleted unless 66 2/3% of all Unit Owners affected thereby approve such amendment, modification, addition, or deletion in the manner set forth above.

(b) Sponsor or its designee or any Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge, and record (or, at Sponsor's or such designees' sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge, and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration together with such documents, plans and maps as Sponsor or such designee or Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Sponsor or such designee or Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unit;

provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this paragraph shall not (i) change the Common Interest of any Unit other than a Unit owned by Sponsor, (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (3) of this paragraph) shall consent thereto by joining in the execution of such amendment.

(c) Any amendment to this Declaration may be executed: (i) if on behalf of Sponsor pursuant to the terms of paragraph (b) hereof, by any principal of Sponsor or (ii) if on behalf of the Unit Owner pursuant to the terms of paragraph (b) hereof, by such owner or (iii) if on behalf of the Unit Owners or by the Condominium Board, by the President or Vice President and the Secretary or an Assistant Secretary of the Condominium. If the amendment requires the approval of a specified percentage of Unit Owners pursuant to the terms of this

Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

(d) Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be adopted for so long as Sponsor or its designee owns any Unit if the same would (i) unreasonably interfere with the sale, lease, or other disposition of a Unit owned by Sponsor or such designee; (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit reserved to Sponsor or such designee; or (iii) impose any charge or fee against Sponsor or such designee, including but not limited to a fee for the transfer or sale of a Unit to be charged to either the purchaser or the seller, in addition to assessment for common charges.

(e) The provisions of this Article 18 may not be modified, amended, added to, or deleted, in whole or in part, without the consent of Sponsor or its designee.

Article 19: Consents of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 20: Person to Receive Service

The Declarant or any successor Managing Agent is hereby designated to receive service of process in any action that may be brought against the Condominium.

Article 21: Incorporation by Reference

The terms, covenants, conditions, descriptions, and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22: Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Article 23: Severability

Subject to the provisions of paragraphs (b) and (c) of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24: Successors and Assigns

The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with consent of Sponsor, any transferee of all of n Unsold Units. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise.

Article 25: Gender

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

Article 26: Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

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IN WITNESS WHEREOF, the Declarant have caused this Declaration to be executed as of the nd day of , 2003.

Declarant: 3411 GUIDER REALTY LLC

STATE OF)
) SS.:
COUNTY OF)

On the day of in the year , before me, the undersigned, a notary public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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EXHIBIT A TO THE DECLARATION
OF LAWN COURT CONDOMINIUM III

DESCRIPTION OF THE LAND

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EXHIBIT B TO THE DECLARATION OF
LAWN COURT CONDOMINIUM III

Block:
F/K/A Lot:
N/K/A Lots:

Description of Units

Unit No.	Tax Lot	Location	Usage	Pct. Common Interest	Rooms/ Baths

TOTAL FLOOR AREAS OF UNITS	AREAS OF LIMITED COMMON ELEMENTS
Floor Area (sf)	Porch or Balcony (sf)

Each of the units has access to the hallways which are Common Elements.

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EXHIBIT C TO THE DECLARATION OF LAWN COURT CONDOMINIUM III
DEFINITIONS

(1) "Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designees, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Unit of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

(2) "Building" shall mean the building situated on the Land which is described in Exhibit A hereto.

(3) "By-Laws" shall mean the by-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

(4) "Common Elements" shall mean those certain portions of the Land and the Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in Article 7 of the Declaration.

(5) "Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or the By-Laws), to meet the Common Expenses.

(6) "Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

(7) "Common Interest" shall mean the undivided percentage interest of each Unit in the Common Elements.

(8) "Condominium" shall mean LAWN COURT CONDOMINIUM III which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

(9) "Condominium Act" shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

(10) "Condominium Board" shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(11) "Condominium Documents" shall mean the Declaration, the By-Laws and Rules and Regulations.

(12) "Declaration" shall mean the declaration executed by Sponsor for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

(13) "Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensors, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

(14) "Family Members" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(15) "First Closing" shall mean the first date upon which title to a Unit is conveyed to a purchaser pursuant to the terms of the Plan.
(16) "Floor Plans" shall mean the floor plans of the Units filed in the Register's Office simultaneously with the
recording of the Declaration, together with any supplemental floor plans thereto.
(17) "Initial Control Period" shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Units having more than fifty percent of the aggregate Common Interests appertaining to all Units or (ii) five years after the First Closing.
(18) "Institutional Lender" shall mean (i) a savings bank, savings and loan associations, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.
(19) "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.
(20) "Insurance Trustee" shall mean an individual who is a resident of the State of New York, or a bank or trust company having an office in The City of New York, from time to time appointed to serve as such by the Condominium Board.
(21) "Land" shall mean all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of Kings, City and State of New York, as more particularly described in Exhibit A to the Declaration.
(22) "Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, in the particular County, and Borough governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
(23) "Managing Agent" shall mean a Person employed by the Condominium Board pursuant to pursuant to paragraph (C) of Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.
(24) "Majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.
(25) "Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.
(26) "Permitted First Mortgage" shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.
(27) "Permitted First Mortgagee" shall mean any holder of a Permitted First Mortgage.
(28) "Permitted Mortgage" shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.
(29) "Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.
(30) "Person" shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.
(31) "Plan" shall mean that certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.
(32) "Property" shall mean the Land, the Building, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.
(33) "Register's Office" shall mean the particular County office of the Register of The City of New York.
(34) "Rules and Regulations" shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
(35) "Selling Agent" shall mean any Person employed by Sponsor or its designee in connection with the sale, renting, management, operation and/or promotion of the Unsold Units.

(36) "Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(37) "Sponsor" shall mean the Offeror of the Units located in the Condominium. The term "Sponsor" is interchangeable with the term "Declarant" and where no offer is made it shall be deemed to mean "Declarant" and shall mean the owner of the property.

(38) "Unit" shall mean any of the "Units", as such term is defined in the Condominium Act, located in the Building, which units are more particularly described in Article 6 of, and Exhibit B to, the Declaration and in the Floor Plans.

(39) "Unit Owner" shall mean any Person who holds fee title, of record, to one or more Units at the time in question.

(40) "Unsold Units" shall mean any Unit owned by Sponsor or its designee at the time in question.

(41) "Limited Common Elements" shall mean those certain portions of the Land and the Building (other than the Units) that are to be used by the owners of one or more specified Units to the exclusion of all other Unit Owners, as more particularly described in paragraph (c) of Article 7 of this Declaration.

(42) "Balcony", "Terrace", "Porch", or "Patio" generally define an area adjoining a building at various levels of the building which is generally used by the adjoining Unit. The characterization of the above for the purposes of the Zoning Resolution is based on its location and description as set forth in the Floor Plans. For the purposes of this offering plan and ease of reference said terms may be used interchangeably

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BY-LAWS

Of

LAWN COURT CONDOMINIUM III
3411 GUIDER AVENUE
Borough of Brooklyn,
City and State of New York

, 19

DANIEL J. LIEBERMAN, ESQ.
50 BROADWAY, 5TH FLOOR
NEW YORK, NEW YORK 10004

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BY-LAWS

OF

LAWN COURT CONDOMINIUM III

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BY-LAWS OF
LAWN COURT CONDOMINIUM III

ARTICLE 1: GENERAL

Section 1.1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is described in Exhibit A to the Declaration of Condominium of LAWN COURT CONDOMINIUM III; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.2. Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the afore-described capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3. Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4. Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5. Principal Office of the Condominium. The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2: BOARD OF MANAGERS

Section 2.1. General. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By- Laws.

Section 2.2. Status of the Condominium Board. Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3. Principal Office of the Condominium Board. The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4. Powers and Duties of The Condominium Board. (A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By- Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

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

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

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

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

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

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least two-thirds of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $5,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of at least two-thirds of all Unit Owners shall be required for the borrowing of any sum in excess of $5,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of n outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

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

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

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

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

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

(xii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;
(xiii) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;
(xiv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;
(xv) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to the vote appurtenant to any such Unit;
(xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;
(xvii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;
(xviii) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;
(xix) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium;
(xx) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;
(xxi) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same; and
(xxii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

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

Section 2.5. Certain Limitations on the Powers of The Condominium Board. (A) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless two-thirds (2/3) of all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:

(i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;
(ii) provide for new or additional services from those being provided at the time of recording the Declaration;
(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement alteration or addition to the Common Elements or to any Unit, unless required by Law or is necessary for the health or safety of residents of the Building (nothing contained herein shall restrict the right and obligation of the Condominium Board to maintain and repair the Common Elements); or
(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a twelve- month reserve for contingencies not exceeding five percent of the budgeted operating expenses for the ensuing twelve months of operation (nothing contained herein shall restrict the right of the Condominium Board to assess Unit Owners from time to time for any budget deficiency).

Section 2.6. Exercise and Delegation of Powers and Duties. (A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of three or more members of the Condominium Board, at least one of whom shall be a member designated by Sponsor for so long as Sponsor shall have the right to designate or elect one or more members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7. Number, Election and Qualification of Members. Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of three (3) individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Condominium Board shall consist of three (3) individuals to be elected by the Unit Owners pursuant to the terms of Section 4.9 hereof. Except for members designated or elected by Sponsor or its designee pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; (iv) adult Family Members of any of the foregoing; (v) principals of the Sponsor or their designees. However, no Unit Owner may be elected to serve on the Condominium Board if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election.

Section 2.8. Term of Office of Members. The term of office of the three members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the three (3) individuals to be elected at such meeting are so elected and qualified. The term of office of each of the three (3) individuals elected and qualified at the first annual meeting of the Unit Owners shall be fixed at such meeting. At each annual meeting of the Unit Owners subsequent to the first such meeting, three members of the Condominium Board shall be elected pursuant to the terms of Section 4.9 hereof to serve a term of office to be fixed at the meeting. Notwithstanding anything to the contrary contained in this Section 2.8, however, each member of the Condominium Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the

Condominium Board may serve. However, after the earlier of conveyance of title to at least 51% of the Units offered for sale or the second anniversary of the first conveyance of title to the first Unit under this Plan, Sponsor and its designees will not appoint a majority of the Board of Managers and will hold a meeting within thirty days thereafter to elect new members unrelated to the Sponsor.

Section 2.9. Removal and Resignation of Members. (A) Any member of the Condominium Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, or who was designated as such or elected by Sponsor or its designee, pursuant to the terms of Section 2.7, 2.10 or 4.9 hereof, may be removed from office, with cause, by a vote of a majority of Unit Owners. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such or elected by Sponsor or its designee, to Sponsor or such designee. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his or her membership effective as of the date upon which such qualification shall cease.

Section 2.10. Vacancies. (A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of a majority of the members of the Condominium Board then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereafter shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member he or she replaced and until his or her successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11. Organizational Meeting of the Condominium Board. The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within ten (10) days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the members of the Condominium Board and designated in a written notice given to all members thereof by personal delivery, mail, or telegram not later than five (5) business days prior to such date.

Section 2.12. Regular Meetings of the Condominium Board. Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the members thereof, provided that at least one (1) such meetings shall be held during each fiscal year.

Section 2.13. Special Meetings of the Condominium Board. The President may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of one (1) or more members of the Condominium Board.

Section 2.14. Waiver of Notice of Meetings. Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him or her of notice of the time and place thereof. If a meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15. Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjoum the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16. Conduct of Meetings. The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. n current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17. Decision by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18. Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19. Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the members thereof or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such members;
(y) the fact thereof is disclosed to, or known by, a majority of Unit Owners, and a majority of Unit Owners shall authorize, approve, or ratify such contract or transaction; or
(z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20. Liability of the Condominium Board. (A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his or her own bad faith or willful misconduct. In connection therewith, members of the Condominium Board designated as such by Sponsor shall not be deemed either to be in bad faith or to have committed willful misconduct by reason of any self- dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and Sponsor or its agents, provided that any compensation paid, or to be paid, to Sponsor or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or is at competitive rates for goods sold or services rendered in the borough in which the Condominium is located.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3: OFFICERS

Section 3.1. General. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. The Condominium Board may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2. President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL", including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Condominium Board or by the President.

Section 3.4. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5. Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6. Election, Term of Office and Qualifications of Officers. Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. At least two (2) officers shall be elected from amongst the members of the Condominium Board who are Unit Owners. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium.

Section 3.7. Removal and Resignation of Officers. Any officer of the Condominium may be removed from office with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her membership shall cease.

Section 3.8. Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9. Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10. Liability of the Officers of the Condominium. (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4: UNIT OWNERS

Section 4.1. Annual Meetings of the Unit Owners. The first annual meeting of the Unit Owners shall be held approximately four (4) months after the First Closing, at which meeting the incumbent three-member Condominium Board shall resign and a successor three-member Condominium Board shall be elected by the Unit Owners, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held within sixty (60) days of the anniversary date of the first meeting. At each such subsequent meeting, the Unit Owners shall elect the three (3) members of the Condominium Board and shall transact such other business as may properly come before such meeting.

Section 4.2. Special Meetings of Unit Owners. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 25% of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place as may be designated by the Condominium Board.

Section 4.4. Notice of Meetings. (A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, telephone or telegram not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his or her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than ten (10) days prior to the giving of notice of the applicable meeting.

Section 4.5. Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of 50% or more of Unit Owners shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6. Conduct of Meetings. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. n current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7. Order of Business. The order of business at all annual meetings of the Unit Owners shall be as follows:

(i) Roll call;
(ii) Proof of notice of meeting;
(iii) Reading of the minutes of the preceding meeting (unless waived);
(iv) Reports of officers of the Condominium;
(v) Reports of members of the Condominium Board;
(vi) Reports of committees;

(vii) Election of inspectors of election (when so required);
(viii) Election of members of the Condominium Board (when so required);
(ix) Unfinished business; and
(x) New business.

Section 4.8. Voting. (A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each Unit owned.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to the vote appurtenant to any Unit owned by the Condominium Board or such designee. The vote of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the results of voting.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall designate one Person amongst them the vote appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually exercise the vote appurtenant to such unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six months after the date thereof.

(E) Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 4.9. Election of Members of the Condominium Board. (A) When voting for members of the Condominium Board, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each Unit owned. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) All elections of members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; and (iii) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall be discounted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Condominium Board shall be determined by plurality vote.

Section 4.10. Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11. Title to Units. Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners In severalty.

Section 4.12. Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5: OPERATION OF THE PROPERTY

Section 5.1. Maintenance and Repairs. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary,

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

However, if any repair is necessitated by any condition or occurrence in the individual unit such Unit Owner shall be liable for such costs which are not paid by the insurance carrier. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms thereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including,

without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

Section 5.2. Alterations, Additions, Improvements, or Repairs in and to Units. (A) Subject to the terms of paragraph (B) of this Section 5.2, no Unit Owner shall make any structural alteration, addition, improvement, or repair in or to his or her Unit without the prior written approval of the Condominium Board, which shall not be unreasonably withheld. In the event, however, that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to In paragraph (D) hereof and the days and hours during which any such work may be done.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor or its designee shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units, all without the approval of the Condominium Board.

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

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s)) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or asserting any claim for personal injury or property damage arising therefrom in the course of construction. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense,

Section 5.3. Alterations, Additions, or Improvements to the Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $5,000.00 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by a majority of the Unit Owners (including Sponsor or its designee, if Sponsor or such designee then owns any Unit) at a duly constituted meeting of the Unit Owners and by the

Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $5,000.00 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

Section 5.4. Insurance. (A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees. Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of n current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit);

(ii) rent insurance (if applicable);

(iii) workmen's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance; and

(v) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $500,000.00 in the aggregate until the first regular meeting of the first three (3) member Condominium Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph

(ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board as a Common Expense.

(E) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such, additional insurance carried by any Unit Owner.

Section 5.5. Casualty or Condemnation. (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking", the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable to the Condominium Board. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work" of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his or her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, and all proceeds of such Special Assessment shall become part of the Trust Funds. However, if the insurance proceeds are not sufficient to discharge the cost and expense of performing any work attributable to any part of the building which is not a "Common Element", such cost and expense must be paid by the owner of the Unit or Limited Common Element which was damaged and no special assessment may be levied against the Unit Owners. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are

assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed a majority of all Unit Owners (including Sponsor or its designee, if Sponsor or such designee shall then own any Units) shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-i(1)(iv), which is based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. If Sponsor or its designee is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for purpose of deciding whether or not to proceeds with the restoration or repair of the Building.

(E) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(F) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the Work is to be commenced not more than sixty (60) days after the date on which the Condominium Board has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date on which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharged the estimated cost and expense of the Work, as the case may be.

(G) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6. Use of The Property. (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the

rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7. Use of the Units. (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family members or guests). Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein.

(C) The units are to be used primarily for residential purposes. Any Unit may be partially used as a professional office by the owner of such unit only. In no event may a Unit Owner sublet all or part of his unit for professional use. No unit may be used as a medical office or for such commercial purposes that generate an undue amount of foot traffic.

Section 5.8. Use of the Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind, with the exception of baby carriages or strollers, shall be placed in the lobbies, vestibules, public halls, stairways, or any other part of the Common Elements (except for those areas designated as storage areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the main entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor or such designee be entitled to use any Common Element in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9. Rights of Access. (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his or her Unit for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to his or her Unit and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and Its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

Section 5.10. Modification of the Rules and Regulations. The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of a majority of Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

Section 5.11. Real Estate Taxes, Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. However, the Condominium Board shall have the right, exercisable in its sole discretion to require the installation of submeters to determine the consumption of water by each Unit. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit. After the closing of title, each Unit Owner will be allowed to challenge the assessed valuation of their individual Units with the New York City Department of Finance. To the extent necessary, the Board will make available any records required by the Unit Owners to file their protest with the New York City Department of Finance.

Section 5.12. Gas and Electricity. Gas and electricity shall he supplied to each Unit through a separate meter for such Unit, and each (Unit Owner shall be required to pay all charges for gas and electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefor. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that gas and electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of gas and electricity in his or her Unit, as determined by submetering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and shall be payable either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

Section 5.13. Utilities Serving the Common Elements. The cost and expense of water, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.14. Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line shall be paid by the Condominium Board as a Common Expense.

Section 5.15. Records and Audits. (A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within (4) four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared by an independent accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

ARTICLE 6: COMMON CHARGES

Section 6.1. Determination of Common Expenses and Fixing f Common Charges. (A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt and budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the members of the Condominium Board elected by Unit Owners other than Sponsor or its designee.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied

against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2. Payment of Common Charges. (A) All Unit Owners (including Sponsor or its designee with respect to Unsold Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Unit subsequent to a sale, transfer, or other conveyance by him or her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from

the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing unless the aggregate Common Interests then appertaining to the Unsold Units constitutes 15% or less of the total Common Interests then appertaining to all Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor or such designee shall pay to the Condominium Board an amount equal to the product of n current monthly Common Charges for the Unsold Unit(s) being conveyed multiplied by 24.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3. Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4. Default In Payment of Common Charges. (A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than thirty days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred In connection therewith) shall be

insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7: SELLING AND LEASING OF UNITS

Section 7.1. General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his or her Unit except in compliance with, the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2. Right of First Refusal. (A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "Sale or lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner" shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his or her Unit, together with its Appurtenant Interests, or to lease his or her Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than fifteen business days in the event of a proposed sale and ten business days in the event of a proposed lease after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof.

Section 7.3. Acceptance of Offer. (A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests, to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale or Lease Agreement, the Condominium Board may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-0 of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer rent, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) If Section 7.2, paragraphs (D), (E) and (F) (which pertain to the sale by one Unit Owner in a 3-unit condominium) are applicable, the Purchasing Unit Owner shall be responsible for all costs of purchasing the Unit offered for sale by the Offeree Unit Owner and such Offeree Unit Owner shall convey the Unit in the same manner as set forth in paragraph (B) of Section 7.3 to the Purchasing Unit Owner or his designee.

(D) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in n current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4. Failure to Accept Offer. (A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within sixty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such sixty-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in n current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his or her interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance;

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5. Termination of, and Exceptions to, the Right of First Refusal.

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the Unit Owner thereof to any of his or her adult Family Members (which is limited to his spouse, children, grandchildren, parents, grandparents, brothers and sisters) to any combination of the same, or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than fifty percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interest thereof;

(ii) Sponsor or its designee, with respect to the Unsold Units; provided, however, that the rights of Sponsor may be exercised only by the partnership, joint venture, corporation, company, trust association, or other entity as a whole. No individual principal of the Sponsor may exercise the rights of the Sponsor. In addition, any principal of the Sponsor that shall occupy or have exclusive use or control of a unit shall cease to have the rights of the Sponsor with regards to that unit;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, all of the terms and conditions of this Article 7.

Section 7.6. No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold,

conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7. Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.8. Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to Sponsor or its designee, or, if Sponsor or its designee is not then the owner of any Unsold Unit, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9. Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy to persons or entities set forth in Section 7.5(B)(i), without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, the provisions of this Article 7.

ARTICLE 8: MORTGAGING OF UNITS

Section 8.1. General. Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units".

Section 8.2. Restrictions on Mortgaging. (A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

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

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non- institutional lender to make the mortgage loan or take an assignment thereof.

Section 8.3. Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his or her mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Condominium' Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the

Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4. Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5. Examination of Books. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6. Consent of Mortgagees; Designation of Mortgage Representatives. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his or her mortgagor.

ARTICLE 9: CERTAIN REMEDIES

Section 9.1. Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his or her obligation to paint, decorate, maintain, repair, or replace his or her Unit pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2. Abatement and Enjoinment. (A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3. Remedies Cumulative. The remedies specifically granted to the Condominium Board or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or In any order, in the sole discretion of the Condominium Board or Sponsor or such, designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section

9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10: ARBITRATION

Section 10.1. Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Condominium Board, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction.

Section 10.2. Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 10.3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 10.4. Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11: NOTICES

Section 11.1. General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his or her address at the Property;

(iii) if to Sponsor or its designee, to Sponsor or such designee; and

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when deposited in a United

States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2. Waiver of Service of Notice. Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12: AMENDMENTS TO BY-LAWS

Section 12.1. General. Any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than 66 2/3% in number of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

ARTICLE 13: FURTHER ASSURANCES

Section 13.1. General. Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for therein, and take such other action as such other Person may reasonable request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2. Failure to Deliver or Act. (A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person.

ARTICLE 14: MISCELLANEOUS

Section 14.1. Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2. Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3. Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be Inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4. Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5. Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of Unsold Units.

Section 14.6. Gender. A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7. Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ADDENDUM TO THE BY-LAWS OF LAWN COURT CONDOMINIUM III
RULES AND REGULATIONS

1. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used in any manner to impede the ingress and egress to the units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

3. Nothing shall be hung or shaken from any doors, window, or open terraces or patios, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

4. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

5. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

6. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

7. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board. Porches, decks and backyards are designated for barbecuing.

8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises (except for noises made by children under the age of ten (10) years) or odors to be produced upon or to emanate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No phonograph, radio or television set may be operated on Saturday. The manner of dress of each unit owner, his family and guests and invitees shall be modest and inoffensive to the majority of the unit owners. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

9. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in the Building unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public area of the Building or in any of the public portions of the building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, patios, terraces, or other public portions of the building, or on the sidewalk or street adjacent to the Building.

10. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

11. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

12. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

13. The agents of the Condominium Board or the Managing Agent and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

14. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

15. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his or her agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 25 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

16. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building.

17. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

18. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

19. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

ESCROW AGREEMENT
LAWN COURT CONDOMINIUM III

THIS AGREEMENT made this 5th day of September, 2003, between 3411 GUIDER REALTY LLC ("SPONSOR") as sponsor of the offering plan and LEONARD J. MAZZARISI, ESQ., ("ESCROW AGENT") as escrow agent.

WHEREAS, the SPONSOR is the sponsor of an offering plan to convert to cooperative/condominium ownership the premises located at 3411 GUIDER AVENUE, Brooklyn, New York which premises are known as LAWN COURT CONDOMINIUM III; and

WHEREAS, the ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352 (e)(2)(b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the SPONSOR and ESCROW AGENT hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account ("ESCROW ACCOUNT") with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers. The escrow account has been opened with the Victory State Bank located at 3155 Amboy Road, Staten Island, New York.
The account number is [redacted]

1.2 The ESCROW AGENT will provide written confirmation to each individual purchaser of the name and address of the bank in which his ESCROW ACCOUNT has been opened as well as the account number of the ESCROW AGENT in the manner required by Section 2.02 of this ESCROW AGREEMENT.

1.3 The name of the account is LEONARD J. MAZZARISI, ESQ., ATTORNEY TRUST ACCOUNT, IOLA NO. 2.

1.4 Only LEONARD J. MAZZARISI, ESQ., as ESCROW AGENT, is the signatory on the ESCROW ACCOUNT.

1.5 The escrow account shall be an non interest-bearing account.

1.6 The escrow account is an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from A prospective purchaser prior to closing of the Unit which such purchaser contracted to purchase, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the ESCROW ACCOUNT. All instruments to be deposited into the ESCROW ACCOUNT shall be made payable to, or endorsed by the purchaser to the order of "LEONARD J. MAZZARISI, ESQ., AS ESCROW AGENT. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

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

3. RELEASE OF FUNDS.

3.1 NOT APPLICABLE

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 (b) ten (10) business days after the purchaser receives notice of the proposed release of such funds and has not objected to the release of the escrowed funds in the manner provided in Section 3.4 below or (c) a determination of the Attorney General or (d) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

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

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORD KEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members o 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 the request of the Attorney General, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OR ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this ESCROW AGREEMENT under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and A Purchaser, and ESCROW AGENT acknowledges its fiduciary obligations. Notwithstanding said fiduciary relationship, Purchasers are advised that the ESCROW AGENT represents, and shall be entitled to continue to represent, the SPONSOR in a legal capacity.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT, so that the ESCROW AGENT may send purchasers the required notification of deposit in a timely manner, as required by the Attorney General's regulations (i.e. within ten (10) days of tender of deposit by purchase.

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

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either: (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or (b)The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

10.2 The ESCROW AGENT shall be reimbursed by the SPONSOR for all disbursements made in the course of caning out its duties under this ESCROW AGREEMENT, and for legal fees and costs incurred in order to carry out its duties as set forth in this ESCROW AGREEMENT. The SPONSOR shall indemnify, save and hold harmless the ESCROW AGENT from any loss or damage whatsoever arising out of or by reason of the failure of the SPONSOR to perform their obligations under this ESCROW AGREEMENT or the Attorney General's regulations.

11. SEVERABILITY.

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

12. ENTIRE AGREEMENT.

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

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

ESCROW AGENT: LEONARD J. MAZZARISI, ESQ.

By: s/LEONARD J. MAZZARISI
LEONARD J. MAZZARISI, ESQ.

SPONSOR: 3411 GUIDER REALTY LLC.

By: s/ Sergery Guberman
SERGERY GUBERMAN

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APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS
[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
(Address of Building or Name of Project)

File #: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Section 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, & Telephone Number of Applicant's Attorney
_____
4. This is an application for
   [ ] return of downpayment.
   [ ] forfeiture of downpayment.
   [ ] other:_____
   _____
5. The project is
   [ ] a conversion of occupied premises.
   [ ] newly constructed or rehabilitated.
   [ ] vacant (as is).
6. The project is structured as
   [ ] a cooperative.
   [ ] a condominium.
   [ ] a homeowners association.
   [ ] a time share.
   [ ] other: _____
7. Name of 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 and letter of credit:
    _____

    (b) Date of expiration of the letter of credit, if known:

    _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective.
Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed.
Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription
or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

If 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: _____

MOSESON & ASSOCIATES
769 Empire Avenue
Far Rockaway, NY 11691

Telephone (718) 327-5779
Fax (718) 327-5737

September 8, 2003

3411Guider Realty, LLC
c/o Sergey Guberman
2500 65th Street
Brooklyn, New York 11204

RE: 6 units at 1108 lawn Court, Brooklyn A/K/A 3411 GUDER AVENUE
Block: 8810 Lot:88

Dear Sir:

You have requested me to advise you with respect to the applicability of The City of New York's program for partial real estate tax exemption under Section 421-A of the Real Property Tax Law and the procedure therefore.

You and your architect have represented to us that:

1. You have commenced construction on the site of the building based on approved new building permits issued by the Department of Buildings of the City of New York before January 1, 2004.

2. Upon completion of construction, the Building will be classified as multiple dwellings pursuant to the Multiple Dwelling Law.

3. The Site was unimproved 36 months prior to the commencement of construction (as defined in the site requirements of section 2.5(1) (a) of the Regulations).

4. The building will be substantially used for dwelling purposes for a period of at least fifteen years following its completion.

5. Construction of the building will be completed on or before Dec. 31, 2007.

6. An application for Preliminary Certificate of Eligibility will be filed with HPD upon start of construction.

7. Upon completion, the project will consist of a condominium consisting of six residential units.

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CONCLUSION

Based solely on these representations, and if (i) the building is constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings and comply with the requirements of section 421-A, the Regulations and HPD, and HPD is notified of any modifications to the plans for the building or the "sell-out" price; (ii) HPD determines that the property was "underutilized" (pursuant to the provisions of Section 421-A) 36 months prior to commencement of construction; (iii) a preliminary Certificate of Eligibility is issued by HPD after commencement of construction and prior to the issuance of a temporary Certificate of Occupancy; (iv) temporary Certificates of Occupancy for all of the residential areas of the building or permanent Certificates of Occupancy for the building is issued and filed with HPD no later than six months after an application for a Final Certificate of Eligibility is filed with HPD, or prior to December 31, 2007 which ever is earlier; (v) a copy of such Final Certification and of the temporary or permanent Certificate of Occupancy for the residential units is filed with the New York City Department of Finance succeeding the issuance of such Final Certificate of Eligibility; and (vi) there is no change in Section 421-A, the Regulations and decisional law, the Building would appear to be eligible for the partial real estate tax exemption prided under Section 421-A.

The units of the condominium should be entitled to Section 421-A tax benefits under present law. Generally, for predominantly residential buildings, under section 421-A, 100% of the increased assessed value of the property resulting from the improvement thereon (i.e., the assessed value above the pre-construction assessed value) is exempt from taxation during construction and during the ten (10) years following the first taxable status date immediately following completion of construction. The exemption declines to 80% of the increased assessed value for the eleventh (11) year and is further reduced by an additional 20% for each of the succeeding years. Following the 15-year period, the Unit Owners will pay real state taxes based on the full assessed valuation of their Units and the tax rate then in effect, without the benefit of any exemption.

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 210,000. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2007 and assuming the tax rate remains the same as the current rate (i.e., $12.517 per $100 of assessed value) during the 15 year abatement period and upon completion of construction, and using a pre-construction assessed value of the property of 9,706.00 then upon completion of the 15 year tax abatement the real estate taxes will be approximately $26,286.00. You are advised that this projection is an estimate as it is unlikely that

the post-construction assessed value or tax rate will remain constant for the 15- year Section 421-A exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment and tax amount shown. If any of the foregoing requirements or conditions, however, should not be met to the satisfaction of HPD, or if any of the foregoing representations should prove to be inaccurate, then, unless the Regulations are modified to remove or change any requirement or condition that is not met, the building would not qualify for the partial real estate tax exemption provided under Section 421-A.

We have been retained by you to undertake the procedures outlined in this letter and consent to the inclusion of this letter in any offering plan with respect to the project. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled.

Although the estimate of the 2002/2003 Actual Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made, may be lesser or greater than as estimated. In no event will my firm, the Sponsor, the Sponsors' counsel, the Condominium Board or any other person be liable if the assessed valuation when actually made, is lesser or greater than predicted if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to my firm prove to be untrue.

As president of Moseson & Associates a real estate tax consulting firm, I have represented homeowners, real estate developers, attorneys, and corporations since 1983 in dealings with the NYC Department of Housing Preservation and Development. I specialize primarily in obtaining Section 421a,421b,ICIP, & J51 tax abatements for my clients.

Jacob Moseson

DANIEL J. LIEBERMAN, ESQ.
50 BROADWAY, FIFTH FLOOR
NEW YORK, NEW YORK 10004
TEL. (212) 483-1444
FAX. (212) 483-1480

September 23, 2003

LAWN COURT CONDOMINIUM III
3411 Guider Avenue
Brooklyn, New York

Re: LAWN COURT CONDOMINIUM III
3411 Guider Avenue
Brooklyn, New York

Gentlemen:

You have requested our opinion with regard to tax abatement benefits for the above referenced Property.

In connection with this opinion, we have reviewed the opinion letter of Jacob Moseson of Moseson & Associates (the "Letter") and such other documents as we considered necessary for the purposes of this opinion.

Assuming that the information set forth in said Letter is accurate and complete and that the Sponsor has complied with all the requirements set forth in the Letter and as required by any governmental agency having authority over the issuance of 421(a) tax abatement benefits, the Unit Owners will be entitled to the 421(a) tax abatement.

This opinion also does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Condominium Board or with respect to whether a Unit Owner may be deemed a resident of New York City due to ownership of a Unit. We therefore strongly advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters (including the tax matters discussed in this opinion).

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

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

Very truly yours,

Daniel J. Lieberman

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

CERTIFICATION OF SPONSOR
AND SPONSOR'S PRINCIPALS

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

Re: **3411 GUIDER AVENUE, BROOKLYN, NEW YORK**

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

We are the Sponsor and the principals of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereinafter by us which amend or supplement the Offering Plan will:

(I) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I/we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sponsor: 3411 GUDIER REALTY LLC

By: _____
Name: Sergey Guberman
Title: Managing Member

_____
Sergey Guberman, Principal

By: _____
Name: Alexandr Gerchik
Title: Member

_____
Alexandr Gerchik, Principal

Sworn to before me this
4th of Sept 2005.

_____
NOTARY PUBLIC

DANIEL J. LIEBERMAN
Notary Public, State of New York
No. 24-4985198
Qualified in Kings County
Commission Expires August 12, 2005

HARRY R. SIMINO, R.A.
68 Summit Street
Brooklyn, New York, 11231
718 596 5991

September 2, 2003

RE: **LAWN COURT CONDOMINIUM III**
1108 Lawn Court
A/K/A 3411 Guider Avenue, Brooklyn NY

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction and/or renovation of the property (the "Report"). I examined the building plans and specifications that were prepared by Harry R. Simino, R.A. dated September 2, 2003 and prepared the Report dated September 2, 2003 copy of which is intended to be incorporated into the offering plan, so that prospective purchaser's may rely on the report.

I am a registered architect in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for the certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(ii) in my professional opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise of representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property

Very truly yours,

Harry R. Simino, R.A.

REGISTERED ARCHITECT
HARRY R. SIMINO
No. 020654
STATE OF NEW YORK

Sworn to before me this
2nd day of Sept 2003

DANIEL J. LIEBERMAN
Notary Public, State of New York
No. 24-4985198
Qualified in Kings County
Commission Expires August 12, 2005

KORR REALTY INC
2405 AVENUE X
BROOKLYN, NEW YORK 11235
718-891-8600

CERTIFICATION BY EXPERT
ON ADEQUACY OF BUDGET

The Department of Law of the State of New York
120 Broadway, 23rd Floor
New York, New York

Re: LAWN COURT CONDOMINIUM III
3411 GUIDER AVENUE
BROOKLYN, NEW YORK 11235

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained me to review the Schedules B and B-1 set forth in the Condominium Offering Plan. Which Schedules B and B-1 contain the projections of income and expenses for the first year of condominium operation. I have been actively engaged in real estate for over five (5) years and have managed over ten (10) buildings, including rentals, condominiums and cooperatives.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

I have reviewed Schedule B and B-1 and investigated the facts set forth in Schedule B and B-1 and the facts underlying them with due diligence in order to form a basis for this certification.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.