
CONDOMINIUM OFFERING PLAN
FOR
94-96 SKILLMAN STREET CONDOMINIUM

Total Purchase Price of the 12 Condominium Units
Being Offered for Sale by this Plan: \$ 4,070,000.00

The Condominium will Consist of
12 Residential Units located at
94-96 Skillman Street
Brooklyn, New York

SPONSOR/SELLING AGENT: Donmar Development LLC
175 Skillman Street
Brooklyn, New York 11205

Date of Acceptance for Filing: June 25, 2004.
This plan may not be used after June 24, 2005.
unless extended by amendment to the offering plan.

See page 5 for special risks to purchasers.

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



TABLE OF CONTENTS

PART I

PAGE

SPECIAL RISKS	5
INTRODUCTION	8
DEFINITIONS	11
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	15
LOCATION AND AREA INFORMATION	17
OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A	18
BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B	22
BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1	25
COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)	26
CHANGES IN PRICES AND UNITS	27
PROCEDURE TO PURCHASE	28
EFFECTIVE DATE	34
TERMS OF SALE	35
UNIT CLOSING COSTS AND ADJUSTMENTS	36
RIGHTS AND OBLIGATIONS OF THE SPONSOR	38
CONTROL BY THE SPONSOR	42
BOARD OF MANAGERS	43
RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS	47

	<u>PAGE</u>
REAL ESTATE TAXES	53
OPINION OF COUNSEL	58
RESERVE FUND	61
WORKING CAPITAL FUND	61
IDENTITY OF PARTIES	62
REPORTS TO UNIT OWNERS	62
DOCUMENTS ON FILE	62
GENERAL	63
SPONSOR'S STATEMENT OF SPECIFICATIONS	64

PART II

PURCHASE AGREEMENT (EXHIBIT "A")	A-1
POWER OF ATTORNEY (EXHIBIT "B")	B-1
FORM OF UNIT DEED (EXHIBIT "C")	C-1
DESCRIPTION OF PROPERTY AND SPECIFICATIONS (EXHIBIT "D")	D-1
FLOOR PLANS AND SITE PLAN (EXHIBIT "E")	E-1
DECLARATION OF CONDOMINIUM (EXHIBIT "F")	F-1
CONDOMINIUM BY-LAWS AND RULES & REGULATIONS (EXHIBIT "G")	G-1
ESCROW AGREEMENT AND APPLICATION FOR DETERMINATION (EXHIBIT "H")	H-1

CERTIFICATIONS:

SPONSOR AND PRINCIPALS (EXHIBIT "I")	I-1
SPONSOR'S ARCHITECT (EXHIBIT "J")	J-1
SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET (EXHIBIT "K")	K-1

PART I

CONDOMINIUM OFFERING PLAN

FOR

94-96 SKILLMAN STREET CONDOMINIUM

SPECIAL RISKS

This Offering Plan is subject to a number of special risk factors which should be carefully considered by every prospective purchaser. Prospective purchasers are further urged to visit the premises of 94-96 Skillman Street Condominium and to consult with their attorneys and financial advisors before executing a Purchase Agreement. The special risk factors are as follows:

1. All Units which will be sold pursuant to this Plan (other than sales by the Sponsor or its designee) will be sold subject to a right of first refusal in favor of the Board of Managers of the Condominium, which is discussed in Part I of this Plan under the heading "Rights and Obligations of Unit Owners and the Board of Managers".

2. Inasmuch as the individual Units being offered for sale are presently under construction, prospective purchasers will be required to execute binding Purchase Agreements without having an opportunity to inspect the completed Unit unless the Unit has been completed at such time. (See Section entitled "Description of Property and Improvements" in Part I of this Plan).

3. Purchasers are required to pay New York City Real Property Transfer Tax, currently one (1%) percent (or more if the consideration exceeds \$500,000) of the consideration paid (plus \$25), and New York State Real Property Transfer Tax, currently Two Dollars per every Five Hundred Dollar increment of the compensation paid; which taxes are statutorily the primary obligation of a Seller of real property. (See the Purchase Agreement in Part II of the Plan, and the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan).

4. Sponsor has not obtained a bond or any other security to secure performance of its obligations under this Plan. (See Section entitled "Rights and Obligation of the Sponsor," in Part I of this Plan).

5. Pursuant to existing law and regulations, the Sponsor may declare the Plan effective upon execution of Purchase Agreements for at least fifteen (15%) percent of the Units in the Condominium. The present terms of Sponsor's construction financing requires that at least fifty percent of the Units be under contract before the Plan may be declared effective. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close title to Units with fewer than the

minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase a Unit. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (50% or more) of the units in a condominium be sold before the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a condominium where the percentage of units purchased is lower than a lender's particular sales minimum. Even once Unit closings have commenced, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. (See Section entitled "Effective Date", in Part I of this Plan).

6. No appliances (including a washing machine or a clothes dryer) will be provided by the Sponsor as part of the sale of a Unit except that the Sponsor will install a stove Hotpoint RGB508 or equivalent for which Purchaser will reimburse the Sponsor in the amount of \$500 (five hundred dollars). If the Purchaser elects to instead install a stove of their own choice, the Purchaser will not pay the additional \$500 stove fee to the Sponsor, however, the Purchaser must deliver its own stove to the Sponsor within 10 days after notice that the Sponsor is preparing for an inspection for a certificate of occupancy. If the Purchaser fails to provide its stove within this time period, the Sponsor will have the right to install the above-referenced stove and the Purchaser will reimburse the Sponsor for \$500. Any other appliances the Purchaser installs in their Unit will represent an additional cost of purchasing the Unit. Interior walls and ceilings will be taped and sanded, but not painted. See the section entitled DESCRIPTION OF PROPERTY AND IMPROVEMENTS in Part II of the Offering Plan for further details.

7. Any funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. (See Section entitled "Procedure to Purchase", in Part I of this Plan).

8. Certain of the Purchaser's obligations under the Purchase Agreement are "time of the essence", so that in the event of Purchaser's failure to strictly comply with the deadlines of such provisions, the Sponsor may cancel the Purchase Agreement and the Purchaser will forfeit his deposit, as well as the cost of any special work in the Unit ordered by the Purchaser. (See Section entitled "Procedure to Purchase", in Part I of this Plan).

9. The Sponsor has applied for a partial real estate tax exemption for the Condominium under Section 421-A of the Real Property Tax Law. The Sponsor has obtained an opinion (a copy of which is reproduced in Part I of this Plan) from Moseson & Associates, a real estate tax consulting firm, that (based on the representations of Sponsor and certain assumptions set forth therein), the building would appear to be eligible for partial real estate tax exemption under Section 421-A. However, there can be no

assurance, and the Sponsor gives no warranty, that such tax benefits will be in fact obtained or available to the Unit Owners. Moreover, future increases in assessed valuation and/or rates of taxation of real property could also result in increases in real property taxes. Accordingly, the real estate taxes assessed against the Units may be higher than those projected in this Plan. (See Section entitled "Real Estate Taxes", in Part I of this Plan).

10. Certain of the Units include recreation rooms that are below grade. These rooms may not be used as bedrooms, and to do so could result in violations being posted against the building.

11. It is anticipated that the Condominium will be self-managed by the Unit Owners. These duties would include collection and deposit of Common Charges, arranging maintenance and repairs, and the other matters set forth in this Plan. Accordingly, the budget does not provide for a manager or a management contract. In the event the Condominium retains a management agent in the future, Common Charges will increase. Based on an estimated management fee of 10% of Common Charges, the increase would be approximately \$2,300 per year (\$192 per month). (See "Budget for First Year of Condominium Operation, Schedule B", in Part I of this Plan).

12. The roof terrace, a portion of which is a Limited Common Element appurtenant to the sixth floor Units, will be traffic bearing, and covered with Rubbermaid roofing material. In the event the Unit Owner wishes to place fixtures (such as planters, furniture, or grill) on the roof terrace, it will be necessary to install appropriate surface materials such as pavers or decking. (See the section entitled "Description of Property And Improvements", in Part II of the Offering Plan).

13. The Sponsor reserves the right to rent, rather than sell Units. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential Units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold Units with brokers, showing unsold Units to brokers and prospective purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sale activities.

INTRODUCTION

This is an offering plan for the sale of condominium units in 94-96 Skillman Street Condominium, located at 94-96 Skillman Street, Brooklyn, New York. The purpose of the offering plan is to set forth all the material terms of the offer. Donmar Development LLC (the "Sponsor" of this offering) is a New York State limited liability company with its principal offices located at 175 Skillman Street, Brooklyn, New York 11205. The Sponsor acquired the real property (the "Property") upon which the Project is being constructed by Deed dated June 20, 2002.

The Sponsor reserves the right to rent, rather than sell Units. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential Units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold Units with brokers, showing unsold Units to brokers and prospective purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. If Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor will be bound by sponsor's representations regarding its commitment to sell Units.

The Condominium will be created pursuant to and will be subject to the provisions of Article 9-B of the Real Property Law (New York Condominium Act). The property will become a Condominium upon the recording of the Condominium Declaration and Floor Plans in the Kings County City Register's office.

The Condominium

94-96 Skillman Street Condominium will consist of one building containing twelve residential units. The Condominium will not include any parking or recreational facilities.

Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession thereof. The Unit Owner also owns, in common with the owners of all other Units, an undivided fee interest in the Common Elements which, as more particularly set forth herein and in the Declaration, include all parts of the Property other than the Units themselves. The Common Elements are divided into the General Common Elements and the Limited Common Elements. The Limited Common Elements appurtenant to a Unit, as depicted on the Floor Plans, are reserved for the exclusive use and benefit of the owner of such Unit. The General Common Elements consist of all the Common Elements other than the Limited Common Elements.

Subject to certain conditions contained in the By-Laws, each Unit Owner has the right, in his own discretion, to mortgage his Unit on such terms and conditions as he desires. The Board of Managers of the Condominium has certain rights of first refusal as set forth in the By-Laws.

Primary responsibility for operating the Condominium rests with the Board of Managers of the Condominium (the "Board of Managers" or the "Condominium Board," as more particularly described below), which is elected by the Unit Owners. Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations, and any other requirements of the Board of Managers.

The Board of Managers will assess against each Unit Owner, in proportion to his respective interest in the Common Elements, charges (hereinafter called Common Charges) for the maintenance of the Common Elements, for the operating costs of the Condominium (hereinafter called Common Expenses), and, if necessary, special assessments. These must be paid in accordance with the New York Condominium Act, Sections 339-i and 339-m.

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his Unit, and charges for electricity consumed in his Unit. See "Schedule B - Projected Budget for First Year of Condominium Operation" in Part I of this Plan, for a more detailed discussion of Common Charges. See also "Rights and Obligations of Unit Owners" in Part I of this Plan. Each Unit Owner, upon obtaining title, will automatically have a right to vote at the first annual meeting of Unit Owners, and at all meetings thereafter, for the election of the Board of Managers.

Each Unit Owner will be solely responsible for the cost of maintenance and repairs of the Unit and its appurtenant Limited Common Elements after closing. Although the Board of Managers will maintain hazard and liability insurance coverage for the Condominium, Unit Owners are advised to obtain, at their own cost and expense, hazard insurance for the contents of their Units, and liability insurance for occurrences within their Units. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit owner will be responsible for the payments of, nor will a Unit be subject to any lien arising from the nonpayment of, taxes on other Units. In the opinion of Newman & Berger, Esqs., counsel to Sponsor, under present income tax laws, a Unit Owner, similarly to a homeowner, may deduct from his income, for Federal and New York State and City income tax purposes, the real estate taxes and the interest paid on the mortgage of his Unit, if any, subject to the limitations set forth in their opinion letter and contained in the applicable statutes. See "Real Estates Taxes" and "Opinion of Counsel", in Part I of this Plan.

The Condominium Board will not have the right to approve or disapprove purchasers, but will have a right of first refusal on sales or leases of Units, as described in this Plan. There is no limit on the numbers of owners who may purchase for investment rather than for personal occupancy, and there may always be a substantial percentage of owners who are non-residents.

The prices for the Units offered for sale under this Plan are listed in Schedule A entitled "Offering Prices and Related Information" in Part I of this Plan. Such prices have been set by the Sponsor alone, and are not subject to review or approval by any governmental agency.

The estimated Common Charges for each Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR BUT ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK OR ANY OTHER GOVERNMENTAL AGENCY EXCEPT AS PREVIOUSLY SET FORTH.

The Plan, including all Schedules and Exhibits, constitutes the entire offer by the Sponsor and contains all of the material terms of the transaction. Copies of this Plan, all documents referred to in the Plan, and all Exhibits submitted to the Department of Law in connection with the filing of this Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on-site sales office is open and at the office of the Sponsor. The Plan may be amended from time to time upon filing an amendment with the New York State Department of Law and service of such an amendment upon Purchasers and Unit Owners.

The Sponsor has not knowingly omitted any material facts and this Plan does not contain any untrue statement of any material fact. The documents reprinted in Part II are exact copies of the originals.

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

DEFINITIONS

"Appurtenant Interest." With respect to any Unit, the undivided interest of the owner thereof, 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 designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other asset of the Condominium.

"Building." The building being constructed on the Land, located at 94-96 Skillman Street, Brooklyn, New York.

"By-Laws." The By-Laws of the Condominium, which are annexed as an Exhibit to the Plan, as the same may be amended from time to time pursuant to the terms thereof.

"Common Elements." All of the Property except the Units, including the Land and improvements thereon (other than the Units), as well as those facilities thereon, 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 as more particularly described in of Article 6 of the Declaration. The Common Elements are divided into the General Common Elements and the Limited Common Elements. The Limited Common Elements appurtenant to a Unit are reserved for the exclusive use and benefit of the owner of such Unit. The General Common Elements consist of all the Common Elements other than the Limited Common Elements.

"Common Charges". The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Expenses". 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 General Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacement with respect to the Common Elements, or to make up any deficit in the General 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.

"Common Interest". The undivided percentage interest of each Unit in the Common Elements.

"Condominium". 94-96 Skillman Street Condominium, established pursuant to the

terms of the Declaration and which is to be governed pursuant to the terms of the By-Laws.

"Condominium Act." Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

"Condominium Board" or "Board of Managers." The governing body of the Condominium, whose members shall be selected pursuant to the terms of Article 2 and 4 of the By-Laws.

"Condominium Documents." The Declaration, the By-Laws and the Rules and Regulations.

"Declaration." The instrument to be executed by the Sponsor and recorded in the Kings County City Register's Office for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof. A copy of the Declaration is set forth as an Exhibit to the Plan.

"Designee." A person or entity designated by Sponsor or by a designee of Sponsor to succeed to the rights of Sponsor.

"Facilities." The improvements and other facilities being part of the Common Elements.

"Family Members." The spouse, children (natural and adopted), grandchildren, great grandchildren, siblings, parents, parents-in-law, grandparents, great grandparents and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit.

"First Closing." The first date upon which title to a Unit is conveyed to a purchaser who is not a principal of the Sponsor.

"Floor Plans." The floor plans of the Unit filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements." The Common Elements of the Condominium, other than those portions thereof constituting Limited Common Elements.

"Initial Control Period." The period ending thirty calendar days after the earlier to occur of: (i) two years after the date of closing of title to the first Unit; or (ii) when the Unsold Units constitute less than fifty (50%) percent of the Common Interests.

"Institutional Lender." (i) A savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, N.Y.S.-licensed mortgage banker, or mortgage trust, or (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system.

"Institutional Mortgage." 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.

"Land." The land upon which the Project is situated, as more particularly described in Exhibit A to the Declaration.

"Limited Common Element." The designated portion of the Common Elements appurtenant to a particular Unit, which is reserved for the exclusive use and benefit of the owner of such Unit.

"Managing Agent." A Person employed by the Condominium Board pursuant to Section 2.4 of the By-Laws.

"Majority of Unit Owners." Those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.7 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.

"Mortgage Representatives." The representatives of the holders of all Permitted Mortgages encumbering Units.

"Permitted First Mortgage." A Permitted Mortgage that is a first mortgage lien against a Unit.

"Permitted Mortgagee." Any holder of a Permitted Mortgage at the time in question.

"Person." 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.

"Plan." The 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.

"Property" or "Project." The Land and all improvements erected or to be erected on the Land, including the Units, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement." The agreement pursuant to which a Purchaser contracts to purchase a Unit from the Sponsor. The form of Purchase Agreement is annexed as an Exhibit to the Plan.

"Purchaser." A Person or Persons who have executed a Purchase Agreement with

respect to a Unit.

"Rules and Regulations." 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.

"Special Assessments." 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 the By-Laws.

"Sponsor." Donmar Development LLC.

"Unit." One of the twelve (12) Units comprising the Condominium formed pursuant to the Declaration, as depicted on the Floor Plans, and as more particularly defined in Article 5 of the Declaration.

"Unit Facilities." All personal property and fixtures now or hereafter existing in, on, or under the Land, any buildings or improvements thereon or on the Units, 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.

"Unit Owner." Any Person who holds fee title of record to a Unit at the time in question.

"Units." More than one Unit.

"Unsold Unit." Any Unit owned by Sponsor or its designee at the time in question.

"Unsold Units." More than one Unsold Unit.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This description is intended to outline generally the nature of the work, materials and equipment and to indicate the contemplated character of the Project, 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 floor plans are set forth in the "Description of Property and Specifications," Exhibit D to Part II of the Plan.

94-96 Skillman Street Condominium is located at 94-96 Skillman Street, Brooklyn, New York. The current Kings County tax map lot and block designations are Block 1899, Lots 48 and 49. The current zoning classifications of the site is R6-A as designated on Map 12-D of the 1961 Zoning Resolution (ZR). The Condominium will consist of a 6-story building, containing twelve Residential Units and related Common Elements. The Condominium will not include recreational or parking facilities.

The Sponsor will improve the Property and construct the Units in accordance with all applicable requirements of the New York City Administrative Code and any other applicable zoning and building laws and requirements. The Building is located on Skillman Street, a public street maintained by the City of New York. The specifications for the construction of the Units are set forth in detail in the Description of Property and Specifications, Exhibit "D" in Part II of the Plan. The floor plans for each Unit are reproduced in Exhibit "E" in Part II of the Plan.

No appliances will be provided by the Sponsor as part of the sale of a Unit except that the Sponsor will install a stove Hotpoint RGB508 or equivalent for which Purchaser will reimburse the Sponsor in the amount of \$500 (five hundred dollars). If the Purchaser elects to instead install a stove of their own choice, the Purchaser will not pay the additional \$500 stove fee to the Sponsor, however, the Purchaser must deliver its own stove to the Sponsor within 10 days after notice that the Sponsor is preparing for an inspection for a certificate of occupancy. If the Purchaser fails to provide its stove within this time period, the Sponsor will have the right to install the above-referenced stove and the Purchaser will reimburse the Sponsor for \$500. Any other appliances the Purchaser installs in their Unit will represent an additional cost of purchasing the Unit. Interior Unit walls will be taped and sanded, but not painted. Each Unit Owner will be responsible to paint and to provide any desired appliances at his sole cost and expense.

Under the present construction schedule, it is anticipated that the Condominium is expected to be substantially completed by July 1, 2004, unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor has no control.

The Sponsor reserves the right to amend or modify in any way the plans and specifications (including changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and

fixtures set forth herein or in Exhibit D to Part II of this Plan, materials, appliances, equipment and fixtures of equal or better quality; provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. Any of the foregoing amendments or changes may be made without prior notice or amendment to the Plan. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Project 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.

LOCATION AND AREA INFORMATION

The Condominium is being constructed at 94-96 Skillman Street, in the Williamsburgh section of Brooklyn, New York. The City of New York provides police, fire, water, sanitation, snow removal and road maintenance services. The site is located in an R6-A zone, as designated on Map 12-D of the 1961 Zoning Resolution. The uses contemplated by this Plan are permitted of right, and the site is not designated as a landmark.

The Sponsor owns the adjacent property on the northerly and southerly sides. The Sponsor is in the process of developing the adjacent properties as residential Condominiums.

OFFERING PRICES AND RELATED INFORMATION

SCHEDULE A

Projected charges are for the twelve-month period beginning July 1, 2004.

Unit	Number of Bedrooms/ Bathrooms	Approximate Area of Unit (square feet)	Offering Price	Percentage of Common Interest	Projected Monthly Common Charges	Projected Monthly Real Estate Taxes (with tax benefit)	Projected Total Monthly Carrying Charges (with tax benefit)	Projected Monthly Real Estate Taxes (without tax benefit)	Projected Total Monthly Carrying Charges (without tax benefit)
	(A)		(B)	(C)	(D)	(E)		(F)	
1A	3/2.5	1,880	\$380,000	10.03%	\$ 192.24	\$ 35.31	\$ 227.55	\$ 617.92	\$ 810.16
1B	2/2.5	1,623	\$350,000	8.40%	\$ 161.00	\$ 29.57	\$ 190.57	\$ 517.50	\$ 678.50
2A	3/2	1,232	\$305,000	7.72%	\$ 147.97	\$ 27.18	\$ 175.15	\$ 475.61	\$ 623.58
2B	3/2	1,203	\$305,000	7.54%	\$ 144.52	\$ 26.54	\$ 171.06	\$ 464.52	\$ 609.04
3A	3/2	1,232	\$305,000	7.72%	\$ 147.97	\$ 27.18	\$ 175.15	\$ 475.61	\$ 623.58
3B	3/2	1,203	\$305,000	7.54%	\$ 144.52	\$ 26.54	\$ 171.06	\$ 464.52	\$ 609.04
4A	3/2	1,232	\$305,000	7.72%	\$ 147.97	\$ 27.18	\$ 175.15	\$ 475.61	\$ 623.58
4B	3/2	1,203	\$305,000	7.54%	\$ 144.52	\$ 26.54	\$ 171.06	\$ 464.52	\$ 609.04
5A	3/2	1,232	\$305,000	7.72%	\$ 147.97	\$ 27.18	\$ 175.15	\$ 475.61	\$ 623.58
5B	3/2	1,203	\$305,000	7.54%	\$ 144.52	\$ 26.54	\$ 171.06	\$ 464.52	\$ 609.04
6A	3/2	2,070	\$450,000	10.35%	\$ 198.37	\$ 36.44	\$ 234.81	\$ 637.63	\$ 836.00
6B	3/2	2,041	\$450,000	10.18%	\$ 195.11	\$ 35.84	\$ 230.95	\$ 627.16	\$ 822.27
Totals	-----	17,354	\$ 4,070,000	100%	\$ 1,916.68	\$ 352.04	\$ 2,268.72	\$ 6,160.73	\$ 8,077.41

EXHIBIT TO SCHEDULE A

UNIT	ANNUAL REAL ESTATE TAX WITH TAX BENEFITS	ANNUAL REAL ESTATE TAXES WITHOUT TAX BENEFITS
1A	\$ 423.72	\$ 7,415.03
1B	\$ 354.86	\$ 6,210.00
2A	\$ 326.13	\$ 5,707.28
2B	\$ 318.53	\$ 5,574.21
3A	\$ 326.13	\$ 5,707.28
3B	\$ 318.53	\$ 5,574.21
4A	\$ 326.13	\$ 5,707.28
4B	\$ 318.53	\$ 5,574.21
5A	\$ 326.13	\$ 5,707.28
5B	\$ 318.53	\$ 5,574.21
6A	\$ 437.23	\$ 7,651.60
6B	\$ 430.05	\$ 7,525.92
Totals	\$ 4,224.5	\$ 73,928.51

FOOTNOTES TO SCHEDULE A

- (A) The number of bedrooms and number of baths were calculated by counting each bedroom as one bedroom and each full bathroom as one bath. A bathroom without bathing facilities is counted as a half-bath.
- (B) The prices and terms of sale for these Condominium Units are negotiable and may be changed. See "Changes In Prices and Units" in Part I of this Plan. The Purchaser will also have to pay certain closing costs and adjustments, as set forth in "Unit Closing Costs and Adjustments", in Part I of this Plan.
- (C) The percentage of interest in the Common Elements applicable to each Unit was determined by Sponsor 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, pursuant to Real Property Law Section 339-i (1) (iv).
- (D) Based upon Budget for First Year of Condominium Operation prepared by Sponsor and included in this Plan as Schedule B. If the Purchaser obtains financing in order to purchase a Unit, debt service on such financing will be an additional monthly expense. The projected Common Charges do not include housing costs for which the Unit Owner is generally responsible such as repairs to the interior of the Unit and separately metered electricity. See Schedule B-1 for the estimated consumption and costs of such items.
- (E) After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. The projections in this Schedule are based on a projected assessed valuation following completion of construction of \$590,625.00, and the current tax rate of \$12.517 per \$100.00 of assessed valuation.

The Sponsor is applying for tax benefits for the Condominium under the partial real estate tax exemptions provisions of Section 421-A of the Real Property Tax Law. If available, Section 421-A would exempt the Units from real estate tax to the extent of the increase in assessed valuation resulting from the construction of the improvement thereon (i.e., the assessed valuation above the pre-construction assessed valuation) for a period of ten (10) years. The exemption is thereafter phased out over the following four (4) year period. Following the fifteen (15) year exemption period, each Unit Owner will pay real estate taxes based on the full assessed valuation of his Unit and the tax rate then in effect, without the benefit of any exemption. The Sponsor has obtained an opinion from Moseson & Associates regarding the eligibility of the Condominium for the partial real estate tax exemption under Section 421-A, a copy of which opinion is reproduced in Part I of this Plan. The Exhibit to Schedule A sets forth the annualized projections of real estate taxes, assuming alternatively, the presence or absence of the partial real estate tax exemption.

(F) In the event that, notwithstanding Sponsor's application for a Section 421-A tax exemption, and the opinion of Moseson & Associates, the real estate tax benefits are ultimately not obtained, each Unit Owner would be assessed real estate taxes based on the then current tax rate applied to the post-construction assessed valuation. See Sections entitled "Real Estate Taxes", "Income Tax Deductions to Unit Owners and Tax Status of the Condominium", and "Opinion of Counsel" in Part I of this Plan.

Under the present income tax laws, the amount shown as projected monthly real estate taxes in columns (E) and (F) should be deductible for income tax purposes. (See Sections entitled "Real Estate Taxes", "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" and "Opinion of Counsel" in Part I of this Plan, and the limitations discussed therein.) Deductions may vary in future years resulting from the expiration of real estate tax benefits, or from changes in the assessed valuation, the tax rate, or the method of assessing real property or condominium units.

SCHEDULE B

94-96 SKILLMAN STREET CONDOMINIUM

Projected Budget for First Year of Operation
Beginning July 1, 2004

Income

Common Charges \$23,000

Expenses

Labor (1)	\$ -0-
Heating (2)	-0-
Utilities (3)	4,054
Water charges and sewer rents (4)	5,838
Repairs, maintenance and supplies (5)	2,500
Insurance (6)	4,800
Management fees (7)	-0-
Legal fees and audit fees (8)	3,200
Franchise Tax (9)	455
Contingency (10)	<u>2,153</u>
Total Expenses	<u>\$23,000</u>

FOOTNOTES TO SCHEDULE B

1. No expense has been budgeted for labor, as the Building will contain twelve (12) Units, and it is anticipated that any services ordinarily performed by a janitor or superintendent will be provided by the Unit Owners. In the event any such personnel is retained by the Board of Managers at any time, an increase in Common Charges will result.
2. The budget does not reflect any expense for heating, as no heat will be provided to the Common Areas in the building. Each Unit will be served by separate heating facilities, which will be paid separately by each Unit Owner. See Schedule B-1.
3. Based on an estimate by Abraham Hertzberg, LPE, of 19,774 kilowatts hours per year including taxes for the intercom system, and for electricity for lighting the Common Areas, at .205 cents per kilowatt hour.
4. Based on an estimate obtained from the City of New York of 560 cubic feet per day per Unit, at \$2.38 per 1,000 cubic feet.
5. Based on ordinary repairs and maintenance to the common areas of the Building, and light bulbs, janitorial supplies and the like related to the common areas.
6. Based upon a proposal received from GNP Insurance Brokerage, Brooklyn, New York, for \$ 1,200,000 all-risk casualty insurance (replacement cost), general liability insurance with a \$1,000 deductible and limits of \$1,000,000 coverage. The insurance will be on terms that provide: that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage. The insurance coverage provided for in the Budget does not include officers' and directors' liability, water damage, boiler and machinery, fidelity bond or excess liability insurance, all of which may be available at extra cost. Each individual Unit Owner should provide his own fire and extended coverage on the contents, fixtures and improvements in his Unit, as well as his own occupant's liability coverage.
7. It is anticipated that the Condominium will be managed by the Unit Owners. These duties would include collection and deposit of Common Charges, arranging maintenance and repairs, and the other matters set forth in this Budget and the Plan. Accordingly, the budget does not provide for a manager or a management contract. In the event the Condominium retains a management agent in the future, Common Charges will increase. Based on an estimated management fee of 10% of Common Charges, the increase would be approximately \$2,300 per year (\$192 per month).
8. Services for legal counsel who interpret legal documents or undertake collections of past due assessments, budgeted at \$500. If an assessment proceeding against the

Unit Owner is successful, the Unit Owner is responsible for legal fees and expenses of such proceeding. Accounting records will be reviewed by a certified public accountant annually, who will prepare tax returns and financial statements for the Condominium at a cost of \$1,500. The financial statement will be certified while the Sponsor is in control of the Board of Managers, at an additional cost of \$1,200. The foregoing accounting fees are based on a quotation from Mozes Guttman, C.P.A.

9. Based on New York State Franchise Tax of \$155 and New York City Franchise Tax of \$300.
10. Contingency for unanticipated expenditures is approximately 9.4% of total estimated expenses, which Sponsor believes to be a reasonable contingency reserve.

IF THE OPERATION OF THE CONDOMINIUM BEGINS SIX OR MORE MONTHS AFTER JULY 1, 2004, THIS PLAN WILL BE AMENDED TO INCLUDE A REVISED SCHEDULE OF ESTIMATED INCOME AND EXPENSE FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. IF THE REVISED SCHEDULE ESTIMATES OPERATING EXPENSES TO EXCEED THE ABOVE ESTIMATES BY 25 PERCENT OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT, FOR A REASONABLE PERIOD OF TIME, NOT TO EXCEED THIRTY (30) DAYS AFTER NOTICE THEREOF TO PURCHASER, TO RESCIND THEIR AGREEMENT TO PURCHASE AND TO HAVE THEIR DEPOSITS REFUNDED.

SCHEDULE B-1

ESTIMATED ANNUAL UNIT COSTS OF ELECTRICITY, HEATING, AND HOT WATER

<u>Unit</u>	<u>Electricity</u>	<u>Gas Heat</u>	<u>Hot Water</u>
1A	\$ 1,338	\$ 1,239	\$ 450
1B	\$ 1,104	\$ 1,022	\$ 450
2A	\$ 838	\$ 776	\$ 450
2B	\$ 818	\$ 758	\$ 450
3A	\$ 838	\$ 776	\$ 450
3B	\$ 818	\$ 758	\$ 450
4A	\$ 838	\$ 776	\$ 450
4B	\$ 818	\$ 758	\$ 450
5A	\$ 838	\$ 776	\$ 450
5B	\$ 818	\$ 758	\$ 450
6A	\$ 1,408	\$ 1,304	\$ 450
6B	\$ 1,388	\$ 1,285	\$ 450

The foregoing estimates were provided by Abraham Hertzberg, LPE. The estimate for heating costs is based on maintaining a temperature of 70° F sixteen hours per day and 60°F for eight hours at night. The estimate is limited to domestic heating and does not include gas use for any other purpose. The estimate for hot water is based on domestic hot water use of 100 gallons per day per Unit. The foregoing Schedule constitutes an estimate only and actual utility costs may vary, based on actual usage by the Unit Owner.

Licensed Real Estate Broker
616 Williamsburg Station
Brooklyn, N.Y. 11211
Tel. (718) 222-1500 Fax. (718) 624-1497

Nov. 21 2003

COMPLIANCE WITH REAL PROPERTY LAW 339i (1) (IV)

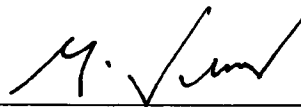
RE: 94-96 Skillman Street, Brooklyn, New York

Dear Sirs:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 94-96 Skillman Street, Brooklyn, New York, with Section 339i (1) (iv) of the New York Real Property Law. You have informed that the method of allocation chosen is 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. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-I (1) (iv) of the New York State Real Property Law.

I have been a licensed real estate broker for in excess of Five years and have managed approximately Ten buildings in this area with extensive experience in the sale, management, and rental of cooperative and condominium units in Kings County. We have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof. We are not, in any way, associated with you or any other participant in the project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to us in such reasonable inquiries as to the validity thereof as we deemed appropriate under the circumstances; and, is not intended as a guarantee of the actual value of any individual unit. We consent to the inclusion of this letter in your offering plan.

Sincerely



GIORGIO MAYER
Licensed Real Estate Broker

CHANGES IN PRICES AND UNITS

The prices set forth in Schedule A of this Plan may only be changed by a duly filed amendment to the Plan when a change in prices is an across-the-board increase or decrease affecting one or more Unit models, is to be advertised or is a price increase for an individual purchaser. However, prices and specified terms of sale are negotiable and Sponsor may enter into any agreements with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment. Moreover, special work or extras ordered by an individual purchaser may increase the price of a Unit without the filing of an amendment.

No changes will be made in the size or number of Units, and/or their respective percentages of Common Interest, or material change in the size or quality of the Common Elements, except by duly filed amendment to the Plan and, when applicable, to the Declaration of Condominium.

Unless an affected purchaser consents, no material change will be made in the Unit size, layout, or percentage of Common Interest, if a Purchase Agreement has been executed and delivered for the Unit and the Purchaser is not in default under such agreement.

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

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute a Purchase Agreement. A Sample Purchase Agreement is contained in Exhibit A to Part II of this Plan. Purchase Agreements will not be binding upon the Sponsor until approved and accepted by the Sponsor. The Purchaser is required to make a down payment in the amount of ten (10%) percent of the purchase price (or, at the option of Sponsor, a lesser sum but not less than \$1,000.00), at the time he executes the Purchase Agreement, by check drawn to the order of "94-96 Skillman Street Condominium -- Attorney Trust Account". The Sponsor shall not be bound to make any modifications or changes, perform any special work, provide any different or additional appliances, equipment, furnishings or decoration, unless agreed to by the Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

Escrow Trust Fund

Sponsor will comply with the escrow and trust fund requirements of Lien Law Section 71-a(3) and General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. These provisions cannot be waived or modified. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance and defense of obligations arising from the handling or disposition of trust funds.

(A) All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five (5) business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Newman & Berger, the Escrow Agent, with offices at 295 Madison Avenue, Suite 700, New York, New York 10017. The funds will be deposited in Citibank N.A., 330 Madison Avenue, New York, New York 10017. The signatories on this account authorized to release funds are: Ephraim D. Berger and Marc Z. Newman, 295 Madison Avenue, Suite 700, New York, New York 10017. The title of the account is "94-96 Skillman Street Condominium - Attorney Trust Account". The bank is covered by the federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. The account will be an Interest On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497, upon which no interest will accrue for the benefit of the Sponsor or the Purchaser. All instruments shall be made payable or endorsed to the order of "94-96 Skillman Street Condominium - Attorney Trust Account".

(B) Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number. In the event 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 (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 in conformity with the Attorney General's regulations.

(C) Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the provisions of Attorney General's Regulations.

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

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

- (i) a writing signed by both Sponsor and Purchaser; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained herein; or
- (iii) a judgment or order of a court of competent jurisdiction.

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

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

- (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; and
- (ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

(H) In the event of a dispute, Purchasers and the Escrow Agent shall apply to the Attorney General for a determination regarding the disposition of the downpayment 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 set forth in Part II of this plan. The party applying for determination must send all other parties a copy of the application.

(I) Pending the determination the Attorney General to grant or deny the application, the

Sponsor, the Purchaser, and the Escrow Agent shall abide by any interim directive issued by the Attorney General. If the application permitting release of the funds is granted, the deposit and any interest earned shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

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

(K) The Attorney General shall act upon the application within 30 days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.

(L) If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until:

- (i) both the Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by the Sponsor and Purchaser; or
- (ii) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or
- (iii) the Escrow Agent deposits the disputed amount into court.

(M) In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of the Sponsor and the Purchaser.

(N) A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations may be found in Part II of the Offering Plan.

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

(P) Sponsor may apply to the Attorney General to use security in the form of a surety bond or a letter of credit in lieu of escrow of such funds upon showing of adequate insurance of such funds to the satisfaction of the Attorney General, in accordance with the Attorney General's regulations.

(Q) Sponsor must submit an affidavit which contains full information as to the proposed usage of such funds, the Sponsor's financing of construction work, expected completion date, the terms and conditions of the proposed surety bond or letter of credit, and required undertakings and covenants.

General

If Purchaser fails to perform any of Purchaser's obligations under the Purchase Agreement, Sponsor may give written notice by certified mail, return receipt requested, to Purchaser of Sponsor's intention to cancel the Purchase Agreement if such default is not cured within thirty (30) days thereafter. If Purchaser fails to cure such default within such thirty (30) day period, Sponsor may, at its option, cancel the Purchase Agreement. If Sponsor so elects to cancel the Purchase Agreement, all amounts paid pursuant to the contract, together with any interest thereon, shall all belong to Sponsor and the rights, obligations and liabilities of both parties under the agreement and the Plan shall cease and terminate, provided that liquidated damages shall in no event exceed 10% of the offering price, plus the actual cost of work specially performed by Sponsor for the Purchaser.

Certain of the Purchaser's obligations under the Purchase Agreement are "time of the essence", so that Purchaser's failure to strictly comply with the deadlines of such provisions, the Sponsor may cancel the Purchase Agreement and the Purchaser will forfeit his deposit, as well as the cost of any special work in the Unit ordered by the Purchaser.

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on all Purchasers stating the date of the first closing and setting the date for such closing. Such notice will be served in compliance with applicable regulations no less than thirty (30) days before the date set for the closing of the units. Sponsor may permit any Purchaser to waive this thirty (30) day provision.

Sponsor expects the first closing of a unit to occur on or before July 1, 2004. If such date is delayed twelve (12) months or more, Purchasers will be offered a right of rescission.

Each Purchaser is required to sign a power of attorney to the Board of Managers of the Condominium, which power of attorney must be signed, acknowledged and returned to the Sponsor within fifteen (15) days. The power of attorney (the form of which is reproduced in Part II of this Plan) empowers: (A) the Condominium Board, on behalf of all Unit Owners, (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 to surrender the same pursuant to the terms of the By-Laws, (c) to subject to 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, 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 any governmental unit or agency or any other public authority having jurisdiction over the property and affairs of the Condominium, 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; and (B) the Sponsor, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionments of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interests of a Unit Owner's Unit, (ii) require a material, physical modification to the Unit Owner's Unit, or to the Common Elements or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Unit Owner's Unit unless the Unit Owner (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. Failure to so return the power of attorney may result in a default under the Purchase Agreement.

At Sponsor's option, Purchaser will be afforded either: (a) seven (7) days after delivery of an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor within the seven (7) day period or mail the notice of rescission to the Sponsor and have the mailing postmarked within the seven (7) day period; or (b) three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement.

All risks of loss to the Unit by fire or other casualty prior to the conveyance of legal title to the Unit to the Purchaser are assumed by the Sponsor (without any liability or obligation by the Sponsor to repair or restore the Unit), unless and until a Purchaser takes actual possession of a Unit. In such event, such Purchaser is advised to obtain insurance covering any such casualty.

The agreement of a Purchaser to purchase a Unit will be contingent upon the obtaining of a mortgage loan commitment, at Purchaser's sole cost and expense, within 45 days after the date of the Purchase Agreement, from a lending institution for a conventional first mortgage loan on the Unit in a principal amount of up to 70% of the purchase price of the Unit (or such greater percentage as Sponsor may permit) for a term of up to thirty years, and bearing interest at the prevailing fixed rate for such loans. If Purchaser's commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment, Sponsor must grant to such Purchaser a right of rescission and fifteen (15)

business days to exercise the right. See Purchase Agreement, reproduced in Part II of this Plan for the provisions and restrictions of this contingency. **NO FINANCING IS BEING OFFERED BY THE SPONSOR.**

The Purchase Agreement set forth in exhibit a to Part II of the Plan sets forth in detail the terms of sale with respect to each Unit and should be reviewed carefully by each prospective Purchaser and his counsel. Any conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

Sponsor will, within twenty days after receipt of a fully executed copy of the Purchase Agreement and the required deposit, either accept such Purchase Agreement and return a fully executed counterpart to the Purchaser, or reject the Purchase Agreement and refund the full deposit previously tendered. If the Sponsor fails to act within such twenty-day period, the Purchaser will have the option, by written notice within ten days thereafter, to withdraw his offer and receive a refund of the full deposit tendered.

The Purchase Agreement and Offering Plan shall not be amended to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law.

Sponsor will not permit the assignment or transfer of Purchase Agreements without Sponsor's written consent in each instance, in Sponsor's sole discretion.

EFFECTIVE DATE

The offer to sell is contingent upon this Plan being declared effective and upon compliance with the relevant conditions and time periods described in this Plan. This Plan will be declared effective upon the date upon which there are valid and binding Purchase Agreements for 80% of the Units being offered for sale under the Plan, or, at the option of Sponsor, upon execution of Purchase Agreements for at least 15% of the Units offered for sale under the Plan. The present terms of Sponsor's construction financing requires that at least fifty percent of the Units be under contract before the Plan may be declared effective. For the purpose of this Plan, a Purchase Agreement shall be valid and binding if executed by both Purchaser and Sponsor. This Plan shall be declared effective by written notice to the Purchasers, served in accordance with the regulations, stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units being counted to meet the minimum percentage for effectiveness. The closing of title to the first Unit shall not occur until the Plan is declared effective.

This Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the Purchaser was not afforded a 7-day right of rescission after delivering an executed purchase agreement together with the required deposit or three (3) business days to review the Plan and all filed amendments; or (iii) with any Purchaser who is the Sponsor, the selling agent, or the managing agent or is a principal of the Sponsor, the selling agent or the managing agent or is related to the Sponsor, the selling agent or the managing agent or to any principal of the Sponsor, the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. This Plan may be abandoned by the Sponsor at any time prior to being declared effective. If this Plan is abandoned, all purchasers will be promptly notified and all monies paid under the respective Purchase Agreements will be returned to them within thirty (30) days after abandonment with interest, if any. In addition, Sponsor will promptly submit an amendment to the Department of Law confirming such abandonment or will file a notice of abandonment on form RS-3 or such other form as the Department may require and explain the reason for such abandonment and the disposition of all funds received.

Once the Plan has been declared effective, it may not thereafter be withdrawn or abandoned, except that prior to conveying title to the first Unit, the Plan may, at the option of the Sponsor, be withdrawn in the event of: (i) the existence of one or more defects in title affecting any one or more Units that cannot be without cured litigation or cannot be cured for less than $\frac{1}{2}$ of 1% of the total offering amount; or (ii) substantial damage to or destruction of the Project or any portion thereof by fire or other casualty which cannot be cured for less than $\frac{1}{2}$ of 1% of the total offering amount; or (iii) the taking of any material portion of the Property in condemnation proceedings or by eminent domain. The foregoing dollar amounts shall exclude attorneys fees, or any such title defects or determination of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

TERMS OF SALE

Title to each Unit and its interest in the Common Elements will be conveyed by the Sponsor at the closing thereof by bargain and sale deed with covenants against grantor's acts, free and clear of all liens, encumbrances and other title exceptions other than the exceptions set forth in the Plan, or the Purchase Agreement. The deed will be substantially in the form set forth in Exhibit C to Part II of the Plan.

All risks of loss to the Unit by fire or other casualty prior to the conveyance of legal title to the Unit to the Purchaser is assumed by the Sponsor, without any liability or obligation by the Sponsor to repair or restore the Unit, unless and until a purchaser takes actual possession of a Unit. In such event, such Purchaser is advised to obtain insurance covering any such casualty.

A closing will only take place concurrently with the issuance of a temporary or permanent certificate of occupancy for the Unit closed. 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 or the owner of the property, is included in the conveyance unless specifically excepted in the Plan. Any materials and equipment used by Sponsor or its agents or contractors in the process of developing, selling and marketing the Project and the Units is so specifically excepted.

The Declaration, By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded prior to or contemporaneously with the first conveyance of title to a Unit in accordance with the New York Condominium Act in the Office of the Kings County City Register.

The Sponsor and each Purchaser will comply with the filing requirements of the New York State Department of Taxation and Finance and the New York City Finance Department regarding the New York State and New York City Real Property Transfer Taxes, which Transfer Taxes shall be paid at closing by the Purchaser of the Unit. Each Purchaser must cooperate in the execution, acknowledgment and filing of any forms, questionnaires or returns in connection therewith.

If existing mortgages or construction loans are not satisfied at or prior to the closing of the first Unit, at the time of conveyance of the first unit, each mortgagee will either: (a) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium Units; (b) subordinate the lien of its mortgage to the declaration of condominium; or (c) release its lien on the condominium Unit being conveyed and its interest in the Common Elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit and to be paid at closing are as follows: (a) fees and expenses of Purchaser's attorney; (b) mortgage recording taxes of 2% of purchaser's mortgage, if any; (c) premiums for mortgage and/or fee title insurance if desired and/or required by Purchaser or his mortgage lender, if any: title insurance premiums per Zone 2 table, effective 11/5/01 including, e.g., fee title insurance premium of \$1,667 on purchase price of \$305,000, and \$2,343 on \$450,000; mortgage title insurance premium (reflecting 70% discount assuming fee policy is purchased simultaneously) of \$305 on a mortgage of \$200,000, and \$431 on \$315,000, plus any required additional endorsements (estimated at \$150); (d) if desired by Purchaser and/or required by his Lender, if any, title abstract and search fees (estimated at \$250 - \$400); (e) \$2,500 towards Sponsor's expenses in connection with the preparation of the Condominium plan and the application for 421-A real estate tax benefits; (f) all charges of Purchaser's Lender, if any, including, without limitation, origination and appraisal fees, and charges for a credit report; (g) attorney fees of Lender, if any (estimated at \$500-\$1,000); (h) fees for recording the Deed, Mortgage (if any), Unit Power of Attorney, Form NYS-TP-584, NYC Real Property Transfer Tax Return, and other documents (estimated at \$200- \$1,000); (i) Real Property Taxes, if any, apportioned as of date of closing; (j) Common Charges for the balance of the month in which title closes; (k) an initial capital contribution of \$1,000 to the Condominium; (l) usual and ordinary adjustments for utilities, if any; (m) New York State Real Property Transfer Tax (currently imposed at the rate of two dollars per \$500 of purchase price) and New York City Real Property Transfer Tax (currently imposed at the rate of 1% of the purchase price for sales up to \$500,000 and 1.425% for sales above \$500,000), notwithstanding that such transfer taxes are statutorily the primary obligation of a seller; (n) any extra closing fees of Sponsor's attorney by reason of Purchaser having obtained mortgage financing for the Unit (estimated at \$250), and/or the occurrence of closing in a location other than the office of Sponsor's attorney (\$250-\$400, depending upon location) and/or the adjournment by Purchaser or his Lender of a scheduled closing date on less than five days' notice (\$150); (o) a fee of \$500 to Sponsor's attorney if Purchaser orders title insurance from a source other than Sutton Land Services LLC; (p) \$500 for a stove provided by Sponsor in the Unit (unless Purchaser timely provides his own stove for installation by Sponsor); and (q) reimbursement to Sponsor of any mortgage tax credit available to the Purchaser. The above amounts are good faith estimates based on information currently available to the Sponsor. At the closing, Purchasers will ordinarily be required to advance to the Lender, if any, escrow for the reserves for taxes, assessments, water and sewer charges and insurance premiums.

The following is an example of the closing costs for a typical Unit:

\$ 305,000.00 Purchase Price
\$ 250,000.00 Mortgage

A.	Mortgage Recording Tax	\$ 4,350.00
B.	Title Insurance Premium (Fee:\$1,864; Mortgage \$360)	\$ 2,224.00
C.	Abstract and Search Fees	\$ 400.00
D.	Sponsor Reimbursement- Plan and tax benefits	\$ 2,500.00
E.	Lender's Attorney Fees	\$ 750.00
F.	Recording Fees (Deed, Mortgage, Unit Power of Attorney)	\$ 350.00
G.	Initial Capital Contribution	\$ 1,000.00
H.	New York State Real Estate Transfer Taxes	\$ 1,420.00
I.	New York City Real Estate Transfer Taxes	\$ 3,599.00
J.	Sponsor's Attorney Bank Closing Fee	\$ 250.00
K.	Price of Stove	\$ 500.00

In addition to the foregoing, the Purchaser will be responsible for a real estate tax adjustment (depending on date of closing), any fees charged by his own bank or his own Attorney, and additional fees incurred because of untimely adjournment.

From and after the closing of title to each Unit, the Purchaser will be obligated for the payment of Common Charges, real estate taxes and assessments, and all other expenses with respect to his Unit whether or not he has taken possession of the Unit, and whether or not all work required to be performed by the Sponsor or anyone else in or to his Unit or to the Common Elements has been completed. If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to unsold Units for the six-month period following the first closing. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Sponsor will be entitled to reimbursement from Unit Owners, at each subsequent Unit closing, to the extent of the actual assessment.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Subject to the terms and conditions of this Plan, the Sponsor has the following obligations the performance for which no bond or other security will be furnished:

1. The Sponsor reserves the right to rent, rather than sell Units. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential Units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold Units with brokers, showing unsold Units to brokers and prospective purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor's construction financing requires that at least fifty percent of the Units be under contract before the Plan may be declared effective, and a minimum repayment (\$266,800.00 with respect to Units 1-3, and \$362,250.00 with respect to Unit 4) in order for lender to release its lien on the Unit being sold.

2. The Sponsor will, at its sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete construction of the Condominium, substantially in accordance with the Plans and Specifications. The Sponsor reserves the right to substitute equipment or materials, and to make modifications of layout or design, provided, however, that Sponsor shall not: (1) substitute equipment or materials of lesser quality or design; or (2) change the size or location of Units, other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such change and all affected contract vendees are given the right to rescind and receive the return of any deposit or down payment.

3. If a final Certificate of Occupancy and/or any other certificate or authorization required to permit the occupancy of a Unit shall not have been issued at the date of closing of title to such Unit, the Sponsor will obtain prior to the closing of the Unit a temporary or partial Certificate of Occupancy for the Unit to be closed and will secure a permanent Certificate of Occupancy for the Unit as expeditiously as possible after the closing of title (within an estimated 120 days but before expiration of any temporary Certificate of Occupancy, unless extended), and will, at its sole cost and expense, do and perform or cause to be done and performed all work and will supply or cause to be supplied all materials necessary therefor, except that if the Sponsor is unable to obtain such Certificate or authorization, or is required to incur additional costs or expense to obtain same, as a result of acts of or changes or special work requested by the Purchaser of such Unit or by the Board of Managers (unless such Board was under the control of the Sponsor at the time

such act, change or special work was authorized), then the Sponsor will be excused from obtaining the certificate or authorization and the party causing or requesting such acts or changes or special work will be responsible for obtaining the same at his, their or its own cost and expense.

4. If the closing on a Unit takes place prior to the issuance of a permanent Certificate of Occupancy for the Unit, Sponsor shall (1) maintain all deposits and funds in a specially segregated escrow account pursuant to Section 352-e(2)(b) of the General Business Law of the State of New York, unless the Sponsor's architect or engineer certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the balance over the sum so certified may be released from the special escrow account; or (2) provide a certification that available construction loan proceeds will equal or exceed the amount so certified by Sponsor's architect or engineer; or (3) deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

5. The Sponsor will deliver to the Board of Managers on behalf of Unit Owners an assignment of all assignable warranties and other undertakings received by the Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Project except that warranties and undertakings which relate to equipment in individual Units will be delivered or assigned to each applicable Purchaser at or prior to the closing. All such warranties and undertakings will be delivered or assigned by the Sponsor promptly upon receipt by the Sponsor, if received after closing.

6. The Sponsor will pay or cause to be paid all contractors and materialmen and all others involved in the construction and equipping of the Project, for work performed and fixtures, material and equipment supplied or installed in the construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping to be discharged by bonding or otherwise promptly after the filing of any such liens.

7. After the issuance of a final Certificate of Occupancy, the Sponsor will deliver to the Board of Managers a set of "as built" plans.

8. Except as set forth in "Unit Closing Costs and Adjustments" in Part I of this Plan, the Sponsor will bear all costs and expenses incurred by the Sponsor in connection with the creation of the Condominium and the preparation of this Plan and all selling expenses and compensation payable for sales or other personnel of the Sponsor. Each Purchaser will be responsible for the commission of any broker with whom such Purchaser may have dealt unless the Sponsor otherwise agrees in writing.

9. The Sponsor will pay all common charges, special assessments and real estate taxes with respect to Unsold Units. Sponsor states that it has the financial resources to meet its obligations with respect to any Unsold Units. The source of such funding is projected sales of Units, and existing assets of Sponsor. No bond or other security has

been or will be posted to secure Sponsor's obligations.

10. Sponsor will initially procure, as reflected in the budget for the first year of Condominium operation, fire and casualty insurance pursuant to a replacement cost policy, and \$1,000,000 liability coverage. The cost of such policies are to be reimbursed by the Board of Managers. See Schedule B to this Plan.

11. Sponsor will keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's office or at another designated place for six years from the date the Declaration is recorded.

12. The Sponsor and its contractors, subcontractors, agents and employees will have the right of access to each Unit and to all of the Common Elements for purposes of completing construction, marketing and sale of the Units and fulfilling the Sponsor's obligations hereunder, provided that requests for entry to a Unit, except in emergencies, shall be made in advance and that any such entry will be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time. The Sponsor may require that each Unit Owner shall deliver to the Sponsor or the Managing Agent (if any) a duplicate key to each exterior lock on such Owner's Unit and provide penalties for each Unit Owner's failure to do so. The Sponsor will be responsible for all damages to any Unit or to the Common Elements resulting from the exercise of such right of access, unless resulting from emergency entry and the Unit Owner has failed to provide a duplicate key. All repairs and replacements performed by the Sponsor as a result of any such damages will be substantially similar to the original construction and installation.

13. The Sponsor has reserved the unrestricted right to sell, assign, mortgage, lease or sublet any Unsold Unit for any legal purpose (subject to any use restrictions set forth in the By-Laws of the Condominium), and to mortgage, pledge or hypothecate said Unsold Units, at any time after the recording of the Condominium Declaration without first offering such Units for sale or lease to the Condominium, and to post signs on the Property for this purpose.

14. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, 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.

15. Sponsor has obtained construction financing from Community Preservation Corporation, 175 Remsen Street, Brooklyn, New York 11201. However, no bond or other security, other than as set forth in this Plan has been furnished to secure Sponsor's obligations, including Sponsor's obligations to complete construction of the Condominium. The construction loan terms require that at least fifty percent of the Units be under contract before the Plan may be declared effective, and a minimum repayment (\$266,800.00 with

respect to Units 1-3, and \$362,250.00 with respect to Unit 4) in order for lender to release its lien on the Unit being sold.

The foregoing undertakings set forth the entire obligations of the Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their Purchase Agreements. All representations under the offering Plan, all obligations pursuant to the General Business Law, and any additional obligations under the offering Plan which are to be performed subsequent to the closing date shall survive delivery of the deed for a period of one year, unless otherwise provided by law or this Plan. The Sponsor shall not be liable for or obligated to defend any suits or claims or to indemnify the Board of Managers or the Unit Owners with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits or claims arising out of acts or omissions of the Sponsor or representations made by the Sponsor in this Plan, and, in such event, only for a period of one year, unless otherwise provided by law or this Plan.

Obligations of the Sponsor hereunder with respect to the Units shall be enforceable only by the Board of Managers on behalf of the Unit Owners affected, and with respect to the Common Elements, only by the Board of Managers on behalf of all Unit Owners. In no event shall any obligations of the Sponsor be enforceable by individual Unit Owners.

For all purposes under this Plan, the issuance of (a) a final or permanent Certificate of Occupancy, and (b) a statement by the Sponsor's architect or engineer to the Sponsor that the Units and Common Elements have been completed substantially in accordance with the Plans and Specifications except for (i) such work in the public portions of the project as is customarily or necessarily left incomplete until after occupancy (which work will be completed with reasonable expedition) and (ii) special work in any Units to be done by or for the account of Purchasers or tenants thereof, shall be deemed and considered presumptive evidence that the Project has been fully completed in accordance with the Plans and Specifications. Such presumption, however, shall be without prejudice to any rights which the Board of Managers may have with respect to the Sponsor's obligation to cause defects in construction or materials to be corrected, as set forth above. Such statement by the Sponsor's architect or engineer shall neither constitute a representation by him to the Unit Owners or to the Board of Managers nor give rise to any claim by any Unit Owner or by the Board of Managers against the Sponsor's architect or engineer with respect to completion of construction or defects therein.

Sponsor or its agents will not discriminate against any person because of race, creed, color, sex, disability, marital status or national origin.

CONTROL BY THE SPONSOR

The affairs of the Condominium shall be governed by the Condominium Board of Managers. Subject to the provisions for control by Sponsor set forth herein, from and after the holding of the first annual meeting of Unit Owners, the Board of Managers shall consist of four persons elected by Unit Owners. Until such time, the Board of Managers shall consist of four persons designated by the Sponsor. Within thirty calendar days after the earlier to occur of: (i) two years after the date of closing of title to the first Unit; or (ii) when the Unsold Units constitute less than fifty (50%) percent of the common interests in the Condominium; the Sponsor shall call the first annual meeting of the Unit Owners for the purpose of electing the four-member Board of Managers.

The Sponsor shall have the power to veto any Common Expenses proposed by the Board of Managers, for a period ending on the earlier to occur of: (i) five years after the date of closing of title to the first Unit; or (ii) when the Unsold Units constitute less than twenty five (25%) percent of the common interests in the Condominium. However, the Sponsor will not exercise veto power over any expenses described in Schedule B of this Plan, or over expenses required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of municipal violation; or (iii) to remedy any work order by an insurer.

BOARD OF MANAGERS

General

The affairs of the Condominium shall be governed by the Condominium Board of Managers. Subject to the provisions for control by Sponsor set forth herein, from and after the holding of the first annual meeting of Unit Owners, the Board of Managers shall consist of five persons elected by Unit Owners. Within thirty calendar days after the earlier to occur of: (i) two years after the date of closing of title to the first Unit; or (ii) when the Unsold Units constitute less than fifty (50%) percent of the common interests in the Condominium; the Sponsor shall call the first annual meeting of the Unit Owners for the purpose of electing the five-member Board of Managers. All members of the Board of Managers (other than those appointed by Sponsor or its designee) shall be: (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; or (iv) adult Family Members of any of the foregoing. After the expiration of the Initial Control Period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. All Board members shall serve without compensation. No officer who is also a member of the Board of Managers shall receive any compensation for acting as an officer. Any one or more of the members of the Board of Managers (other than those appointed by Sponsor or its designee) may be removed with or without cause by a Majority of the Unit Owners.

Upon the affirmative vote of a majority of all the members of the Board of Managers, any officer may be removed, either with or without cause, and a successor may be elected or appointed, as the case may be, at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

Powers and Duties of Board of Managers

The Board of Managers has the powers and duties necessary for and incidental to the administration of the affairs of the Condominium. Such powers and duties include the operation, care and maintenance of the Common Elements, the preparation of an annual budget for the Condominium and the assessment of Common Charges. The powers and duties of the Board of Managers are more fully discussed in Article 2 of the By-Laws.

Meetings and Votes of Unit Owners

Within thirty calendar days after the earlier to occur of: (i) two years after the date of closing of title to the first Unit; or (ii) when the Unsold Units constitute less than fifty (50%) percent of the common interests in the Condominium; the Sponsor shall call the first annual meeting of the Unit Owners for the purpose of electing the five-member Board of Managers. Thereafter, annual meetings of the Unit Owners shall be held on such date as the Board

of Managers shall designate. At such meetings, the Unit Owners shall elect the Board of Managers. In addition, special meetings may be held from time to time pursuant to the By-Laws. At all meetings of the Unit Owners, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum and, except as noted below or as otherwise provided in the By-Laws or Declaration a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

At all meetings each Unit owner (or his proxy) entitled to vote thereat (including the Sponsor with respect to Units owned by the Sponsor) shall be entitled to cast one vote. Cumulative voting shall not be permitted.

Officers The principal officers of the Condominium shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board of Managers. All of the officers shall be Unit Owners. No officer who is also a member of the Board of Managers shall receive any compensation for acting as an officer. The anticipated initial officers and members of the Condominium Board shall be Donny Kanovsky, President (the Principal of the Sponsor); and Ilana Kanovsky, Secretary and Uri Kanovsky, Treasurer; both of whom are affiliates of the Sponsor or its principal.

The duties of the principal officers are as follows:

President The President shall be the chief executive officer of the Condominium, preside at all meetings of the Unit Owners and of the Board of Managers.

Secretary The Secretary shall keep the minutes of all meetings of the Unit owners and of the Board of Managers, shall have charge of such books and papers as the Board of Managers may direct, and shall act as President in the absence of the President.

Treasurer The Treasurer shall be responsible for Condominium funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements.

Liability of Board of Managers and Unit Owners

Every contract made by the Board of Managers or by any Managing Agent shall state that (a) it is made only as agent for all Unit Owners, and such Board members 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 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 Unit and Appurtenant Interests. Board members and officers shall have no liability to Unit Owners for errors of judgment, negligence or otherwise except that a Board member or officer shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units, indemnify each Condominium Board member or officer against any liability or claim except those arising

out of his own bad faith or willful misconduct. The Board of Managers may contract or effect any other transactions with any Board member, any officer, any Unit Owner or the Sponsor or any affiliate of any of them without, incurring any liability for self-dealing, except in case of bad faith or willful misconduct.

Reports to Unit Owners

An annual itemized accounting of the receipts and expenditures of the Condominium Board shall be submitted by the Board of Managers to all Unit Owners within four months after the end of each fiscal year. The financial statements, including a balance sheet and profit and loss statement, shall be certified while the Sponsor is in control of the Board of Managers. Detailed books and records of receipts and expenditures affecting the Property and administration of the Condominium shall be available for examination by the Unit Owners and by their respective duly authorized agents or attorneys in the office of the Managing Agent or of the Condominium during general business hours on working days at the times and in the manner set and announced by the Board of Managers for the general knowledge of the Unit Owners.

Amendments to Condominium Documents

The Declaration may be amended by the vote of at least 80% in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, except that any attempt to alter the use of the Units and/or facilities for any use other than residential use shall require the approval in writing of the Unit Owner of every Unit and their respective Mortgagees.

The By-Laws may be amended by the vote of 80% in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws for such purpose, except that certain provisions of the By-Laws pertaining to rights of Mortgagees and rights of the Sponsor, may not be amended without the written consent of each Mortgagee, or the Sponsor, as the case may be.

Termination of Condominium

The Condominium shall continue (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the New York Condominium Act as a result of the vote to do so of all Unit Owners. In addition, the written consent of each Mortgagee 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 shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit in the order of priority of such liens.

Partition of Common Elements

The Common Elements cannot be divided or partitioned except as provided in the Condominium Act.

PROSPECTIVE PURCHASERS AND THEIR COUNSEL ARE ADVISED TO REVIEW CAREFULLY COPIES OF THE DECLARATION (EXHIBIT F, Part II of the Plan) AND THE BY-LAWS (Exhibit G, Part II of the Plan).

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

Sale and Leasing of Units

A Unit Owner may sell, lease or mortgage his Unit without restriction (except as set forth in the By-Laws), subject, however, to a Right of First Refusal in favor of the Board of Managers on behalf of the Unit Owners. Such Right of First Refusal generally allows the Board of Managers the first option to purchase or lease a Unit upon the same terms and conditions as may have been offered by a third party. The Right of First Refusal is set forth at length at Article 7.2 through 7.5 of the By-Laws.

Pursuant to the By-Laws, the Board of Managers will notify a Unit Owner within 20 business days of the date the Unit Owner gave complete notice to the Board of Managers of the proposed sale or lease. The Board of Managers must exercise its right of first refusal within said 20 business days, otherwise the Unit Owner may proceed with the proposed sale or lease within 120 days of the earlier to occur of (i) the Board's notice of refusal, or (ii) the expiration of the 20 business days without response from the Board. The funds for the acquisition and maintenance of such Unit would be a Common Expense paid by Common Charges or a special assessment. The Board would be permitted to sell, lease or sublease the Unit for the benefit of all Unit Owners. In exercising its right, the Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or any other grounds prohibited by law. The Right of First Refusal does not apply to the Sponsor or its designees.

Mortgaging of Units

Each Unit Owner shall be permitted to mortgage his Unit together with its Appurtenant Interests, in substantially the form of New York Statutory Mortgage, provided there are no outstanding Common Charges, special assessments or unpaid liens.

Common Charges and Assessments

Common Expenses will be determined by the Board of Managers and will be borne solely by Unit Owners in accordance with their percentage of interest in common elements. Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to General Common Elements and may include amounts for certain other items as the Board of Managers may deem proper, such as management, legal and audit fees and amounts for reserves (not to exceed a 12-month reserve for contingencies of up to five percent of the annual budgeted operating expenses). Common Expenses are allocated to Unit Owners in accordance with their respective Common Interests.

At least annually the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess Common Charges to the Unit Owners to meet such expenses. The Board of Managers shall have the right to accumulate reserves for capital expenditures and include such items in the budget. The Board of Managers will furnish copies of each budget on which common charges are based to all Unit Owners and advise such Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board of Managers, monthly Common Charges will be payable in full in advance on the first day of each month.

No Unit Owner may exempt himself from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer or other conveyance of such Unit.

Under the provisions of Sections 339-z and 339-aa of the New York Condominium Act and Article 6.4 of the By-Laws, the Board of Managers on behalf of all Unit Owners will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit. The Sponsor will cause the board to file a lien as provided for in Section 339-aa of the RPL on Units in which Sponsor is more than 30 days in arrears of Common Charges while it is in control of the Board of Managers. All such liens, however, to the extent permitted by applicable law, will be subordinate to liens for real estate taxes on the Unit and any sums unpaid on Mortgages of record on such Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Office of the Kings County City Registers, and until all sums secured thereby with the interest accrued thereon shall have been fully paid or until six 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 Board of Managers (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or and action may be brought on the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether ordinary or extraordinary: (a) in or to any Unit or its appurtenant Limited Common Elements will be made by the Owner of such Unit at such Unit Owner's sole cost and expense, and (b) in or to the General Common Elements will be made by the Condominium Board of Managers and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

The By-Laws provide that each Unit and the Common Elements shall be kept in first class condition by the Unit Owner or Board of Managers, whichever is responsible for the maintenance thereof. In the event that any Unit Owner fails to keep his Unit or its Limited Common Elements in such condition the Board of Managers may, at the expense of the

Unit Owner, enter his Unit and perform such acts as are necessary to cure such default (see "Right of Access" at Section 5.9 of the By-Laws).

In addition, such Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from such Owner's failure to make any required repairs, or from such Owner's negligence or abuse.

Alterations and Improvements of Units and Common Elements

Generally, each Unit Owner (a) may decorate, paint, maintain and make non-structural improvements to his Unit without consent of the Condominium Board; and (b) may not make any structural alteration, addition or improvement without the prior written approval of the Condominium Board, contingent upon certain conditions including maintenance of insurance.

Generally, all alterations, additions or improvements in or to any General Common Element will be made by the Board of Managers and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Rights of Access

As more fully set forth in Article 5.9 of the By-Laws, the Board of Managers, any Managing Agent and other persons authorized by the Board of Managers will have a right of access to any Unit for the purposes, among other things, of making inspections of, or removing, violations of governmental laws or regulations and of curing defaults by the Owner of such Unit under the Declaration, By-Laws or Rules and Regulations enacted in accordance therewith or of correcting any conditions originating in any Unit and threatening another Unit or any Common Element.

The 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 completing construction of the Building and fulfilling the Sponsor's obligations hereunder.

Insurance Coverage

Details of the insurance coverage of the Condominium are set forth in Section 5.4 of the Condominium By-Laws, which are reproduced in Part II of this Plan.

Insurance Obtained by Board of Managers.

(A) To the extent the same shall be obtainable (at cost that is not unreasonably prohibitive), 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 all improvements constituting General Common Elements and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners

and all Permitted Mortgagees, as their interests may appear. To the extent obtainable 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 the Condominium Board;

(iii) a New York standard mortgage clause in favor of each Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Condominium Board; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to all of the insured, 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 30 days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable (at cost that is not unreasonably prohibitive):

(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-insured (a) the Condominium Board and each member thereof, (b) the Managing Agent, if any, (c) each officer 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 own Unit or the Limited Common Elements appurtenant to his Unit);

(ii) water damage legal liability insurance; and

(iii) 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. 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 a year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to the By-Laws shall be borne by the Condominium Board as a Common Expense.

(E) The Board of Managers shall not secure or provide insurance coverage for any of the individual Units or their appurtenant Limited Common Elements, which insurance coverage shall be provided by the Unit Owner of such Unit.

(F) Casualty insurance or condemnation proceeds will be payable to the Condominium Board and held in trust for the benefit of all Unit Owners, as more fully set forth in Section 5.5 of the By-Laws.

Restrictions on Use of Units and Common Elements

No nuisance shall be allowed on the Property. 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.

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.

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 By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common elements be altered or removed.

Each Unit shall be used only as a residence. Notwithstanding the foregoing, however, during the Initial Control Period upon the written consent of Sponsor (or after the Initial Control Period upon the prior written consent of the Condominium Board) a Unit may be used as a professional or business office or for any other purpose other than that set forth in this paragraph provided that the nature and manner of such use complies with law and does not violate the then existing Certificate of Occupancy covering such Unit. Without the unanimous consent of Unit Owners, no Unit or Common Element or Limited Common Element shall contain a commercial kitchen, nor shall any unit be used for the purposes of a school, place of religious worship, play group, nursery or banquet hall.

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. Additionally, in no event 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) may be accommodated therein.

Section 339-kk of the Real Property Law

If a Unit Owner who does not occupy his Unit rents it to a rental tenant (subject to compliance with the requirements of the By-Laws) and 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, upon written notice from the Board of Manager to such Unit Owner in accordance with section 339-kk of the New York Real Property Law, all rental payments from such tenant shall be payable directly to the Condominium.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations Made in Accordance Therewith

Each Unit Owner must strictly comply with the provisions of the Declaration, By-Laws and the Rules and Regulations promulgated in accordance therewith. Failure to comply is grounds for an action for damages or injunctive relief, or both. The By-Laws will be recorded with the Declaration in the Office of the Kings County City Register.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will any Unit be subjected to any lien arising out of the non-payment of, taxes on other Units.

Unit Owners will be assessed and taxed on their Units and their share of the Common Elements, because, pursuant to Section 339-y of the Real Property Law, each Unit and its Common Interest is deemed to be a parcel for purposes of assessment and taxation. Therefore, each Unit Owner will be responsible for initiating any review of his Unit's real estate tax assessment. Section 5.11 of the By-Laws sets forth an optional procedure for real estate tax complaints by the Board of Managers on behalf of Unit Owners who so desire.

As set forth in "Opinion of Counsel" in Part I of this Plan, based on the information contained in the Plan and current Federal, New York State and New York City laws, each Unit Owner who itemizes deductions should be entitled to deduct for purposes of Federal, New York State and New York City income taxation, real estate taxes paid with respect to his Unit, provided it is a "qualified residence", and subject to the other limitations and conditions described in said Opinion. However, prospective Purchasers should be aware that Sponsor's Counsel is acting as counsel to the Sponsor and not to the Unit Owners. Thus, prospective Purchasers may wish to consult their own tax advisors as to the matters described herein.

Until the Units are separately assessed for real estate tax purposes, real estate taxes on the Property will be included as part of the common expenses. After assessment, Unit owners will be reimbursed for overpayments of taxes or assessed for underpayments.

The taxing authority is the City of New York, administered by the Department of Finance. The assessed valuation of the Property prior to construction was \$33,750.00, and the tax rate imposed for the 2003/04 tax year is 12.517%. The estimate of real estate taxes payable by Unit Owners in the first year of condominium operation as set forth in Schedule A was computed by applying the current tax rate to the current assessed valuation, allocated among the Units in accordance with their respective common interests. The actual tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interests. The projected assessed valuation after completion of construction is \$590,625.00. No tax certiorari proceedings are currently pending with respect to the Property.

The Sponsor has applied for a partial real estate tax exemption for the Property under Section 421-A of the New York Real Property Tax Law, and the Sponsor will use its best efforts to obtain those benefits. The Sponsor has retained Moseson & Associates, a real estate tax consulting firm, to represent it in connection with its 421-A application. The annexed letter from Moseson & Associates describes in detail the calculation of the 421-A exemption, and its projected availability to the Unit Owners. Schedule A to this Offering Plan sets forth projected monthly real estate taxes, and projected monthly carrying charges,

both assuming alternatively the availability and non-availability of the 421-A partial exemption.

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

The following table sets forth the projected real estate tax assessed valuations for the Property, assuming the availability of the partial real estate tax exemption, based upon the opinion of Moseson & Associates, for the fifteen year period of the exemption:

<u>Year</u>	<u>Projected Assessed Valuation</u>
1-10	\$ 33,750
11	\$ 145,125
12	\$ 256,500
13	\$ 367,875
14	\$ 479,250
15	\$ 590,625

There can be no assurance, and the Sponsor gives no warranty, that such tax benefits will be in fact obtained or available to the Unit Owners. Moreover, future increases in assessed valuation and/or rates of taxation of real property could also result in increases in real property taxes. Accordingly, the real estate taxes assessed against the Units may be higher than those set forth in this Plan.

MOSESON & ASSOCIATES

769 Empire Avenue
Far Rockaway, NY 11691

Telephone (718) 327-5779
Fax (718) 327-5737

December 13, 2002

Efraim Berger
295 Madison Avenue
New York, NY 10017

RE: 96 Skillman Street, Brooklyn
Block: 1899 Lot: 48,49,50

Dear Mr. Berger:

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 will commence 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, 2003.
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, 2006.
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 twelve residential units.

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, 2006 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.

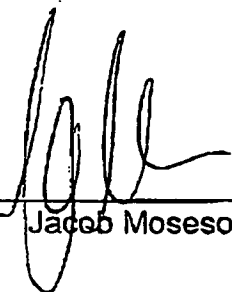
The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 590,625. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2006 and assuming the tax rate remains the same as the current rate (i.e., \$10.792 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 33,750.00 then upon completion of the 15 year tax abatement the real estate taxes will be approximately \$63,740.00. 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 2001/2002 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

NEWMAN & BERGER
ATTORNEYS AT LAW
295 MADISON AVENUE • SUITE 700
NEW YORK, NEW YORK 10017

MARC Z. NEWMAN
EPHRAIM D. BERGER

JESSICA I. MELTZER
LEGAL ASSISTANT

TELEPHONE
(212) 685-6100
(212) 725-9191

FACSIMILE
(212) 685-6862

OPINION OF COUNSEL

December 1, 2003

Donmar Development LLC
175 Skillman Street
Brooklyn, New York 11205

Re: Offering Plan for Condominium Ownership
94-96 Skillman Street Condominium

To whom it may concern:

You have requested our opinion with respect to the deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and real estate taxes paid by a taxpayer who purchases a condominium unit (a "Unit") under the above referenced Offering Plan (the "Plan"). You have also asked us to discuss the tax status of the condominium. We note that the Offering Plan states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a Condominium Unit which is the Owner's primary residence (or one other residence the Owner selects pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, as amended (the "Code")) and the real estate taxes payable by a Unit Owner which are assessed against such Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Unit.

Pursuant to Sections 163 and 164 of the Code, Section 615 of the New York State Tax Law, and Section 11-1715 of the New York City Administrative Code, each owner of a Unit will be entitled to deduct from his or her gross income for Federal, New York State and New York City income tax purposes (subject to certain limitations discussed below) the real estate taxes assessed against his Unit, and paid, and the amount of "qualified residence interest" (within the meaning of Section 163(h)(3) of the Code) paid with respect to a mortgage on such Unit. (See Revenue Ruling 64-31, 1964-1 (Part I) CB 300. A "qualified residence" is defined as a principal residence and a second residence. The Unit may be selected as such second residence if the Unit Owner uses it as a residence within

the meaning of Code Section 280A(d)(1) (i.e., he uses it for personal purposes for a number of days which exceeds the greater of (i) 14 days, or (ii) 10% of the number of days during the year for which the Unit is rented at a fair rental). A Unit Owner who uses his Unit for less than 15 days in a tax year and/or rents out his Unit may not be eligible for such deductions, and should consult with his own tax counsel regarding these limitations.

The deductibility of interest and real estate taxes, as set forth above, may be subject to certain limitations for Federal, New York State and New York City Income Tax purposes under certain tax preference and/or alternative minimum tax rules and/or limitations on itemized deductions. A Unit Owner who is subject to such rules should discuss these potential limitations with his own tax counsel.

Unit owners who are senior citizens or veterans of the United States Armed Forces may be entitled to exemption(s) covering a portion of the real estate taxes assessed against their respective Units. In addition, the partial School Tax exemption known as "STAR" may be available. Unit owners should make inquiry from the New York City Finance Department to determine their eligibility for such exemption(s).

Section 528 of the Code affords certain condominiums, substantially all of whose Units are used by individuals for residences, the opportunity to elect to exclude from taxable income amounts received from Unit owners as membership dues, fees or assessments. In order to qualify, (i) sixty percent or more of the gross income of the condominium for the taxable year in question must consist of amounts received as membership dues, fees or assessments from the Unit Owners, (ii) ninety percent or more of the expenditures of the condominium for the taxable year in question must be for the acquisition, construction, management, maintenance and care of the Condominium's property, as defined in Section 528 of the Code, (iii) no other part of the Condominium's net earnings inure to the benefit of any private shareholder or individual, and (iv) the Condominium properly makes the requisite election. Based upon our examination of the Offering Plan and subject to the Condominium actually satisfying all of the criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as such an exempt organization under Section 528 of the Code.

The Condominium will be taxed, however (regardless of such Section 528 election) on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Unit Owners. Moreover, the relevant taxing authorities might take the position that the Condominium Board constitutes an association separately taxable as a corporation, subject to the discussions set forth in Rev. Rul. 75-370, 1975-2 C.B. 25, and Rev. Rul. 75-371, 1975-2 C.B. 52.

It has come to our attention the New York State Department of Taxation and Finance has asserted that certain homeowner association and/or condominium assessments may be subject to sales tax under the applicable sections of the New York State Tax Law. Until such time as further cases or rulings are reported on this issue, we are unable to render an opinion thereon.

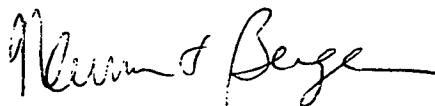
We have been advised by Moseson & Associates, Sponsor's real estate tax consultant, that an application has been submitted for partial real estate tax exemption of the Units under Section 421-A of the New York Real Property Tax Law. We have reviewed the opinion letter of Moseson & Associates, reproduced in this Plan, regarding the qualification of the Condominium for such partial real estate tax exemption. Based upon the facts and representations provided by the Sponsor and its architect and set forth in such opinion letter, and based upon the assumptions of fact set forth in such opinion letter, we believed that partial real estate tax exemption should be available to Unit Owners as described in such opinion letter. The foregoing is subject to the continued accuracy of the facts and representations set forth in the letter, and is subject to the amendment of any existing statutes or regulations governing the availability of the partial real estate tax exemption.

Real Property Law Section 339-i provides various methods of assigning common interests to each unit in a condominium. In this Plan, the interests of each of the Units is 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, as set forth in the broker's opinion letter reproduced in Part I of the Plan. In our opinion, this allocation complies with Section 339-i-1(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and Unit owners will be entitled to income tax deductions and will be eligible for the real estate tax benefits, described above. However, this opinion is not a guarantee; it is based on 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, 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 fail to or cease to meet the requirements of Section 528 of the Code or the New York State or City tax law, as amended, or which cause the Unit owners not to be entitled to income tax deductions, or which cause Unit owners not to be or to cease to be entitled to the benefits or the level or duration of real estate tax benefits described above.

It is our understanding that this letter will be made a part of the Offering Plan of 94-96 Skillman Street Condominium.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Newman & Berger", written in dark ink.

NEWMAN & BERGER

RESERVE FUND

Inasmuch as the Project is new construction, there will be no reserve fund established by the Sponsor in the Budget for First Year of Condominium Operation, Schedule B to this Plan. However, the Budget includes a \$2,153 contingency item, comprising approximately 9.4% of the total estimated expenses, as a contingency reserve for unanticipated expenditures. Inasmuch as the Building and its systems are being newly constructed, it is anticipated that such level of contingency reserve will be sufficient to pay for the replacement of any capital items likely to be needed within the first five years of condominium operation.

WORKING CAPITAL FUND

The Sponsor, as agent of the Board of Managers, will collect from each Purchaser at the time of closing, an "Initial Capital Payment" in the amount of \$1,000 per Unit. 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, including real estate taxes, organizational, equipment and supply costs, and for such other purposes as the Board of Managers may determine. While the Sponsor is in control of the Board of Managers, the working capital fund may not be used to reduce projected 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 ATTORNEY GENERAL NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE INITIAL WORKING CAPITAL FUND.

IDENTITY OF PARTIES

Sponsor/Selling Agent: Donmar Development LLC, a New York limited liability company with an office at 175 Skillman Street, Brooklyn, New York, was organized on August 29, 2001, and is the Sponsor and Selling Agent under this Offering Plan. The Sponsor is also the Sponsor of condominium offerings for 92 Skillman Street Condominium, which was accepted for filing by the Department of Law on June 19, 2003 (CD# 03-0026); 102 Skillman Street Condominium, which was submitted to the Department of Law on January 15, 2004 (CD# 04-0011) and 98-100 Skillman Street Condominium, which was submitted to the Department of Law on February 18, 2004 (CD#04-0034). Donny Kanovsky is the sole member and sole Principal of the Sponsor. Mr. Kanovsky has extensive experience in the construction industry. Mr. Kanovsky has not been the Sponsor or a Principal of the Sponsor of any properties offered for sale under a previous Offering Plan other than as indicated above.

Sponsor's Attorney: The Sponsor is represented by the law firm of Newman & Berger, Esqs., 295 Madison Avenue, New York, New York in the preparation of this Plan (which was prepared by Ephraim D. Berger, Esq.) and the closings of title to Units hereunder.

Architect: The Sponsor's architect is Abraham Hertzberg, of Hertzberg & Sanchez, 295 Northern Boulevard, Great Neck, New York. The Architect has rendered the Description of Property reproduced in this Plan, and is experienced in rendering such services.

REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually: a financial statement of the Condominium prepared by a certified public accountant or public accountant within four months after the end of the fiscal year, such statement to be certified while the Sponsor is in control of the Board of Managers; prior notice of the annual Unit Owners' meeting; and a copy of the proposed annual budget of the Condominium by a specified number of days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers, such budget shall be certified in compliance with the applicable regulations.

DOCUMENTS ON FILE

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

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. The Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, other than those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan, of the Declaration, By-Laws, form of Purchase Agreement, form of Unit Deed, and certain legal opinions and other documents. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with the Sponsor, are necessarily not complete. Each such statement is 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 this Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits, administrative proceedings or other legal proceedings now pending, or any judgments outstanding, which would materially affect this offering, the Purchasers of any Unit, the Property, the Condominium or the operation thereof.

In accordance with the provisions of the law of the State of New York, neither the Sponsor nor any selling agent engaged by the Sponsor will discriminate against any person because of his race, creed, color, national origin, sex, age, marital status, disability or ancestry in the sale of Units offered by the Plan or in the leasing of any such Unit.

The Property has not been the subject of any prior cooperative or condominium offerings. All of the Units offered under the Plan are vacant. No preliminary binding offerings have been entered into or money collected from prospective purchasers. No Contracts or agreements have been entered into and no deposits or advances of funds have been accepted from prospective purchasers. No person has been authorized to make any statement or representation 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.

The Sponsor reserves the right to amend the Plan at any time (a) before the Plan is declared effective provided that, if the amendment effects any material adverse change in the Plan and is not made solely for the purpose of declaring it effective, anyone who has theretofore executed a Purchase Agreement shall be given not less than 15 calendar days in which to elect to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith, or (b) after the Plan is declared effective, subject to the rights of persons who have theretofore executed Purchase Agreements unless, at the election of the Sponsor, anyone who has theretofore executed a Purchase Agreement is given an election to cancel his Purchase Agreement and obtain a refund, all as and in the manner provided in clause (a) of this sentence.

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.

SPONSOR'S STATEMENT OF SPECIFICATIONS

The Sponsor hereby adopts the Description of Property and Specifications set forth as Exhibit "D" to Part II of this Plan. Sponsor represents that Sponsor has no knowledge of material defects or need of major repairs to the property as set forth in such description.



CONDOMINIUM OFFERING PLAN
FOR
94-96 SKILLMAN STREET CONDOMINIUM

94-96 Skillman Street
County of Kings, City and State of New York

PART II
EXHIBITS

EXHIBIT "A" TO THE OFFERING PLAN

94-96 SKILLMAN STREET CONDOMINIUM

PURCHASE AGREEMENT

AGREEMENT made as of the _____ day of _____ 200____, between Donmar Development LLC, a New York limited liability company having an office at 175 Skillman Street, Brooklyn, New York 11205 ("Sponsor" or "Seller") and _____ and _____ residing at _____, New York _____ ("Purchaser").

WHEREAS, Seller has agreed to sell and convey and Purchaser has agreed to purchase the Unit in 94-96 Skillman Street Condominium designated as **Unit No. ____** in the Declaration of Condominium, together with the undivided interest in the Common Elements appurtenant thereto (collectively, the "Unit"), on certain terms and conditions.

NOW, THEREFORE, the Seller and Purchaser agree, for good and valuable consideration, the receipt and adequacy of which is acknowledged, as follows:

1. Purchase Price; Payment for the Unit. Seller shall sell and Purchaser shall purchase the Unit, a purchase price of:

\$ _____	Base Price of the Unit
\$ _____	Options listed in Rider annexed hereto
\$ _____	Total Purchase Price (exclusive of closing costs and prepaid items) payable as follows:

1.1 \$ _____ on the signing of this Agreement by check (subject to collection), the receipt of which is hereby acknowledged, to the order of "94-96 Skillman Street Condominium - - Attorney Trust Account"; and

1.2 \$ _____ at closing of title by unendorsed bank or certified check of Purchaser to the order of Seller, or as may otherwise be directed by Seller.

2. Closing of Title.

2.1 Closing of title is expected to take place on or about _____, 200____. The title closing shall be held at such place in the State of New York and on such date and hour as Seller designates to Purchaser on not less than seven days' prior notice that a temporary or permanent Certificate of Occupancy has been issued covering the Unit. Seller, from time to time, may adjourn such date and hour on notice to Purchaser, and set a new place, date and hour for the title closing. Seller shall not be obligated to provide

extensions of the closing date by reason of delays in the processing or approval of Purchaser's mortgage, if any. Should Purchaser delay closing of title to the Unit for more than 14 days after receiving notice from Seller of the issuance of a temporary or permanent Certificate of Occupancy, Seller shall have the right to add to the purchase price of the unit an amount equal to 1.5% of the sale price of the Unit, per month, or part thereof.

2.2 The title closing shall occur only after or concurrently with (a) the recording of the Declaration and By-Laws and the filing of the Floor Plans with the Office of the Kings County City Register (the "City Register's Office"), as required by law, and (b) compliance with Article 9-B of the Real Property Law and with the other prerequisites set forth in the Offering Plan for 94-96 Skillman Street Condominium (the "Plan").

2.3 Purchaser shall not enter into occupancy of the Unit or move personally into same prior to the closing of title. Purchaser will not contest, in any forum, any measure taken by Seller in response to any unauthorized occupancy of the Unit, including without limitation, disconnecting all power and services to the Unit, or any other method of eviction available to Seller.

3. Mortgage Contingency. This contract is contingent upon the condition that, on or before the date which is forty-five (45) days after the date of this contract, a lending institution shall issue to Purchaser a written commitment to make a conventional first mortgage loan on the Unit in the principal amount of up to \$ _____, for a term of up to thirty (30) years, and bearing interest at the prevailing fixed rate for such loans. Purchaser shall promptly and diligently apply for such mortgage loan, and shall furnish all information and documents requested by the lending institution. Purchaser shall notify Seller of the name and address of the lending institution to which the application is made and, upon request, shall furnish copies of all instruments received or delivered in connection with all requirements thereof. Purchaser shall accept such commitment when issued and shall comply with all requirements thereof. Purchaser shall pay all costs and expenses of procuring such commitment and mortgage loan, including application and commitment fees, the costs of examination of title and any title insurance policy insuring the mortgage, legal fees, appraisal fees, points, mortgage recording taxes and fees, and sundry costs. If such a commitment is not issued with forty-five (45) days after the date of this contract, this contract shall continue in full force and effect (but no longer subject to the contingency provided herein) unless Purchaser delivers to Seller, within three business days after the expiration of said period, a written notice (accompanied by a copy of his mortgage application and rejection letter) that he was unable to procure such commitment and therefore elects to cancel this contract. Seller may, at Seller's option, extend said contingency period by written notice to Purchaser. If this contract is canceled as provided above, the downpayment shall promptly be refunded to Purchaser, without interest, whereupon this contract shall terminate and neither party shall have any further claim against the other. If Purchaser fails to give notice of cancellation within such period or if Purchaser shall accept a commitment that does not comply with the terms set forth above, then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the downpayment by reason of the contingency contained in this paragraph.

4. Delivery of the Deed . At the title closing, Seller shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Seller and be substantially in the form set forth in Exhibit C to Part II of the Plan and shall be executed and acknowledged by Seller and Purchaser, in form for recording.

5. Marketable Title . At the title closing, Seller shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto, or set forth in the Plan. Any encumbrance to which title is not to be subject, shall not be an objection to title if (a) the instrument required to remove it of record is delivered to the proper party together with the recording or filing fees, or (b) a title insurance company will insure Purchaser that it will not be collected out of the Unit. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that the Seller shall deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property not provided for in this agreement out of the monies to be paid by the Purchaser at the time of closing title.

6. Closing Adjustments . The following adjustments shall be made as of the Closing Date with respect to the Unit:

6.1 Real estate taxes and assessments, if any, on the basis of the period for which assessed. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, adjustment of taxes shall be upon the basis of the latest tax rate applied to the most recent assessed valuation. Installments for tax assessments (if any) due after the delivery of the deed shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit.

6.2 Common Charges pro rata for the Condominium's entire fiscal year in which title closes.

6.3 Purchaser will deposit at closing the sum of \$1,000.00, to be used by the Board of Managers as working capital in addition to, and not in lieu of, the annual assessments of Common Charges.

7. Title Insurance . Purchaser may obtain at the title closing, at Purchaser's expense, a certificate or policy issued by a title insurance company authorized to do business as such in New York, insuring Purchaser's title to the Unit, subject only to the encumbrances set forth in the Plan or in Schedule A annexed hereto. To avoid delays in closing, Purchaser authorizes Seller to order a title report at Purchaser's expense, from a reputable title abstract company of Seller's choice.

8. Closing Costs . Purchaser shall pay: all Real Property Transfer Taxes and execute all necessary returns; all appraisal or inspection fees and other charges made by Purchaser's lender; all mortgage recording taxes, if any; all attorney's fees for Purchaser's attorney, and for lender's attorney, if any; a closing fee of \$2,500 toward Sponsor's expenses in connection with the preparation of the Condominium Plan and the application for 421-A tax benefits; any extra closing fees of Sponsor's attorney by reason of Purchaser having obtained mortgage financing for the Unit (estimated at \$250), and/or the occurrence of closing in a location other than the office of Sponsor's attorney (\$250-400, depending upon location) [a fee of \$500 to Sponsor's attorney if Purchaser orders title insurance from a source other than Sutton Land Services LLC]; all recording and filing fees for the deed and the other documents delivered in connection with closing; any premiums for mortgagee or owner's title insurance; Common Charges for the balance of the month in which title closes; \$500 for a stove provided by Sponsor in the Unit (unless Purchaser timely provides his own stove for installation by Sponsor); reimbursement to Sponsor of any mortgage tax credit available to the Purchaser; and all other fees and costs disclosed and set forth in the Plan.

9. Agreement Not an Encumbrance . No lien or encumbrance shall arise against the Unit as a result of this Agreement or any monies deposited hereunder, and accordingly, Purchaser agrees that this Agreement is subject and subordinate to the lien of (and to any advances made under) any mortgage, whenever made, without execution of any further legal documents by Purchaser. Seller shall, at its option, either satisfy such mortgage or obtain a release of the Unit from the lien of such mortgage on or prior to the Closing Date. Notwithstanding the foregoing, the existence of any mortgages encumbering the Property shall not constitute an objection to title or excuse Purchaser from performing all his obligations hereunder, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage.

10. Default by Purchaser . If Purchaser fails to perform any of Purchaser's obligations hereunder, Seller may give notice to Purchaser of Seller's intention to cancel this Agreement if such default is not cured within 30 days thereafter. Time is of the essence as to Purchaser's obligation to cure within said period. If Purchaser fails to cure such default within such 30-day period, Seller may, at its option, cancel this Agreement. If Seller elects to cancel this Agreement: (a) Seller may withdraw from the "94-96 Skillman Street Condominium – Attorney Trust Account" (subject to the applicable provisions of the N.Y.S. Department of Law regulations governing release of escrow funds, and to the provisions of the Escrow Agreement between the Seller and the escrow agent) and Seller shall retain all sums deposited by Purchaser hereunder together with any interest earned thereon, and Seller shall further be entitled to recover from Purchaser an additional amount aggregating ten (10%) percent of the Total Purchase Price; and (b) Purchaser shall be liable to Seller for an additional amount equal to the actual cost incurred for any special work ordered by Purchaser; it being agreed that such amounts shall constitute liquidated damages, actual damages being difficult or impossible to ascertain, and upon payment thereof, all rights, obligations and liabilities of both parties under this Agreement and the Plan shall wholly cease and terminate.

11. Agreement Subject to Plan Becoming Effective. The performance by Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior or, under certain conditions, subsequent to its being declared effective and shall be abandoned if it has not been declared effective within the time limits prescribed in the Plan. Provided that Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is abandoned or, if after the Plan is declared effective, title to the Unit does not close within the time set forth in the Plan for any reason other than Seller's or Purchaser's default, this Agreement shall be deemed canceled and, not later than 30 days thereafter, Seller shall return to Purchaser all sums deposited hereunder, and upon making such payment, neither party shall have any further rights, obligations or , liability with respect to the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

12. Seller's Inability to Convey the Unit . If Seller notifies Purchaser that Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this agreement and the Plan, Seller shall not be obligated to take any action or incur any expense in excess of \$1,000.00 to cure such inability, or to remove any monetary liens, if any. If Purchaser is not in default hereunder, Purchaser shall have the option to: (a) take title to the Unit subject to such inability (without any abatement of the purchase price, or any claim or right of action against Seller for damages or otherwise); or (b) terminate this Agreement by written notice to Seller within 10 days after Seller's notice of such inability. Within 30 days after receipt of Purchaser's termination notice Seller, shall return to Purchaser all sums deposited hereunder, together with any income earned thereon, and upon making such payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability with respect to the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

13. Construction .

13.1 The construction of the Unit and the materials, equipment and fixtures installed therein shall be substantially in accordance with the Plan and the architectural plans and specifications, as said plan and specifications are modified or amended as provided in the Plan. The issuance of a final Certificate of Occupancy for the Unit shall be deemed presumptive evidence that the Unit has been fully completed in accordance with the plans and specifications, and the Purchaser shall then be obligated to promptly proceed to closing of title.

13.2 Seller reserves the right to make changes or substitutions of materials or construction for items as set forth in the Offering Plan or the plans and specifications and/or modification of layout or design, provided any such changes are of comparable value and quality.

13.3 Seller may cancel this agreement by refunding Purchaser's full deposit, with interest, if any, together with a notice in writing, addressed to the Purchaser, at the address hereinabove set forth, in the event of the occurrence of any of the following: (1) that any governmental bureau, department, or subdivision thereof shall impose restrictions on the manufacture, sale, distribution, and/or use of materials necessary in the construction of residential housing and such restriction shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (2) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, terrorist activity, military operations and requirements, national emergencies, or the installation of public utilities being restricted or curtailed.

14. Fixtures, Appliances and Personal Property .

14.1 The Unit is being sold unfurnished. No fixtures or appliances are included in the sale of the Unit, except a stove, at a cost to Purchaser of \$500. Walls and ceilings will be taped and sanded, but not painted.

14.2 No credits will be given for any item unless agreed to, in advance and in writing, by Seller, in its sole and absolute discretion. Any change order to the plans hereto attached, involving a change on a phase of construction already performed, if accepted by Seller in its sole and absolute discretion, will be billed a "change order charge" of \$500, plus the charge for the actual change order itself.

14.3 Seller shall not be responsible for any fixture, appliance or other item brought to the construction site by Purchaser for installation in the Unit.

15. Acceptance of Condition of Property . Purchaser shall accept title (without abatement in, or credit against, the purchase price, or escrow) notwithstanding the failure to complete construction of (a) minor details of the Unit, (b) other Units, or (c) work in the common areas of the Condominium which does not prevent Purchaser's use of the Unit.

16. Representations and Warranties. Purchaser acknowledges that he has not relied upon any plans, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller or otherwise, including but not limited to, any relating to the description or physical condition of the property, or the Unit, or the size or the dimensions of the Unit, or the rooms contained therein, or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the availability of any mortgage, the estimated real estate taxes on the Unit, the right to any exemption from real estate taxes paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, the existence, size or condition of any portion of the Common Elements or any improvements thereon, or any other representation except as herein or in the Plan specifically represented, Purchaser having relied on his own examination and investigation thereof. No person has been authorized to make any representations on behalf of Seller except as herein or in the Plan

specifically set forth. No oral representations shall be considered a part of this Agreement. In the event a contractor or subcontractor is financially unable or refuses to perform its warranty, Seller shall not be excused from its obligations enumerated in the Plan under "Rights and Obligations of Sponsor". Nevertheless, Seller shall not, under any circumstances, be liable with respect to mechanical equipment or appliances as to which warranties or guaranties are transferred to Purchaser. Purchaser agrees to close title to the Unit, without offset or claim against Seller, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plan on file in Seller's office, and to be filed in the City Register's office, is accurate or correct, provided the layouts and dimensions conform substantially to the Floor Plans, and Purchaser shall not be relieved of any of his obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Article 16 shall survive the closing.

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

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

17.2 In the event Seller notifies Purchaser that it does not elect to repair or restore the Unit, or if the Declaration has been recorded prior thereto, and such repairs or restoration are not made pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force or effect and Seller shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan.

18. Monies Held in Trust . All monies received from Purchaser hereunder will be deposited with Citibank, N.A., 330 Madison Avenue, New York, New York, and shall be held in escrow in a special account under the name "94-96 Skillman Street Condominium – Attorney Trust Account" or a similar name. The funds so deposited will be disbursed only at the title closing or upon the earlier termination of this Agreement pursuant to the provisions hereof. All monies received hereunder by Seller shall be held and disposed of by it in accordance with the provisions of Sections 352-h and 352-e(2) (b) of the New York General Business Law, and shall only be released upon the signature of a member of the firm of Newman & Berger, Esqs., Attorneys for the Sponsor.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

19. No Broker .

19.1 Purchaser represents that although this sale was brought about by or with the assistance of personnel employed in Seller's office, no broker or person acting as such was consulted or dealt with by Purchaser in connection with Purchaser's reserving or purchasing the Unit. If any claim is made against Seller for commissions by any broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser shall indemnify and hold Seller harmless from and against any all claims, liability, damage, cost, or expense (including but not limited to reasonable attorneys' fees) arising as a result thereof.

19.2 Purchaser agrees not to act as a broker for resale of any Units in the Condominium as long as the Seller has not sold all of the Units.

19.3 The provisions of this Article 19 shall survive the closing.

20. Agreement May Not Be Assigned or Recorded By Purchaser . Purchaser shall not have the right to assign or record this Agreement without the prior written consent of Seller, which may be granted or refused in Seller's sole discretion. Any attempted assignment or recordation in violation of the Paragraph shall, at the option of Seller, constitute a default under this Agreement.

21. Binding Effect . This Agreement shall not be binding on Purchaser or Seller until a fully executed copy hereof, executed by Seller, has been furnished to Purchaser. If this Agreement is not accepted by Seller within 20 days after Purchaser delivers an executed copy of this Agreement to Seller together with the required downpayment, this Agreement shall be deemed to have been rejected and canceled and the downpayment paid on the execution hereof shall be promptly returned to Purchaser without interest.

22. Notices . Any notice, request or other communication hereunder shall be in writing and sent (unless otherwise provided herein) by registered mail or certified mail, to Purchaser at the address given at the beginning of this Agreement and to the Seller at the address given at the beginning of this Agreement, or to such address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, 3 days after the date of mailing shall be deemed to be the date of giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

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

24. No Personal Liability of Seller . Neither Seller nor any of its shareholders, officers, directors, employees or agents shall have any personal liability to Purchaser with respect to any of Seller's obligations under this Agreement or the Plan or otherwise.

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

26. Execution of Required Documents . Purchaser agrees to execute and deliver to Seller all documents (including without limitation, a Deed, Unit Owner's Power of Attorney and Real Property Transfer Tax Returns) and to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish the Condominium, and conform to the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

27. Entire Agreement; Offering Plan . This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them. If Purchaser has not had three (3) business days to review the Plan and all filed amendments prior to executing this Agreement, Purchaser shall have a period of seven (7) days after delivering an executed purchase agreement together with the required deposit to rescind the purchase agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of recission to the Seller within the seven (7) day period or mail the notice of recission to the Seller, postmarked within the seven (7) day period. The Plan, as it may be amended from time to time, is incorporated herein by reference and made a part of this Agreement with the same effect as if fully set forth herein. Terms used herein which are also used in the Plan have the same meanings as therein unless the context otherwise requires. In the event of any inconsistency between this Agreement and the Plan, the Plan shall govern to the extent that it enlarges upon or deals at greater length with Seller's obligations or imposes greater obligations on Seller.

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

29. Successors and Assigns . Subject to the provisions of Article 20, the provisions of this Agreement shall bind and inure to the benefit of the Purchaser and his heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

30. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Seller.

31. No Oral Changes. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

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

SELLER:

Donmar Development LLC

By: _____

PURCHASER(S):

**EXHIBIT "B" TO THE OFFERING PLAN
UNIT OWNER'S POWER OF ATTORNEY
94-96 SKILLMAN STREET CONDOMINIUM**

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of 94-96 SKILLMAN STREET CONDOMINIUM (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, dated _____, 200__, and recorded in the Kings County City Register's Office on _____, 200__, in Liber _____ Page _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meaning in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") being described as **Unit number** _____ and also designated as Tax Lot _____ in Block _____ of Kings County Tax Map # _____ and on the Floor Plans (does) (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 an 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 Owners' 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 to surrender the same pursuant to the terms of the By-Laws, (c) to subject to 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 any governmental unit or agency or any other public authority having jurisdiction over the property and affairs of the Condominium, 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.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint Donmar Development LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionments of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interests of the Undersigned's Unit, (ii) require a material physical modification to the Undersigned's Unit or to the Common Elements or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the _____ day of _____, 200__.

State of New York; County of _____ :ss:

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

EXHIBIT "C" TO THE OFFERING PLAN

94-96 SKILLMAN STREET CONDOMINIUM

UNIT DEED

THIS INDENTURE made the ____ day of _____, 200__, between DONMAR DEVELOPMENT LLC, a New York limited liability company having an office at 175 Skillman Street, Brooklyn, New York 11205, the "Grantor", and _____ and _____ residing at _____, the "Grantee".

WITNESSETH:

That the Grantor, in consideration of Ten Dollars (\$10.00), lawful money of the United States, paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee forever:

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a part of 94-96 SKILLMAN STREET CONDOMINIUM, County of Kings, State of New York, known and designated as the following unit along with an undivided interest in the common elements of the condominium hereinafter described, as the same is defined in the Declaration of Condominium hereinafter referred to as:

Unit No. _____, together with a _____ percent undivided interest in the common elements.

The real property above described is shown on the plans of the Condominium certified by Abraham Hertzberg P.E., and filed in the King's County City Register's office on the ____ day of _____, 200__, as Map No. _____, as defined in the Declaration of Condominium entitled "94-96 Skillman Street Condominium" made by the Grantor under Article 9-B of the New York Real Property Law, dated _____, 200__, and recorded in the Kings County City Register's Office on the ____ day of _____, 200__, in Liber _____ of Deeds at Page _____, covering the property therein described. The land area of the property is described fully therein.

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Unit(s) or common elements now existing as a result of construction of the buildings in which the Unit is located or which may come into existence hereafter as a result of settling or shifting of the buildings, or as a result of repair or restoration of the buildings or of the Units after damage or destruction by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the common elements, so that any such encroachments may remain so long as the buildings shall stand;

TOGETHER WITH an easement in common with the owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other common elements located in any of the other Units or elsewhere on the Condominium property, and serving or benefitting the Units;

TOGETHER WITH the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER WITH and subject to all easements of necessity in favor of the Unit or in favor of other Units or the common elements;

SUBJECT TO easements in favor of adjoining Units and in favor of the common elements for the continuance of all the encroachments of such adjoining units or common elements on the Unit now existing as a result of construction of the building(s), or which may come into existence hereafter as a result of settling or shifting of the building(s), or as a result of repair or restoration of the building(s) or of any adjoining Unit or of the common elements after damage or condemnation or eminent domain proceedings, or by reason or an alteration or repair to the common elements, so that any such encroachments may remain so long as any such buildings shall stand, each Unit being subject to the aforesaid easements in favor of all other Units;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other common elements located in the Unit(s) or elsewhere on the Condominium Property and servicing other Unit(s);

SUBJECT to the provision, benefits, rights, privileges, easements, burdens, covenants, and restrictions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration (including the Right of First Refusal set forth therein), as the same may be amended from time to time by instruments recorded in the Office of the Kings County City Register, which, together with any amendments thereto, constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

TOGETHER with the benefits and subject to the burdens of other easements, agreements, rights of way and restrictive covenants of record.

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee, forever.

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

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

AND the Grantee, by acceptance of this deed, accepts and ratifies the provisions of the Declaration and By-Laws of the Condominium recorded simultaneously with and as part of the Declaration and the Rules and Regulations of the Condominium and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the Office of the Kings County City Register.

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

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

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

Grantor:

DONMAR DEVELOPMENT LLC

By:_____

Grantee(s):

ACKNOWLEDGMENTS

[illegible]

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

[illegible]

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

**EXHIBIT "D" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM**

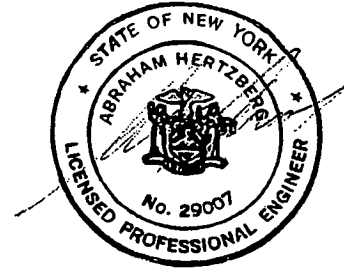
**ABRAHAM HERTZBERG PE
295 NORTHERN BOULEVARD
GREAT NECK, NEW YORK 11021**

ADDENDUM TO ENGINEER'S DESCRIPTION OF PROPERTY

Premises known as
94-96 Skillman Street
Brooklyn, N.Y. 11205

Tax Block Number 1899
File Number CD004-0033

Date: 06-04-2004



- 1) Copies of the approved building plans are herewith submitted that where approved by the Department of Buildings 11/20/03.
- 2) The following sections of the engineer's report is hereby revised as follows:

BUILDING

Building located at 94-96 Skillman Street will consist of 6 stories, an attic and a cellar. It will have a height of approximately 82'-9" measured from the adjoining grade to the top of the attic. There will be no crawl space in this structure, since the lowest level is the cellar. The cellar will have approximately 8'-8" height; and the first floor will have approximately 8'-8" height; and so on for the 2nd, 3rd, 4th 5th and 6th floors. The attic will have approximately 7'-11" height at the highest point. All the above measurements are gross from the floor to ceiling, net will be the above measurements less air conditioning and ductwork and sub flooring and flooring and the sprinkler system. Present at the cellar is the main electrical disconnect switch room, gas and water meters sprinkler room an elevator mechanical room.

INTERIOR AND EXTERIOR STAIRS

Interior stairs within the public stair halls shall be of steel construction with metal handrails. Interior staircase within the unit going down to the cellar will be wood and with wood handrails. Exterior staircase from the rear of the unit going up from the cellar to the back yard and from the 1st floor to the back yard will be concrete with metal handrails. The platform will be steel and concrete.

YARDS AND COURTS

There will be a front yard of 5'-0" x 46'-0", and there will be a rear yard to the building of 30'-0" X 54'-0", and a side yard of 8'-0"x 70'-0". The back yard shall be compressed soil. All yards shall be common area, except for the 2 patios as per plan, which 1 will be L.C.E. to unit 1A and 1 will be L.C.E. to unit 1B. The yards will be pitched and they will have floor drains to remove the water to the storm drainage.

FIRE PROTECTION

There is no standpipe system in the building, but the building will be fully sprinkled with a sprinkler system, the sprinkler pipes will be approved type copper pipes soldering with 95-5 soldering. The sprinkler heads are usually of the upright kind equipped with a fusible link set to go off at a temperature of 160 degrees Fahrenheit. Smoke detectors will be present at all apartments, and the smoke detectors will be hard wired.

HVAC

Heating and cooling of spaces within each unit will be provided by a system, forced air, space-conditioning system. Heated or cooled air shall be supplied to each unit via a system of metal ducts and registers.

The furnace, which will supply the heat energy, and shall be manufactured by Luxair, 3 1/2 TON model no. NG MP 100-4 with an output of 150,000 BTU's and has a New York City (MEA 430-92E). The fuel of the furnace will be gas. The furnace will be located in one of the closets in the apartment.

The compressor unit, which will be responsible for the generation of the cool air, 3 1/2 TON shall be model number CK-42-1, and has a New York City (195-93E) as manufactured by Janitrol, and will be located on the roof.

All mechanical equipment used shall be capable of providing the minimum requirements for heating and cooling as required by the N.Y. City department of buildings.

The sponsor reserves the rights to provide mechanical equipment by different manufacturers, which are equal to or better than those listed above.

UNIT AND PUBLIC AREA LIGHTING

Lighting fixtures shall be provided in public stairways and hallways on all floors. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights of a total of not less than sixty (60) watts. In addition, lighting fixtures shall be provided at the front entrance way providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent. There shall also be provided (in the yard area in the rear) at least one light of at least forty (40) watts incandescent illumination. The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws. The unit lighting in the units and in the attic shall be porcelain ceiling sockets and 60 watt bulbs for each room and including bath rooms and laundry rooms as per New York City Electrical Code.

SPACES OTHER THAN APARTMENTS

The public halls are finished as follows, the floors will be tiled with 6 x 6 ceramic tiles, and the walls and ceilings will be taped Gypsum wall board. The stairs will be metal and concrete. The cellar and storage rooms and attic will be as follows 5/8" Gypsum wall board, walls and ceilings, and will be taped the floors will be concrete. The attic will be ventilated just like the other apartments through the window openings.

The basement storage spaces are not allocated but will remain generally available for cellar unit owners as directed by the Board of Managers of the condominium.

ATTIC

The attic floor will have a height of approximately 7'-11" at the highest point. The insulation of the exterior walls has an R-value of R-11. The insulating material for walls and roof is fiberglass. The unit lighting in the attic shall be porcelain ceiling sockets and 60 watt bulbs for each room and including bath rooms and laundry rooms as per New York City Electrical Code.

The attic will be as follows 5/8" Gypsum wall board, walls and ceilings, and will be taped the floors will be concrete. The attic will be ventilated just like the other apartments through the window openings.

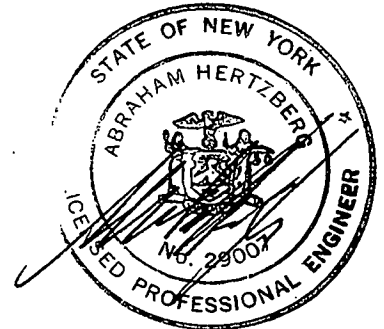


ABRAHAM HERTZBERG PE.

**EXHIBIT "D" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM**

**HERTZBERG AND SANCHEZ
295 NORTHERN BOULEVARD
GREAT NECK, NEW YORK 11021**

ARCHITECT'S DESCRIPTION OF PROPERTY
Premises known as
94-96 Skillman Street
Brooklyn, N.Y. 11211



Date: November 20, 2003

The following information was obtained from the building owner and municipal agencies.

LOCATION AND USE OF PROPERTY

The address of the property is 94-96 Skillman Street, Brooklyn, New York. The parcel is located on Tax Block 1899 and lot numbers 48,49. The site is located in an R6-A, as designated on Map 12-D of the 1961 Zoning Resolution (ZR). This building is under construction as of this writing; and it complies with all current zoning regulations. Proposed construction classification is fireproof construction.

STATUS OF CONSTRUCTION

The building is being built under plans filed with and approved by the appropriate local agency, the Brooklyn office of the Department of Buildings. The class of construction is class 1-C. Since the building is currently under construction, no Certificate of Occupancy can be issued until work is completed to the satisfaction of the Department of Buildings. The structure complies with Local Law 58, Handicapped Access Law. Local law 10 and 11 do not apply at this time since this is a new building, and will be due 5 years from the day of the Certificate of Occupancy. The sponsor will not close any apartment prior to the issuance of the Certificate of Occupancy.

SITE

There is one (1) building on this site, namely, the subject premises. There are to be twelve (12) residential units: two (2) units on each floor.

The streets are owned and maintained by The City of New York. They are paved with asphalt; their overall condition is generally good. Catch basins consist of curb inlets, which conduct water flow by gravity within storm drains located beneath the streets. Street lighting consists of high intensity luminaries with metal extension arms mounted on posts. Lighting for evening traffic appears to be adequate. The sidewalks and curbing are currently broken and will be replaced at construction's end.

UTILITIES

Electricity will be provided by Consolidated Edison. Gas will be provided by the Keyspan energy systems f/k/a/ Brooklyn Union Gas Company. Gas mains are located underground at Skillman Street. There will be individual meters for gas and electric consumption serving each apartment. There will be twelve (12) gas meters, and thirteen (13) electric meters. The storm and sanitary sewers are owned and maintained by The City of New York. The water system is owned and maintained by The City of New York. Sewer taxes and water usage are paid to The City of New York and are assessed by meter. Local telephone service will be provided on an individual basis to each apartment by the Verizon F/K/A Bell Atlantic Telephone Company.

SOIL AND SUB-SOIL CONDITIONS

No unusual water conditions such as flooding, ponding, or wetness were observed on the surface. No unusual conditions were apparent regarding the sub-soil. The soil capacity is adequate, with a minimum capacity of 3,000 PSF.

LANDSCAPING

Currently, there is no landscaping on the site. There is no grass covers, plantings, fencing, gates, retaining walls, or display pools.

BUILDING

Building located at 94-96 Skillman Street will consist of 6 stories, an attic and a cellar. It will have a height of approximately 82'-9" measured from the adjoining grade to the top of the attic. There will be no crawl space in this structure, since the lowest level is the cellar. The cellar will have approximately 8'-8" height; and the first floor will have approximately 8'-8" height; and so on for the 2nd, 3rd, 4th 5th and 6th floors. The attic will have approximately 7'-11" at the highest point. All the above measurements are

gross from the floor to ceiling, net will be the above measurements less air conditioning and ductwork and sub flooring and flooring and the sprinkler system. Present at the cellar is the main electrical disconnect switch room, gas and water meters sprinkler room an elevator mechanical room.

No asbestos containing material (ACM) is present.

STRUCTURAL SYSTEM

The structural system for this building is classified as a bearing wall type. The foundation consists of spread footings of concrete on earth. The foundation walls are of concrete 12" thick. All exterior walls are of brick face backed up with masonry block. The party walls between the buildings are minimum 12" thick up to the 4th floor and 8" thick for the attic above. The interior floor structure is made of metal "C" joists, which are supported on both ends either by resting on a structural steel beam or by bearing on the block masonry enclosure walls. The windowsills are to be brick or limestone; the lintels are structural steel. The interior floor assembly at the cellar will be concrete slab on grade. The interior floor on all floors shall be typically, light weight concrete on corrugated metal decking, supported by the c joists.

EXTERIOR OF BUILDING

The exterior walls above the foundation up till the fourth floor are to be of brick masonry 12" thick, constructed of 4" brick and 8" concrete block backup, the attic floors are to be of 4" brick and 4" concrete block backup. The insulation of the exterior walls has an R-value of R-11. The insulating material for walls and roof is fiberglass.

INTERIOR AND EXTERIOR STAIRS

Interior stairs within the public stair halls shall be of steel construction with metal handrails. Interior staircase within the unit going down to the cellar will be wood and with wood handrails. Exterior staircase from the rear of the unit going up from the cellar to the back yard and from the 1st floor to the back yard will be concrete with metal handrails.

ROOF AND ROOF STRUCTURES

The roof is a barn type roof, with 3" leaders for drainage down to the sewer system. The roof covering will be composed of 90# shingles roof on 15# roofing paper on 1/2" plywood sheeting. The roof insulation is approximately 6 inches and is designed to provide an R-19 value. The Sponsor warrants

the roof surface for one year with respect to defects and failure of skillful manner of roofing. The warrantee period shall begin on the date of conveyance of title to the first unit.

The roof of the building is designated as a common area

Nothing may be built on the roof without a permit from the Building Department and/ or variance is obtained and construction is done, the Board of managers will have access for inspection and repair and the Board of Managers may regulate any one or more of the following aspects of construction:

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

ROOF DRAINAGE

The pitch of the roof areas shall be maintained to the roof drains and vertical leaders. The run-off from the roof areas will be transported via vertical leaders and horizontal drains, to the combined street sewer. Piping for the leaders shall be cast iron.

ROOF TERRACE STRUCTURES

The roof terrace covering material is Rubbermaid roofing on top of 3 1/2" concrete as approved by NYC or BS&A, with 3" leaders for drainage down to the sewer system, the roof terrace is not traffic bearing only for walking. The roof terrace insulation is approximately 6 inches and is designed to provide an R-30 value. The Sponsor warrants the roof terrace surface for one year with respect to defects and failure of skillful manner of roofing and trafficking. The warrantee period shall begin on the date of conveyance of title to the first unit.

WINDOWS

There are to be new double glazed Andersen windows at the front and rear of the house, at all floors. The window materials are Permashield vinyl over wood. The window model numbers are, for the 2' casement c15, 2' double hung 2052, 4' casement 90-c25-15, 6' casement cw15-3, 10' casement cw25-cw15-1w25,. Sliding glass doors to balconies are also Andersen model

no. PS6180. Other balcony doors will be Stanley model no: K-21. Screens, are being supplied by the Sponsor. The windowsills are to be constructed of brick roll-lock or limestone. The lintels are to be of steel angle. There will be no lot line windows. The windows carry a separate warranty by Anderson Corporation, the warranty is for 20 years if it is a glass failure, and 10 years for a non glass failure.

The sponsor reserves the rights to provide windows by different manufacturers, which are equal to, or better than those listed above.

BALCONIES, PATIOS, PORCHES AND TERRACES

The 1st and 2nd floor will not have a balcony. The 3rd floor will have a balcony to the back of the unit. The 4th and 5th floors will have a balcony to the front of the unit. The size of the balconies will be 9'-0" X 5'-0". Units 6A and 6B will have a front terrace of 21'-6" by 9'-0" and a back terrace of 10'-0" by 9'-0". Each balcony will consist of structural steel supports cantilevering beyond the face of the building and will have a concrete deck, which is reinforced with wire mesh. They will be provided with a metal railing a minimum of 3'6" in height.

EXTERIOR ENTRANCES

There will be one (1) exterior entrance, and will serve as the main entrance, which will lead to all of the floors. There will be a vestibule with stairs leading to all floors. The exterior entrance doors are to be Stanley doors or weather-stripped wood doors. Lighting will be provided directly over the entranceway.

The sponsor reserves the rights to provide doors by different manufacturers which are equal to or better than those listed above.

MAILBOXES

U.S. Approved type mailboxes will be provided for each unit.

CHIMNEYS AND CAPS

There are several chimney sections in this building. Each chimney will be 6" to 12" diameters approved type amerivent flues with approved type anti-downdraft cap to be enclosed in one hour fire rated incombustible partition enclosure as per NYC board of standards of appeals approvals. The hot water heaters will have their direct vent, with Amer-vent BSA # 294-56 SM. There

are also several ventilation shafts for toilet and kitchen exhaust risers that are similarly constructed.

The sponsor reserves the rights to provide equipment by different manufacturers, which are equal to or better than those listed above.

SKYLIGHTS

There will be no skylights in this building.

FIRE ESCAPES

The building has no fire escapes but each unit will have a full staircase to the back of the unit, which will serve as a second means of egress.

ROOF TOP FACILITIES

There are no roof top facilities. There will be no roof metal work. This building will not have a roof bulkhead over the staircase or elevator leading to the rooftop.

INTERIOR DOORS AND FRAMES

All interior doors, that is, doors inside the apartments, are hollow core non-fireproof doors and frames. Apartment entrance doors are to be approved entry doors.

YARDS AND COURTS

There will be a front yard of 5'-0" x 46'-0", and there will be a rear yard to the building of 30'-0" X 54'-0", and a side yard of 8'-0"x 70'-0". The back yard shall be compressed soil. All yards shall be common area, except for the 2 patios as per plan, which 1 will be L.C.E. to unit 1A and 1 will be L.C.E. to unit 1B.

PARKING AREAS

There is no onsite public parking facilities.

RECREATION FACILITIES

There are no public recreation facilities.

ELEVATORS

There will be one elevator to this building. The elevator will provide access from the first floor through the 6th floor levels. This elevator shall be common to all the units. The elevator will be manufactured by Oil Lift Systems Inc. It will be a rope hydraulic system, submergible pump unit, with a capacity of 1800 pounds, and a speed of 100 feet per minute. The cab will be manufactured by Colombia elevator products. The front and door of the elevator will be stainless steel, with # 4 finish, the side and rear will be a Formica finish, the fixtures will be manufactured by Gal manufacture Corp. The pump will be in the mechanical room in the cellar.

COMMON AREAS

The main common areas for the structure will be; the entrance vestibule (located at the 1st floor level) the interior stair halls and corridors and elevators (which leads to the units).

AUXILIARY FACILITIES

There are no auxiliary facilities.

REFUSE DISPOSAL

Refuse disposal is the responsibility of each individual tenant. Refuse is brought by occupants to the front of the building. Refuse is collected two times per week by The City of New York Sanitation Department.

PLUMBING AND DRAINAGE

Water is supplied to the units through connections from the building to the New York City water distributions system. There is a minimum 2" copper water main conveying the water into the building. Each apartment is supplied hot and cold water from 3/4" copper piping. Moreover, this building relies on normal New York City water pressure for raising the water to all the floors so that no water tanks are required. According to New York City Law, a water meter will be installed. Each kitchen will have 2 stainless cast iron sinks and 2 gas range connection, there will be one gas connection for the heating system.

FIRE PROTECTION

There is no standpipe system in the building, but the building will be fully

sprinkled with a sprinkler system, the sprinkler pipes will be approved type copper pipes soldering with 95-5 soldering. Smoke detectors will be present at all apartments.

SANITARY SEWER SYSTEM

The sanitary waste conveyed to the New York City sewer system via a 4" no hub cast iron sewer pipes in the building leading to a house trap of 4" extra heavy cast iron in its own concrete pit in the cellar. From this pit there is a 6" extra heavy cast iron pipe conveying the sewage to the combined sewer in the street.

HVAC

Heating and cooling of spaces within each unit will be provided by a system, forced air, space-conditioning system. Heated or cooled air shall be supplied to each unit via a system of metal ducts and registers.

The A.C. unit, which will supply the energy, and shall be manufactured by Luxair, 3 1/2 TON model no. NG MP 100-4 and has a New York City (MEA 430-92E).

The compressor unit, which will be responsible for the generation of the cool air, shall be model number CK-42-1, and has a New York City (195-93E) as manufactured by Janitrol.

All mechanical equipment used shall be capable of providing the minimum requirements for heating and cooling as required by the N.Y. City department of buildings.

The sponsor reserves the rights to provide mechanical equipment by different manufacturers, which are equal to or better than those listed above.

DOMESTIC HOT WATER SUPPLY

Domestic hot water will be provided for each residential unit by separate new gas fired domestic hot water heaters, located within the mechanical room within the unit. The hot water heater for each unit will be manufactured by A.O. Smith 50 gallon model #PGC 50 MEA # 180-78-E and an input rating of 50,000 BTU per hour which is adequate to provide hot water for the projected usage within the unit. These systems use natural gas supplied by the Keyspan f/k/a Brooklyn Union Gas Company.

The sponsor reserves the right to provide heaters of different manufacturers, which are equal to or better than those, listed above.

GAS SUPPLY

Gas is supplied by Keyspan energy systems f/k/a Brooklyn Union Gas Company. There will be twelve (12) meters serving each unit and will be at the cellar area on the cellar floor level. Gas is supplied to the units for cooking and for heating. Gas is billed directly to each Unit Owner. The gas distribution system utilizes black iron piping.

ELECTRICAL SYSTEM

Electrical service to the building is brought in from the terminal point of the Con Edison Company and shall be single phase 208V the main feed will bring the service to a minimum of thirteen (13) separate meters: one for each unit, and one (1) for the common area. The main feed will bring in 1300 amps to the building. The service will provide 100 amps for each unit and will be protected with a circuit breaker. There will be a minimum of thirteen (13) main panels, one (1) for each unit, and one (1) for the common area. Each apartment has a minimum of 16 circuits, and there will be an average of three (3) outlets per room.

Electricity charges for the common area fixtures, will be billed by a separate common area meter.

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

UNIT AND PUBLIC AREA LIGHTING

Lighting fixtures shall be provided in public stairways and hallways on all floors. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights of a total of not less than sixty (60) watts. In addition, lighting fixtures shall be provided at the front entrance way providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent. There shall also be provided (in the yard area in the rear) at least one light of at least forty (40) watts incandescent illumination. The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple

Dwelling Laws. The unit lighting in the units shall be porcelain ceiling sockets and 60 watt bulbs for each room and including bath rooms and laundry rooms as per New York City Electrical Code.

VENTILATION

The only interior spaces requiring mechanical ventilation in the apartments are the interior bathrooms and dryer and the hot water tank. They are to be equipped with ducts, which terminate to the outside air and thus provide fresh air.

INTERCOMMUNICATION/DOOR SIGNAL SYSTEM

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

TELEVISION ANTENNA AND CABLE

There are no television antennas or cable system.

PEST CONTROL

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

OCCUPANCY AND UNIT INFORMATION

Unit.	Apartment Location	Number of Rooms	Baths	Porch/ Balconies
1A	1st floor, Cellar	5 2	2 full 1 half	0 Balconies
1B	1st floor, Cellar	4 3	2 full 1 half	0 Balconies
2A	2nd floor	5	2 full	0 Balconies
2B	2nd floor	5	2 full	0 Balconies
3A	3rd floor	5	2 full	1 Balcony
3B	3rd floor	5	2 full	1 Balcony
4A	4th floor	5	2 full	1 Balcony
4B	4th floor	5	2 full	1 Balcony

5A	5th floor	5	2 full	1 Balcony
5B	5th floor	5	2 full	1 Balcony
6A	6th floor Attic	5	2 full	2 Terraces
6B	6th floor Attic	5	2 full	2 Terraces

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.

APARTMENTS

The apartments will be finished in the manner described below:

(a) All living rooms, dining rooms and bedrooms will have the following finishes:

Floors: #1 common grade oak floors.
Walls, ceilings: 5/8" Gypsum wall board, walls and ceilings taped with 1 coat of prime.

closets: Closets shall be finished with melamine shelves and 1 rod.

(b) Kitchens will have the following finishes:

Floors: ceramic tiles.
Walls, ceilings: Gypsum wall board, walls and ceilings taped with 1 coat of prime.

Cabinets &
Appliances: the sponsor will supply and install a standard 30" high kitchen with Formica counter tops and back splash. The kitchen is described as follows doors will be Thermafoil, the box will be melamine counter tops are Formica over ply-wood. A gas-stove 30" will be supplied for additional \$350.00 model no: RGB508 made by hot point the sponsor will not supply any other appliances.

(c) Full bathrooms are equipped as follows:

Fixtures: One standard vanity with cast iron wash basin, and standard Delta faucets (or equivalent); 2-piece water closet and a combination bathtub and shower. The bathroom fixtures are as follows (The Sponsor may replace them with equal or better models):

Tub: Kohler cast iron tub, model # K505
Sink: Kohler cast iron sink, model # K2905
Toilet: Kohler porcelain china #K3421
Floors: Fully tiled.
Walls: Fully tiled. Purchaser has a choice of builder's colors.

The main bathroom will be provided with 1 medicine cabinet with light fixtures. Shower doors are not included.

The laundry area in each apartment will have connections for 1 side by side domestic washer/dryer, which are to be provided by the purchaser. No tiling will be provided in the laundry area.

SPACES OTHER THAN APARTMENTS

The public halls are finished as follows, the floors will be 6x6 quality vinyl tiles, and the walls and ceilings, will be Gypsum wallboard painted with 3 coats of paint.

This report fairly describes the condition of the building and improvements to the Property as of the date of inspection respecting those facts, which could be ascertained from a visual inspection. It provides a general description of the property but is not intended to be a comprehensive detailed list of every space or equipment or condition. This report may not be construed as a guarantee or warranty. Although many areas were inspected, no warranties or guarantees are made by the undersigned, the Sponsor or anyone on their behalf that a complete inspection of the Property has been made, nor that all deficiencies in the construction have been noted.

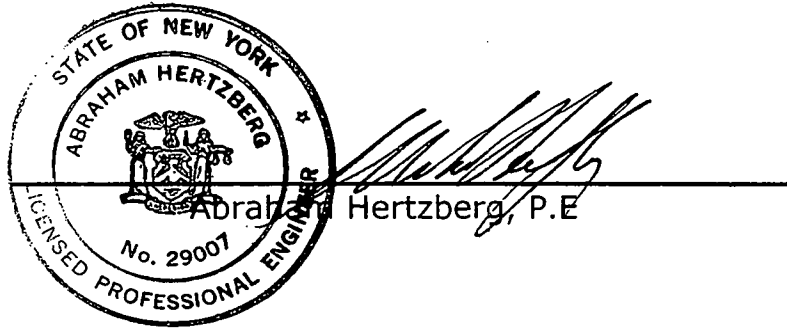
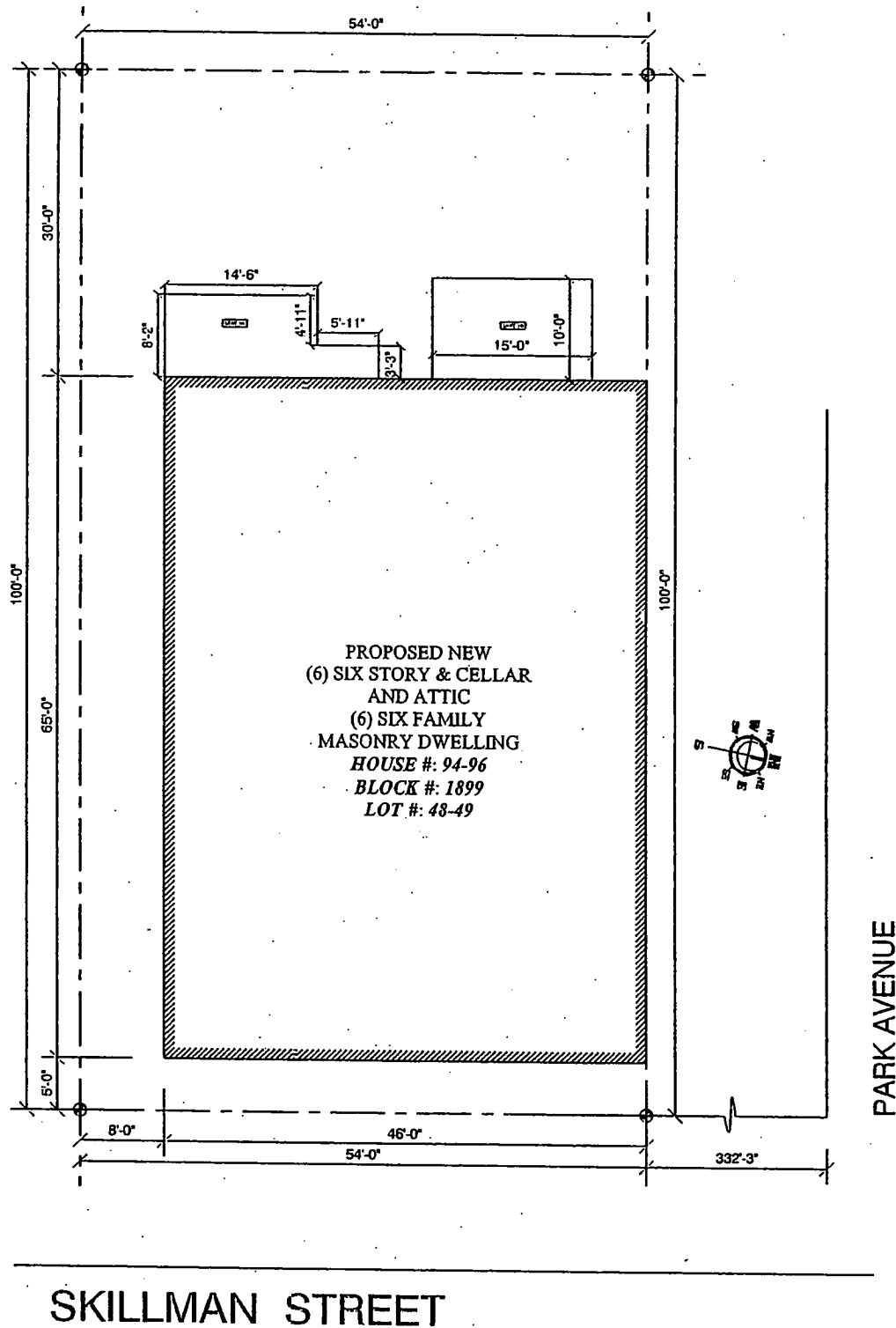
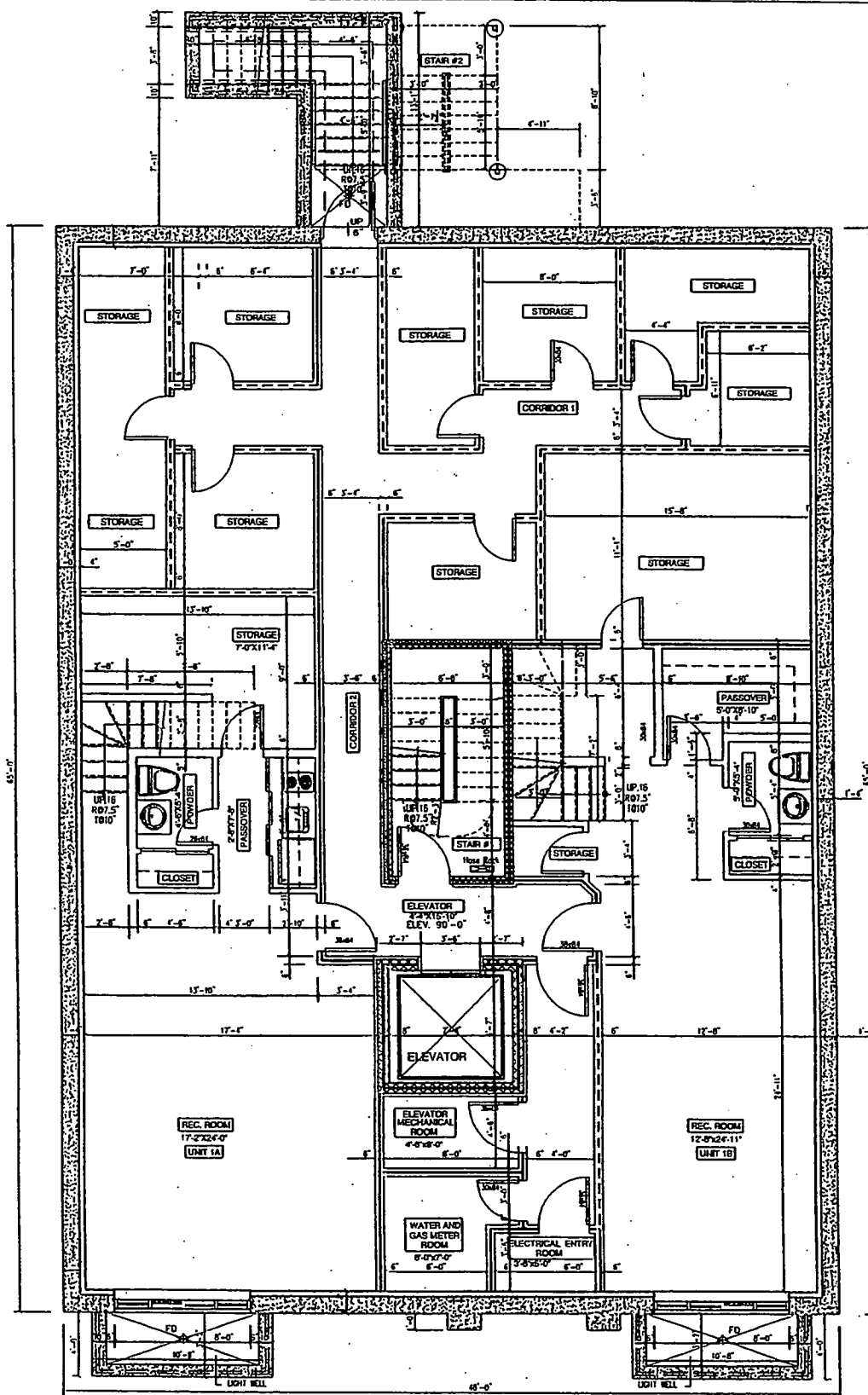


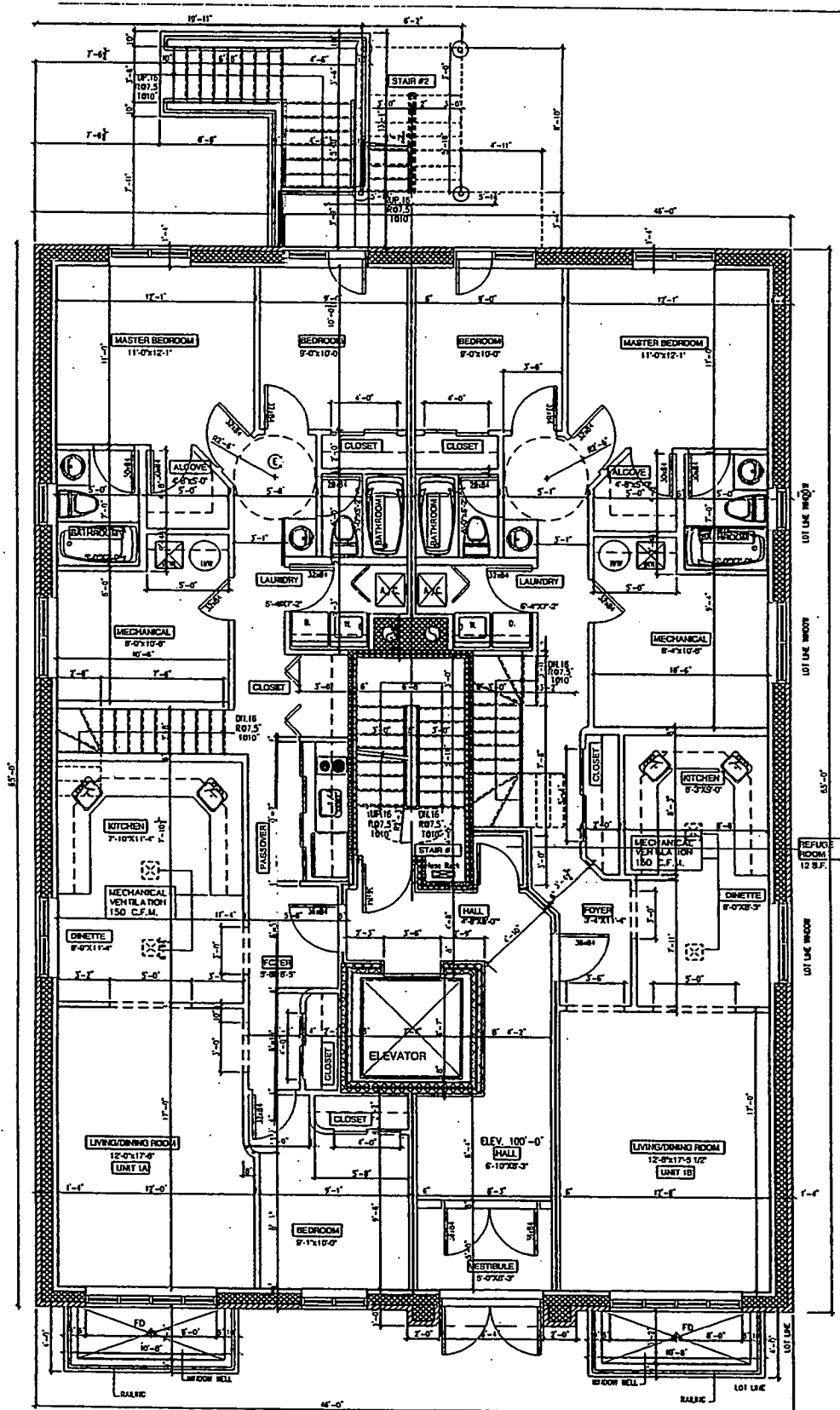
EXHIBIT "E" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM



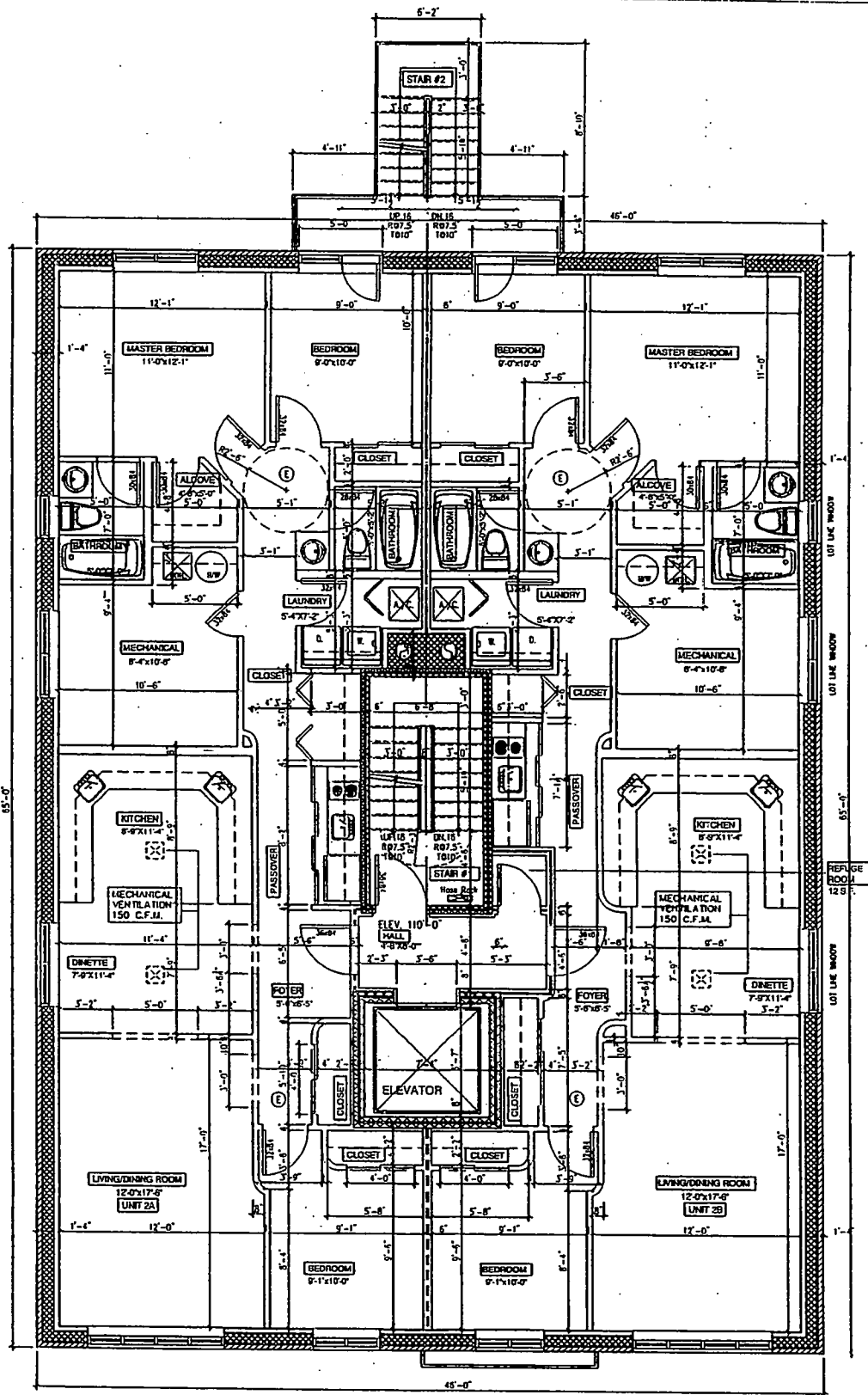
1 SITE PLAN
SITE 2, BUILDING C



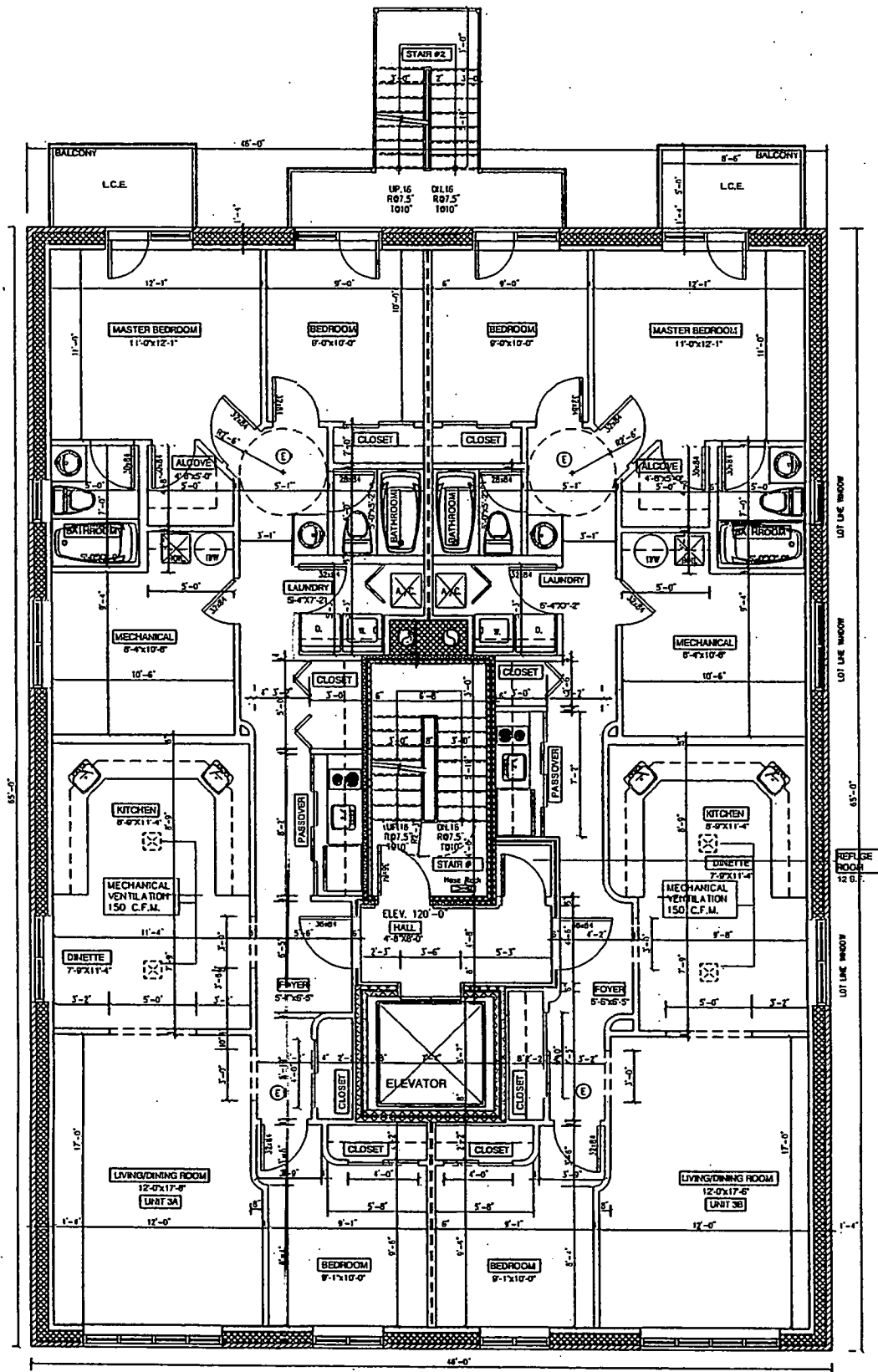
1 CELLAR FLOOR PLAN
1/4"=1'-0"



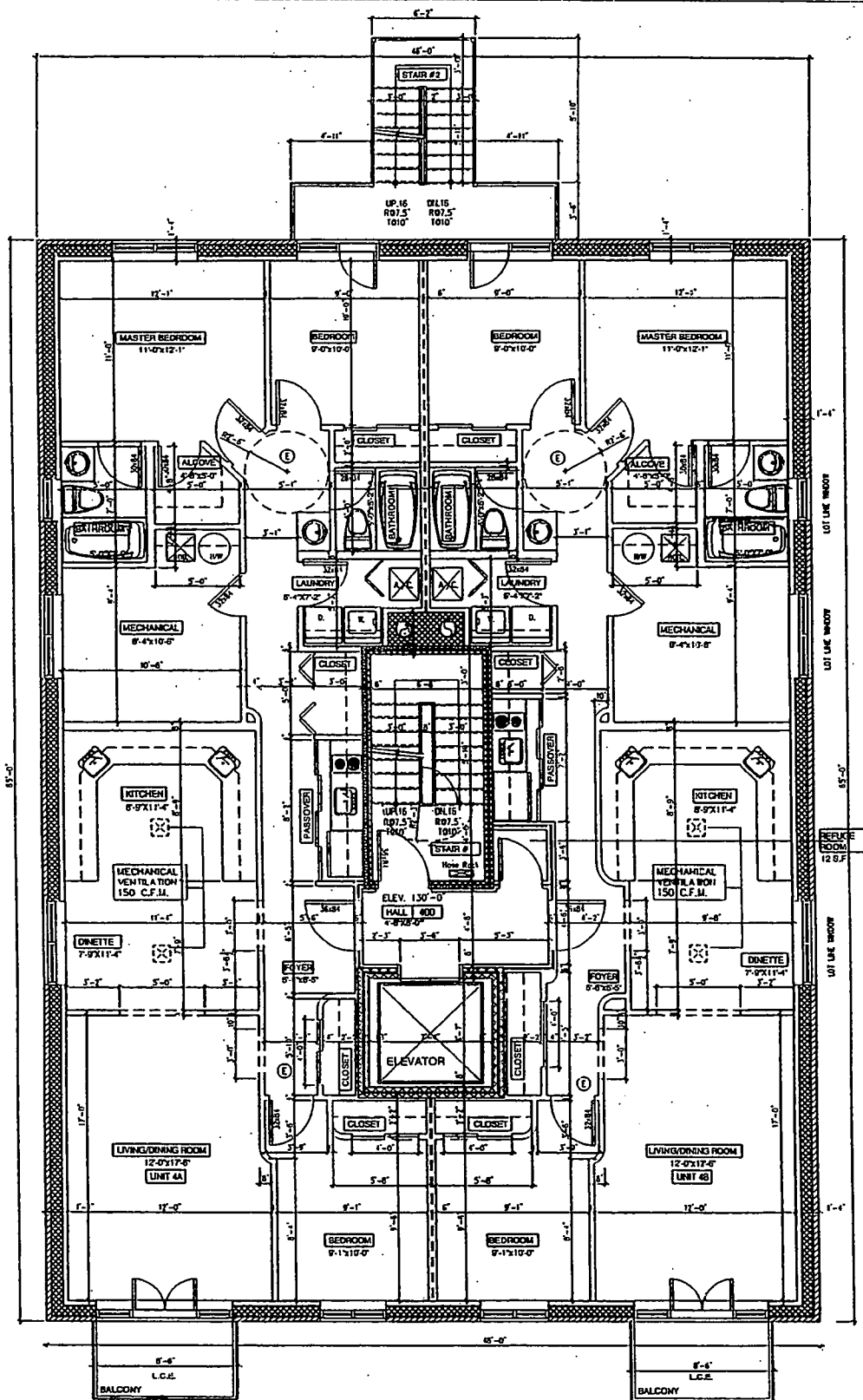
1 GROUND FLOOR PLAN
1/4" = 1'-0"



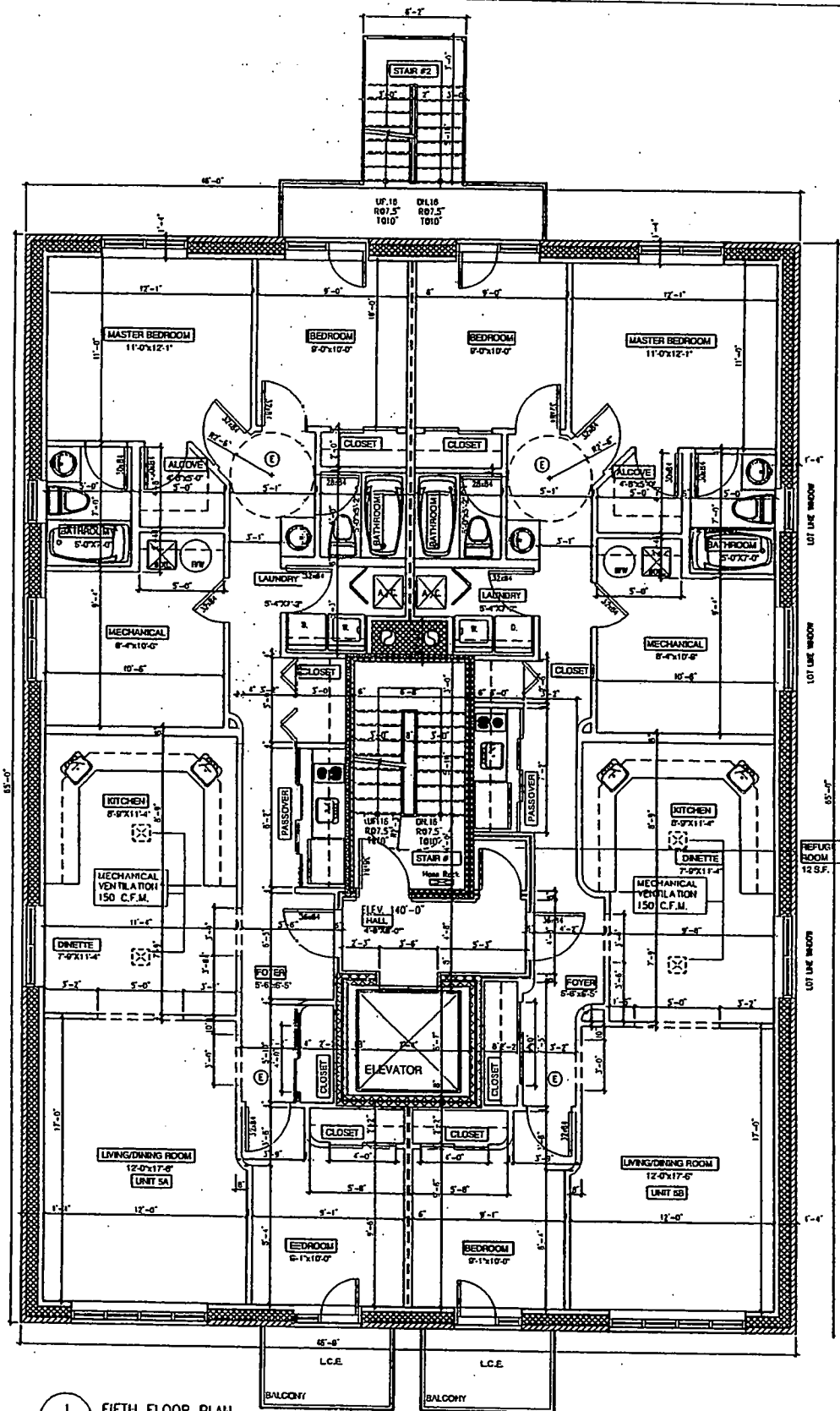
1 SECOND FLOOR PLAN
1/4"=1'-0"



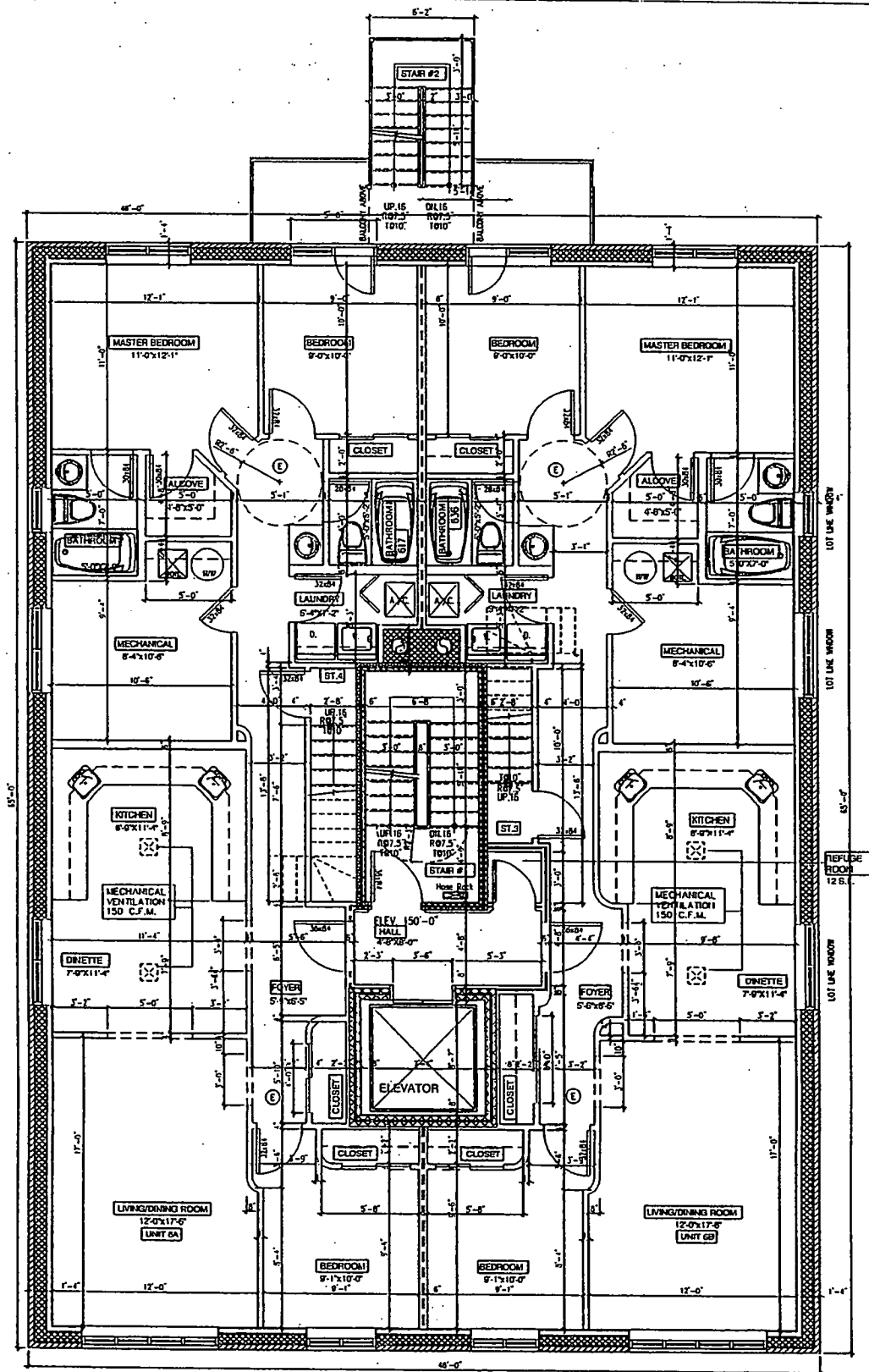
1 THIRD FLOOR PLAN
1/4" = 1'-0"



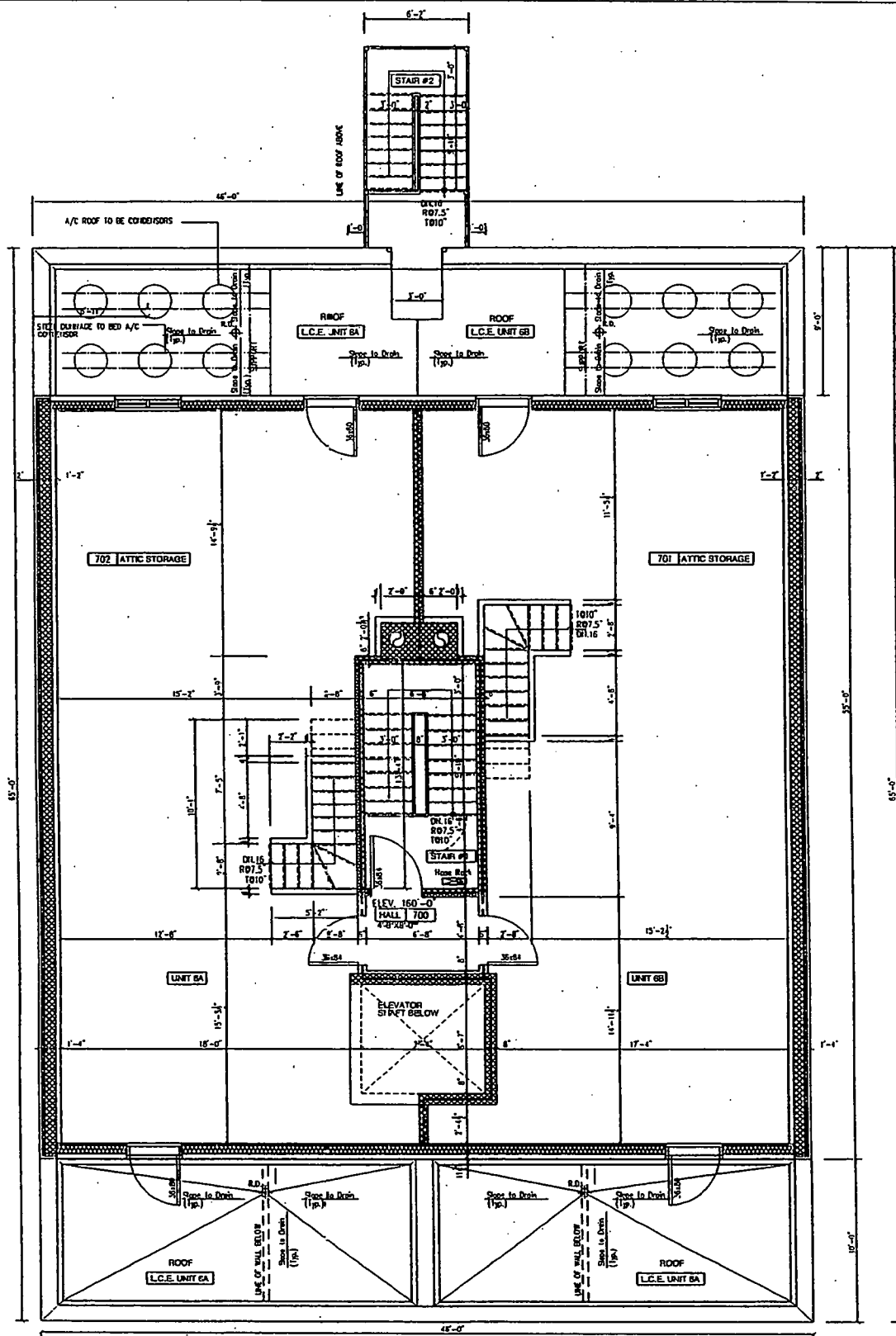
1 FOURTH FLOOR PLAN
1/4" = 1'-0"



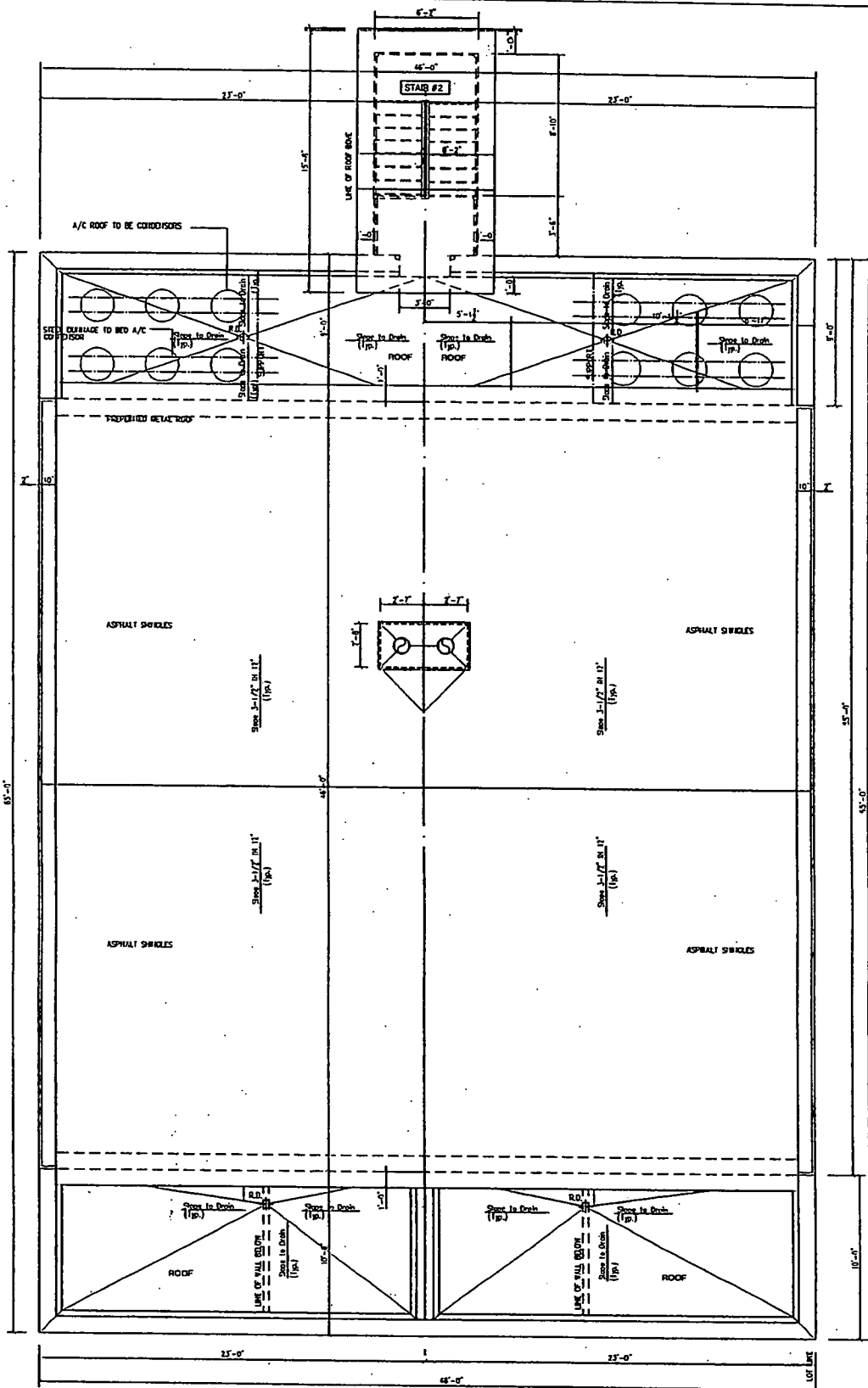
1 FIFTH FLOOR PLAN
1/4"=1'-0"



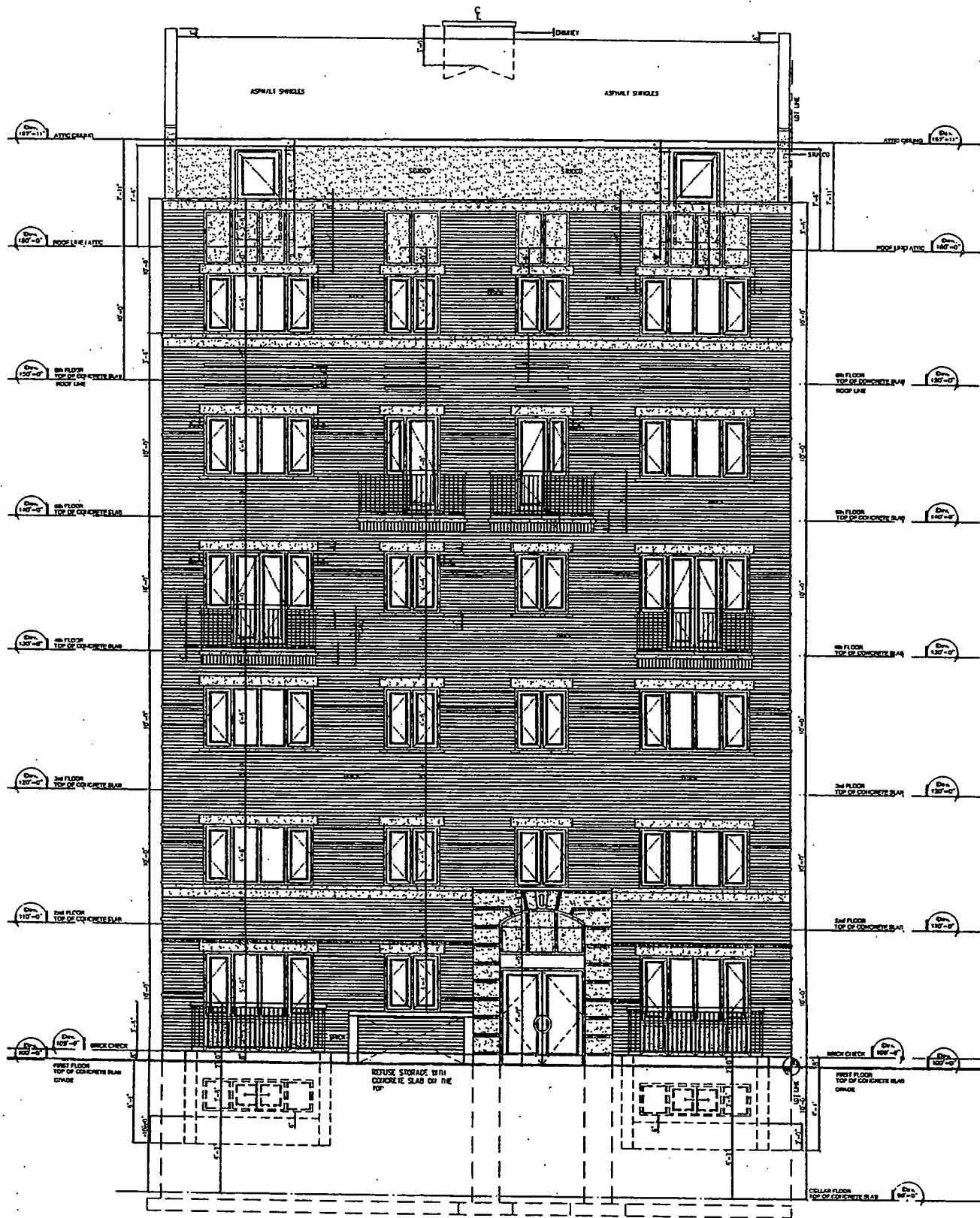
1 SIXTH FLOOR PLAN
1/4" = 1'-0"



1 ATTIC PLAN
1/4" = 1'-0"



1 ROOF PLAN
1/4"=1'-0"



1 FRONT ELEVATION
1/4" = 1'-0"

EXHIBIT "F" TO THE OFFERING PLAN

DECLARATION

ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF

94-96 SKILLMAN STREET CONDOMINIUM

94-96 Skillman Street, Brooklyn, New York
Pursuant to Article 9-B of the Real Property Law
of the State of New York

SPONSOR: DONMAR DEVELOPMENT LLC

Date of Declaration: _____, 200__

Prepared by:

NEWMAN & BERGER, ESQS.
Attorneys for Sponsor
295 Madison Avenue
New York, New York 10017

The land affected by the within instrument lies in the County of Kings, State of New York,
and is shown as Block 1899 Lots 48 and 49 on the Tax Map of the County of Kings, City
and State of New York.

INDEX TO DECLARATION

<u>Article</u>	<u>Subject</u>	<u>Page</u>
1.	Definitions	3
2.	Submission of the Property	3
3.	The Land	3
4.	The Building	4
5.	The Units	4
6.	The Common Elements	5
7.	Determination of Common Interests	6
8.	Use	6
9.	Easements for the Enjoyment of Common Elements	8
10.	Other Easements	8
11.	Changes in Unsold Units	10
12.	Acquisition of Units by the Condominium Board	11
13.	Power of Attorney to Sponsor and the Condominium Board	11
14.	Termination of Condominium	12
15.	Covenant of Further Assurances	12
16.	Covenants to Run With the Land	13
17.	Amendments to This Declaration	14
18.	Consents of Sponsor	16
19.	Person to Receive Service	16
20.	Incorporation by Reference	16
21.	Waiver	16
22.	Severability	17
23.	Successors and Assigns	17
24.	Construction	17
25.	Captions	17
	Signature	18
	Acknowledgment	18
	Exhibits:	
	Property Description (Exhibit A)	
	Description of Units (Exhibit B)	
	Definitions (Exhibit C)	
	By-Laws (Exhibit D)	
	Unit Power of Attorney (Exhibit E)	

DECLARATION OF CONDOMINIUM FOR

94-96 SKILLMAN STREET CONDOMINIUM

**PREMISES LOCATED AT 94-96 SKILLMAN STREET
COUNTY OF KINGS, STATE OF NEW YORK**

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

Donmar Development LLC, a New York limited liability company having an office at 175 Skillman Street, Brooklyn, New York 11205 (hereinafter referred to as "Sponsor"), does hereby declare as follows:

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in 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 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

Sponsor hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for condominium ownership of the property as more particularly set forth herein and in the By-Laws, to be known as 94-96 SKILLMAN STREET CONDOMINIUM.

Article 3

The Land

The Land, which is located in the Borough of Brooklyn, County of Kings, City and State of New York, and is more particularly described in Exhibit A annexed hereto, is owned by the Sponsor in fee simple absolute. Its street address is 94-96 Skillman Street, Brooklyn, New York, shown on the Kings County Tax Map as Block 1899 Lots 48 and 49.

Article 4

The Building

The subject building is comprised of six (6) stories, an attic and a cellar, and is constructed principally of brick and concrete block backup.

Article 5

The Units

(a) The Condominium will consist of twelve (12) Units. Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its unit designation number and location; (ii) its tax lot number; (iii) its approximate area; (iv) the number of rooms contained therein; (v) the portions of the Common Elements to which such Unit has immediate access; and (vi) the Common Interest appurtenant to such Unit.

(b) The boundaries of the Units consist of the area measured horizontally between the surface of the plaster board walls enclosing each such Unit and the area measured vertically from the top of the concrete subfloor to the underside of the plaster board ceiling. However, any Common Elements located within the Unit shall not be considered a part of such Unit. The Units include the following areas in or bounding each such Unit; (i) the front entrance door and any other entrance doors to such Unit; (ii) the interior walls, partitions and floor covering and plaster board ceilings affixed, attached, or appurtenant to such Unit; (iii) all windows (including, without limitation, their panes, casements and frames) located within, or opening from, such Unit; (iv) any and all equipment, fixtures and appliances (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, water closets, ranges, dishwashers and any other appliances) affixed, attached, or appurtenant to such Unit; and (v) all other Unit Facilities affixed, attached, or appurtenant to such Unit and benefitting only that Unit.

(c) Notwithstanding anything contained in this Article 5 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, as shall be appropriate and desirable to such Unit Owner, provided that no such installation shall impair the structural integrity of such Unit or of the Building in which such Unit is located nor of any adjacent Unit.

Article 6

The Common Elements

(a) The Common Elements are comprised of (i) the General Common Elements, which are described in paragraph (b) of this Article 6 and (ii) the Limited Common elements, which are described in paragraph (c) of this Article 6.

(b) The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Unit 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, the General 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 Buildings, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 5 hereof or as part of a Limited Common Element pursuant to the terms of paragraph (c) of this Article 6;

(iii) all hallways, corridors, lobbies, vestibules, mail boxes, stairs, stairways, mechanical equipment spaces and entrances to, and exits from, the Building;

(iv) all central and appurtenant installations and Unit Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, cable television 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 5 hereof;

(v) the boiler and utility rooms located in the cellar of the Building; and

(vi) 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.

(c) The Limited Common Elements consist of all portions of the Land and the Building (other than the Units) that are for the use of one Unit to the exclusion of all other Units. The Limited Common Elements include without limitation any balcony, porch, rear yard area, attic space or terrace to which there is direct and exclusive access from the interior of a Unit, and storage areas in the cellar; all as set forth in the Floor Plans.

(d) 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 14 hereof and Section 5.5 of the By-Laws.

Article 7

Determination of Common Interests

The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act and as set forth in Exhibit B to this Declaration 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 8

Use

(a) Use of the Units. (i) 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 Article. In addition, the Board of Managers may, from time to time, promulgate and amend such reasonable rules and regulations as they may deem necessary to effectuate the foregoing, in accordance with applicable law and the provisions of this Declaration and the By-Laws of the Condominium.

(ii) Each Unit shall be used only as a residence, except as otherwise permitted to Sponsor under this Declaration and the By-Laws.

(iii) 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, provided in each case such occupancy complies in all respects with the provisions of subparagraph (a)(ii) hereof.

(A) Within 30 days after a Person, other than a natural person, becomes the owner of a Unit, such non-individual owner shall notify the Condominium Board or Managing Agent if any has been appointed, in writing, of the name of the officer, director, stockholder, partner or employee designated by such owner to occupy its Unit. The non-individual owner may change such designee from time to time by similar written notice to the Condominium Board or Managing Agent if any has been appointed. All designees must be bona fide officers, directors, stockholders, partners or employees of such owner.

(B) The foregoing restrictions in this paragraph (iii) do not apply to Unsold Units, which may be leased to any Persons (whether individuals, corporations, partnerships, fiduciaries or other entities) and, in the case of Unsold Units, occupied by any Person authorized by such lessee and approved by the owner of such Unsold Units, who is not required to comply with the designation notice requirement set forth in the preceding paragraph.

(iv) Notwithstanding anything to the contrary contained in this Article, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(A) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unsold Unit; and

(B) use any one or more Unsold Units as model units and offices for the sales, promotions, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

(b) Use of the Common Elements. (i) Subject to the terms of the next succeeding paragraph, the Common Elements and the facilities thereon 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, and which are incident to the use and occupancy of the Units. In addition, no Unit Owner or occupant of any Unit may obstruct or suffer the obstruction of any part of the Common Elements. Notwithstanding the foregoing, the Limited Common Element appurtenant to each Unit is limited to the exclusive use and enjoyment of owner of such Unit.

(ii) Notwithstanding the terms of the preceding paragraph, Sponsor or its designee shall have the right (and expressly reserves to itself and its designees an easement), without charge or limitation so long as there are any Unsold Units in the Condominium or any adjacent buildings being constructed and marketed by the Sponsor or its designee, to: (A) 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 any building or facility on the Common Elements; (B) have its employees, contractors, subcontractors and sales agents present on the Property; (C) 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 Common Elements or the Units, as expressly undertaken by Sponsor, or in compliance with Sponsor's obligations; and (D) to enter and utilize the Common Elements in connection with any work by Sponsor or its designee on any adjoining property. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Article 9

Easements for the Enjoyment of Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, the Unit Owners (including Sponsor, as long as it owns any Unit), all other permitted tenants and occupants of the Buildings, the Managing Agent (if any), 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 General Common Elements, and the General 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 purpose for which they are intended and without encroaching upon the rights of other Permitted Persons to do so.

(b) Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for the use thereof.

(c) 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 construction, sale or renting of Unsold Units, or the easements reserved in Paragraph (b)(ii) of Article 8 hereof. In addition, Sponsor shall have the right, to the extent not prohibited 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 and Common Elements (including without limitation the exterior walls and adjacent sidewalk).

Article 10

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 Elements and utility distribution system serves, or is necessary to the service of, such Unit Owner's Unit and all of the Common Elements shall be subject to such easement. 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 on not less than one day's 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 Property, for the safety of the occupants of the Condominium or other persons, or to avoid the suspension of any necessary service in the Condominium.

(b) Sponsor reserves for itself and 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 Property or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units or for the provision of utility services to adjacent properties, 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 agents, shall have a 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 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 (w) the initial construction of the project by the Sponsor as contemplated by this Declaration, (x) the settling 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 any portion of any structure or improvement on the Property, 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, structure, improvement or Common Elements shall stand.

(e) In addition to the specific easements set forth in this Article 10 and in Article 9 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 11

Changes in Unsold Units

(a) Sponsor or its designee shall have the right, to the extent not prohibited by law, without obtaining the consent or approval of the Condominium Board, or Mortgage Representative (if any), to subdivide any Unsold Unit into separate Units, provided and on condition that:

(i) Such subdivision into separate Units shall be appropriately reflected in (1) an Agreement to this Declaration recorded in the Register's Office, and (2) an Amendment to the Floor Plans filed with the Register's Office, each such Amendment to set forth all information required by the Condominium Act; and

(ii) The Common Interest of each newly established Unit shall be allocated in conformity with the Condominium Act, provided, however, (1) the Common Interests of all newly established Units shall equal the Common Interest of the original Unit being so subdivided, and (2) the Common Interests of all Units shall equal 100%.

(b) Sponsor or its designee shall have the right, to the extent not prohibited by law, without obtaining the consent or approval of the Condominium Board, other Unit Owners or Mortgage Representatives (if any):

(i) To make alterations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in to and upon Unsold Units, provided and on condition that: (A) no physical modification shall be made to any other Units and the Common Interests and interior dimensions of any other Units shall not be changed by reason thereof, unless the owner or purchaser (if a purchase agreement has been executed and the purchaser is not in default thereunder) of any such other affected Unit shall consent thereto; and (B) such alteration, addition or improvement shall not jeopardize the of the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property;

(ii) To change the layout of, or number of rooms in, any Unsold Units, provided and on condition that the Sponsor or its designee (as the case may be) shall comply with applicable law; and

(iii) To change the size and/or number of Unsold Units by (1) further subdividing one or more Unsold Units into two or more Units, (2) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Units, (3) altering the boundary walls of any Unsold Unit, or

(4) otherwise, provided and on condition that: (A) the Common Interest of any Unit affected by such change in size or number shall be appropriately reapportioned in accordance with the factors, conditions and restrictions set forth in paragraph (a) of this Article 11; and (B) the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Units and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act.

(c) In the event that one or more Units is subdivided into two or more Units in accordance with the foregoing provisions of this Article 11, all newly established Units as well as the Owners, tenants and occupants thereof, shall be subject to, bound by 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.

(d) The provisions of this Article 11 may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

Article 12

Acquisitions of Units by the Condominium Board

If (i) any Unit Owner surrenders his 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, in 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 designees 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 13

Power of Attorney to Sponsor and 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 (i) the Sponsor, to amend the Condominium Documents pursuant to the terms of Article 17 hereof; and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(A) 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;

(B) 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

(C) 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 powers of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the City Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibit E to this Declaration.

Article 14

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 in accordance with the provisions of Section 339-t of the Condominium Act.

Article 15

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 Sponsor, the Condominium Board, any officer of the Condominium, or the Managing Agent (if any), as the case may be, requesting the same, execute, acknowledge and deliver to Sponsor, the Condominium Board, any officer of the Condominium, or the Managing Agent, as the case may be, such instruments, in addition to those specifically provided for herein, and take such other action, as Sponsor, the Condominium Board, any officer of the Condominium, or the Managing Agent, as the case may be, 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) Subject to paragraph (c) below, 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 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 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 16

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 16, 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 or the succeeding to title, 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 a 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 16, 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 17

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, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of eighty (80%) percent of all Unit Owners, both in number and in aggregate Common Interests, taken in accordance with the provisions of the By-Laws. However, no amendment, modification, addition, or deletion pursuant to the preceding sentence shall be effective without the written consent of the Mortgage Representatives (if required by the terms of the applicable mortgage), if any, provided such consent shall not be unreasonably withheld or delayed. In addition, such amendment, modification, addition, or deletion: (i) shall not be effective until recorded in the City Register's Office; and (ii) 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. No amendment may be made which will in any way affect the rights of the Sponsor unless the Sponsor shall consent to such amendment.

(b) Sponsor or its designee 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 the Sponsor's or such designee's sole option, to require the Condominium Board or any other Unit owners to execute, acknowledge and record) in the City Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including the Exhibits hereto), together with such documents, plans and maps as the Sponsor or such designee deems appropriate to effectuate the same:

(i) to reflect any changes in the Unsold Units, including any reapportionment of the Common Interest resulting therefrom made by the Sponsor in accordance with the terms of Article 11 hereof, or any assignment or revision of a tax lot to any Unit; or

(ii) required by an Institutional Lender, any governmental agency having regulatory authority over the Condominium, or any title insurance company selected by Sponsor to insure title to any Units; provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this paragraph (b) shall not (1) change the Common Interest of any Unit not then owned by Sponsor, (2) require a material, physical modification of any Unit not then owned by Sponsor or of the Common Elements, or (3) adversely affect the priority or validity of the lien of any mortgage held by an institutional lender unless the owner of the affected Unit (in the event described in clause (1) or (2) of this subparagraph (ii)) or the holder of such mortgage (in the event described in clause (3) of this subparagraph (ii)) 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 officer of Sponsor, or (ii) if on behalf of the Unit Owners or by the Condominium Board, by the President or Vice President and by 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, 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 which would:

(i) (A) unreasonably interfere with the sale, lease or other disposition of an Unsold Unit; (B) abridge, modify, suspend, eliminate or otherwise affect any right,

power, easement, privilege or benefit to Sponsor or its designee; or (C) impose any discriminatory charge or fee against Sponsor or its designee, unless Sponsor or such designee shall consent thereto, by joining in the execution of such Amendment; or

(ii) change the permitted use of any Unit or such Unit's Common Interest, unless the owner of such affected Unit shall consent thereto by joining in the execution of such Amendment.

Article 18

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 19

Person to Receive Service

Any member of the Condominium Board is hereby designated to receive service of process in any action that may be brought against the Condominium relating to the Common Elements or to more than one of the Units.

Article 20

Incorporation by Reference

The terms, covenant, 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 21

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 22

Severability

Subject to the provisions of paragraphs (b) and (c) of Article 16 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 23

Successors and Assigns

The rights and/or obligations of, and limitations imposed on, Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, its successors and assignees as well as any designated transferee of its 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 24

Construction

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 25

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.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____ day of _____, 200__.

Donmar Development LLC

By: _____

ACKNOWLEDGMENT

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

On the ____ day of _____ in the year 200__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A TO THE DECLARATION OF
94-96 SKILLMAN STREET CONDOMINIUM

DESCRIPTION OF THE LAND

[TO BE INSERTED]

EXHIBIT B TO THE DECLARATION OF
94-96 SKILLMAN STREET CONDOMINIUM

THE PREMISES KNOWN AS
94-96 SKILLMAN STREET, BROOKLYN, NEW YORK

DESCRIPTION OF UNITS

[TO BE INSERTED]

EXHIBIT "C" TO THE DECLARATION OF
94-96 SKILLMAN STREET CONDOMINIUM

DEFINITIONS

"Appurtenant Interest." With respect to any Unit, the undivided interest of the owner thereof, 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 designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other asset of the Condominium.

"Building." The building being constructed on the Land, located at 94-96 Skillman Street, Brooklyn, New York.

"By-Laws." The By-Laws of the Condominium, which are annexed as an Exhibit to the Plan, as the same may be amended from time to time pursuant to the terms thereof.

"Common Elements." All of the Property except the Units, including the Land and improvements thereon (other than the Units), as well as those facilities thereon, 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 as more particularly described in of Article 6 of the Declaration. The Common Elements are divided into the General Common Elements and the Limited Common Elements. The Limited Common Elements appurtenant to a Unit are reserved for the exclusive use and benefit of the owner of such Unit. The General Common Elements consist of all the Common Elements other than the Limited Common Elements.

"Common Charges". The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Expenses". 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 General Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacement with respect to the Common Elements, or to make up any deficit in the General 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.

"Common Interest". The undivided percentage interest of each Unit in the Common Elements.

"Condominium". 94-96 Skillman Street Condominium, established pursuant to the terms of the Declaration and which is to be governed pursuant to the terms of the By-Laws.

"Condominium Act." Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

"Condominium Board" or "Board of Managers." The governing body of the Condominium, whose members shall be selected pursuant to the terms of Article 2 and 4 of the By-Laws.

"Condominium Documents." The Declaration, the By-Laws and the Rules and Regulations.

"Declaration." The instrument to be executed by the Sponsor and recorded in the Kings County City Register's Office for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof. A copy of the Declaration is set forth as an Exhibit to the Plan.

"Designee." A person or entity designated by Sponsor or by a designee of Sponsor to succeed to the rights of Sponsor.

"Facilities." The improvements and other facilities being part of the Common Elements.

"Family Members." The spouse, children (natural and adopted), grandchildren, great grandchildren, siblings, parents, parents-in-law, grandparents, great grandparents and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit.

"First Closing." The first date upon which title to a Unit is conveyed to a purchaser who is not a shareholder of the Sponsor.

"Floor Plans." The floor plans of the Unit filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements." The Common Elements of the Condominium, other than those portions thereof constituting Limited Common Elements.

"Initial Control Period." The period ending thirty calendar days after the earlier to occur of: (i) two years after the date of closing of title to the first Unit; or (ii) when the Unsold Units constitute less than fifty (50%) percent of the Common Interests.

"Institutional Lender." (i) A savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, N.Y.S.-licensed mortgage banker, or mortgage trust, or (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system.

"Institutional Mortgage." 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.

"Land." The land upon which the Project is situated, as more particularly described in Exhibit A to the Declaration.

"Limited Common Element." The designated portion of the General Common Elements appurtenant to a particular Unit, which is reserved for the exclusive use and benefit of the owner of such Unit.

"Managing Agent." A Person employed by the Condominium Board pursuant to Section 2.4 of the By-Laws.

"Majority of Unit Owners." Those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.7 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.

"Mortgage Representatives." The representatives of the holders of all Permitted Mortgages encumbering Units.

"Permitted First Mortgage." A Permitted Mortgage that is a first mortgage lien against a Unit.

"Permitted Mortgagee." Any holder of a Permitted Mortgage at the time in question.

"Person." 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.

"Plan." The 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.

"Property" or "Project." The Land and all improvements erected or to be erected on the Land, including the Units, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement." The agreement pursuant to which a Purchaser contracts to purchase a Unit from the Sponsor. The form of Purchase Agreement is annexed as an Exhibit to the Plan.

"Purchaser." A Person or Persons who have executed a Purchase Agreement with respect to a Unit.

"Rules and Regulations." 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.

"Special Assessments." 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 the By-Laws.

"Sponsor." Donmar Development LLC.

"Unit." One of the twelve (12) Units comprising the Condominium formed pursuant to the Declaration, as depicted on the Floor Plans, and as more particularly defined in Article 5 of the Declaration.

"Unit Facilities." All personal property and fixtures now or hereafter existing in, on, or under the Land, any buildings or improvements thereon or on the Units, 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.

"Unit Owner." Any Person who holds fee title of record to a Unit at the time in question.

"Units." More than one Unit.

"Unsold Unit." Any Unit owned by Sponsor or its designee at the time in question.

"Unsold Units." More than one Unsold Unit.

EXHIBIT "E" TO THE DECLARATION OF
94-96 SKILLMAN STREET CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY
94-96 SKILLMAN STREET CONDOMINIUM

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of 94-96 SKILLMAN STREET CONDOMINIUM (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, dated _____, 200_, and recorded in the Kings County City Register's Office on _____, 200_, in Liber _____ Page _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meaning in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") being described as **Unit number** _____ and also designated as Tax Lot _____ in Block _____ of Kings County Tax Map # _____ and on the Floor Plans (does) (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 an 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 Owners' 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 to surrender the same pursuant to the terms of the By-Laws, (c) to subject to 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 any governmental unit or agency or any other public authority having jurisdiction over the property and affairs of the Condominium, 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.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint Donmar Development LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionments of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interests of the Undersigned's Unit, (ii) require a material physical modification to the Undersigned's Unit or to the Common Elements or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the _____ day of _____, 200__.

State of New York; County of _____ :ss:

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

EXHIBIT "G" TO THE OFFERING PLAN

94-96 SKILLMAN STREET CONDOMINIUM

BY LAWS

OF

94-96 SKILLMAN STREET CONDOMINIUM

THE PREMISES KNOWN AS

94-96 SKILLMAN STREET, BROOKLYN, NEW YORK

County of Kings, City and State of New York

INDEX TO BY-LAWS

ARTICLE 1

GENERAL

	<u>Page</u>
Section 1.1 Purpose	6
Section 1.2 Definitions	6
Section 1.3 Applicability of By-Laws	6
Section 1.4 Application of By-Laws	6
Section 1.5 Principal Office of the Condominium	6

ARTICLE 2

BOARD OF MANAGERS

Section 2.1 General	7
Section 2.2 Powers and Duties of the Condominium Board	7
Section 2.3 Certain Limitations of the Powers of the Condominium Board	9
Section 2.4 Exercise and Delegation of Powers and Duties	9
Section 2.5 Number, Election and Qualification of Members	10
Section 2.6 Term of Office of Members	10
Section 2.7 Removal and Resignation of Members	10
Section 2.8 Vacancies	10
Section 2.9 Regular Meetings of the Condominium Board	11
Section 2.10 Special Meetings of the Condominium Board	11
Section 2.11 Waiver of Notice of Meetings	11
Section 2.12 Quorum of the Condominium Board	11
Section 2.13 Conduct of Meetings	11
Section 2.14 Decisions by the Condominium Board	12
Section 2.15 Compensation of Members	12
Section 2.16 Liability of the Condominium Board	12

ARTICLE 3

OFFICERS

Section 3.1 General	12
Section 3.2 President	13
Section 3.3 Secretary	13
Section 3.4 Treasurer	13
Section 3.5 Election, Term of Office and Qualifications of Officers	13
Section 3.6 Removal and Resignation of Officers	13
Section 3.7 Vacancies	13
Section 3.8 Compensation of Officers	13
Section 3.9 Liability of the Officers of the Condominium	13

ARTICLE 4

UNIT OWNERS

	<u>Page</u>
Section 4.1 Annual Meetings of the Unit Owners	14
Section 4.2 Special Meetings of the Unit Owners	14
Section 4.3 Place of Meetings	14
Section 4.4 Notice of Meetings	14
Section 4.5 Quorum of the Unit Owners	14
Section 4.6 Conduct of Meetings	15
Section 4.7 Voting	15
Section 4.8 Election of Members of Condominium Board	16
Section 4.9 Action Without A Meeting	16
Section 4.10 Title to Units	16
Section 4.11 Contractual Liability of Unit Owners	17

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 Maintenance and Repairs	17
Section 5.2 Alterations, Additions, Improvements to the General Common Elements	18
Section 5.3 Alterations, Additions, Improvements or Repairs in or to the Units and Limited Common Elements	18
Section 5.4 Insurance	19
Section 5.5 Casualty or Condemnation	21
Section 5.6 Use of the Property	22
Section 5.7 Use of the Units	22
Section 5.8 Use of the Common Elements	23
Section 5.9 Rights of Access	24
Section 5.10 Modification of the Rules and Regulations	24
Section 5.11 Real Estate Taxes, Water Charges and Sewer Rents	25
Section 5.12 Gas	25
Section 5.13 Electricity	25
Section 5.14 Utilities Serving the General Common Elements	25
Section 5.15 Records and Audits	25

ARTICLE 6

COMMON CHARGES

Section 6.1 Determination of Common Expenses and Fixing of Common Charges	26
--	----

	<u>Page</u>
Section 6.2 Payment of Common Charges	26
Section 6.3 Statement of Common Charges	28
Section 6.4 Default in Payment of Common Charges	28

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 General	29
Section 7.2 Right of First Refusal	29
Section 7.3 Acceptance of Offer	30
Section 7.4 Failure to Accept Offer	30
Section 7.5 Termination of, and Exceptions to, the Right of First Refusal	31
Section 7.6 No Severance of Ownership	32
Section 7.7 Payment of Common Charges	32
Section 7.8 Power of Attorney	33
Section 7.9 Devises, Etc.	33

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 General	33
Section 8.2 Restrictions on Mortgaging	33
Section 8.3 Notice of Unpaid Common Charge and Default	34
Section 8.4 Performance by Permitted Mortgagees	34

ARTICLE 9

ARBITRATION

Section 9.1 Procedure	34
Section 9.2 Binding Effect	34

ARTICLE 10

NOTICES

Section 10.1 General	34
Section 10.2 Waiver of Service of Notice	35

ARTICLE 11

AMENDMENTS TO BY-LAWS

	<u>Page</u>
Section 11.1 General	35
Section 11.2 Special Amendments	36

ARTICLE 12

FURTHER ASSURANCES

Section 12.2 General	37
Section 12.2 Failure to Deliver or Act	37

ARTICLE 13

MISCELLANEOUS

Section 13.1 Inspection of Documents	37
Section 13.2 Waiver	37
Section 13.3 Conflicts	38
Section 13.4 Severability	38
Section 13.5 Successors and Assigns	38
Section 13.6 Gender	38
Section 13.7 Captions	38

BY-LAWS

94-96 SKILLMAN STREET CONDOMINIUM

THE PREMISES KNOWN AS
94-96 Skillman Street, Brooklyn, New York

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.

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 as 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 such capitalized terms shall be applicable to singular and to plural nouns, as well as to the verbs of any tense.

Section 1.3 Applicability of By-Laws. The provision of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the buildings and improvements thereon including the condominium units (hereinafter referred to as "Units") and the common elements and 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 in the Borough of Brooklyn reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1 General. The affairs of the Condominium shall be governed by the Condominium Board.

Section 2.2 Powers and Duties of the Condominium Board. (A) The Condominium Board shall have all 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 and/or any other portions of the Property for which the Condominium Board is responsible pursuant to the Declaration and the By-Laws, 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 accurate books and records with respect to the finances and the operation of the Condominium;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof;

(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 (i) the consent of all Unit Owners present at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said 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 (whether after damage or destruction by fire or other casualty, or as a result of destruction by fire or other casualty, or as a result of eminent domain proceedings or otherwise), 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 vote the votes 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, to collect delinquent assessments by suit or otherwise, to abate nuisances and seek damages from the Unit Owners for violations of

the house rules or rules and regulations herein referred to and 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;

(xix) 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 2.3 Certain Limitations on the Powers of the Condominium Board. Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless 80% 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

(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 12 months of operation.

Section 2.4 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, subject to an 80% vote of the Unit Owners, 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. The Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

Section 2.5 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 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 five individuals (which number may not be increased so long as Sponsor owns any Unsold Units) to be elected by the Unit Owners and the Sponsor, as provided in these By-Laws. Except for members designated by Sponsor or its designee pursuant to the terms of Section 2.8 or 4.8 hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, members, employees, or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. After the expiration of the Initial Control Period, a majority of the Board of managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

Section 2.6 Term of Office 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 individuals to be elected or designated at such meeting are so elected or designated and qualified. The term of office of each of the three individuals elected or designated and qualified at the first annual meeting of the Unit Owners and at all subsequent annual meetings shall be one year. Notwithstanding anything to the contrary contained in this Section 2.6, however, each member of the Condominium Board shall serve until his successor shall be elected or designated 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.

Section 2.7 Removal and Resignation of Members. (A) Any member of the Condominium Board who was elected thereto by the Unit Owners may be removed from office by an 80% vote of Unit Owners. Any member of the Condominium Board who was designated as such by Sponsor or its designee, pursuant to the terms of Section 2.5, 2.8, or 4.8 hereof, may be removed, with or without cause, only by Sponsor or said designee, by giving written notice thereof to the Condominium Board. 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 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 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 2.5 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualifications shall cease.

Section 2.8 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 vote of a majority of the remaining members of the Condominium

Board, to serve until replaced at a special meeting of Unit Owners pursuant to Section 4.2 of these By-Laws.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee.

Section 2.9 Regular Meetings of the Condominium Board. Regular meetings of the Condominium Board may be held at such time and place in the Borough of Brooklyn as shall be determined from time to time by a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given to each member thereof by personal delivery, mail, or telegram at least five business days prior to the day named for such meeting.

Section 2.10 Special Meetings of the Condominium Board. Any member may call a special meeting of the Condominium Board whenever he deems the same to be necessary or desirable. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail or telegram at least five business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.11 Waiver of Notices of Meeting. 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 shall constitute a waiver by him of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.12 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 adjourn the meeting from time to time. At any such adjourned meeting at which a reduced quorum of a majority of the Board is present, any business that might have been transacted at the meeting originally called but for lack of a quorum may be transacted without further notice.

Section 2.13 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. The then 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 be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

Section 2.14 Decisions of 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 2.15 Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.16 Liability of the Condominium Board. (A) No members of the Condominium Board shall have any 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 own bad faith or willful misconduct.

(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 provide (if such provision is reasonably obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Section 3.9 and 4.11 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 4.11 hereof.

(C) 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 such member's acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, 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. 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.

Section 3.3 Secretary. The Secretary shall keep a record wherein the actions of the Condominium Board and the meetings of the Unit Owners shall be recorded and shall act as President in the absence of the President.

Section 3.4 Treasurer. The Treasurer shall keep the financial records and books of account of the Condominium.

Section 3.5 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. The President, Secretary and Treasurer shall be elected from amongst the members of the Condominium Board. No person shall hold more than one office.

Section 3.6 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 President of the Condominium Board. Finally, if the President, Secretary, or Treasurer shall cease to be a member of the Condominium Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date which his membership shall cease.

Section 3.7 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 3.8 Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.9 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 to Unit Owners for his or her own bad faith or willful misconduct.

(B) 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 acts or omissions as, or by reason of the fact that such individual is or was, an officer of

the Condominium except 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 meeting of the Unit Owners. The first annual meeting of the Unit Owners shall be held immediately after the Initial Control Period.

Section 4.2 Special Meetings of the Unit Owners. Any member of the Condominium Board may call a special meeting of the Unit Owners by setting forth, in reasonable detail, the purpose for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes. In addition, a special meeting shall take place promptly after the occurrence of a vacancy in the Condominium Board for the purpose of electing new members of the Board pursuant to Section 2.8 (A) of these By-Laws.

Section 4.3 Place of Meetings. Meetings of the Unit Owners shall be held at the Condominium or at such other location within the Borough of Brooklyn as may be designated by the Condominium Board.

Section 4.4 Notice of Meetings. (A) The Secretary or person calling the meeting shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote or designate members of the Condominium Board 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 or telegram not later than 10 business days prior to the day fixed for the meeting; however, the mailing for such notice to any Unit Owner, addressed to his or her address at the Property, at least 15 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 15 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 51% of the aggregate Common Interests appertain 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 and the quorum required at such meeting shall be a majority of the Unit Owners.

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. The then 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 (A) Voting. Subject to the terms of Section 4.8 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own one or more Unsold Units) shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001% of the Common Interest attributable to his Unit(s).

(B) 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 to vote the Common Interest 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 vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(C) 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 resignation 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.

(D) 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 4.8 Election of Members of Condominium Board. (A) Notwithstanding anything to the contrary in the Declaration or these By-Laws, during the Initial Control Period, Sponsor or its designee shall have the right to designate all of the members of the Condominium Board.

(B) After the Initial Control Period, Sponsor or its designee shall not have voting control over the Condominium Board or veto power over expenditures, except that Sponsor or its designee shall have the power to veto any Common Expenses proposed by the Condominium Board, for a period ending on the earlier to occur of (i) five (5) years after the closing of the first Unit, or (ii) when the Unsold Units constitute less than twenty (25%) percent of the Common Interest in the Condominium. However, the Sponsor will not exercise veto power over any expenses described in the initial budget set forth in the Offering Plan for the Condominium, or over expenses required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of municipal violation; or (iii) to remedy any work order by an insurer.

(C) After the Initial Control Period, Sponsor or its designee shall have the right to designate and elect the following number of members of the Condominium Board: (a) two (2) members, so long as Sponsor or its designee shall own Common Interests aggregating more than twenty five (25%) percent but less than fifty (50%) percent of the Common Interests of all Units; and (b) one (1) member, so long as Sponsor or its designee shall own less than twenty five (25%) percent of the Common Interests of all Units. The remaining members of the Condominium Board shall be elected by a majority vote of Unit Owners. In such election, 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 .0001% of Common Interest attributable to his Unit(s) per member to be elected. However, cumulative voting shall not be permitted, and 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.

Section 4.9 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 Unit Owners, sufficient in number (both in absolute number and in Aggregate Common Interests) 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 4.9 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.10 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 4.11 Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any Managing Agent shall provide (if such provision is reasonably obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officer of the Condominium pursuant to the terms of Section 2.16 and 3.9 hereof, respectively) that the liability of any Unit Owner with respect thereof shall be limited to: (i) such proportionate shares 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 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, kitchen, bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and balcony, if any) and their frames and saddles, exposed plumbing, gas and heating, fixtures and equipment, air conditioning units, lighting and electrical fixtures incorporated therein shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the General Common Elements shall be performed by the Condominium Board as a Common Expense; and

(iii) in or to the Limited Common Elements shall be performed (a) by the Condominium Board as a Common Expense, if necessitated by a condition in the General Common Elements that is the obligation of the Condominium Board to maintain or repair or which is covered by the Condominium's insurance policies; or (b) by the Unit Owner whose Unit is appurtenant thereto at his sole cost and expense, if involving any other maintenance, repairs, or replacements (including, without limitation, individual heating and hot water equipment). In the event a Unit Owner fails to properly maintain or repair any Limited Common Element appurtenant to his Unit, the Condominium Board may take such steps, at the expense of such Unit Owner, as in the exclusive judgement of the Condominium Board are necessary to maintain the Common Elements in a proper state of appearance and repair.

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 hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of the Unit Owner of 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 of 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 balcony, 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 the Land 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 balconies, 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, or Improvements to the General 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 except that any improvements or additions shall only be made after unanimous consent of the Board is obtained.

Section 5.3 Alterations, Additions, Improvements, or Repairs in or to the Units and Limited Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.3, no Unit Owner shall make any structural alteration, addition, improvement, or repair in or to his Unit or its appurtenant Limited Common Elements without the prior written approval of the Condominium Board. The Condominium Board shall grant its approval provided that prior to, and as a condition of, the granting of any such approval, the Unit Owner procures and agrees to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and executes 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, and further provided that the alteration does not impair the structural integrity of the building or any Unit or otherwise interfere with the use of any other Units.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.3, Sponsor or its designee shall have the right pursuant to the terms of Article 11 of the Declaration, without the approval of the Condominium Board to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Units whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with applicable law. In connection therewith, 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 or its appurtenant Limited Common Elements, 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) and appurtenant Limited Common Elements) 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 caused to be made by any Unit Owner; or (ii) to any Person asserting any claim for personal injury or property damage, arising therefrom. Any Unit Owner(s) making alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) and appurtenant Limited Common Elements shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall 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 5.4 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 interests 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 the Condominium Board, as provided in Section 5.5 hereof;

(iii) a New York standard mortgage clause in favor of each Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Condominium Board;

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least 30 days prior written notice to all of the insured, 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 30 days prior to the expiration of the then 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-insured (a) the Condominium Board and each member thereof, (b) the Managing Agent (if any), (c) each officer 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 own Unit or its appurtenant Limited Common Elements);

(ii) 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 sufficient to avoid the effects of co-insurance; and

(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 \$300,000 in the aggregate until the first regular meeting of the Condominium Board elected by the Unit Owners.

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 a year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4 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 General 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. 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, its appurtenant Limited Common Elements, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the General 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 the damage covered by the insurance.

(C) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the General Common Elements are taken in a Taking, the Work shall not be performed unless 80% or more of all Unit Owners (including Sponsor or its designee, if Sponsor or such designee shall then own any Units), both in number and in aggregate Common Interests, 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 not be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds and the resulting sale, together with any Trust Funds, 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 first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit in the order of priority of such liens.

Section 5.6 Use of the Property. (A) No nuisance shall be allowed on the Property. 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) Each Unit shall be used only as a residence. Notwithstanding the foregoing, however, during the Initial Control Period upon the written consent of Sponsor (or after the Initial Control Period upon the prior written consent of the Condominium Board) a Unit may be used as a professional or business office or for any other purpose other than that set forth in this paragraph (B) provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unit. Notwithstanding anything to the contrary in these By-Laws, without the unanimous consent of Unit Owners, no Unit or Common Element or Limited Common Element shall contain a commercial kitchen, nor shall any unit be used for the purposes of a school, place of religious worship, play group, nursery or banquet hall.

(C) 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. Additionally, in no event 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 (C)) may be accommodated therein.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board of the Unit Owners:

(i) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, other than those set forth in the last sentence of Section 5.7(B), provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unsold Unit; and

(ii) use any one or more Unsold Units as model units and offices for the sales, promotions, rental, management and operation of the unsold Units or for any other purpose, subject only to compliance with Law.

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 Unit 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 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, if any) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls and stairways shall be used only for normal ingress and egress.

(B) Notwithstanding the terms of paragraph (A) of this Section 5.8, Sponsor or its designee shall have the right, without charge or limitation so long as there are any Unsold Units, to: (i) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the General Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the main entrances 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 General 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. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 Right of Access. (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall and hereby does grant to the Condominium Board, to the Managing Agent or manager (if any), and/or to any other Person authorized by any of the foregoing a right of access to his Unit and its appurtenant Limited Common Elements 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 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 and their appurtenant Limited Common Elements 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 and hereby does grant a right of access to his Unit and its appurtenant Limited Common Elements, and the Condominium Board shall and hereby does grant rights of access to the General Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Limited Common Elements, in such a manner as will unreasonably interfere with the use of such Unit and Limited Common Elements for their 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, such taxes, charges and rents shall be payable by the Condominium Board.

The Condominium Board may act as an agent of each Unit Owner who has given his written authorization to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all such Unit Owners and to commence and prosecute a special proceeding for the review of assessments of real estate property as an aggrieved person. The Condominium Board may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and may charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Condominium Board shall have a lien pursuant to the terms of these By-Laws.

Section 5.12 Gas. Gas shall be supplied to each Unit through a separate meter for such Unit and each Unit Owner shall be required to pay all charges for gas consumed or used in his Unit directly to the utility company servicing the Building as and when billed therefor.

Section 5.13 Electricity. Electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefor.

Section 5.14 Utilities Serving the General Common Elements. The cost and expense of water, steam and electricity serving or benefitting any General Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board and (iii) charged to the Unit Owners 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 and books of account with respect to the financial affairs of the Condominium, which records and books of accounts 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 dates when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within 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 and certified by an independent certified public 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 of Common Charges. (A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject to the restrictions set forth in Section 2.3 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 among 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 may, as 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.

(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.

(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 any restrictions contained herein, to levy Special Assessments to meet the Common Expenses.

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 Unit for the period subsequent to a sale, 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 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 Mortgagee (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 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; (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit and (iv) at the time of conveyance, and in the event that the Unit is encumbered by a Permitted Mortgage, the Unit Owner shall deposit with the Condominium Board an amount equal to the product of the then currently monthly debt service on the Permitted Mortgage multiplied by 24. 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.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Charges 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). 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 Section 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 the 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 weekdays.

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 30 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 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-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 collectible 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 Common 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 all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, (if any) in connection with collecting such unpaid Common Charges and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorney's 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 will be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

(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 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 attorney's fees, disbursements and court costs.

Section 7.2 Right of First Refusal. (A) Subject to the terms of Sections 7.5 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 SECTION 7.2 AND 7.3 OF THE BY-LAWS OF THE SAID 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 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 Unit, together with its Appurtenant Interests, or to lease his 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 outlined 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 20 business days after receipt of the notice referred to in paragraph (A) (provided that if further information had been requested pursuant to the terms of paragraph (B) hereof, such 20 day period shall commence on the receipt of such information), 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. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Unit without the prior approval of a Majority of Unit Owners.

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, a lease or contract 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) 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 the then 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 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 Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises 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 time 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 120 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 120-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 the then 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 in its sole and absolute discretion. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease shall be for a term of not less than six months and shall not be for less than an entire Unit;

(ii) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in its sole and absolute discretion in each instance;

(iii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in its sole and absolute discretion in each instance; and

(iv) 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 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 unreasonable charge, such certificate upon written request of 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 Section 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 owner of such Unit to any of his or her adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that owns more than 50 percent of the legal and beneficial interest of such Unit Owner or entity with respect to which such Unit Owner (individual or otherwise) owns more than 50 percent of the legal and beneficial interest thereof;

(ii) Sponsor or its designee, with respect to the Unsold Units;

(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; or

(v) any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall continue to 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 Unit unless he 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 provided that if a Unit Owner shall convey his Unit without having paid in full all such payments, the purchaser of such Unit shall be responsible for all such payments.

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 13 of the Declaration, in the form set forth as an Exhibit to the Declaration and the new Unit Owner shall bear the cost of recording the Unit Owner's Power of Attorney.

Section 7.9 Devises, Etc. Any Unit Owner shall be free to devise his Unit together with its Appurtenant Interests by will or to have the same pass by intestacy, 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 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 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 Unit unless and until he 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) Any mortgage or other document mortgaging, pledging, or hypothecating title to a Unit shall include 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 reasonably required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or noninstitutional lender to

make the mortgage loan.

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, her or its 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 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 such 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 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.

ARTICLE 9

ARBITRATION

Section 9.1 Procedure. Any dispute between the Unit Owners, members of the Condominium Board, or Officers of the Condominium shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association then obtaining.

Section 9.2 Binding Effect. The decision in any arbitration conducted pursuant to the terms of Section 9.1 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

ARTICLE 10

NOTICES

Section 10.1 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 all members thereof at their respective home addresses;

(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 a 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 10.1 shall be deemed given 2 business days after deposit 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 States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 10.2 Waiver of Service. 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 11

AMENDMENTS TO BY-LAWS

Section 11.1 General. (A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "Special Amendments") affecting or in favor of Sponsor or its designee, any Unsold Unit(s), and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of eighty (80%) percent of all Unit Owners, both in number and in aggregate Common Interests, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.9 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 4.9 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.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration of these By-Laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof; and

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed.

Section 11.2 Special Amendments. (A) Any amendments, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or its designee without the consent of the Condominium Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or such designee as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-in-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. 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.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, or the holder of any present or future mortgage, pledge, lien, or security agreement covering any Unsold Unit unless and until Sponsor, such designee, and/or such holder (as the case may be) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, or subparagraph (iv) or (v) of paragraph (B) of Section 7.5, hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 12

FURTHER ASSURANCES

Section 12.1 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 herein, and take such other action as such other Person may reasonably 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 12.2 Failure to Deliver or Act. (A) Subject to the provisions of (B) below, if any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge and deliver or to take action required to be taken 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 13

MISCELLANEOUS

Section 13.1 Inspection of Documents. Copies of the Declaration, these By-Laws, and 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 and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 13.2 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 13.3 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 the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 13.4 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 enforceable to the fullest extent provided by law.

Section 13.5 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 the then Unsold Units.

Section 13.6 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 13.7 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.

**EXHIBIT "H" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM**

ESCROW AGREEMENT

AGREEMENT made as of this 14th day of January, 2004 between Donmar Development LLC. ("SPONSOR") as sponsor of the offering plan for 94-96 Skillman Street Condominium, and Newman & Berger ("ESCROW AGENT") as escrow agent.

WHEREAS, Domanr Development LLC. is the sponsor of an offering plan to convert to condominium ownership of the premises located at 96 Skillman Street, Brooklyn, New York; and

WHEREAS, Newman & Berger, is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. **ESTABLISHMENT OF THE ESCROW ACCOUNT.**

- 1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Citibank N.A. at its branch located at 330 Madison Avenue, New York, New York. The account number is _____.
- 1.2 The name of the account is 94-96 Skillman Street Condominium - - Attorney Trust Account (IOLA).
- 1.3 ESCROW AGENT are the sole signatory of the account.
- 1.4 The escrow agent shall be a non-interest-bearing account as disclosed in the offering plan.
- 1.5 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 prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of 96 Skillman Street Condominium - Attorney Trust Account. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account,

shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

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

3. RELEASE OF FUNDS.

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both SPONSOR and the purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction, or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR 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 of the firm or by the successor firm and shall notify the Department of Law of such transfer.
- 4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.
5. GENERAL OBLIGATIONS OF ESCROW AGENT.
- 5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.
- 5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.
6. RESPONSIBILITIES OF SPONSOR.
- 6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.
- 6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.
7. TERMINATION 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 resignations 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 and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution. Under any circumstance.

11. SEVERABILITY.

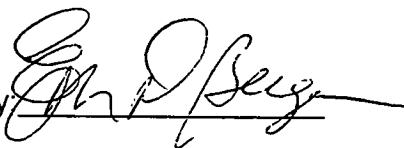
11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provision of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall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

12. ENTIRE AGREEMENT.

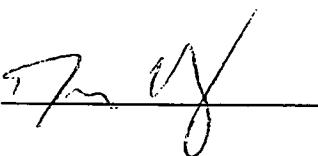
12.1 This Agreement, read together with GBL Section 352-3(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT:
Newman & Berger

By: 

SPONSOR:
Donmar Development LLC.

By: 

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS**

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

4. This is an application for
[] return of downpayment.
[] forfeiture of downpayment.
[] other: _____

5. The project is [] a conversion of occupied premises.
[] newly constructed or rehabilitated.
[] vacant (as is).

6. The project is structured as
[] a cooperative.
[] a condominium.
[] a homeowners association.
[] a timeshare.
[] other: _____

2/6/92

7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If downpayments are maintained in an escrow account:
- (a) Name of account _____
 - (b) Name and address of bank _____
 - (c) Account number (if known) _____
 - (d) Initial interest rate (if known) _____
10. If downpayments have been secured by bonds:
- (a) Name and address of bond issuer or surety: _____

 - (b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

11. If downpayments have been secured by a letter of credit:
- (a) Name and address of bank which issued the letter of credit: _____

 - (b) Date of expiration of the letter of credit, if known:

12. Plan information:
- (a) Date of filing of plan: _____

- (b) Plan
[] has been declared effective. Approximate date: _____
[] has not been declared effective.
- (c) If effective, the plan
[] has closed or the first unit has closed. Approximate date: _____
[] has not closed.
[] don't know.
- (d) Downpayments are secured by
[] escrow account.
[] bonds.
[] letter of credit.

13. Contract information:

- (a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)
- (b) Date on which subscription or purchase agreement was signed: _____
- (c) Date(s) of downpayment(s): _____
- (d) Total amount of downpayment(s): _____
- (e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

H-7

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ **Date:** _____

Name (Printed): _____

Telephone: (Home) _____ **(Business)** _____

Mailing Address: _____

2/6/92

**EXHIBIT "I" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM**

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPAL

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

Re: Condominium Offering Plan
94-96 Skillman Street Condominium
Brooklyn, New York

Donny Kanovsky, being duly sworn, deposes and say:

Donmar Development LLC is the sponsor of the above-referenced offering plan. Donny Kanovsky is the principal of the Sponsor.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does and that documents submitted 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;

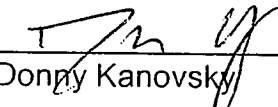
(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

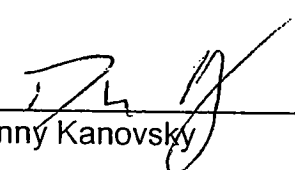
(vii) not contain any representation or statement which is false, where we:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made not reasonable effort to ascertain the truth, or
- (d) did not have knowledge concerning the representations of statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Donmar Development LLC

By: 
Donny Kanovsky


Donny Kanovsky

Sworn before me this
14th day of January, 2004.


Notary Public

EPHRAIM D. BERGER
Notary Public, State of New York
No. 41-4822768
Qualified in Queens County
Commission Expires 6/30, 2006

**EXHIBIT "J" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM**

**HERTZBERG AND SANCHEZ
295 NORTHERN BOULEVARD
GREAT NECK, NEW YORK 11021
1516.482.3558**

**CERTIFICATION BY SPONSOR'S ENGINEER/ARCHITECT
PURSUANT TO SECTION 20 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

January 6, 2004

Department of law
Of the State of New York
120 Broadway, 23rd floor
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: 94-96 Skillman Street
Town of Brooklyn



The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm prepare a report describing the construction of the property (the report). I visually inspected existing portions of the property Nov. 19, 2003, and examined the building plans and specifications that were prepared by the office of Karl Fisher, License No: 021282, dated June 20, 2003 and prepared the report on Nov. 20, 2003, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the report.

I am a licensed engineer 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 this certification. This certification is made for the benefit of all persons to whom this offer is made. I certify the report:

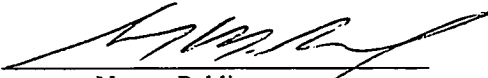
- i. Sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that the construction is in accordance with the plans and specifications that I examined;
- ii. In my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgement 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 specification that we examined;
- iii. Does not omit any material fact;
- iv. Does not contain any untrue statement of a material fact;
- v. Does not contain any fraud, deception, concealment, or suppression;
- vi. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. Does not contain any representation or statement which is false, where I (a)Knew the truth; (b)with reasonable effort could have known the truth; (c)made no reasonable effort to ascertain the truth, or(d) did not have knowledge concerning the representations or statement made.

I further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor, and that my compensation for preparing this Report is not contingent on the conversion of the property to 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.



Affirmed before me this
9 day of JAN, 2004


Notary Public

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
No. 01000000000000000000
Qualified to Perform Notary
My Commission Expires Dec. 16, 2014

**EXHIBIT "K" TO THE OFFERING PLAN
94-96 SKILLMAN STREET CONDOMINIUM**

King David international Realty

Licensed Real Estate Broker

616 Williamsburg Station

Brooklyn, N.Y. 11211

Tel. (718) 222-1500 Fax. (718) 624-1497

11-21-2003

**CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

RE. 94-96 Skillman Street, Brooklyn, New York

The sponsor of the condominium offering plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1 containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed Real Estate Broker for over Five years; the management of approximately Ten buildings; and, the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE 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.

We certify that the Schedules:

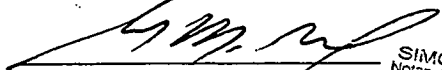
1. Set forth in detail the projected income and expense for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Does not omit any material fact;
4. Does not contain any untrue statement of a material fact;
5. Does not contain any fraud, deception, concealment, or suppression;
6. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Does not contain any representation or statement which is false where we:
 - a. Knew the truth;
 - b. With reasonable effort, could have known the truth;
 - c. Made no reasonable effort to ascertain the truth; or,
 - d. Did not have the knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expense for the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to civil and criminal penalties of the General and Business Law and Penal Law.



GIORGIO MAYER
Licensed Real Estate Broker

Affirmed to before me this
28 Day of Nov., 2003.


NOTARY PUBLIC

SIMON M. NEUSTEIN
Notary Public Lic. # 01NE6052-31
Kings County, New York
Commission Exp. Dec. 18, 2006

