
CONDOMINIUM OFFERING PLAN
THE 529 COURT STREET CONDOMINIUM

Property Located at
529 Court Street
Brooklyn, NY 11231-3910

Total Offering Price of:	<u>\$12,364,000.00</u>
Twenty-five (25) Residential Units	\$12,364,000.00
Thirteen (13) Parking Units	<u>Not for Sale</u>
Total	\$12,364,000.00

Sponsor:

Freud Court Street Properties LLC
477 Madison Avenue
New York, NY 10022
(212) 421-8900

Selling Agent:

Troutbrook Company LLC
477 Madison Avenue
New York, NY 10022
(212) 421-8900

Date of Acceptance for Filing: January __, 2005. This Offering Plan may not be used after January __, 2006 unless this Offering Plan is extended by a duly filed amendment.

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

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN).

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

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PART I

1. SPECIAL RISKS

A. Additional Closing Costs. This Plan provides for each Purchaser at the Closing to pay both the New York State and New York City real property transfer taxes imposed on the transfer of the Unit purchased, contribution to the cost of preparing this offering plan in the amount of \$650, and the fees of Sponsor's attorneys for the Closing. Absent such an agreement, these costs would be payable by Sponsor. See "Closing of Title to Units in Closing Costs and Adjustments," Part I, Section 15.

B. No Mortgage Loan Contingency. A Purchaser will be granted a mortgage loan contingency only in the absolute discretion of Sponsor. If a Purchaser is granted a mortgage loan contingency, such contingency will be deemed to be satisfied whether or not conditioned on other factors, except for an appraisal. In such case, the Purchase Agreement will be contingent upon the issuance of a loan commitment, not upon the funding of such loan by the lending institution. The withdrawal by such lending institution of its loan commitment for any reason, including but not limited to, a change in Purchaser's financial condition or an inability to obtain an extension of such commitment, will not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement. In the event that Sponsor grants to a Purchaser a mortgage loan contingency, the Purchaser will be obligated to make application for the loan through a New York licensed mortgage broker which is not affiliated with Sponsor. See "Terms of Sale," Part I, Section 14.

C. Purchase Money Loans May Be Restricted Depending on Sales of Units. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35% or 50%) of the apartments in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan if the percentage of Units purchased is lower than a lender's particular sales minimum. See "Terms of Sale," Part I, Section 14.

D. Recreation Rooms and Attics. Residential Units 101, 102 and 103 contain a recreation room and PH 1 contains attic space. The Purchaser of each of those Units is advised that the NYC Building Code does not permit a recreation room or attic space to be used as a bedroom or living room. Use of the recreation room as either a bedroom or living room could result in building violations posted against the Building. See "Description of Property and Improvements," Part I, Section 4, and "Description of Property and Specifications," Part II, Section A.

E. Section 421(a) Real Property Tax Law Real Estate Tax Benefits. Application will be made by Sponsor for partial exemption from real estate taxes on the Units pursuant to Section 421 (a) of the Real Property Tax Law. There can be no assurances of when such exemption will become effective; therefore, the exemption may not be effective upon the Closing of a Unit. See the sections titled "Notes to Schedule A," Part I, Section 6; "Rights and Obligations of Sponsor," Part I, Section 16; "Real Estate Taxes," Part I, Section 20; and "Opinion Letters," Part II, Section H.

F. Restrictions on Purchaser. Prior to the Closing, the Purchase Agreement prohibits a Purchaser from listing the Unit with any broker, advertising, publicizing, or otherwise offering the availability of the Unit for sale. See "Terms of Sale," Part I, Section 14.

G. Reservation of Roof Easement by Sponsor. Sponsor, Sponsor-designees and their successors, assigns, invitees, licensees, contractors, employees and tenants have reserved nonexclusive easements (a) over and access to those portions of the roof above the elevator bulkhead and mechanical, boiler, and storage rooms, and from such portions through the core and telecommunications conduits, lines, pipes, flues, ducts, wires, cables, risers, wiring, equipment and other facilities of the Building, for any lawful purpose, including, but not limited to, the purposes of installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment, and the conduits, lines, pipes, flues, ducts, wires, cables, risers, wiring, equipment and other facilities of the Building relating thereto, located in such easement areas, which may serve the Property, other premises and/or businesses, and (b) maintaining any encroachment on any Common Element resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided, however, that Sponsor's use of such easements will be exercised in a manner as will not unreasonably interfere with the use of the Units and Common Elements for their permitted purposes. Sponsor will be liable for any damage to the Property resulting from such use. The aforementioned easements may be used by Sponsor for its own account or the account of any licensee of Sponsor. The Condominium will not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements and equipment. Any satellite dishes or other facilities placed upon the roof by Sponsor will be the exclusive property of Sponsor and neither the Condominium nor any other Unit Owners will have any rights with respect thereto. Upon commencement of use of such easements, Sponsor will provide the Condominium with evidence of, and during such use will maintain, general public liability insurance with respect to such use in an amount not less than \$1,000,000. See "Rights and Obligations of Sponsor," Part I, Section 16.

H. Sponsor Control of Board. Sponsor will have control of the Board of Managers until the earlier of: (1) the closing of the sale of seventy-five percent (75%) of the Units, or (2) three (3) years after the First Unit Closing. Within thirty (30) days of such date, a meeting of the Unit Owners will be held to elect a new Board. While Sponsor is in control of the Board, Sponsor will have control of the maintenance and operation of the Condominium and will determine the Common Charges to be paid for all Unit Owners (including Sponsor). Nevertheless, Sponsor will be required to vote to authorize the expenditures set forth in Schedule B of this Plan and any other expenditure required: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer. See "Control by Sponsor," Part I, Section 17.

I. Restrictions on Non-Sponsored Controlled Board. If Sponsor has relinquished control of the Board and Sponsor and Sponsor-designees continue to own at least one (1) Unit, but in no event later than five (5) years after the First Unit Closing, the Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make or allow any addition, alteration or improvement to the Common Elements, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the

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

As long as Sponsor or a Sponsor-designee will own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or a Sponsor-designee; or (ii) interfere with the offer and sale or leasing of Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary or desirable for construction, renovation, repair, or correction of the Property or any Unsold Unit, as determined by Sponsor or a Sponsor-designee, as the case may be. See "Control by Sponsor," Part I, Section 17.

J. Power of Attorney to Sponsor. Sponsor or any Sponsor-designee, on behalf of the Board of Managers, under a Power of Attorney granted by the Declaration, may execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with following: any addition, alteration, or improvement (structural or nonstructural, ordinary and extraordinary, interior and exterior), repair or subdivision of any Unsold Unit or the use or operation of any Unsold Unit, or any portion thereof; any change the layout or number of rooms in any Unsold Unit or any change in the size and/or number of any Unsold Unit by subdividing or combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any such Unit or otherwise, incorporating Common Elements into the Unit as long as such incorporation has no material adverse impact on any other Unit Owner and, upon such incorporation, the Common Element will become a Limited Common Element, and reapportioning among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant Common Interests; provided, however, Sponsor or Sponsor-designee, as the case may be, will indemnify and hold the Board of Managers and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents. See "Rights and Obligations of Sponsor," Part I, Section 16, and "Declaration," Part II, Section F.

K. Modifications of Plans and Specifications. Sponsor reserves the right to make changes to the Plans and Specifications, provided that any substitution of materials, appliances, or equipment will be equal or better quality (as determined by the project's architect) than the item substituted for and any necessary approval of any governmental authority will have been first obtained. Sponsor may not change the size or location of any Unit or other improvements or Common Elements if such change affects the percentage of Common Interest or materially and adversely affects the value of any Unit to which title has closed or for which a Purchase Agreement

has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change. See "Description of Property and Improvements," Part I, Section 4 and "Rights and Obligations of Sponsor," Part I, Section 16.

L. Not All Units and Common Elements May Be Completed Before Closing; No Security to Guaranty Sponsor's Performance. Although Sponsor is obligated to complete the Units and the Common Elements, as described in this Offering Plan, and to obtain a permanent certificate of occupancy for the Building, each Purchaser will be obligated to close on the purchase notwithstanding that on the Closing Date Sponsor has not obtained a permanent certificate of occupancy for the Building or completed construction of (a) minor details of the Unit, (b) other Units, or (c) the Common Elements, provided that Sponsor has obtained a temporary certificate of occupancy with respect to the Unit and the Common Elements necessary for Purchaser's use of the Unit and all required services are being reasonably supplied or furnished to the Unit. Sponsor represents that its assets and funding sources are sufficient to meet its obligations under the Offering Plan, including, but not limited to, its obligation to complete the Building and obtain a permanent certificate of occupancy for the Building. Except upon issuance of a temporary certificate of occupancy, in which event a bond or security deposit in the amount estimated by the Architect to obtain the permanent certificate of occupancy will be provided, no bond or other security will be given to secure Sponsor's obligations to complete construction and perform its other obligations, including but not limited to its obligation to pay Common Charges, assessments and real estate taxes with respect to Unsold Units under this Plan. See "Rights and Obligations of Sponsor," Part I, Section 16.

M. Roof Terraces Not Ready for Use. Residential Units 201, 206, PH 1, PH 2, PH 3 and PH 4 will contain appurtenant roof terraces which are Limited Common Elements. Sponsor will not provide any appropriate surface on such roof area to allow for its use, nor will Sponsor provide any fencing or other improvement to such roof areas; however, the roof will be made ready by Sponsor for Unit Owners to install a paving system on pedestals. It should be noted that the Rules and Regulations provide that no roof Limited Common Element may be used without the installation of a deck or other surface approved by the Board which will be maintained at the sole cost and expense of the Unit Owner having exclusive use of such Limited Common Element. No Unit Owner may install any plants on the roof without the prior written approval of the Board of Managers. Plants shall be contained in boxes of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace, balcony or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes will be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plants may be contained in masonry or hollow tile walls which will be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. It will be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. See "Rules and Regulations" in the Bylaws, Part II, Section G.

N. No Washers or Dryers or Air-Conditioners. Sponsor will neither be providing (i) clothes washers and dryers, although Sponsor will provide adequate plumbing in the washer/dryer closet in each Unit with adequate venting, water and electrical service for a Unit Owner to install

standard or stackable consumer residential machines, or (ii) air-conditioners, although Sponsor will provide electric hookups and through-the-wall sleeves for air-conditioners. See "Description of Property and Improvements," Part I, Section 4, and "Description of Property and Specifications," Part II, Section A.

O. Down Payment in Excess of \$100,000. Purchasers are advised that if a Purchaser makes a Down Payment in excess of \$100,000 for the purchase of a Unit, such Down Payment will not be federally insured in excess of \$100,000, and while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, which will only be at most for a few days prior to the Closing, the Down Payment may not be fully federally insured even if the Down Payment does not exceed \$100,000. See "Procedure to Purchase," Part I, Section 12.

P. Parking Units. There will be thirteen (13) Parking Units, which are not for sale. Sponsor may lease a Parking Unit to any Person, even if not a Residential Unit owner, in Sponsor's absolute discretion; therefore, a Parking Unit will not be available for each or any of the owners of the Residential Units. One Parking Unit will be dedicated for handicapped use. See "Parking Units," Part I, Section 10.

Q. Lease of Residential Units. Sponsor, including any Sponsor-designee, has reserved the right, upon closing of the sale of fifty percent (50%) of the Residential Units, to lease Residential Units in the Building. If Sponsor or any Sponsor-designee, elects to do so, depending on the number of Residential Units in the Building being leased, this may adversely effect the ability of Purchasers to obtain financing or refinancing for his or her Residential Unit. In addition, a Purchaser may be purchasing a previously occupied Residential Unit, which first will be disclosed to a Purchaser. Sponsor will endeavor in good faith to sell, in a reasonably timely manner, all Residential Units to Purchasers. Until at least 50% of the Residential Units are so sold and conveyed to Purchasers, Sponsor will not rent Unsold Residential Units. After such 50% threshold is achieved, Sponsor will continue to endeavor in good faith to so sell Residential Units to Purchasers, but reserves the right, if market conditions become unfavorable after the filing of this Plan, to rent Unsold Residential Units until they may be sold at prices determined in good faith to be satisfactory to Sponsor. Sponsor's good faith efforts to sell to Purchasers include multi-listing Unsold Residential Units with brokers, showing Unsold Residential Units to brokers and prospective Purchasers or their representatives, filing updated Amendments to the Plan and otherwise engaging in customary sales activities. Prospective Purchasers should nevertheless be aware that they potentially may be living with transient tenants in up to 50% of the Residential Units for an indefinite period, depending upon market conditions, while Sponsor continues to endeavor in good faith to sell Residential Units to Purchasers at prices determined in good faith to be satisfactory to Sponsor. Transient tenants will receive the same Building services and use the Building's amenities (e.g., the lobby) as owner-occupants; however, they have no investment in their Residential Units and, therefore, do not share the same economic interests as owner-occupants in the maintenance and care of the Building's facilities and amenities. Prospective Purchasers should also be aware that Sponsor and any other non-resident Shareholders may be at odds with owner-occupants on expenditures for items like lobby and hallway decorations and capital improvements. In addition, Sponsor will have a significant role in the governance of the Building by reason of its voting control of the Board during the period of time Sponsor is entitled to control the Board. Even thereafter, Sponsor will continue to have a voice

in governance due to its right to vote the Shares allocated to the Unsold Residential Units. Moreover, Sponsor and any other non-resident Shareholders will at all times have the same right as owner-occupants to vote on issues that require approval or consent of Shareholders (such as the exercise of the Board's Right of First Refusal to purchase or lease a sold Residential Unit or to amend the Bylaws or Declaration). See "Rights And Obligations Of Sponsor," Part I, Section 16.

R. Non-Sponsored Controlled Board. After the Sponsor relinquishes control of the Board, there is no requirement that the Board members have to be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. It should be noted that owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing. See "Board of Managers," Part I, Section 18.

S. Storage. The cellar will contain storage space, which will be used as the Condominium determines. There is insufficient storage space for each Residential Unit to be allocated to it a designated area; therefore, no representation is made that a Residential Unit owner will have any or, if allocated storage space, the amount of such space. See "Description of Property and Improvements," Part I, Section 4, and "Description of Property and Specifications," Part II, Section A.

2. INTRODUCTION

Sponsor and Offer of Sale

Freud Court Street Properties LLC, a limited liability company organized under the laws of the State of New York (the "Sponsor"), presents this Offering Plan (the "Plan") for the establishment of condominium ownership of the land (the "Land"), consisting of approximately 8,373 square feet in the City and State of New York, located at 529 Court Street, Brooklyn, NY, and also known as Block 478, Lot 1, as shown in the Kings County Tax Map, and the six (6) story plus penthouse floor building thereon (the "Building").

The Building contains approximately 41,640 gross square feet (including cellar). The Land and Building were acquired by Sponsor on August 12, 2003. The Land, Building, and appurtenances are hereinafter referred to as the Property.

This Plan sets forth all the material terms of the offer to sell Units in the Condominium. The Condominium is subject to and will comply with the New York Condominium Act. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served on all Purchasers and on Unit Owners. The Plan, including Part II, constitutes the entire offer of the Sponsor. Copies of the Plan and all Exhibits submitted to the Department of Law in connection with the filing of this Plan will be available for inspection by prospective purchasers or their attorneys without charge and copying at a reasonable charge at the Building whenever the on-site sales office is open.

The Building will be built by Sponsor in accordance with all applicable law. On completion of construction, the Building will be divided into twenty-five (25) condominium Residential Units and thirteen (13) Parking Units.

Sponsor will be offering for sale pursuant to this Plan twenty-five (25) condominium Residential Units in accordance with the schedule of sales prices (Schedule A) set forth in Part I, Section 6. These prices have been set by Sponsor and are not subject to approval by the Department of Law or any other governmental agency. Sponsor represents that it will endeavor in good faith to sell all the Residential Units rather than rent them. If Sponsor makes a bulk sale of all or some or all of its Unsold Units, the transferee successor sponsor will be bound by Sponsor's representations regarding its commitment to sell Residential Units. Pursuant to the loan documents between Sponsor and its construction lender, The Community Preservation Corporation, Sponsor may not declare the Plan effective until it has sold at least thirteen (13) Residential Units at a minimum sales price of \$213,900 for 3-room Residential Units; \$318,496 for 4-room Residential Units; and \$428,952 for 5-room Residential Units.

From and after the Effective Date of this Offering Plan as hereinafter described, Sponsor will, by Declaration of Condominium recorded in the office of the City Register for Kings County, submit the Property to Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The proposed Declaration is set forth in Part II, Section F, of this Plan.

The Plan is presented in two Parts in one volume. Part I sets forth a general description of the Plan, including the relevant provisions of various agreements known as the Project Documents. Part II contains a detailed physical description of the Condominium, together with copies of the forms of many of the documents that will affect the use, resale, or mortgaging of each Unit. Both Parts, including all schedules and exhibits, constitute the entire offer of Sponsor. These documents should be reviewed carefully by each prospective Purchaser and his or her attorney prior to signing a Purchase Agreement. Copies of the Plan, all exhibits to the Plan, and Project Documents are available for inspection by prospective purchasers and their attorneys at the on-site offices of Sponsor, and are also available for inspection and copying at a reasonable fee at the New York State Department of Law, 120 Broadway, New York, NY. See Section 3 for definitions of certain capitalized terms used in this Plan.

Features of Condominium Ownership

The ownership of a Unit in the Condominium is similar in many respects to the ownership of a private one-family unit. Each Unit Owner owns his or her Unit outright (in fee simple absolute) and generally is entitled to its exclusive possession and to its use for any legal purpose, subject to the provisions of the Declaration, By-Laws of the Condominium, and any Rules and Regulations promulgated by the Condominium, which each Unit Owner is obligated to comply with. A Unit Owner is also the owner, in common with all other Unit Owners, of all remaining parts of the Property, except for the Units themselves (collectively, called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements has been determined pursuant to Condominium Act Section 339-i. Any portion of the Common Elements which are for the use of one or more specified Units to the exclusion of all others are known as "Limited Common Elements."

A Unit Owner may sell or lease (for periods of at least one (1) year) such Unit Owner's Unit subject only to the right of first refusal exercisable by the Board to purchase or lease the Unit, as the case may be, on the same terms the Unit has been offered; however, this right of first refusal will not apply to Sponsor, a Sponsor-designee, or any owner of Unsold Units.

Each Unit may be separately mortgaged and the Unit Owner will be responsible for interest and amortization payments on the mortgage, if any, encumbering such Unit Owner's Unit. A Unit is not subject to the lien of any mortgage placed by other Unit Owners on their Units.

Each Unit Owner will be assessed and taxed separately for real estate tax purposes and, therefore, no Unit Owner will be liable for the payment of real estate taxes on any other Unit. In the opinion of counsel for Sponsor, payments of real estate taxes and interest on any mortgage affecting the Owner's Unit, will be deductible for federal, state, and local income tax purposes. See Part II, Section H.

Each Unit Owner, at the Unit Owner's sole cost, may decorate and alter the interior of the Unit Owner's Unit in any way that the Unit Owner desires, subject to the provisions of the By-Laws and the Rules and Regulations promulgated by the Condominium and all applicable Law. Each Unit Owner will be solely responsible for the cost, ordinary and extraordinary, of maintenance of and repairs to the Unit Owner's Unit and all plumbing, heating, telecommunications, sanitary, and

electrical systems, fixtures and equipment located within the Unit and connections to common lines and which exclusively serve such Unit Owner's Unit, and for the cost of all electricity consumed within the Unit Owner's Unit, as measured by individual electric meters.

A Board of Managers, which will be elected by the Unit Owners after an initial period of control by Sponsor, will be charged with the primary obligation for operating the Property. Each Unit Owner's vote will be weighted in accordance with the Owner's percentage interest in the Common Elements. A description of a Unit Owner's right to vote for and to serve as a member of the Board of Managers, and a description of the rights and obligations of the Board of Managers is contained in Section 19 and in the Condominium By-Laws (Part II, Section G).

The Board of Managers will make almost all decisions concerning the manner in which the Condominium will be maintained. This will include making decisions regarding hiring of a management company to manage the day-to-day operations of the Condominium, preparing budgets, entering into service contracts, and the making of repairs and improvements, all of which may impact on the amount of Common Charges.

The Board of Managers will be responsible for paying, among other things, the cost of electricity consumed in the Common Elements, water and gas consumed at the Building, repairing, maintaining, and making necessary replacements to the Common Elements (not including Limited Common Elements which benefit only one Owner), and insurance against casualties causing damage to the Building and Common Elements and certain other potential liabilities. See Section 7, Schedule B, and the notes thereto which more fully discuss the Common Expenses which will be paid by the Board of Managers.

The By-Laws require that each Unit Owner will maintain casualty and liability insurance insuring the Unit Owner to cover personal effects, the interior of the Unit and individual liability risk or responsibility.

Each Unit Owner must pay monthly Common Charges in accordance with the Declaration, the By-Laws, and the applicable provisions of the Condominium Act, in order to pay the Common Expenses incurred in the operation of the Property and the maintenance of the Common Elements. The Board of Managers will assess Common Charges against the Unit Owners in proportion to their respective interests in the Common Elements based on its estimate of Common Expenses and against all Units, in accordance with their Common Interest, based on its estimate of Common Expenses. The estimated Common Charges for each Unit for the first year of operation of the Condominium are set forth in Section 6, Schedule A.

Copies of Plan

A Plan will be made available to any person who wishes his or her own copy upon delivery to Sponsor of a deposit in the amount of \$250, payable by check or money order. The deposit will be refunded if the depositor executes a Purchase Agreement and the required Down Payment is paid or if the copy of the Plan is returned undamaged, except for normal wear and tear, within thirty (30) days of the date such person picked up a copy of the Plan. See "Procedure to Purchase," Part I, Section 12.

**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**

3. DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms set forth in the Declaration and By-Laws included in Part II of the Plan.

Appurtenant Interest: With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board or its designee, corporate or otherwise, on behalf of all of the Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

Board, Board of Managers or Condominium Board: The board of managers representing Unit Owners which will conduct the affairs of the Condominium and supervise operation of the Property as provided in the By-Laws.

Building: The building situated on the Land and known as 529 Court Street, Brooklyn, New York.

By-Laws: The by-laws governing the operation of the Property and Condominium as set forth in Part II of the Plan, as they may be amended from time to time.

Closing: The conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Unit.

Closing Date: The date of the Closing.

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

Common Elements: The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon, other than the Units. Common Elements comprise General Common Elements and Limited Common Elements.

Common Expenses:

(a) All costs and expenses incurred generally by the Unit Owners 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 replacements with respect to the

General Common Elements and those Limited Common Elements that the Board is obligated to maintain, or to make up any deficit in the Common Charges for any prior year(s) relating to Common Expenses; and (iii) generally, the conduct of the affairs of the Condominium; and

(b) All sums designated Common Expenses pursuant to the Declaration or By-Laws;

(c) all sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws, incurred with respect to the General Common Elements: and

(d) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Common Elements and those Limited Common Elements that the Board is obligated to maintain.

Common Interest: The proportionate undivided interest, expressed as a numerical percentage, in fee simple absolute in the Common Elements appurtenant to each Unit, as set forth in the Declaration.

Condominium: A form of ownership of real property in which individual Units, as component parts of a whole, are owned in fee simple, with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, "Condominium" specifically refers to "The 529 Court Street Condominium," an unincorporated association formed or to be formed to operate and manage the Property.

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 Documents: The Declaration, the By-Laws, the Floor Plans, and the Rules and Regulations.

Declaration: The recorded written instrument creating the Condominium, pursuant to the Condominium Act, the form of which is set forth in Part II of the Plan, as it may, from time to time, be amended consistent with applicable Law, the Declaration, and the By-Laws.

Eligible Mortgage Holders: The holders of first lien Permitted Mortgages on Units who have submitted a written request that the Condominium notify them of any proposed action requiring the consent of a specified percentage of Eligible Mortgage Holders.

Family Members: The spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, great-grandparents, nieces, nephews and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit, and any other person who reside with the Unit Owner in the Unit as a primary or principal residence and with whom he or she has an emotional and financial commitment and interdependence.

First Unit Closing: The first Closing with a bona fide Purchaser of a Unit.

Floor Plans: The floor plans of the Building and Land filed in the office of the City Register, Kings County, simultaneously recorded with the Declaration, as they may, from time to time, be amended consistent with applicable Law, the Declaration, and the By-Laws.

General Common Elements: The General Common Elements comprise the following:

- i. All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the interior exposed face of the exterior walls; those portions of the walls and partitions dividing a Unit from corridors, lobby, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing a Unit, or, where applicable, the sub-floor and framing joists including any framing attached to such joists from which the dry wall ceiling of a Unit is attached; roof bulkheads; skylights (other than those located in a Unit), if any; water towers and tanks, if any; chimneys; yard areas, if any; roofs and terraces, which are not Limited Common Elements; all cellar areas (excluding the compactor room) which are not part of a Unit;
- ii. All central and appurtenant installations, facilities, and equipment located outside the Units for services such as gas, electric power, telecommunications, water, heat, security and fire prevention, including all pipes, ducts, valves, wires, cables, chutes, conduits and meters used in connection therewith, which serve the Units;
- iii. All central and appurtenant installations, facilities, and equipment located outside the Units for the removal of sanitary waste, including all sewer and drainage pipes and risers, which serve the Units;
- iv. All other apparatus and installations existing in the Building for common use, or necessary for or convenient to the existence, maintenance or safety of the Units or the Unit Owners.
- v. the elevators and their shafts and equipment;
- vi. compactor room and its shafts and equipment;
- vii. stairs, lobby, mail room, and concierge;
- viii. all masonry walls, partitions, floors and ceilings in, on, or under the Building, separating a Unit from another Unit or a Common Element and that portion of all such masonry walls, partitions, floor and ceilings separating a Common Element from a General Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element;
- ix. all central and appurtenant installations and facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage

disposal, telecommunications, and other mechanical and electrical systems which serve the Units and/or the Common Elements only;

x. all interior portions of the Building, to the extent that the same are not a Unit or expressly included as part of the General Common Element; and

xi. storage bins in the basement.

Institutional Mortgage: Any first mortgage covering any Unit that is a Permitted Mortgage and the initial holder of which is either Sponsor or a Sponsor-designee or an institutional lender.

Land: All that certain tract, plot, piece and parcel of land situate, lying and being in the Borough of Brooklyn, the City and State of New York, as more particularly described in Exhibit A to the Declaration.

Law: The laws and ordinances of any or all of the Federal, New York State, and The City of New York governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

Limited Common Elements: The Limited Common Elements consist of those Common Elements which are for the use of one or more specified Units to the exclusion of all others, including the following:

(i) roof, terrace and balcony areas allocated to specific Units as shown on the Floor Plans and indicated on Exhibit B to the Declaration;

(ii) windows and their frames, sills and sashes, all doors that lead to the exterior or to a Common Element and their frames and saddles;

(iii) all central and appurtenant installations inside the Units for services such as gas, electric power, security, fire prevention, telecommunications, water, sanitary disposal, and heat (including all pipes, ducts, valves, wires, cables, chutes, conduits and meters used in connection therewith), which exclusively service or benefit a single Unit; and

(iv) parking lot circulation area.

Majority: With respect to any matter or matters, a majority of Unit Owners means, as the case may be, (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units.

Managing Agent: A company employed by the Board pursuant to the By-Laws, which will undertake to perform the duties and services that the Board will direct and which will have whatever

powers the Board will delegate, subject to the limitations contained in the By-Laws. As of the First Unit Closing, the Managing Agent will be Troutbrook Management Corp., having an office at 477 Madison Avenue, New York, New York 10022.

Parking Unit: A designated area on the Land, as shown on the Floor Plans, which may only be used to park a motor vehicle, together with its appurtenant Common Interest, which will be owned in fee simple absolute, subject to the Condominium Documents and Permitted Encumbrances.

Permitted Encumbrances: Encumbrances to the title to a Unit which a Purchaser agrees to take title subject to, as more particularly itemized on Schedule B annexed to the form of Unit Deed in Part II, Section E.

Permitted Mortgage: Any mortgage covering a Unit, the holder of which has given written notice to the Board that it desires to receive notice of: any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage; any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; a lapse, cancellation, or material modification of any insurance policy maintained by the Condominium; and any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

Permitted Mortgagee: Any holder of a Permitted Mortgage at the time in question and/or any guarantor or insurer of such mortgage.

Person: A natural person, corporation, partnership, unincorporated Condominium, limited liability company, trust, estate, fiduciary, syndicate, joint venture, organization, government or any department or agency thereof, or other legal entity in the State of New York.

Plan or Offering Plan: The document, as may be amended from time to time, filed with the New York State Department of Law, which describes the Property and pursuant to which individual Units in the Condominium are offered for sale.

Plans and Specifications: The plans and specifications of the Building which, to the extent required by Law, have been filed with, and approved by, the Building Department of The City of New York and all other governmental authorities having jurisdiction and whose approval is required, as such plans and specifications may, from time to time, be amended in accordance with the provisions of this Plan.

Power of Attorney: The document, signed by Unit Owners, which appoints (i) the Board as attorney-in-fact, inter alia, to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interest thereto and to deal with any such Units so acquired as they may determine; and (ii) the Sponsor or any Sponsor-designee, as attorney-in-fact, inter alia, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney and to sign certain applications or other documents required to be filed with any

governmental agency in connection with any addition, alteration, improvement, repair, subdivision or operation of Unsold Units.

Property: The Land, the Building, the Units, and the appurtenances thereto, including, without limitation, all Common Elements. Purchase Agreement: The agreement to purchase a Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

Purchase Price: The purchase price for acquisition of a Unit under the relevant Purchase Agreement.

Purchaser: The person or persons who executed a Purchase Agreement which was accepted by Sponsor.

Recording Officer and Recording or Recorded: Will have the meanings stated in Section 290 of the New York Real Property Law.

Residential Unit: A designated residential apartment Unit in the Building which will be owned in fee simple absolute, subject to the Condominium Documents and Permitted Encumbrances

Rules and Regulations: The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as they 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.

Selling Agent: The entity which will, on behalf of Sponsor, originate and supervise sales of the Units. The Selling Agent is Troutbrook Company LLC, having an office at 477 Madison Avenue, New York, NY.

Special Assessments: The charges allocated and assessed by the Board to the Unit Owners, pro rata in accordance with their respective Common Interests in accordance with the By-Laws, except as otherwise provided in the Declaration or in the By-Laws.

Sponsor: Freud Court Street Properties LLC, a New York limited liability company, having an office at 477 Madison Avenue, New York, NY 10022.

Sponsor-designee: Any person designated by Sponsor to hold title, or to be its successor, to any Unsold Unit, including but not limited to any member of Sponsor or member of any limited liability company which is a member of Sponsor. Sponsor's statement in writing that a Person is a Sponsor-designee will be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan, the Declaration, and By-Laws. A Sponsor-designee will have the right to designate a Person to succeed to its rights and any such designee will also be deemed a "Sponsor-designee."

Unit: Any space in the Building or the Land designated as a Unit in the Declaration, consisting generally of a specific apartment in the Building or parking space, together with an

appurtenant proportionate undivided interest in the Common Element. Each Unit is part of the Property and intended for any type of legal use or uses, and adjoins an exit to a public street or highway or a Common Element or Common Elements leading to a public street.

Unit Deed: The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

Unit Designation: The number, letter or combination thereof or other official designations conforming to the tax lot number, designating the Unit in the Declaration and on the floor plans.

Unit Owner: The Person owning a Unit in fee simple absolute.

Unsold Residential Units: An Unsold Unit which is a Residential Unit.

Unsold Units: Any Unit owned or retained (by way of lease or any other arrangement by which management and/or financial responsibility is retained) by Sponsor or Sponsor-designee, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of its principals, is a member.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I will have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

4. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Land is located on the northeast corner of Court Street and Garnet Street, Brooklyn, New York, containing approximately 8,373 square feet.

A gas and automobile service station was formerly located on the Land. As of the presentation of this Plan, the Building and Units are under construction. The Building and Units will be constructed substantially in accordance with the Plans and Specifications prepared by Kutnicki Bernstein Architects PLLC, which are on file in the office of the Sponsor, and will conform to all applicable Law. If there is a variation between the Plans and Specifications and applicable Law, the Plans and Specifications will be amended accordingly, if required by the Building Department of The City of New York.

Upon completion, the Building will have six (6) stories and will contain 41,640 square feet of gross floor area, consisting of 25 Class "A" dwelling units (as defined by the Multiple Dwelling Law), three (3) of which will be studio apartments, six (6) one-bedroom apartments and sixteen (16) two-bedroom apartments. The Building will have one (1) passenger elevator. Residential Units 101, 102 and 103 contain a recreation room and PH 1 contains attic space; Residential Units 201, 206, PH 1, PH 2, PH 3 and PH 4 will contain Limited Common Element terraces; Residential Units 301, 401, 306 and 406 will contain Limited Common Element balconies; and Residential Units 202, 302, 402, 203, 303, 403, 204, 304, 404, 205, 305 and 405 will contain Limited Common Element Juliet balconies. The first floor lobby will contain a video intercom to each apartment and key card access security system. Mail boxes will be located in the entrance vestibule. Each Residential Unit will contain a refrigerator, stove, hook ups for a washer and dryer, entry points for cable television, internet, and telephone service. Residents will be free to choose from any of the providers servicing the Building. Each floor of the Building will have a trash chute, with a refuse collector in the cellar. The cellar will have a storage area, which will be used as the Board determines; however, Sponsor will have a license, without charge, to use the storage area for eleven (11) months after the First Unit Closing. There will be recreational roof and court yard areas, which will be Common Elements available for use by all Residential Unit Owners. There will be thirteen (13) outdoor Parking Units, one of which will be dedicated for handicapped use.

For a more comprehensive description of the Building and Units, please refer to the "Description of Property and Specifications" in Part II, Section A, and "Site Plan and Floor Plans of Units" in Part II, Section B.

Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures, and other construction details) and to substitute in place of any materials, appliances, equipment, and fixtures set forth therein, materials, appliances, equipment, and fixtures of substantially equal or better quality, as determined by the project architect, provided only that any necessary approval of any governmental authority having jurisdiction is first obtained. Except as provided herein and in Section I of this Plan, all the foregoing amendments, modifications, and changes to the Plans and

Specifications may be made without prior notice or amendment to this Plan; provided, however: (a) no change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common Elements, except by amendment to this Plan and, when applicable, to the Declaration; (b) in no event, unless an affected Purchaser consents or is in default of Purchaser's Purchase Agreement, will any materially adverse change be made in the size or layout of a Unit, the percentage of the Common Interest attributed to a Unit, or the amount or quality of the Common Elements directly affecting or servicing the Unit, or the design or decor of the Unit; and, (c) unless all Purchasers consent, no material adverse change will be made in the quality of the Common Elements.

It is anticipated that construction will be substantially completed in December, 2005.

5. LOCATION AND AREA INFORMATION

Location. The 529 Court Street Condominium will be located on the northeast corner of Court Street and Garnet Street in the Carroll Gardens area of Brooklyn, New York. Carroll Gardens has established itself as one of Brooklyn's premier neighborhoods. The well-preserved brownstone architecture and excellent array of neighborhood shops, restaurants and cultural and educational institutions make the neighborhood attractive for residents of all ages. Combined with easy access to Manhattan and Downtown Brooklyn employment centers, Carroll Gardens provides its residents with neighborhood charm and accessibility.

Schools. The Building is located in Community District 15 and is serviced by the following public schools:

Elementary Schools:

Agnes Y. Humphrey
27 Huntington Street
Brooklyn, NY 11231

Samuel Mills Sprole
317 Hoyt Street
Brooklyn, NY 11231

Brooklyn School for Collaborative Studies
610 Henry Street
Brooklyn, NY 11231

Silas B. Dutcher School PS 124
515 Fourth Avenue
Brooklyn, NY 11215

Brooklyn New School
610 Henry Street
Brooklyn, NY 11231

The Carroll
330 Smith Street
Brooklyn, NY 11231

Home Schooling
360 Smith Street
Brooklyn, NY 11231

The Children's School
512 Carroll Street
Brooklyn, NY 11215

Patrick F. Daly
71 Sullivan Street
Brooklyn, NY 11231

Special Ed Schools:

P372k @ The Children's School
512 Carroll Street
Brooklyn, NY 11215

Intermediate Schools:

New Horizons School @ PS 32
317 Hoyt Street
Brooklyn, NY 11215

School for Leadership @ PS 27
27 Huntington Street
Brooklyn, NY 11231

Stranahan IS #142
610 Henry Street
Brooklyn, NY 11231

The Carroll Gardens School
610 Henry Street
Brooklyn, NY 11231

William Alexander - M.S. #51
350 Fifth Avenue
Brooklyn, NY 11215

High School:

South Brooklyn Community High School
173 Conover Street
Brooklyn, NY 11231

In addition, many private schools are located nearby: Grace Church School, a preschool, is located at 254 Hicks Street; Plymouth Church School, a preschool, is located at 75 Hicks Street; Brooklyn Friends School is located at 374 Pearl Street; St. Ann's School is located at 129 Pierrepont Street; and Parker Collegiate School is located at 170 Joralemon Street. Both St. Ann's and Parker have a preschool program for three-year-olds through the twelfth grade. The Brooklyn Friends School has a preschool program for two-year-olds through twelfth grade.

Also, nearby are Long Island University and Brooklyn Law School.

Police and Fire Protection. Police and fire protection services are provided by The City of New York. The 76th Police Precinct of the New York City Police Department is located at 191 Union Street, and Ladder Company 131 of the New York City Fire Department is located at 252 Lorraine Street.

Cultural Institutions.

Brooklyn Academy of Music
The Brooklyn Museum
The Brooklyn Botanic Gardens
Prospect Park
The Central Branch of the Brooklyn Public Library

Each institution is within walking distance and has a calendar of yearly events that include concerts, children's programs, playground readings, plays, concerts, sporting events, exhibits, travel opportunities, films and dances.

Shopping. A vast array of shopping is available in the surrounding areas, including trendy and ethnic restaurants, gourmet shops and bakeries. The Atlantic Center, located at Atlantic Avenue and Flatbush Avenue, is a suburban style shopping mall offering a super-sized food market, Pathmark is open 24 hours a day, a full-serviced department store, Sterns, an office supply store, Office Max, discount store, Marshall's, and other mall style stores are situated within this complex.

Surrounding Area. The neighborhood is surrounded by four other residential communities: Gowanus is to the southeast, separated by the Gowanus Canal; Red Hook is to the west, separated by Interstate 278; Cobble Hill is to the northwest; and Boerum Hill is to the northeast.

Medical. Small clinics and many chiropractors, doctors and dentist offices are found throughout the area. The major hospitals serving the area are: New York Methodist Hospital, Long Island College Hospital, Downstate Medical Center, Maimonides Hospital and Brooklyn Hospital.

Transportation. Two blocks from 529 Court Street at Smith Street and 9 Street is the New York City F and G subway lines. Bus lines crisscross all the major avenues. LaGuardia International Airport is 25 minutes by car or taxi. A selection of parking garages, both private and public, are also available throughout the area.

Zoning. The Land is located in an R-6 zone, which permits construction of the Building for residential use. It should be noted that the Units will be restricted under the Zoning Resolution to residential uses as well as "home occupation" uses as defined in the Zoning Resolution in Section 12-10. Home occupations cannot have more than one (1) employee and not more than twenty-five percent (25%) of its space dedicated to such use. Further restrictions are listed in Section 12-10.

6. OFFERING PRICES AND RELATED INFORMATION

SCHEDULE A
THE 529 COURT STREET CONDOMINIUM
PURCHASE PRICES AND OTHER FINANCIAL DETAILS
FOR EACH UNIT*

* All projections are for the twelve-month period January 1, 2006 to December 31, 2006

6. SCHEDULE A

Offering Prices and Related Information

For the First Year of Condominium Operation: January 1, 2006 - December 31, 2006

Unit (1)	Bdms/Baths	Balcony/Attic/ Terrace/Rec Rm	Approx. SF (1)	Purchase Price (2)	% of Common Interest (3)	Projected Common Charges (4)		Projected Total Real Estate Taxes (5)		Projected Total Real Estate Taxes (6)		Projected Total Real Estate Taxes + CC (7)		Projected Total Real Estate Taxes + CC	
						Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
101	1/1.5	R	1066	\$ 449,000.00	2.29%	\$ 229.71	\$ 2,684.52	\$ 361.11	\$ 4,333.28	\$ 18.91	\$ 226.96	\$ 248.62	\$ 2,911.48	\$ 590.82	\$ 7,017.79
102	1/1.5	R	1101	\$ 459,000.00	3.58%	\$ 349.73	\$ 4,196.76	\$ 564.52	\$ 6,774.29	\$ 29.57	\$ 354.81	\$ 379.30	\$ 4,551.57	\$ 914.25	\$ 10,971.05
103	2/2.5	R	1500	\$ 563,000.00	4.50%	\$ 439.60	\$ 5,275.25	\$ 709.60	\$ 8,515.17	\$ 37.17	\$ 446.00	\$ 476.77	\$ 5,721.25	\$ 1,149.20	\$ 13,790.42
201	1/1	T - 478 SF	720	\$ 433,000.00	2.36%	\$ 234.55	\$ 2,766.58	\$ 372.14	\$ 4,465.73	\$ 19.49	\$ 233.90	\$ 254.04	\$ 3,000.48	\$ 606.69	\$ 7,232.31
202	2/2	J	933	\$ 459,000.00	3.90%	\$ 380.99	\$ 4,571.89	\$ 614.98	\$ 7,379.81	\$ 32.21	\$ 386.53	\$ 413.20	\$ 4,958.41	\$ 995.97	\$ 11,951.70
203	1/1	J	614	\$ 339,000.00	2.69%	\$ 265.79	\$ 3,153.43	\$ 424.18	\$ 5,090.18	\$ 22.22	\$ 266.61	\$ 288.01	\$ 3,420.03	\$ 689.97	\$ 8,243.61
204	2/2	J	1088	\$ 488,000.00	4.35%	\$ 427.95	\$ 5,099.41	\$ 685.94	\$ 8,231.33	\$ 35.93	\$ 431.13	\$ 463.88	\$ 5,530.54	\$ 1,113.89	\$ 13,330.74
205	2/2	J	1030	\$ 479,000.00	4.01%	\$ 394.74	\$ 4,700.84	\$ 632.33	\$ 7,587.96	\$ 33.12	\$ 397.43	\$ 427.86	\$ 5,098.27	\$ 1,027.07	\$ 12,288.80
206	2/2	T - 1,259 SF	1059	\$ 559,000.00	4.45%	\$ 434.72	\$ 5,216.64	\$ 701.71	\$ 8,420.56	\$ 36.75	\$ 441.04	\$ 471.47	\$ 5,657.68	\$ 1,136.43	\$ 13,637.20
301	1/1	B	720	\$ 346,000.00	2.99%	\$ 295.09	\$ 3,505.11	\$ 471.49	\$ 5,657.86	\$ 24.69	\$ 296.34	\$ 319.78	\$ 3,801.45	\$ 766.58	\$ 9,162.97
302	2/2	J	933	\$ 469,000.00	3.94%	\$ 387.90	\$ 4,618.78	\$ 621.29	\$ 7,455.50	\$ 32.54	\$ 390.49	\$ 420.44	\$ 5,009.27	\$ 1,009.19	\$ 12,074.28
303	1/1	J	614	\$ 349,000.00	2.62%	\$ 255.95	\$ 3,071.37	\$ 413.14	\$ 4,957.72	\$ 21.64	\$ 259.67	\$ 277.59	\$ 3,331.04	\$ 669.09	\$ 8,029.09
304	2/2	J	1088	\$ 498,000.00	4.59%	\$ 448.40	\$ 5,380.76	\$ 723.79	\$ 8,685.47	\$ 37.91	\$ 454.91	\$ 486.31	\$ 5,835.67	\$ 1,172.19	\$ 14,066.23
305	2/2	J	1030	\$ 487,000.00	4.27%	\$ 429.14	\$ 5,005.63	\$ 673.33	\$ 8,079.95	\$ 35.27	\$ 423.20	\$ 464.41	\$ 5,428.83	\$ 1,102.47	\$ 13,085.58
306	2/2	B	1059	\$ 493,000.00	4.39%	\$ 428.86	\$ 5,146.30	\$ 692.25	\$ 8,307.02	\$ 36.26	\$ 435.09	\$ 465.12	\$ 5,581.40	\$ 1,121.11	\$ 13,453.32
401	1/1	B	720	\$ 356,000.00	2.99%	\$ 295.09	\$ 3,505.11	\$ 471.49	\$ 5,657.86	\$ 24.69	\$ 296.34	\$ 319.78	\$ 3,801.45	\$ 766.58	\$ 9,162.97
402	2/2	J	933	\$ 493,000.00	3.89%	\$ 387.01	\$ 4,560.16	\$ 613.41	\$ 7,360.89	\$ 32.13	\$ 385.54	\$ 419.14	\$ 4,945.70	\$ 1,000.42	\$ 11,921.05
403	1/1	J	614	\$ 389,000.00	2.52%	\$ 246.18	\$ 2,954.14	\$ 397.37	\$ 4,768.50	\$ 20.81	\$ 249.76	\$ 266.99	\$ 3,203.90	\$ 643.55	\$ 7,722.64
404	2/2	J	1088	\$ 533,000.00	4.41%	\$ 434.81	\$ 5,169.75	\$ 695.41	\$ 8,344.87	\$ 36.42	\$ 437.08	\$ 471.23	\$ 5,606.82	\$ 1,130.22	\$ 13,514.61
405	2/2	J	1030	\$ 497,000.00	4.47%	\$ 439.67	\$ 5,240.08	\$ 704.87	\$ 8,458.40	\$ 36.92	\$ 443.02	\$ 476.59	\$ 5,683.11	\$ 1,144.54	\$ 13,698.49
406	2/2	B	1059	\$ 509,000.00	4.55%	\$ 444.49	\$ 5,333.87	\$ 717.48	\$ 8,609.78	\$ 37.58	\$ 450.95	\$ 482.07	\$ 5,784.82	\$ 1,161.97	\$ 13,943.65
PH 4	2/2	T - 560 SF	1106	\$ 599,000.00	4.69%	\$ 454.17	\$ 5,497.99	\$ 739.56	\$ 8,874.70	\$ 38.74	\$ 464.83	\$ 492.91	\$ 5,962.81	\$ 1,193.73	\$ 14,372.69
PH 3	1/2	T - 296 SF	889	\$ 520,000.00	3.91%	\$ 384.97	\$ 4,583.61	\$ 616.56	\$ 7,398.74	\$ 32.29	\$ 387.52	\$ 417.26	\$ 4,971.13	\$ 1,001.53	\$ 11,982.35
PH 2	2/2.5	T - 651 SF	1356	\$ 769,000.00	5.44%	\$ 528.43	\$ 6,377.19	\$ 857.82	\$ 10,293.89	\$ 44.93	\$ 539.16	\$ 573.36	\$ 6,916.35	\$ 1,386.25	\$ 16,671.09
PH 1	3/2	T 1452 SF + A	1496	\$ 829,000.00	5.99%	\$ 542.16	\$ 7,021.95	\$ 944.55	\$ 11,334.64	\$ 49.47	\$ 593.67	\$ 591.63	\$ 7,615.62	\$ 1,486.71	\$ 18,356.59
P1			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P2			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P3			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P4			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P5			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P6			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P7			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P8			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P9			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P10			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P11			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P12			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
P13			157		0.17%	\$ 16.61	\$ 199.29	\$ 26.81	\$ 321.68	\$ 1.40	\$ 16.85	\$ 18.01	\$ 216.14	\$ 43.41	\$ 520.97
				\$ 12,364,000.00	100.000000%	\$ 9,775.99	\$ 117,227.84	\$ 15,768.83	\$ 189,228.00	\$ 825.92	\$ 9,911.00	\$ 10,601.91	\$ 127,138.84	\$ 25,544.82	\$ 306,453.84

B = Balcony

T = Terrace

R = Recreation Space

J = Juliet Balcony

A = Attic

Notes to Schedule A

1. Floor Plans depicting layouts of Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the salable square footage of each Unit, as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan are approximate. The square footage calculations of the Units in Exhibit B to the Declaration set forth in Part II of this Plan are also approximate and do not include the square footage of any Common Element. The approximate physical dimensions of each Unit consist of the area and dimensions measured horizontally from the outside of the exterior walls to the center line of the dry wall partitions separating one Unit from another Unit, or to the Unit side of the walls or partitions separating a Unit from corridors, stairs, elevators and other mechanical equipment spaces or other Common Element; vertically, each Unit consists of the area measured from the top of the finish floor to the underside of the finish ceiling. Any terrace, deck or balcony immediately adjacent to a Unit will be deemed a Limited Common Element appurtenant to such Unit and for the exclusive use and benefit of such Unit. Each Unit also includes the interior doors and walls and all plumbing, gas and electrical fixtures, lines, conduits and equipment such as refrigerators, dishwashers, panel boxes, ranges and other appliances, as may be affixed, attached or appurtenant to said Unit, not including the Building heating equipment and system. Plumbing, gas and electrical fixtures and equipment as used in the preceding sentence include exposed and unexposed (to the extent solely serving or benefitting the Unit) gas and water pipes attached to the fixtures, appliances and equipment and the fixtures, appliances and equipment, and appliances and any special equipment, fixtures or facilities affixed, attached, or appurtenant to the Unit.

2. The Purchase Prices and other terms of sale of Units may be negotiated by Sponsor and, therefore, may be changed. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease Purchase Prices or modify other monetary terms of sale, including granting a mortgage loan contingency in a Purchase Agreement in an amount agreed to by Sponsor, without filing an amendment to the Plan at any time during the offering period, if such a decrease in the Purchase Price, modification of other monetary terms of sale, or mortgage loan contingency does not constitute a general offering or an advertised price, but is rather the result of an individually negotiated transaction. See "Changes in Prices or Units," Part I, Section 9, "Terms of Sale," Part I, Section 14, and "Closing of Title to Units in Closing Costs and Adjustments," Part I, Section 15.

3. The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the Condominium Act, is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the

Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit.

4. The projected monthly Common Charges provide for the maintenance of the Property as outlined in Schedule B. The actual first year of operation may be earlier or later than the projected annual period. In addition to these estimated charges, each Unit Owner will be responsible for paying: (i) mortgage debt payments under any loan or loans obtained to finance the acquisition of a Unit; (ii) the cost of electricity, cable, or internet service supplied to the Unit, which will be separately metered or measured by, and will be payable directly to, the utility company or provider of such services as and when billed; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit (including, without limitation, the equipment and appliances contained therein); and (iv) the cost of insurance that the Unit Owner is required under the By-Laws to obtain covering (a) furniture, belongings, equipment and other personal property and (b) his or her liability to others for personal injury or property damage as a result of occurrences in the Unit. Common Expenses are allocated only among the Unit Owners in accordance with their Common Interests. See Schedule B-1 for an estimate of individual energy costs.

5. Assuming the Property does not receive any abatement from real estate taxes, it is estimated that the aggregate real estate taxes attributable to all Units for the first year of Condominium operation will total approximately \$101,825, based on an opinion prepared by Merker Realty Corp., dated February 14, 2004. It is estimated that upon completion of the Building that the assessed valuation of the Property will be \$1,371,205. By law, a cooperative or condominium owned property is required to be assessed as though it were not so owned. In effect, cooperatives and condominiums are assessed similarly to comparable rental apartment buildings. However, the law does not specify which rental buildings should be considered comparable to those subject to rent control or rent stabilization or those free of rent limitations. Estimated monthly real estate taxes have been computed on the basis of the estimated assessed valuation for each Unit multiplied by the tax rate of \$12.159 per \$100 of assessed valuation for fiscal year 2004/2005 and \$13.80 projected for fiscal year 2005/2006. The estimated real estate taxes for each Unit for the first year of Condominium operation assumes that the amount of real estate taxes payable with respect to each Unit will be levied in proportion to its Common Interest. There is no assurance that The City of New York tax assessor will allocate taxes between Units in proportion to their respective Common Interests. If it does not, Owners of Units having the same Common Interest will pay different amounts of real estate taxes. After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for the payments of, nor will the Unit Owner's Unit be subjected to, any lien arising from the nonpayment of taxes on other Units.

If the Condominium is created and Closing occurs prior to the creation of separate tax lots for the Condominium, and there is still only a single real estate tax bill with respect to the entire Property, then each of the Unit Owners will be obligated to pay that portion of the full tax bill as it bears to its individual percentage of Common Interest to the Condominium Board, which will pay the single tax bill, and if in fact the separate assessments for the various Units are made other than in accordance with the relative percentage of Common Interest, then subsequent adjustments will be made among the Unit Owners. The Condominium Board will hold such payments on account of the real estate tax bill in an escrow account.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUES OF THE PROPERTY, THE ESTIMATED ALLOCATIONS, OR THE TAX RATES WILL NOT BE CHANGED.

See "Real Estate Taxes," Part I, Section 20, and the Real Estate Tax Opinion of Schneider Goldstein Bloomfield LLP, dated March 9, 2004, and the opinion of Merker Realty Corp., dated February 14, 2004, both of which are set forth in Part II, Section H.

6. Sponsor intends to apply for real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law of the State of New York. If obtained, such benefits will reduce the real estate taxes payable by Unit Owners. Sponsor expects that these 421-a benefits will commence with the 2004/2005 fiscal year. The amounts set forth are as projected by Merker Realty Corp.

7. The total annual carrying charges do not reflect the after tax cost of the carrying charges. Please consult Counsel's Income Tax Opinion in Part II of this Plan for conditions of deductibility. Purchasers are strongly encouraged to consult with their own tax professionals to ascertain the tax costs and benefits, if any, of ownership of a Unit.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY THAT THE PROPERTY WILL QUALIFY FOR OR RECEIVE BENEFITS UNDER THE 421 PROGRAM. AND IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE, OR THAT SUCH CARRYING CHARGES OR EXPENSES WILL NOT VARY FROM, THE AMOUNTS SHOWN IN SCHEDULE A.

7. SCHEDULE B - BUDGET FOR FIRST YEAR OF CONDOMINIUM
OPERATION¹: January 1, 2006 to December 31, 2006

<u>Projected Income</u>	\$ 117,227.84
Common Charges	

Total Income	\$ 117,227.84
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Projected Expenses

Labor (1)	\$ 29,668.00
Gas for Heating (2)	\$ 8,428.83
Gas for Domestic Hot Water (2)	\$ 6,818.35
Gas for Cooking (2)	\$ 1,600.34
Gas for Laundry (2)	\$ 1,070.65
Electricity (3)	\$ 12,862.67
Water & Sewer (4)	\$ 6,679.00
Services & Supplies (5)	\$ 5,100.00
Repairs (6)	\$ 5,000.00
Insurance (7)	\$ 11,000.00
Management Fee (8)	\$ 16,000.00
Administrative (9)	\$ 1,000.00
Legal and Accounting (10)	\$ 5,000.00
Contingency (11)	\$ 3,500.00
Replacement Reserve (12)	\$ <u>3,500.00</u>
Total Operating Budget	\$ 117,227.84

¹The First Year of Operation is the twelve month period commencing on the date of the First Unit Closing. Between the date of the recording of the Declaration and the date of the First Unit Closing, Sponsor, as the owner of all Units will pay all expenses of the Property during such period.

FOOTNOTES TO SCHEDULE B
THE 529 COURT STREET CONDOMINIUM

(1) LABOR

Includes wages, workers' compensation and disability insurance, welfare and pension costs, payroll taxes, and the cost of sick days, holidays and vacation pay for a projected building staff of one (1) nonresident non-union superintendent with limited doorman responsibilities, who will work forty (40) hours a week, but will be available 24 hours a day, 7 days a week. The superintendent will receive an annual salary of \$29,000.00. This level of staffing complies with all applicable housing and labor laws and meets minimum wage Law.

(2) GAS FOR HEATING, DOMESTIC HOT WATER, COOKING, AND LAUNDRY

These projections were based on an analysis dated December 23, 2003 prepared by Mehandes Engineering P.C., 2 Executive Boulevard, Suffern, NY 10901, who estimated annual consumption as follows:

Heating -	8,429 Therms
Domestic Hot Water -	6,050 Therms
Cooking -	<u>1,420 Therms</u>
Total	15,899 @ 1.127 = \$17,918.17

This summary includes gas consumed for heating all Units, the cellar and public areas of the Building, domestic hot water provided to all Units, one (1) gas oven/stove in each Unit and one (1) gas clothes dryer in each Unit.

(3) ELECTRICITY

This projection was also based on an analysis dated December 23, 2003 prepared by Mehandes Engineering P.C., 2 Executive Boulevard, Suffern, NY 10901, who estimated annual consumption as follows:

Public lighting and power: 82,453 kilowatt-hours @ \$0.156/KWH = \$12,862.67

The summary includes all public area lighting, all mechanical and electrical equipment used to provide central heating, elevator energy, miscellaneous heating, and water pumping energy.

The electrical energy consumption for each individual apartment for general lighting, power, appliances, and air-conditioning is billed directly to Unit Owners on Unit meters and is not included in this analysis.

The consultant assumed a cost of \$0.156 per kilowatt-hour, including all taxes and adjustments.

It is not possible to predict how closely the estimated figures will reflect the actual expenses for electricity during the first years of building operation, since such expenses will vary with the occupancy ratio, temperature set-points in individual apartments, or fluctuations in fuel cost adjustments, State and City surcharges, and variations in annual climate conditions.

(4) WATER AND SEWER

This projection was also based on an analysis dated December 23, 2003 prepared by Mehandes Engineering P.C., 2 Executive Boulevard, Suffern, NY 10901, who estimated annual consumption as follows:

Water - 97.5 CCF (100 Cubic Feet) per Residential Unit @ \$2.74 x 25 = \$6,679.00

The annual cost of water to the Residential Units is based on an average daily usage of 100 gallons per day per person, with an assumed occupancy of two (2) persons for a one-bedroom Unit and three (3) persons for a two-bedroom Unit, at current rates of \$2.74 per 100 cubic feet.

(5) SERVICE AND SUPPLIES

This figure represents the estimated annual cost of contracted services and supplies to and for the benefit of the Common Elements. The estimate for supplies was estimated by Sponsor, based on the experience of its principal in managing newly constructed buildings of similar size, quality and amenities. These estimates are as follows:

Supplies	\$3,000
Exterminating	\$2,100

(6) REPAIRS

This figure represents the projected cost for painting, maintenance and repair of the Common Elements only, as estimated by Sponsor, based on the experience of its principal in managing newly constructed buildings of similar size, quality and amenities. Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Units.

(7) INSURANCE

This figure represents the estimated cost of the following insurance coverages for the Building, based on the proposal of Nancy Hardy Insurance, 270 North Avenue, New Rochelle, New York 10801, in a letter dated February 27, 2004.

<u>Coverages</u>	<u>Limits of Liability</u>
Building - including elevator collision and rental charges "Direct Physical Loss" "All Risk" Replacement Cost (New for Old)	\$4,375,000 (deductible \$5,000) \$144,000 loss of income
Comprehensive General Liability Limits, combined Single Limit, including Water Damage Legal Liability Fire Legal, Elevator Collision and Personal Injury	\$1,000,000 per occurrence with \$2,000,000 annual aggregate
Dishonesty Bond, including Directors and Officers and building employees	\$50,000 (\$500 deductible)
Boiler and Machinery Comprehensive Form	\$4,375,000 (deductible \$1,000)
Directors and Officers liability	\$1,000,000 each wrongful act with \$2,000,000 aggregate limit (\$2,500 deductible)

The property coverage will include an Agreed Amount Endorsement and a Replacement Cost Valuation provision. As a result of these clauses, the insurer agrees to waive any coinsurance that might exist and to settle all losses on a replacement cost basis.

The foregoing coverages will not provide fire and casualty losses to personal property, furniture, furnishings, replacements, additions, fixtures and improvements of Unit Owners, or liability insurance covering the Unit Owner for occurrences within the Property. The By-Laws require that each Unit Owner maintain such coverages at the Unit Owner's expense.

The Condominium's insurance will (1) provide that each Unit Owner is an additional insured; (2) provide that there will be no cancellation without notice to the Board and Unit Owners; (3) waive subrogation; (4) waive invalidity because of the acts of the insured and Unit Owners; and (5) waive pro-rata reduction if additional Unit Owners obtain coverage.

(8) MANAGEMENT FEE

This projection is based on the Management Agreement that is anticipated will be entered into by the Condominium Board at or prior to the First Unit Closing with Troutbrook Management Corp. See section titled "Management Agreement," Part I, Section 21 for further details.

(9) ADMINISTRATIVE

Includes anticipated expenses for reimbursements to the Managing Agent for out-of-pocket disbursements such as for long distance telephone calls, messenger service, express courier,

postage, printing and miscellaneous office supplies, as estimated by Sponsor, based on the experience of Sponsor's principal in managing newly renovated buildings of similar size, quality and amenities.

(10) LEGAL AND ACCOUNTING

This line item is budgeted to provide for the following:

Legal and Collection services	\$ 1,000
Accounting and Audit services (for auditing balance sheet and preparation of profit and loss statement and tax returns)	\$ 4,000

The estimate for legal and collection services was provided by Schneider Goldstein Bloomfield, LLP, 90 Broad Street, New York, New York 10004, and the estimate for accounting and auditing services was provided by Raich Ende & Malter Co. LLP, 90 Merrick Avenue, East meadow, NY 11544 in a proposal dated February 23, 2004.

(11) CONTINGENCY

This amount, to be used at the discretion of the Board of Managers, is intended to benefit the Unit Owners by providing a fund for working capital, unanticipated operating expenses and capital expenditures not included in the budget, and for possible increases in one or more items of operating expense above the amounts projected. The contingency amount budgeted should be distinguished from a capital reserve fund, which is a segregated fund to be used only for capital repairs or improvements.

(12) REPLACEMENT RESERVE

The Bylaws require that the Board of Managers maintain a replacement reserve to be used for major capital repairs and replacements. There can be no assurance that such fund the contingency budgeted will be sufficient to pay for major capital repairs or replacement items likely to be needed within the first five (5) years of Condominium operation.

The budget may be modified from time to time prior to the commencement of, or during Condominium operation to add thereto or increase one or more items of operating expense. The funds for such modifications may be provided by decreasing this budget item or by decreasing one or more items of expense or both.

8. COMPLIANCE WITH REAL PROPERTY LAW §339-i -
BROKER OPINION LETTER

Jarzi Realty Advisors, LLC

215 East 68th Street – suite 7zz
New York, New York 10021

March 2, 2004

Real Estate Financing Bureau
Department of Law, State of New York
120 Broadway- 23rd floor
New York, New York 10271

Re: **The Terraces at Court Street**
529 Court Street, Brooklyn, N.Y.

Ladies and Gentlemen:

This letter is with respect to the Condominium Plan of the premises at the above address and the allocation of the percentage of Common Interest to the respective Units therein.

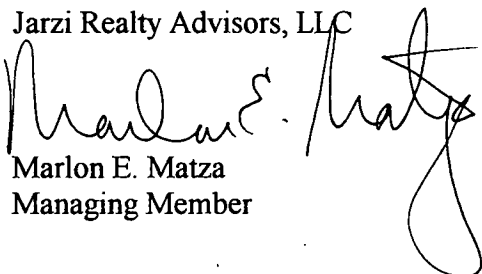
Jarzi Realty Advisors LLC is a licensed real estate brokerage firm in the state of New York. It is our opinion that the allocation of the percentage of Common Interest allocated to the respective Units as set forth in Schedule A of the Condominium Plan are in compliance with the regulations issued pursuant to real Property law Article 9-b, Section 339-i.

To determine the percentage of Common Interest allocated to the respective Units, Sponsor has used method (iv) contained in Section 339i (1) of the New York Condominium Act, that is, such allocations are based upon floor space, subject to the location of such space and additional factors of relative value to other space in the condominium, the uniqueness of the units, the availability of the common elements for the exclusive or shared use, and the overall dimensions of the particular unit.

We agree that this letter may be included in the Condominium plan.

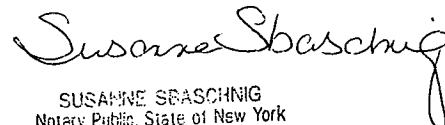
Sincerely:

Jarzi Realty Advisors, LLC


Marlon E. Matza
Managing Member

Sworn Before me this 3rd
day of March, 2004

FOR MARLON E. MATZA



SUSANNE SEASCHNIG
Notary Public, State of New York
No. 41-4950483
Qualified in Queens County
Commission Expires May 1, 2007

9. CHANGES IN PRICES OR UNITS

The offering prices (including, without limitation, the manner of payment thereof and other terms of sale) set forth in Schedule A may only be changed by a duly filed amendment to this Plan when (a) the change in price is an across the board increase or decrease affecting one or more lines of Units, (b) is to be advertised, or (c) is a price increase for an individual Unit. Sponsor may enter into agreements with individual purchasers to sell Units at prices lower than the Offering Prices set forth in Schedule A without filing an amendment. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units. In addition, Sponsor may offer an individual prospective purchaser other inducements to purchase a Unit, such as giving reimbursement of Common Charges for a period of time, granting a mortgage loan contingency in the Purchase Agreement in an amount agreed to by Sponsor, allowing extension of time periods in the Purchase Agreement to obtain financing or to close, providing allowances for optional items or closing costs, or reducing the amount of the Down Payment.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor, for itself and a Sponsor-designee, reserves the right (except to the extent prohibited by Law) at any time and from time to time, before or after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner, or any Unit Owner's mortgagee, to change the layout of, or number of rooms in, any Unsold Unit or to reduce the number of Units to be built in the Condominium, to make nonstructural and/or structural alterations in any Unit owned by it, and to subdivide, combine and change the boundary walls of such Units, and to tap into any utility lines servicing the Building, without the consent of the Board and without entering into an alteration agreement with the Board and without paying any cost or charge to the Board; provided, however, (a) no change in the layout, size, or percentage of Common Interest to a Unit will be made with respect to any Unit for which a Purchase Agreement is then in effect or has been executed and delivered to Sponsor, and with respect to which the Purchaser is not in default, unless (i) the Purchaser consents thereto or (ii) such change is not a material change in the size, dimension, floor space, or layout of such Unit, and (b) no change may be made in the size or the number of Units and/or their respective Common Interests, and no material change will be made in the size or quality of Common Elements, except by amendment to this Plan and, when applicable, to the Declaration.

It should be noted that so long as the layout and dimensions of a Unit conform substantially to the Plans and Specifications, a Purchaser will not be excused from purchasing a Unit for such reason and will not have any claim against Sponsor as a result of such deviation. Sponsor may make changes in the Plans and Specifications without the consent of an affected Purchaser or amending this Plan by substituting any of the materials, fixtures, appliances, and equipment described in this Plan and in the Plans and Specifications with materials, fixtures,

appliances, and equipment of equal or better quality (as determined by the project's architect), provided they are in accordance with the requirements of all applicable Law.

Notwithstanding anything to the contrary contained herein, no change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common Elements, except by amendment to the Plan and, when applicable, to the Declaration, and, 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 the Common Elements.

10. PARKING UNITS

There will be thirteen (13) Parking Units, which will be located in the outdoor covered parking area fronting on Garnett Street, one of which will be dedicated for handicapped use. The Parking Units are not for sale. Sponsor may lease a Parking Unit to any Person, even if not a Residential Unit owner, in Sponsor's absolute discretion; therefore, a Parking Unit will not be available for each or any of the owners of the Residential Units. The Parking Units may only be used for parking of currently registered non-commercial passenger vehicles and pick-up trucks and shall not be used to wash or repair. Owners of the Parking Units, along with the Residential Unit Owners, will share in the payment of General Common Expenses, in accordance with their Common Interest; however, because the Parking Units will not be using or benefitting from many of the services which will be provided to the Residential Units the Common Charges payable with respect to the Parking Units will be specially allocated to them; provided, however, that the Common Charges payable with respect to the Parking Units will be sufficient to cover the Common Expenses attributable to the Parking Units. As projected in the budget provided for in this Plan, Sponsor believes that the Common Charges payable by the Parking Unit Owners are sufficient to cover the Common Expenses attributable to such Units.

11. INTERIM LEASES

Sponsor may lease or permit occupancy of any Unit prior to executing a Purchase Agreement with respect to such Unit and to enter into interim leases for a Unit with respect to which a Purchaser has entered into a Purchase Agreement. No rental protection laws will be applicable to such leases or occupancies. An uncured default under an interim lease will be a default under the relevant Purchase Agreement, and an uncured default under a Purchase Agreement will be a default under the relevant interim lease; provided, however, before Sponsor may utilize a default under an interim lease to declare a default under a Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction, unless the Purchaser/Lessee has vacated the Unit. A Purchaser/Lessee will have ten (10) days to vacate a Unit after a default under the relevant Purchase Agreement or rescission of the Purchase Agreement by the Purchaser/Lessee.

12. PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II, Section B. When a prospective Purchaser has decided to purchase a Unit, a Purchase Agreement in substantially such form must be executed in triplicate.

Among the important provisions of the Purchase Agreement are the following:

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

B. At the time a prospective Purchaser executes a Purchase Agreement, a Purchaser is required to make a Down Payment by check drawn to the order of "Schneider Goldstein Bloomfield LLP Escrow Account" in an amount equal to ten percent (10%) of the Purchase Price.

C. Within thirty (30) days after delivery by Purchaser of an executed Purchase Agreement, together with the required initial Down Payment, Sponsor will either:

(1) accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or

(2) reject the Purchase Agreement offer and refund the Down Payment tendered.

Failure by Sponsor to act within such thirty (30) day period will be deemed a rejection by Sponsor of Purchaser's offer.

D. In accordance with Section 71-a(3) of the Lien Law, Down Payments will be placed in a segregated special escrow account entitled Schneider Goldstein Bloomfield LLP Escrow Account. The depository of such funds will be JPMorgan Chase Bank, One Chase Manhattan Plaza, New York, New York 10081. Section 71-a(3) of the Lien Law also provides, among other things, that Down Payments with accumulated interest, if any, will remain the property of the Purchaser. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit. Purchasers should note as a special risk that any deposit in excess of such amount will not be covered by federal bank deposit insurance.

E. Sponsor will also comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, which provide as follows:

(1) Any provision of any contract or agreement, whether oral or in writing, by which a purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning

escrow/trust funds will prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement. Purchasers will not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

(2) All deposits, down payments, or advances made by each Purchaser prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, in a segregated special escrow account of Schneider Goldstein Bloomfield LLP, the Escrow Agent, whose address is 90 Broad Street, New York, New York 10004 and whose telephone number is (212) 265-2266. The only signatories on this account authorized to withdraw funds are Jay Bloomfield, Harvey Goldstein, and Donald F. Schneider. The name of the account is "Schneider Goldstein Bloomfield LLP Attorney Trust - IOLA," located at JPMorgan Chase Bank, One Chase Manhattan Plaza, New York, New York, New York 10081. A sub-account under that account will be created for each Purchaser.

(3) The sub-account established for each Purchaser will be interest bearing, and all interest earned in such account will be paid to the Purchaser, unless the Purchase Agreement is terminated due to Purchaser's default, in which case all accrued interest and the deposit will be paid to Sponsor. As of February 1, 2004, the rate on deposits was 0.95% per annum.

(4) All instruments will be made payable to or endorsed to the order of "Schneider Goldstein Bloomfield LLP, as Escrow Agent."

(5) Purchasers should note as a special risk that although all funds received by Sponsor for upgrades or extras to a Unit will initially be placed in an escrow account, separate from the Down Payment escrow, such funds may be released from the escrow account without the requirements outlined below upon such upgrades or extras being put in place. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras.

(6) 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. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may apply to the Department of Law for relief and/or cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser in conformity with the Attorney General's regulations.

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

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

(ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or

(iii) a judgment or order of a court of competent jurisdiction.

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

(i) the Escrow Agent is changed pursuant to the terms of the Escrow Agreement in connection with a transfer of funds to the new escrow agent; or

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

(iii) until released in accordance with Section 9 below.

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

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

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

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

(11) Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. The party applying for a determination must send all other parties a copy of the application. A copy of the application form requesting a determination by the Attorney General with respect to the disposition of a Down Payment is set forth in Part II, Section K, of this Plan.

(12) Pending the determination of the Attorney General to grant or deny the application, Sponsor, the Purchaser, and the Escrow Agent will abide by any interim directive issued by the Attorney General.

(13) A copy of the Escrow Agreement, which incorporates the terms of the Attorney General's regulations, is set forth in Part II, Section I.

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

(15) Under no circumstances will Sponsor apply for release of the Down Payment 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.

(16) The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statutes and regulations.

F. After this Plan is declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the First Unit Closing and setting such Purchaser's Closing Date. This notice will be sent by regular mail no less than thirty (30) days before the date set for the Closing of the Units. Purchasers may waive this thirty (30) provision. Sponsor must make written demand for payment after default at least thirty (30) days before forfeiture of the Down Payment may be declared.

G. Sponsor expects that the First Unit Closing will occur on or about January 1, 2006. If such date is delayed twelve (12) months or more, Purchasers will be offered rescission.

H. At Sponsor's sole discretion, a Purchase Agreement may contain a mortgage financing contingency clause which makes such Purchaser's Purchase Agreement contingent upon the issuance within thirty (30) days of a written mortgage loan commitment (a "Commitment") for up to eighty percent (80%) of the Purchase Price at prevailing rates and terms for a conventional first lien purchase money mortgage loan from a commercial bank, savings bank, trust company, savings and loan association, an insurance company, an educational institution, a federal, state municipal or similar public employee's welfare, pension or retirement fund system, credit union to which Purchaser is a member, or state or an agency thereof ("Institutional Lender"). An application for such a mortgage loan commitment must be made through a New York State licensed broker designated by Sponsor (the "Mortgage Broker"), which represents most of the Institutional Lenders making conventional mortgage loans in the New York metropolitan area, within five (5) business days after Sponsor accepts and delivers to Purchaser or Purchaser's attorney the fully executed Agreement. Sponsor will have the right, but not the obligation, to cancel the mortgage financing contingency if Purchaser fails to make such application for such mortgage loan within such five (5) day time period. Purchasers will further agree promptly to furnish to the Mortgage Broker or any

prospective Institutional Lender such truthful, accurate and complete information, data and documents pertaining to Purchaser's financial condition as may be required by such prospective Institutional Lender; pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Institutional Lender to the end of securing the mortgage loan, and comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Sponsor with a copy thereof promptly after receipt. Purchasers' failure to provide information promptly upon request therefor, or to accept a Commitment issued to Purchaser on the terms set forth herein, will constitute an event of default for which Sponsor will have the right to cancel the Purchase Agreement and retain Purchaser's Down Payment. Purchasers will have thirty (30) days from the date Sponsor accepts and delivers to Purchasers the fully executed Agreement to obtain the Commitment as provided above. In the event Purchaser fails to obtain a Commitment within such time period, Purchaser must notify Sponsor of same within five (5) business days subsequent to such twenty (20) day period, or the financing contingency shall be deemed waived by Purchaser. Unless waived by Sponsor, Sponsor, if it so desires, shall then have thirty (30) days after receipt of such notice to secure a Commitment for Purchaser from the same or another Institutional Lender in the same amount at the same or the then prevailing interest rate. In the event no such Commitment is furnished prior to the expiration of such thirty (30) period, this Purchase Agreement shall be terminated and the Down Payment, together with any interest earned thereon, shall be refunded to Purchaser, provided Purchaser has not waived the financing contingency prior to the expiration of such thirty (30) day period. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from any Institutional Lender. Notwithstanding anything above or herein to the contrary, once a Commitment from an Institutional Lender has been issued to Purchaser, then any financing contingency which previously existed is deemed extinguished; provided, however, a Commitment subject to an appraisal satisfactory to the Institutional Lender shall not result in extinguishment of the financing contingency until satisfied. Accordingly, any revocation or withdrawal of such Commitment shall not reinstate any financing contingency, and in such event this Agreement shall remain in full force and effect and Purchaser must pay the balance of the Purchase Price at Closing or be in default. Notwithstanding the foregoing, if the Commitment lapses or expires before Closing, and Purchaser has made a good faith effort to extend the Commitment, Sponsor will grant to Purchaser a right to rescind the Purchase Agreement, provided Purchaser shall have notified Sponsor in writing within ten (10) days of receipt of such offer that Purchaser elects to exercise such right and, upon such election, the Down Payment, together with any interest earned thereon, shall be refunded to Purchaser. Additionally, failure of Purchaser to comply with the terms and conditions of the Commitment which are unrelated to Sponsor's responsibility to perform under the Purchase Agreement or the Offering Plan shall not relieve Purchaser of Purchaser's obligation to close title.

I. At the Closing, each Purchaser will be required to sign and deliver to the Condominium a Power of Attorney in the form set forth in Part II, Section D. Failure to execute and deliver this Power of Attorney would be a default under the Purchase Agreement.

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

K. The Purchase Agreement is not assignable without the express written consent of Sponsor, which may be withheld in Sponsor's absolute discretion. In the event Sponsor grants such a request, Purchaser shall pay Sponsor an assignment fee of \$1,000 and \$500 to Sponsor's counsel for preparation and processing of the assignment.

L. The Purchase Agreement may not contain or be modified to contain any provision waiving Purchaser's rights or abrogating Sponsor's obligations under this Plan or under Article 23-A of the General Business Law.

M. Risk of loss from fire or other casualty remains with Sponsor unless and until a Purchaser takes actual possession of a Unit pursuant to an interim lease (or other written agreement with Sponsor) or legal title to the Unit has been conveyed to Purchaser. If the risk of loss is with Sponsor, Sponsor shall repair any immaterial damage from a casualty or other cause that occurs before the Closing of a Unit and the rights and obligations of Purchaser shall be unaffected by such damage, or, if all or a material part (as determined by Sponsor in its absolute discretion) of the Unit or Condominium is destroyed as a result of a casualty or other cause, Sponsor shall have the option by written notice to Purchaser sent within sixty (60) days of such occurrence to cancel the Purchase Agreement and refund to Purchaser the Down Payment and all other amounts paid by Purchaser for upgrades and extras, but in such event Sponsor shall retain any right to recover damages against Purchaser for any damages or breach of contract by the Purchaser prior to the destruction.

13. EFFECTIVE DATE

Sponsor's offer to sell Units hereunder is contingent upon the Plan being declared effective in accordance with relevant conditions and time periods. All Purchase Agreements are contingent upon such effectiveness. In declaring the Plan effective, the following will govern:

A. Closing of any Unit will not be scheduled or occur before the Plan has been declared effective and an effectiveness amendment to this Plan has been accepted for filing by the New York State Department of Law.

B. The Plan may not be declared effective until executed Purchase Agreements from bona fide Purchasers have been accepted by Sponsor for at least four (4) Units (15% of the Units offered under this Plan); provided, however, the Plan will not be declared effective based on Purchase Agreements:

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

(ii) with any Purchaser who is the Sponsor, a Sponsor-designee, 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 or 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 a bona fide Purchaser; or

(iii) if the Purchaser was not afforded at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement.

C. The Plan may be abandoned by Sponsor, at its sole and unrestricted option, at any time before it is declared effective, except as hereinafter described. Within ten (10) days of abandonment, all monies paid by Purchasers will be refunded to them in full with interest, if any. Sponsor will promptly submit for filing to the Department of Law a proposed Amendment to the Plan reflecting such abandonment and file a notice of abandonment on form RS-3, or such other form as may then be required by the Department, setting forth the reasons for abandonment and the disposition of all funds received.

D. Notwithstanding anything to the contrary contained herein, the Plan may not be abandoned once it has been declared effective or eighty percent (80%) or more of the Units are subject to executed and accepted Purchase Agreements, except as follows:

(i) if there is a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent (.5%) of the total amount of this Offering (exclusive of attorneys fees and title defects and costs associated with determinations of any authority or regulatory Condominium which exist on the date of presentation of this Plan and which are either known to Sponsor or is a matter of public record);

(ii) if substantial damage or destruction of the Building by fire or other casualty has occurred which cannot be cured for less than one-half of one percent (.5%) of the total amount of this Offering (exclusive of attorneys fees and title defects and costs associated with determinations of any authority or regulatory Condominium which exist on the date of presentation of this Plan and which are either known to Sponsor or is a matter of public record);

(iii) if there has occurred a taking of any material portion of the Property by condemnation or eminent domain.

E. The Plan will be declared effective by duly filed amendment.

14. TERMS OF SALE

The terms and conditions of the sale of a Unit to a Purchaser are the following:

A. At Closing, Sponsor will deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to the Purchaser, subject to Permitted Encumbrances. Such deed and appurtenant Common Interest free and clear of all liens, encumbrances and title exceptions other than those described in this Plan and the Deed, which will be in the form contained in Part II, Section E, of this Plan, executed and acknowledged by the Sponsor in form for recording.

B. Purchasers will accept title (without abatement in or credit against the Purchase Price) notwithstanding that on the Closing Date Sponsor has not completed construction of (a) minor details of the Unit or the Property, (b) other Units or (c) the Common Elements which do not prevent Purchaser's use of the Unit and Purchaser's free and unfettered access to the Unit and provided all required services are being reasonably supplied or furnished to the Unit. Purchasers must examine their Units with a representative of Sponsor during normal business hours prior to the Closing Date and must sign and deliver to the Sponsor on or before the Closing Date an inspection statement acknowledging the condition in which the Unit is received. Purchasers will receive five (5) business days notice that the relevant Unit is available for inspection. If a Purchaser fails to inspect the Unit within such five (5) day period through no fault of Sponsor, the Purchaser will be deemed to have accepted the Unit in good condition and in accordance with this Plan. Sponsor will remedy all "punch list" items within ten (10) business days of Closing, except if due to the unavailability of materials, in which case Sponsor will have a reasonable time to complete such items.

C. Purchasers will pay the Purchase Price and closing costs and expenses described in Section 15.

D. Taxes and Common Charges will be apportioned between Sponsor and Purchaser as of the initial scheduled Closing Date, except if such scheduled Closing Date is postponed at Sponsor's request.

E. Closing will take place only after the issuance of a temporary or permanent certificate of occupancy with respect to the Unit and Common Elements necessary for the use and occupancy of the Unit.

F. All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed that is owned by the Sponsor is included in the conveyance unless specifically excepted in this Plan.

G. The Declaration and By-Laws and such other documents, as required by Law, will be recorded or filed in the New York City Register's office, Kings County, prior to the First Unit Closing in accordance with the Condominium Act and other applicable Law.

H. Regarding any mortgage loan contingency in a Purchase Agreement, see "Procedure to Purchase," Part I, Section 12, paragraphs H, for a description of the terms of such contingencies.

I. The Purchase Agreement is contingent upon the effectiveness of the Plan. If the Plan is abandoned, all Purchase Agreements will be canceled and all Down Payments, together with any interest earned, will be refunded.

J. The balance of the Purchase Price and the unpaid balance of the cost of any extras ordered by Purchaser installed in the Unit are payable at Closing by cashier's check or unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of the New York Clearing House Condominium and will be payable to the direct order of such person or entity as Sponsor will designate.

K. In the event of a default by Purchaser in Purchaser's obligations under the Purchase Agreement, not cured within any applicable grace period, the Down Payment and any interest thereon may be retained by Sponsor as liquidated damages.

L. Sponsor agrees that copies of all Purchase Agreements (and any amendments or modifications) will be delivered to the Department of Law within five (5) business days of a request for inspection by the Department of Law.

M. At or before the First Unit Closing, the holders of all mortgages affecting the Property will (i) consent to the recording of the Declaration and acknowledge that its lien will be limited to Unsold Units and subordinate its mortgage to the Declaration; or (ii) release its lien on the Unit being conveyed and its interest in the Common Elements.

N. The acceptance of a deed by Purchaser will be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan), in General Business Law Section 352-e to survive delivery of the deed, and in the pre-Closing inspection statement.

O. Sponsor must make a written demand for payment after default under the Purchase Agreement by Purchaser at least thirty (30) days before forfeiture of the Down Payment may be declared.

15. CLOSING OF TITLE TO UNITS AND CLOSING COSTS AND ADJUSTMENTS

At the Closing of the transfer of title of a Unit from the Sponsor to a Purchaser, each Purchaser will be required to pay certain closing costs in addition to the legal fees of Purchaser's counsel. These closing costs may include the items described below, which are based on rates in effect on the date of this Plan and are subject to change without prior notice or amendment. Sponsor makes no warranty as to the nature or amount of the actual closing costs that a Purchaser will be required to pay.

The estimated closing costs and expenses to be borne by Purchasers upon the purchase of a Unit are as follows:

A.

- (i) If a Purchaser elects to obtain fee title insurance, Purchaser will pay a premium that will vary depending upon the amount of insurance requested. The premium for fee title insurance if ordered from First American Title Insurance Company of New York, 633 Third Avenue, New York, NY 10022, ("First American"), will be \$281.00 for the first \$35,000.00 of fee insurance plus \$4.67 for each \$1,000.00 of additional fee insurance up to \$50,000.00.

<u>FEE AMOUNT</u>	<u>PREMIUM</u>			
50,000.00	402	+	3.80	per thousand up to 100,000.00
100,000.00	541	+	3.05	per thousand up to 500,000.00
500,000.00	1762	+	2.79	per thousand up to 1,000,000.00
1,000,000.00	3157	+	2.57	per thousand up to 5,000,000.00

(ii) If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from First American, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies. For example:

<u>LOAN AMOUNT</u>	<u>PREMIUM</u>			
35,000.00	73	+	1.17	per thousand up to 50,000.00
50,000.00	90	+	.95	per thousand up to 100,000.00
100,000.00	137	+	.77	per thousand up to 500,000.00
500,000.00	443	+	.57	per thousand up to 1,000,000.00
1,000,000.00	790	+	.54	per thousand up to 5,000,000.00

(iii) All rates shall be in accordance with the Schedule of Rates set by the New York Board of Title Underwriters and filed with the State Insurance Department. Purchasers will be free to obtain title insurance from any other insurer of Purchaser's choosing; however, Sponsor makes no representation regarding insurance available from other insurers, should a Purchaser choose to select another insurer.

(iv) First American will provide such title insurance, insuring against the claims of any leases or tenancies affecting any Unit.

B. Fees for recording all mortgages covering the Unit, the deed covering the Unit, and the Power of Attorney in favor of the Board are \$22 per document plus \$5.00 per page and a service charge of \$35 per document.

C. Should a Purchaser elect to obtain a mortgage loan to acquire a Unit, Purchaser may be required by the lending institution to deposit monthly with the lending institution, commencing with the Closing Date, a reserve for the payment of annual real estate taxes. The amount of the deposit will be a multiple of the monthly real estate taxes assessed, based upon actual or anticipated assessed valuation, and will vary in accordance with the Closing Date with respect to a particular Unit.

D. Fee of attorney for any lender and any other costs, charges, or expenses in connection with any financing of the purchase of the Unit, including, but not limited to, application fees, appraisal fees, loan document preparation or review fees, origination fees or "points," mortgage title insurance, and mortgage recording tax. If a mortgage title policy is purchased simultaneously with a fee insurance policy through the same company, insurance coverage rates will be discounted. Mortgage recording tax for mortgages covering Units in the amount of less than \$500,000 is two percent (2%) of the amount of the mortgage and two and one-eighth percent (2.125%) for mortgages of \$500,000 or more. One-quarter percent ($\frac{1}{4}\%$) of the mortgage tax is payable by the lending institution and Purchaser will also receive a \$25 credit. As stated in Paragraph N below, if a mortgage tax credit becomes available pursuant to Section 339ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor.

E. Fee of Sponsor's closing attorneys, Schneider Goldstein Bloomfield LLP, as follows:

- (i) \$1,000 for each closing;
- (ii) \$250 if the Purchaser does not pay the balance of his Purchase Price on the date specified by Sponsor as of the Closing Date;
- (iii) \$250 attendance fee if the Purchaser desires to have the Closing other than at the office designated by Sponsor for Closing; however, Sponsor or its

attorneys will not be obligated to close at any location outside New York City; and

- (iv) \$250 if Purchaser uses any title company other than First American Title Insurance Company of New York, 633 Third Avenue, New York, NY, for additional services rendered in connection therewith.

The above attorneys' fees are cumulative to the extent applicable to any individual closing.

F. Payment to Sponsor in the amount of \$650 as a contribution toward the costs of preparing and filing this Plan.

G. Purchasers will have sole responsibility for payment of all professionals, including any attorney employed or retained by Purchaser.

H. Each Purchaser will be required to pay to the Condominium an initial working capital contribution equal to two (2) months' Common Charges for the Unit.

I. Real estate taxes from midnight preceding the date of the Closing Date (or from the original scheduled Closing Date, if the Closing is delayed for any reason other than at Sponsor's request) through the end of the tax payment period within which the Closing Date occurs, which will be either a quarter of a year or one half of a year.

J. If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, Sponsor will place in escrow in the name of the Board an amount equal to the unpaid real estate taxes which will be levied against the Units for the period of six (6) months from the First Unit Closing or until the Units will be separately assessed, whichever is shorter. The Board will pay the real estate taxes from this escrow account as they become due and payable. Sponsor will be entitled to reimbursement from Unit Owners (i) on the basis of Common Interest attributable to their respective interests if no separate Unit apportionment has occurred on the day of the Unit Closing, or (ii) on the basis of actual apportionment if tax lots have been apportioned. When the Units are separately assessed, any balance, with interest, in the escrow account will be returned to Sponsor. At Closing, each Purchaser will adjust real estate taxes with Sponsor from midnight preceding the date of the Unit closing through the end of the tax payment period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment will be on the basis of the percentage of Common Interest attributable to such Unit. When the tax lots are apportioned, if a subsequent adjustment needs to be made to correct any discrepancy between adjustment on the basis of the actual apportionment, it will be made at that time.

K. The New York City Real Property Transfer Tax ("RPT Tax"), which currently for the purchase of a single residential Unit is one percent (1%) of the Purchase Price of a residential Unit which has an adjusted Purchase Price of \$500,000 or less, and 1.425% of the adjusted Purchase Price more than \$500,000, and the New York State Documentary Stamp Tax ("NYS

Tax”), which currently is \$2.00 for each \$500 (or portion thereof) of the Purchase Price. For purposes of calculating these taxes, the Purchase Price is adjusted to include the amount of these taxes paid by Purchaser. As a result, the taxes are computed as follows:

- i. multiply the Purchase Price by the RPT Tax rate to compute the tentative RPT Tax;
- ii. multiply the Purchase Price by the NYS Tax rate to compute the tentative NYS Tax;
- iii. add the tentative taxes to the Purchase Price to arrive at the adjusted Purchase Price;
- iv. multiply the adjusted Purchase Price by the RPT Tax rate and the NYS Tax rate to determine the RPT Tax and the NYS Tax, respectively.

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

L. Common Charges allocable to Purchaser's Unit from midnight preceding the Closing Date (or the initial scheduled Closing Date, unless such Closing Date is postponed at Sponsor's request). The amount of Common Charges to be assessed against each Unit will be fixed by the Board. Common Charges to be initially assessed are expected to conform to those shown on Schedule A.

M. If a Purchaser fails for any reason, other than due to Sponsor, to close title to a Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of such default, in addition to the closing apportionments being made as of midnight of the day preceding the originally scheduled Closing Date, Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the Purchase Price for each day that the Closing is adjourned.

N. Following is an estimate of the closing costs of a Unit hypothetically having a Purchase Price of \$400,000 financed by a mortgage of \$320,000 with monthly Common Charges of \$450:

Fee Title Insurance	\$ 1,458.00
Mortgage Title Insurance	\$ 329.00
Recording Charges	\$ 150.00
Mortgage Recording Tax	\$ 5,600.00
Sponsor's Legal Fee	\$ 850.00
Condo Preparation	\$ 650.00
Working Capital	\$ 900.00
RPT Tax	\$ 4,081.00
NYS Tax	<u>\$ 1,624.00</u>
Total	\$15,642.00

Note: These costs do not include costs of Purchaser's counsel or additional loan costs such as "points" or origination fees, credit check and appraisal costs, lender's attorneys fees, document preparation fees, underwriting fees, municipal searches, tax service charges, flood zone certificate costs, and special title insurance endorsements required by the lender.

O. If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s).

P. If the Purchase Price of the Unit is \$1,000,000 or more, Purchaser will be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, which currently is one percent (1%) of the Purchase Price.

16. RIGHTS AND OBLIGATIONS OF SPONSOR

A. Completion of Construction. Sponsor will be obligated to construct the Building and Units in accordance with the Plans and Specifications identified in this Plan; provided, however, Sponsor reserves the right to substitute equipment or materials and to make technical modifications and modifications of layout or design as long as Sponsor does not:

(i) substitute equipment or materials of lesser quality or design, as determined by the project's architect; or

(ii) change the size or location of a Unit, change improvements, Common Elements, or percentage of Common Interest, or adversely and materially affects 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 directly affected Unit Owners consent in writing to such change and all directly affected Purchasers are given the right to rescind their Purchase Agreements and receive a refund of any deposit or Down payment thereunder.

B. Certificate of Occupancy.

(i) Prior to the Closing for each Unit, Sponsor agrees to obtain a permanent or temporary certificate of occupancy applicable to the Unit. Sponsor agrees to obtain a permanent certificate of occupancy and all necessary permits for all elements of the Building and, in any event, before expiration of applicable partial or temporary certificate of occupancy, as same may be renewed, replaced, or extended. It is anticipated that a permanent certificate of occupancy will be obtained for the Building within two (2) years of the First Unit Closing.

(ii) As to Units which close prior to issuance of a permanent certificate of occupancy for the Building, the following will apply:

a. Sponsor will have obtained a temporary certificate of occupancy with respect to such Units and the Common Elements necessary for Purchaser's use of the Unit and all required services are being reasonably supplied or furnished to such Units; and

b. Sponsor will maintain all deposits and funds received from Purchasers in a special escrow account as required by Section 352-e(2-b) of the General Business Law, unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by such engineer or architect may be released from the special escrow account. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law. In the event Sponsor elects to post a bond pursuant to this paragraph, an amendment to the Plan will be filed disclosing this.

C. Construction Financing. Sponsor has obtained construction and project loans from The Community Preservation Corp. ("Lender"), 5 W. 37th Street, New York, NY 10018, to finance development of the Property. Sponsor will pay, satisfy and otherwise comply with the terms of all loan agreements and mortgages affecting the Property. Lender will act as disbursing agent for the loans made by the other Lender. Before the First Unit Closing, the Lender will either consent to the formation of the Condominium and acknowledge that its mortgage liens will be limited to unsold Units or subordinate the lien of its mortgages to the Declaration. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant release payment as provided in the loan documents. Under the loan documents with Lender, Sponsor is obligated to create a condominium of the Property and sell the Residential Units; however, Sponsor may not declare the Plan effective until it has sold at least thirteen (13) Residential Units at a minimum sales price of \$213,900 for 3-room Residential Units; \$318,496 for 4-room Residential Units; and \$428,952 for 5-room Residential Units.

D. Warranties of Construction.

(i) All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold only as described in this Plan. The quality of construction will be comparable to local standards customary in the particular trade and substantially in accordance with the Plans and Specifications. Sponsor will not be liable for any defect in construction if the work and materials are in substantial compliance with the Plans and Specifications.

(ii) Sponsor will warrant construction of the Common Elements for a period expiring on the first anniversary of the First Unit Closing and construction of each Unit for a period expiring on the first anniversary of the conveyance of the Unit. Notwithstanding any provision to the contrary herein, Sponsor will not be obligated to correct, and will not be liable to any Purchaser as a result of (x) any insubstantial variations from the Plans and Specifications or the descriptions of the Building or a Unit set forth in the Plan or (y) variations from the Plans and Specifications or description of the Building or a Unit set forth in the Plan which are neither in violation of applicable Law, provided such variations are of substantially similar or better quality.

(iii) Sponsor, in its sole discretion, will select the method of correcting any defect. On five (5) days' notice from Sponsor, the Board and/or the Unit Owner in question will allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect.

(iv) Sponsor will be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (1) Sponsor is not notified within the time periods specified herein or the Board and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (2) Sponsor will have corrected the defect in accordance with the practice of the

industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion.

NOTWITHSTANDING THE FOREGOING, SPONSOR WILL NOT BE RESPONSIBLE FOR CORRECTING OR REPAIRING ANY DEFECTS IN CONSTRUCTION OR DEFECTS IN THE INSTALLATION OR OPERATION OF ANY APPLIANCES (INCLUDING, WITHOUT LIMITATION, KITCHEN APPLIANCES), EQUIPMENT OR FIXTURES WITH RESPECT TO WHICH ASSIGNABLE WARRANTIES OR OTHER UNDERTAKINGS (HOWEVER DENOTED) FROM MANUFACTURERS, CONTRACTORS, MATERIALMEN, OR OTHERS, ARE ASSIGNED TO EITHER PURCHASER OR THE BOARD.

(v) In addition, in no event will Sponsor be responsible for correcting or repairing any of the following: any condition resulting from normal wear and tear or natural deterioration or from the normal movement, settlement and shrinkage of the Building and/or Building materials; or defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, minor protruding of dry wall fastenings, minor ridging on gypsum board, minor lumber shrinkage, door or window sticking due to weather, minor door warpage including, without limitation, minor warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, slight scratches in plastic laminate, vitreous china, stainless steel or porcelain surfaces, bathroom finish grouting, adjustment of bifold doors, walls not square, electrical plates not straight, minor discoloration or shrinkage, slight separation between base and floor; normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, minor cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; deviations in the level of ceilings, and minor imperfections in ceiling finishes; minor imperfections in painting finishes; minor deviations in the level of a floor or minor buckling or sinking due to expansion or shrinkage; minor misalignment of bathroom finishes and variations in grouting thickness; normal noise from plumbing, heating, and ventilating operation, floor noises and creaking; minor carpet or floor discoloring or stretching; minor variations in width, length, thickness, finish or color range of wood flooring; minor chips, scratches, mars, breaks, dents, cracks, imperfections, or other defects in: windows, window glass, frames and hardware; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinet back splashes and counter tops; vanity tops and cabinets; all tile, stone or marble floors; saddles; all appliances; woodwork, millwork and doors; mirrors; all hardware; appliance cabinets; ceilings and flooring; variations in tone or color of marble or stone or variations in tone or color of vanity tops or other marble or stone surfaces; leaching or color variation in exterior color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks and window surfaces; normal ponding and/or controlled drainage on the roof surface; or cracks in pressure treated lumber used or intended for use outside the Building; or television and radio reception; or discoloration to hardware and plumbing finishes; or any other imperfection or defect, except as expressly warranted pursuant to this Plan.

(vi) Sponsor will have discharged its obligation to repair abnormal scratches in plastic laminate, vitreous china, porcelain and stainless steel surfaces by filling or refinishing and Sponsor will not be obligated to replace such surfaces.

(vii) Except as expressly set forth in this Paragraph D, Sponsor has no obligation to correct or repair any other defect or conditions in the Unit, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations pursuant to this Plan shall be to repair or replace, at Sponsor's option, any defective item which has been warranted in, and subject to the terms and conditions of, this Plan. The Housing Merchant Implied Warranty Law (New York State General Business Law Article 36-B) is not applicable to this offering.

E. Section 421(a) Real Property Tax Law Tax Exemption. Sponsor shall endeavor to obtain real estate tax exemption benefits for the Units pursuant to Section 421(a) of the Real Property Tax Law. Sponsor, at its sole cost and expense, will file an application, and make all additional necessary filings, to obtain such benefits. All documentation supplied or caused to be supplied by Sponsor will be true and complete. Each Purchaser shall be obligated to execute any document or instrument required in connection with obtaining such tax exemption benefits. Sponsor does not guarantee or represent that such tax exemption benefits will be granted in full or in part or at all or when any exemption will be effective.

F. Floor Plans - Architect's Certification. In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of the Building.

G. Completion Free of Liens. Sponsor will pay or cause payment to all contractors, subcontractors, materialmen, and all others involved in the construction, establishment, and sale of the Units for all authorized and proper work performed and fixtures, material, and equipment supplied or installed in the construction of the Building, and will cause all mechanics liens arising out of the construction of the Building or the furnishing or installation of fixtures or equipment to be discharged or bonded promptly after any lien is filed.

H. Third Party Warranties. Sponsor will assign to each Purchaser or to the Board, as the case may be, upon Closing or the recording of the Declaration, as the case may be, all warranties of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as any bonds relating to the Purchaser's Unit or the Common Elements, respectively. Sponsor

undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent such warranties and bonds are assignable.

I. Condominium and Sales Costs and Expenses. Sponsor will pay all costs and expenses incurred in connection with the creation of the Condominium and sale of all the Units held or owned by it (except for costs specifically made payable by Purchaser under this Plan), and will pay all selling expenses, including, but not limited to, advertising and printing costs, architect fees, and costs of filing this Plan and amendments thereto.

J. No Security to Guaranty Completion. Except as specifically set forth herein, no bond or other security has been furnished to secure Sponsor's obligations under this Plan, including Sponsor's obligations to complete construction after the First Unit Closing and to obtain permanent certificates of occupancy and all necessary permits.

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

L. Casualty Insurance. Sponsor agrees to procure casualty and fire insurance, as set forth in Schedule B (Part I, Section 7), pursuant to an agreed amount replacement value policy. Such insurance will provide that each Unit Owner is an additional insured and that there will be no cancellation without notice to the Board and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of insured and Unit Owners, and waivers of pro-rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

M. "As-built" Plans. Sponsor will deliver a set of working drawings, specifications, and operating manuals ("as-built" plans) to the Board.

N. Operating Expenses. Sponsor or the Sponsor-designee will pay all Common Charges, real estate taxes and assessments with respect to its Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units and to pay operating expenses as provided herein. These resources include assets of the Sponsor and loans from the Community Preservation Corp.

O. Sponsor's Obligations Survive. Except as expressly set forth herein, Sponsor's obligations as set forth in this Plan, the General Business Law of The State of New York, and the Regulations promulgated by the New York State Attorney General will survive delivery of any Unit Deed.

P. Sale of Units Previously Leased. Sponsor (its successors, assigns, or designees) may offer all or any Unsold Units for lease. Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor will notify Purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish, or in any way repair such Unit.

Q. Sponsor's Rights of Access; Alterations.

(i) Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees, and tenants any and all easements and rights of access in and to Units and the Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder. Without in any way limiting the generality of the foregoing rights, such rights specifically include the following: the right to maintain general, sales, and leasing office(s) and personnel on the Property, to post signs, and to conduct other activities connected with promotion, sales, or leasing of Units, such as inspection by and display of vacant or leased Units, as well as all Common Elements, to prospective Purchasers or lessees; right of access in and to Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection), and similar work; utility and other easements for the benefit of Unit Owners and Common Elements.

(ii) Sponsor (and its successors, assigns, and designees) shall have the right to alter any Unit or Common Element, subject to filed amended plans and/or specifications, consistent with this Plan, and Sponsor shall have the right to amend the Declaration accordingly.

(iii) Sponsor agrees to repair damage resulting from exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

R. Restoration After Casualty. When neither the legal title nor possession of the Unit has been transferred to a Purchaser, (i) if all or a material part (as determined by Sponsor in its absolute discretion) of the Unit or Condominium is destroyed as a result of a casualty or other cause, Sponsor shall have the option by written notice to Purchaser sent within sixty (60) days of such occurrence to cancel the Purchase Agreement and refund to Purchaser the Down Payment and all other amounts paid by Purchaser for upgrades and extras, but in such event Sponsor shall retain any right to recover damages against Purchaser for any damages or breach of contract by the Purchaser prior to the destruction; or (ii) if an immaterial part of the Unit or Building is destroyed by a casualty or otherwise, the Purchase Agreement shall be unaffected thereby. When either the legal title or the possession of the Unit has been transferred to the Purchaser, if all or any part of the Unit is destroyed, Purchaser is not thereby relieved from Purchaser's obligation to pay the balance of the Purchase Price nor is Purchaser thereby entitled to recover any portion of the Purchase Price that has been paid. If the Purchase Agreement shall continue in full force or effect, the Condominium

(if such occurrence should be after the effectiveness of this Plan) or Sponsor shall restore the Property. This paragraph is an express agreement in replacement of Section 5-1311 of the General Obligations Law of the State of New York.

S. Reservation of Easements by Sponsor. Sponsor, Sponsor-designees and their successors, assigns, invitees, licensees, contractors, employees and tenants have reserved easements (a) over and access to those portions of the roof above the elevator bulkhead and mechanical, boiler, and storage rooms, and from such portions through the core and telecommunications conduits, lines, pipes, flues, ducts, wires, cables, risers, wiring, equipment and other facilities of the Building relating thereto, for any lawful purpose, including, but not limited to, the purposes of installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment, and the conduits, lines, pipes, flues, ducts, wires, cables, risers, wiring, equipment and other facilities of the Building relating thereto, located in such easement areas, which may serve the Property, other premises and/or businesses, and (b) maintaining any encroachment on any Common Element resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided, however, that Sponsor's use of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units and Common Elements for their permitted purposes. Sponsor shall be liable for any damage to the Property resulting from such use. The aforementioned easements may be used by Sponsor for its own account or the account of any licensee of Sponsor. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements and equipment. Any satellite dishes or other facilities placed upon the roof by Sponsor shall be the exclusive property of Sponsor and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Upon use of such easements, Sponsor shall provide the Condominium with evidence of, and during such use shall maintain, general public liability insurance with respect to such use in an amount not less than \$1,000,000.

T. Indemnification. Sponsor shall defend any and all suits and proceedings arising out of Sponsor's acts or omissions and shall indemnify the Board and all Unit Owners from such acts or omissions.

U. Power of Attorney. Sponsor or any Sponsor-designee, on behalf of the Board of Managers, under a Power of Attorney granted by the Declaration, may execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with following: any addition, alteration, or improvement (structural or nonstructural, ordinary and extraordinary, interior and exterior), repair or subdivision of any Unsold Unit or the use or operation of any Unsold Unit, or any portion thereof; any change the layout or number of rooms in any Unsold Unit or any change in the size and/or number of any Unsold Unit by subdividing or combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any such Unit or otherwise, incorporating Common Elements into the Unit as long as such incorporation has no material adverse impact on any other Unit Owner and, upon such incorporation, the Common Element shall

become a Limited Common Element, and reapportioning among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant Common Interests; provided, however, Sponsor or Sponsor-designee, as the case may be, shall indemnify and hold the Board of Managers and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

V. Storage Room License. Sponsor will have a license to use the storage room in the cellar for eleven (11) months after the First Unit Closing at no cost to Sponsor.

W. Lease of Residential Units. Sponsor, including any Sponsor-designee, has reserved the right, upon closing of the sale of fifty percent (50%) of the Residential Units, to lease Residential Units in the Building. Until at least 50% of the Residential Units are so sold and conveyed to Purchasers, Sponsor will not rent Unsold Residential Units. After such 50% threshold is achieved, Sponsor will continue to endeavor in good faith to so sell Residential Units, but reserves the right, if market conditions become unfavorable after the filing of this Plan, to rent Unsold Residential Units until they may be sold at prices determined in good faith to be satisfactory to Sponsor. Sponsor's good faith efforts to sell to Purchasers include multi-listing Unsold Residential Units with brokers, showing Unsold Residential Units to brokers and prospective Purchasers or their representatives, filing updated Amendments to the Plan and otherwise engaging in customary sales activities.

X. No Prior Sale of Units. Sponsor represents that no contracts or agreements have been entered into and no deposits or advances of funds accepted with respect to any of the Units, as of the date this Plan was accepted for filing.

Y. All Units Vacant. Sponsor represents that all Units offered for sale are vacant.

17. CONTROL BY SPONSOR

The Condominium will be operated by the Board of Managers. Under the Condominium By-Laws, as set forth in Part II of the Plan, Sponsor shall have control of the Board of Managers until the earlier of: (1) the closing of the sale of seventy-five percent (75%) of the Units, or (2) three (3) years after the First Unit Closing. Within thirty (30) days of such date, a meeting of the Unit Owners will be held to elect a new Board.

While Sponsor is in control of the Board, Sponsor will have control of the maintenance and operation of the Condominium and will determine the Common Charges to be paid for all Unit Owners (including Sponsor); however, Sponsor shall vote to authorize the expenditures set forth in Schedule B (Part I, Section 7) of this Plan or any other expenditure required, and at no time shall Sponsor have the right to veto any expenditure: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer.

If Sponsor has relinquished control of the Board and Sponsor and Sponsor-designees continue to own at least one (1) Unit, but in no event later than five (5) years after the First Unit Closing, the Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Unit Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or a Sponsor-designee; or (ii) interfere with the offer, sale or leasing of Units, or construction within the Unit or Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary or desirable for construction, renovation, repair, or correction of the Property or any Unsold Unit, as determined by Sponsor or a Sponsor-designee, as the case may be.

18. BOARD OF MANAGERS

The Board will be responsible for management and maintenance of the Condominium. It will have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any acts necessary therefor, consistent with the Declaration, By-Laws, and applicable law. Such acts include: (a) determination, collection, and enforcement of the obligations of Unit Owners to pay Common Charges; (b) employment and dismissal of personnel; (c) providing for insurance as to Common Elements; (d) adoption of rules relating to use and operation of the Property; (e) hiring of a managing agent and contractors and service companies in connection with the performance of the Board's responsibilities; (f) establishing an operating budget for the Condominium; and (g) maintaining and making all required repairs and replacements to the portions of the Property which is the responsibility of the Board to maintain and replace; and, (h) on behalf of the Unit Owners, incurring debt on such terms and conditions as the Board will agree to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes (the repayment of any and all such debt may be secured and paid as provided in Section 339-jj of the New York Real Property Law).

Under the Condominium By-Laws, as set forth in Part II of the Plan, until Sponsor relinquishes control of the Board, the Board will consist of three (3) members designated by Sponsor. The initial members of the Board will be Marc J. Freud (a principal of Sponsor), Theodore Roth (a business associate of Mr. Freud's) and Vitor Proenca (a business associate of Mr. Freud's). Sponsor will have control of the Board of Managers until the earlier of: (1) the closing of the sale of seventy-five percent (75%) of the Units, or (2) three (3) years after the First Unit Closing. Within thirty (30) days of such dates, a meeting of the Unit Owners will be held to elect a new Board. Thereafter, annual meetings will be held within fifteen (15) days of the anniversary of the immediately preceding annual meeting. Special meetings will be called if so directed by resolution of the Board of Managers.

If at the time of the first meeting of Unit Owners held pursuant to Section 1 of Article III of these By-Laws, Sponsor and/or Sponsor-designees have transferred title to all Units to Unit Owners who are not Sponsor-designees, then the Unit Owners will form a new five-member Board.

If at the time the first meeting of Unit Owners is held, Sponsor and/or Sponsor-designees have not transferred all of the Units to Purchasers, the non-Sponsor and/or Sponsor-designee Unit Owners will elect four members and Sponsor and/or Sponsor-designee will designate one member of the new five-member Board and one alternate, who will be entitled to vote in such designee's absence. The remaining Sponsor and/or Sponsor-designee's and alternates' terms will expire when title to all Units has been conveyed from Sponsor and/or Sponsor-designee to Unit Owners who are not Sponsor or a Sponsor-designee. The non-Sponsor and/or Sponsor-designee Unit Owners will

elect at the next annual meeting of Unit Owners the successors to Sponsor's and/or Sponsor-designee designees.

All members of the Board elected by non-Sponsor and/or Sponsor-designees Unit Owners will serve a term of one year. All members of the Board (other than the designees of Sponsor) will be Unit Owners or the holders of mortgages covering Units, or the shareholders, officers, directors, or employees of non-individual Unit Owners or mortgagees of Units or fiduciaries or officers or employees of fiduciaries who are Unit Owners or mortgagees of Units. All members of the Board will serve without compensation. Members of the Board may not be owner-occupants of Residential Units.

Members of the Board will have no liability to the Unit Owners or third parties for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners will severally indemnify the members of the Board against any liability or claims except those arising out of their bad faith or willful misconduct, but the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. Notwithstanding such indemnification and that the Condominium will carry directors and officers liability insurance, members of the Board and officers may be liable for acts that are beyond the scope of their authority or where the assets of the Condominium and insurance coverage is insufficient to meet a particular liability. In order to limit the liability of the Unit Owners and the members of the Board, any contract or other commitment made by the Board will state that it is made by the Board only as agent for the Unit Owners, that the members of the Board will have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment will be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by Sponsor or a Sponsor-designee, may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. A member of the Board designated by Sponsor or a Sponsor-designee may be removed by the Board only for cause by a majority of the Unit Owners and, upon any such occurrence, the successor to such member will be selected by Sponsor or the Sponsor-designee, as the case may be.

Full copies of the Condominium Declaration and By-Laws appear in Part II, Sections FF and GG, respectively.

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

A. Sale or Lease of Unit; Right of First Refusal of Board

Each Unit Owner has the right to sell or lease (for periods of at least one (1) year) such Unit Owner's Unit subject to the Permitted Encumbrances, provided that he or she will first give to the Board thirty (30) days prior written notice by certified mail of the terms of any bona fide sale or lease which he or she desires to make. The Condominium will have thirty (30) days to elect to purchase or lease such Unit for itself, as the case may be, or to produce a purchaser or tenant who will purchase or lease such Unit, on the same terms and conditions contained in such notice. The failure of the Board to act within such thirty (30) day period will be deemed to constitute a waiver of the Board's right of first refusal. If the Board elects to exercise such right of first refusal, it will, within such thirty (30) day period, either (a) produce a purchaser or tenant, as the case may be, who will purchase or lease the Unit, upon the same terms as stated in the Unit Owner's notice to the Board, or (b) agree to purchase or lease the Unit on behalf of all other Unit Owners, upon the same terms as stated in the Unit Owner's notice to the Board. If the Board elects to lease the Unit for itself, the Board will have the right to sublet the Unit. The Board, however, may not purchase a Unit without the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws). If the Board does not have sufficient funds on hand for the purchase of a Unit which has been approved by the majority of the Unit Owners, the Board may either borrow such funds or assess the Unit Owners therefor in proportion to their respective Common Interests. If the Board does not produce either a purchaser or tenant for the Unit (or agree to purchase the Unit on behalf of all other Unit Owners as set forth above) within the aforesaid thirty (30) day period, the Unit Owner will have the right to consummate the sale or lease on the terms submitted to the Board as more specifically set forth in the Declaration and By-Laws. No lease or other occupancy arrangement for periods of less than one (1) year will be permitted without the consent of the Board, which be withheld in its absolute discretion. Any purported sale or lease of a Unit in violation of these provisions will be voidable at the election of the Board.

The restrictions regarding the sale or lease of Units set forth in this Section will not apply to Units owned by Sponsor, a Sponsor-designee, the owner of Unsold Units or a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure, which may be sold without first notifying the Board. The Board will be required to cooperate with the owners of such Units and their designees in providing appropriate physical access to any such Unit and related Common Elements, as well as all financial information regarding same.

Units acquired by the Board pursuant to the right of first refusal described herein may be sold, leased, mortgaged, or otherwise dealt within the discretion of the Board, subject to the Declaration. Proceeds of such disposition will be received by the Board on behalf of all Unit Owners in proportion to their respective Common Interests.

A Unit Owner is free, without restriction, to make a gift of his or her Unit to anyone during his or her lifetime, to devise such Unit by will, or to pass same by intestacy, subject to the Declaration, By-Laws, and any mortgage affecting such Unit, and to lease any Unit to a Family Member. No Unit can be sold or in any way transferred separate from its appurtenant interest in the Common Elements and assets of the Condominium.

Further restrictions on or conditions to sale of Units may be made in the future, consistent with the Declaration, By-Laws, and applicable Law.

The Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation or other grounds prohibited by law. Any purported sale or lease of a Unit in violation of this section will be voidable at the election of the Board.

B. Restrictions on Ownership and Occupancy

Restrictions on and conditions for occupancy of Units, including aesthetic controls and limitations on business and professional use, appear in the House Rules appended to the Condominium By-Laws (See Part II, Section G). In addition, the Units will be restricted under the Zoning Resolution to residential uses as well as "home occupation" uses as defined in the Zoning Resolution in Section 12-10. Home occupations cannot have more than one (1) employee and not more than twenty-five percent (25%) of its space dedicated to such use.

C. Mortgages of Units

Each Unit Owner will have the right to mortgage his or her Unit, subject to the Declaration, By-Laws, and Permitted Encumbrances. Any Unit Owner may, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his or her Unit. A Unit Owner may mortgage his Unit only if all liens for Common Charges, if any, are current at the closing of making the mortgage.

D. Common Charges

(i) Each Unit Owner will have the obligation to pay Common Charges and any assessments of the Condominium proportionate to his or her respective interest in the General Common Elements or the Common Elements, as the case may be, for the operation and maintenance of, or improvements to, the General Common Elements or the Common Elements, as the case may be, as determined by the Board; provided, however, (i) prior to the date of the First Unit Closing, Sponsor will have no obligation to pay Common Charges, but will pay all costs and expenses actually incurred prior to such date in connection with the ownership, maintenance, and operation of the Property; and (ii) from and after the First Unit Closing, Sponsor will pay Common Charges for all Unsold Units. The Board of Managers will from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by

the Unit Owners to meet the Common Expenses and allocate and assess such Common Charges and Common Expenses among all the Unit Owners in accordance with their Common Interests. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board must establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain and the Common Expenses will also include an amount to fund such replacement reserve. Common Charges include expenses for maintenance and operation of the Common Elements, such as those listed in Part I, Section 7 (Schedule B), and other enumerated items set forth in the By-Laws. Common Charges (aside from any adjustment for same made at Closing) will be payable in twelve (12) equal monthly installments. Common Charges in excess of Common Expenses for any year will, at the option of the Board, be refunded to the Unit Owners in proportion to their respective Common Interests, deposited in a reserve fund, or will be applied to Common Charges for the subsequent year.

(ii) Under the provisions of Section 339-z of the Condominium Act, the Board on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges and special assessments assessed by the Board and all other sums due the Board by a Unit Owner. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid amounts due with respect to a Unit may be filed in the Office of the City Register, Kings County, and will be effective until all sums secured thereby with the interest thereon will have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. The By-Laws also impose upon a Unit Owner a responsibility to pay for attorneys' fees incurred to collect such unpaid Common Charges. Such lien may be foreclosed by a suit brought in the name of the Board acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board to recover the unpaid amounts without foreclosing the lien. While Sponsor is in control of the Board, Sponsor will cause the Board to file a lien in accordance with Section 339-aa of the Condominium Act on Units for which Sponsor is more than thirty (30) days in arrears for Common Charges.

(iii) A Unit Owner's liability for the payment of Common Charges assessed against his or her Unit will terminate upon sale, transfer, or other conveyance of his or her Unit (with appurtenant Common Interest) in accordance with the Declaration and By-Laws.

(iv) Sponsor will cause the Board to file a lien as provided for in Section 339-aa of the Condominium Act on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board.

(v) Because Parking Units will not be using or benefitting from many of the services which will be provided to the Residential Units, the Common Charges payable with respect to the Parking Units will be specially allocated to them; provided, however, that the Common Charges

payable with respect to the Parking Units will be sufficient to cover the Common Expenses attributable to the Parking Units.

For details, see Part II, Section G ("Condominium By-Laws," Article V, Section 1).

E. Repairs

All painting, decorating, maintenance, repairs and replacements, whether structural (if previously authorized by the Board), or nonstructural, ordinary or extraordinary, in or to, or appurtenant to, any Unit and all portions thereof, including, but not limited to, the interior walls, dry wall portion of ceilings and floors (excluding sub-floors) in the Unit, kitchen and bathroom fixtures and appliances, sills and sashes, all doors (entrance, balcony, terrace and plaza, if any) and their frames and saddles (except painting the exterior side of Unit entrance doors), exposed plumbing, unexposed plumbing which exclusively serves the Unit, lighting, cable, and electrical fixtures, and gas, electrical, cable, and utility lines, conduits, and equipment which exclusively serve the Unit will be performed by the Owner of such Unit at such Unit Owner's cost and expense. In the case of structural work in or to any Unit, the Board reserves the right to perform such work on behalf of the affected Unit Owner at such Unit Owner's sole cost and expense.

All painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to the General Common Elements will be made by the Board and charged to all Unit Owners as a Common Expense.

All painting, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to the Limited Common Elements will be performed by (a) the Board, if such Limited Common Element is for use by more than one Unit Owner or involves a balcony, terrace or the roof or painting the exterior side of Unit entrance doors, which will be a Common Expense, or (b) except if it involves a balcony, terrace or the roof or painting the exterior side of Unit entrance doors as provided in (a), by the Unit Owner of the Unit which is exclusively serviced or benefitted by the Limited Common Element, at such Unit Owner's sole cost and expense. In the event of any repair or replacement of any balcony, terrace, or portion of the roof which is a Limited Common Element, the Unit Owner of the Unit which is exclusively serviced or benefitted by the roof area Limited Common Element will be liable for the cost to remove all decking, improvements, and personal property therefrom as the Board in its absolute discretion deems necessary to facilitate such repair or replacement, and the Condominium will not be liable for the cost of restoring, replacing, or repairing any such decking, improvements, or personal property removed to facilitate such repair or replacement, except if due to negligence. The Board will have the authority to remove any such decking, improvement, and personal property, at the Unit Owner's expense, if the Unit Owner has not removed any of such items upon thirty (30) days prior written notice to the Unit Owner or without notice in an emergency. In addition, the exterior surface of all windows in the Building, if so determined by the Board, will be washed and cleaned by the Board and the cost and expense thereof will be a Common Expense. Otherwise, the exterior of all such windows will be washed or cleaned at the cost and expense of the Unit Owner. The interior glass

surfaces of all windows located in any Unit will be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. Notwithstanding the foregoing, each Unit Owner will be liable for all repairs and replacements to the Common Elements, whether structural or nonstructural, ordinary or extraordinary, if necessitated due to the negligence or abuse of an Owner or Family Member, guest, employee, contractor or agent of the Unit Owner.

F. Alterations; Right to Inspect

Alterations, repairs, modifications, and improvements to a Unit that do not affect the exterior of the Building, any of the Building's systems, the Building structure, any Limited Common Element, the certificate of occupancy for the Building, or the value of other Units may be made by any Unit Owner without consent of the Board, subject to compliance with the By-Laws and the Rules and Regulations. No Unit Owner may make a structural alteration or improvement, or repair, or any other alteration which may affect the Building's systems, in or outside of a Unit, or the exterior of the Building, without the prior written approval of the Board. Prior to commencing any alteration, a Unit Owner must sign and submit an alteration agreement to the Board in a form prescribed by the Board, which will provide that the Unit Owner will follow the conditions set forth in the By-Laws and agree, among other things, (i) that such alteration will be at the Unit Owner's sole cost and expense, (ii) that all work will be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, (iii) that all work will be done by reputable contractors with adequate liability, property damage and workmen's compensation insurance (certificates for which will be delivered to the Board prior to the commencement of work), (iv) that the Unit Owner will procure and maintain during the course of such work such other insurance as the Board may reasonably prescribe, (v) the time periods during which work will be permitted, (vi) the manner in which construction debris will be handled, (vii) the measures which must be taken to prevent compromising the security of the Building during construction, (viii) the terms for permitting any interruption of services during construction, and (ix) that any additions will be maintained in their entirety by the Unit Owner who will also be responsible for any repairs, including structural repairs, to such alterations in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stress caused by the alteration or due to improper design or construction of the alteration. Such Unit Owner will further agree to indemnify and hold harmless the Board and its officers, the Managing Agent, Sponsor, and all other Unit Owners from and against any liability cost and expense rising from such work. Such approval will further provide that the Unit Owner will reimburse the Board for any out-of-pocket expenses incurred by the Board in connection with the granting of any required approval and in connection with any services provided with respect to such alteration. Such expenses may include, without limitation, any fees of attorneys and/or fees of architects or other relevant consultants consulted by the Board.

In addition to the Board's consent, it should be noted that the Owner of any Unit which has Limited Common Element roof space, who desires to make improvements to the roof, may require a building permit from the New York City Department of Buildings. Such improvements include, but

are not limited to, gazebos, interior stairs, or improvements to the plumbing and electrical system. Also, certain structures may not be permitted "as of right," and may require a variance from the Board of Standards and Appeals. Other improvement to the roof, such as decking, roof gardens, and storage space do not require a building permit, but as previously stated do require the consent of the Board. It should be noted that the Rules and Regulations provide that no roof Limited Common Element may be used without the installation of a deck or other surfacing approved by the Board which will be maintained at the sole cost and expense of the Unit Owner having exclusive use of such Limited Common Element. No Unit Owner will install any plants on the roof without the prior written approval of the Board of Managers. Plants will be contained in boxes of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace, balcony or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes will be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plants may be contained in masonry or hollow tile walls which will be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. It will be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Although the Board will have the responsibility to maintain the underlying roof, the Unit Owner will be liable for all costs and expenses for any damage to the roof attributable to the Unit Owner's roof improvements or use. The Board will have unlimited access to all areas of the roof for the purpose of making inspections, repairs and replacements.

Notwithstanding the foregoing paragraph or any provision in this Plan to the contrary, Sponsor and any Sponsor-designee will have the right, at any time and from time to time, to make nonstructural and/or structural alterations in any Unit owned by it, and to subdivide, combine and change the boundary walls of such Units, to make any addition, improvement, or alteration to any balcony, terrace or roof area Limited Common Element, and to tap into any utility lines servicing the Building without the consent of the Board and without entering into an alteration agreement and without paying any cost or charge to the Board; provided, however, (a) no change in the layout, size, or percentage of Common Interest to a Unit will be made with respect to any Unit for which a Purchase Agreement is then in effect or has been executed and delivered to Sponsor, and with respect to which the Purchaser is not in default, unless (i) the Purchaser consents thereto or (ii) such change is not a material change in the size, dimension, floor space, or layout of such Unit, and (b) once the Declaration is recorded, no change may be made in the number of Units, nor may the Common Interest of any Unit be changed, unless in each such event the Declaration is amended and duly recorded, and any such amendment to the Declaration is disclosed in a duly filed amendment to the Plan.

Until Sponsor has obtained a permanent Certificate of Occupancy for the Building, neither the Board nor any Unit Owner will make any alteration to the Building, including any Unit, which requires filing an application for an alteration permit with the City of New York Building Department, or do anything else that might or will affect or impede Sponsor's ability to obtain the permanent Certificate of Occupancy, without Sponsor's prior written consent.

G. Access to Units by Board

The Board will have the right of access to any Unit and Limited Common Elements for the purpose of inspecting or making any repairs or replacements to any of the Common Elements contained therein or elsewhere in the Building or to remedy any condition which would result in damage to any other Unit or the Common Elements or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with all applicable laws, orders, rules, or regulations of any governmental body having jurisdiction thereof or for the purpose of curing any default by a Unit Owner or for any other purpose permitted by the By-Laws. Such right of access will be exercised in such manner as will not unreasonably interfere with the use of the Units, but no prior notice will be required in the event the Board will determine that action is immediately necessary for the preservation or safety of the Property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

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

Ownership of a Unit in the Condominium subjects the Unit Owner to the provisions of the Declaration and By-Laws as well as any Rules and Regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The Rules and Regulations set forth in the By-Laws can be found in Part II of the Plan, Section G, Schedule A. The Board of Managers may institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the Rules and Regulations established in connection therewith.

Among other things, the Rules and Regulations provide as follows:

(i) No public hall shall be decorated or furnished by any Unit Owner in any manner without the prior consent of the Board of Managers.

(ii) No window guards or other exterior window decorations shall be used in or about any Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Board of Managers, which approval shall not be unreasonably withheld or delayed.

(iii) Except in connection with the use of the roof easement reserved by Sponsor and its successors and/or assigns and any Sponsor-designee, no radio or television aerial or antenna shall be attached to or hung from the exterior of the Building (including the roof) and no sign, notice, advertisement, flag or illumination shall be inscribed or exposed on or at any door or window or other part of the Building, except such as are permitted pursuant to the Declaration, the By-Laws or shall have been approved in writing by the Board of Managers, nor shall anything be projected from any door or window of the Building without similar approval.

(iv) No ventilator or air-conditioning device (other than window-type units installed in the provided exterior wall sleeves) shall be installed in any Unit without the prior written approval of the Board of Managers and under the supervision of the Building superintendent or Managing Agent.

(v) All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Managers of Fire Underwriters and the public authorities having jurisdiction. No Unit Owner shall install or use any electrical equipment which exceeds the electrical capacity for the Unit. Each Unit Owner shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Owner's Unit. No Unit Owner shall bring new electrical, cable, or other wiring into such Unit Owner's Unit from the Common Elements, except with the consent of the Board of Managers and with the supervision of the Managing Agent and such licensed professionals as it deems appropriate.

(vi) No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:30 A.M. and 5:30 P.M., unless such construction or repair work is necessitated by an emergency.

(vii) No more than one animal or pet, including a dog and a cat (but excluding fish and turtles), shall be permitted, kept or harbored in a Unit unless the same in each instance shall have been expressly permitted in writing by the Board of Managers, and such consent, if given, shall be revocable by the Board of Managers or such Managing Agent at any time. If any animal or pet causes disturbing noises (including but not limited to loud or barking pets in the exterior parts of any Unit) or smells, which interfere with the rights, comforts or convenience of the other Unit Owner, the Board of Managers may require that such animal or pet be removed from the Property. In no event shall any animal or pets be permitted in any public portion of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.

(viii) The maximum number of Residents in a Unit is two plus two for each bedroom in the Unit in excess of one. The number of bedrooms in a Unit is determined by the number of bedrooms indicated for the Unit in the plans filed and approved or accepted by the Building Department of The City of New York.

(ix) Unit Owners shall keep the interior of the windows of their respective Units clean. In case of the Unit Owner's failure to clean the interior of the windows within five (5) days after written notice from the Managing Agent, such cleaning may be done by the Managing Agent at the Unit Owner's cost, and the Managing Agent shall have the right by its officers or agents to enter the Unit for such purpose. Unit Owners shall not hang sheets, towels or anything else outside of their windows, nor hang sheets, towels or other unsightly fabric or items on the inside of the windows,

and shall keep shades and blinds and any other window treatment visible outside of the Building in a good state of repair.

(x) No Unit Owner shall cause or permit any unusual or objectionable odors to be produced upon or to emanate from his or her Unit or any storage bin.

(xi) No Unit Owner shall at any time bring into or keep in his or her Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for those which are typical for daily residential use.

(xii) No Unit Owner or occupant shall keep, generate, use or dispose of any hazardous or toxic materials, wastes or substances in quantities or concentrations or under conditions which are not permitted by law or which must be reported, or notification given, to the public pursuant to any legal requirement. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will or could result in the cancellation of insurance on the Building or the denial of an insurance claim or which would be in violation of any law. No waste shall be committed to the Common Elements.

(xiii) No group tour or exhibition of any Unit or its contents shall be conducted, no film, television, commercial or video production be conducted within a Unit, nor shall any auction sale be held within any Unit, without the prior consent of the Board of Managers. Any Unit owned by Sponsor or a Sponsor-designee shall not be subject to this Rule.

(xiv) In the event that any Unit is used for home occupation purposes which are permitted by law, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

(xv) At least 80% of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets, and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material, unless otherwise expressly authorized by the Board of Managers in each case.

(xvi) No roof Limited Common Element may be used without the installation of a deck or other surfacing approved by the Board which shall be maintained at the sole cost and expense of the Unit Owner having exclusive use of such Limited Common Element. No Unit Owner shall install any plants on the roof without the prior written approval of the Board of Managers. Plants shall be contained in boxes of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace, balcony or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes will be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plants may be contained in masonry or hollow tile walls which will be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. It will be the

responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Any Unit owned by Sponsor or a Sponsor-designee shall not be subject to this Rule.

(xvii) Each Unit Owner shall comply with all applicable law with respect to the use and occupancy of the Unit Owner's Unit and any storage bin, including but not limited to the law regarding noise control and nuisances.

I. Insurance

The Board will be obligated to obtain and maintain "All Risk" casualty insurance for a condominium of this type, insuring the Building and fixtures installed in the Building (but not including any equipment not permanently affixed to the Building or any wall, ceiling, or floor decorations or coverings or furniture, furnishings, fixtures, or other personal property within the Units), together with all service machinery contained therein, covering the interests of the Condominium, the Board, and all Unit Owners and their mortgagees as their interests may appear, in any amount equal to the full replacement value of the Building (exclusive of the cost of excavations and foundations) without deduction for depreciation. Each of such policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee of a Unit which shall provide that the loss, if any thereunder, shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers hereinafter set forth.

The proceeds of all policies of physical damage insurance will be payable to the Board, and held in trust, in accordance with the terms of the By-Laws, to be applied for the purpose of repairing, restoring, or rebuilding the Building, unless otherwise determined by the Unit Owners as hereinafter set forth. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore, or rebuild the Building as set forth in Section 339-c of the Condominium Act.

All policies of casualty insurance shall contain waivers of subrogation and of any defense based on coinsurance or of pro rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled by the insurance carrier or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Permitted Mortgagees at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The cost of all such insurance shall be paid by the Board and shall constitute a Common Expense.

The Board shall also obtain and maintain, or cause to be obtained and maintained: (1) fidelity insurance covering the Managing Agent and all employees and members of the Board who handle Condominium funds; (2) workmen's compensation insurance for Condominium employees, if any; (3) public liability insurance covering each member of the Board and each Unit Owner in such limits as the Board may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements, Limited Common Elements, or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit; (4) if the Condominium is located in a designated flood hazard area, flood hazard insurance. The Condominium shall obtain such additional coverage and all insurance shall be consistent with the requirements of mortgages insured by the Federal National Mortgage Association; and (5) officers' and directors' liability insurance; and (6) rent insurance in an amount equal to the aggregate of Common Charges for all Unit Owners for one (1) year. The Board shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. For details regarding insurance coverage see the applicable footnote to Part I, Section 7 (Schedule B).

Unit Owners shall be required to carry casualty and general liability insurance for their own benefit at their own expense, covering items not included or included only to a limited extent in the policy of the Board, which policies shall contain waivers of subrogation. Examples of items not included in the policy of the Board are fire and casualty losses to Unit contents, furnishings, replacements, additions, upgraded fixtures, and improvements, as well as liability coverage for occurrences within the Property.

J. Damage by Fire or Other Casualty

Except as hereinafter provided, in the event of a casualty loss to the Building, the Board shall arrange, by use of insurance proceeds dedicated to such purpose, for repair and restoration, including any damaged Units and any equipment installed by Sponsor in accordance with the plans and specifications and this Plan, but not including replacement of wall, floor, or ceiling decorations, or coverings, painting, or furniture, furnishings, fixtures, appliances, equipment, or other property installed by Unit Owners. If the insurance proceeds are not sufficient for the repair or restoration, the Board must assess all of the Unit Owners for such deficit as part of the Common Expenses.

In the event of a casualty loss which results in the loss of the use of or access to a Unit, the Common Charges for such Unit will be proportionately abated.

K. Right of Action

The Board and any aggrieved Unit Owner shall have the right of action against Unit Owners or the Board for failure to comply with the Declaration, By-Laws, or decisions of the Board.

L. Enforcement of Sponsor's Obligations

All obligations pertaining to the Common Elements shall be enforceable only by the Board on behalf of the Unit Owners and not by individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board. During the time the principals of Sponsor control the Board, it is within their sole power to enforce the obligations of Sponsor pertaining to the Common Elements and, therefore, Sponsor agrees that during such period it will in its capacity as the Board enforce such obligation when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

M. Incurring Debt.

The Declaration and the By-Laws provide that the Board is authorized to incur debt on behalf of Unit Owners to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes. The repayment of any and all such debt may be secured and paid as set forth in Section 339-jj of the New York Real Property Law, which provides, among other things, that the Board, on behalf of the Unit Owners, may assign the rights in and to receive Common Charges, create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, and that at the lender's discretion it will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred.

N. Amendments to Declaration and By-Laws.

The Condominium Declaration may be amended with the approval of at minimum sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, in accordance with the provisions of the By-Laws and 51% of Eligible Mortgage Holders; provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the consent of all Unit Owners affected. Sponsor is permitted to make certain amendments to the Declaration in connection with construction and alteration of Units owned by Sponsor. The Condominium By-Laws may be amended with the approval of at minimum sixty-seven percent (67%) in number and in Common Interest of all Unit Owners. Consent of Sponsor is required for certain changes in the By-Laws.

O. Voting.

Each Unit Owner, or some person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to the Unit Owner's Unit at all meetings of Unit Owners. The total number of votes of all Unit Owners shall be 10,000 and each Unit Owner shall be entitled to cast one vote at all

meetings of the Unit Owners for each .01 per cent of interest in the Common Elements applicable to the Unit Owner's Unit.

20. REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and, therefore, the Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other Units. Assessments are made by The City of New York, Department of Finance, Property Division.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, each of the Unit Owners will make monthly payments toward real estate taxes to the Board of Managers based on the Common Interest of such Unit. The projected date of determination of the assessed valuation after the completion of construction is January 5th after such completion.

In accordance with By-Laws, Article I Section 2(r) and § 339-y of the Condominium Act, the Board may act as an agent for each Unit Owner who has given his authorization to seek administrative and judicial review of an assessment for real estate tax purposes. The Board may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all Unit Owners a pro rata share of expenses disbursements and legal fees for which charges the Board shall have a lien pursuant to § 339-z of the Condominium Act.

Based on an opinion prepared by the Merker Realty Corp., dated February 14, 2004 (the "Merker Opinion"), a copy of which is included in Part II, Section H, it is estimated that upon completion of the Building that the assessed valuation of the Building will be \$1,371,205. The Property is currently classified as Class 4 commercial. For the 2004/2005 tax year, the Merker Opinion assumed that the Property will be classified as Class 4 commercial, and that for the 2005/2006 tax year (after completion of the Building), the Property will be classified as class 2 residential. For purposes of the Merker Opinion, it was assumed that tax rates will increase by 5% per year. The current rates, and projected rates are as follows:

Class	Current Year - 2003/2004	Estimate for 2004/05 based on 5% increase	Estimate for 2005/06 based on 5% increase
Class 2	12.517%	13.143%	13.800%
Class 4	11.580%	12.159%	12.767%

Using these rates, and the assessed values discussed above, taxes payable during tax years 2004/05 and 2005/06 would be as follows if no 421 Benefits were received:

Tax Year	Billable Value	Tax Rate	Annual Tax
2004/2005	\$78,120	12.159%	\$9,499
2005/2006	\$1,371,205	13.800%	\$189,226

Sponsor intends to apply for partial exemption from real estate taxes with respect to the Units pursuant to Section 421(a) of the Real Property Tax Law (the "421(a) Program"). Under the 421(a) Program, a percentage of the increased assessed value of the Property attributable to the new Building will be exempt from real estate taxes over a fifteen (15) year period. For the first eleven (11) years after completion of construction, the percent of increased assessed valuation which is exempt is 100%, and each two-year thereafter the exemption percentage declines by 20% and, therefore, disappears in the sixteenth(16th) year. The earliest commencement date of benefits under the 421(a) Program is the first day of January or July, whichever date next follows the filing of the Final Certificate of Eligibility with the Real Property Assessment Bureau of the Department of Finance of The City of New York; therefore, if construction is completed in February 2006, the tax exemption would not be effective until July 1, 2006. Following in table form is a schedule showing the progressive decrease in benefits pursuant to the 421(a) Program:

<u>Year</u>	<u>Percent of increased assessed valuation which is exempt</u>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	100%
10	100%
11	100%
12	80%
13	60%

14	40%
15	20%
16	0%

The 421 benefits would grant the property an exemption from increases in assessed value due to the construction of the Building. This means that the Property's assessed value after the exemption is subtracted would be equal to the assessed value of the Land and improvements prior to construction of the Building. Taking this into account, the taxes payable for the 2005/06 tax year would be as follows if 421 benefits are granted:

Tax Year	Billable Value after exemption	Tax Rate	Annual Tax
2005/06	\$71,820	13.800%	\$9,911

The estimated real estate taxes for each Unit for the first year of Condominium operation assumes that the amount of real estate taxes payable with respect to each Unit will be levied in proportion to its Common Interest. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUES OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATES WILL NOT BE CHANGED.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY that The Real Property Assessment Bureau of the Department of Finance of the City of New York or that the tax assessments and tax rates as projected in this Plan will be accurate. There is no guaranty or assurance that the criteria for continued availability of 421(a) benefits for the Units will be satisfied or that a Certificate will be issued by HPD granting the 421(a) benefits. If, for any reason, Sponsor's application for a Certificate is not approved, the Units will be subject to full taxation and will receive no benefits under the 421(a) Program. See Schedule A for projected monthly real estate taxes for each Unit with and without benefits under the 421(a) Program.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided. Upon recording of the Declaration, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits. Please refer to the opinion of the law firm of Schneider Goldstein Bloomfield, LLP, set forth in Part II, Section H, of the Plan, for further details regarding the real estate tax assessment and 421(a) benefits for the Property.

Tax certiorari (real estate tax protest) proceedings are not currently pending. The costs and benefits of any such proceedings commenced after the commencement of this offering, will be apportioned between Sponsor and the Condominium; however, since the legal fees for prosecuting these proceedings are on a contingency fee basis, no legal fees will be due unless successful.

21. MANAGEMENT AGREEMENT

The Condominium will enter into a management agreement with Troutbrook Management Corp., 477 Madison Avenue, New York, NY 10022, effective as of the First Unit Closing. The fee due the Managing Agent under the Management Agreement is \$16,000 annually. The Management Agreement will have a term of one (1) year and will become month-to-month thereafter. The Management Agreement may be terminated without cause by either party without payment of any cancellation fee or penalty on sixty (60) days written notice to the other party. Also, it may be terminated at any time for cause on thirty (30) days written notice to the Managing Agent.

Further information concerning the Managing Agent appears in Part I, Section 21 ("Identity of Parties").

The Managing Agent will perform the following duties, among others:

A. cause the Common Elements to be operated and maintained as required by the Condominium;

B. cause to be hired, paid, and supervised, all persons and companies needed for the proper operation and maintenance of the Common Elements and collection of Common Charges;

C. do all things necessary to comply with laws, rules, and orders applicable to the Common Elements;

D. enter into contracts for maintenance and management services and the purchase of supplies necessary for maintenance of the Common Elements;

E. effect insurance coverage required by the Condominium;

F. cause prompt payment by the Condominium of accounts payable, real estate, and other taxes and mortgage debt service applicable to any property owned by the Condominium;

G. maintain an operating bank account for the Condominium;

H. upon request by the Board, sell reacquired Units of the Condominium;

J. supervise the billing and collection of Common Charges and assessments from Unit Owners;

K. consider and, when reasonable, attend to complaints of Unit Owners, provided that if it shall deem any complaint unreasonable it shall so advise the Board and give reasons for its opinion;

- L. set up and keep in good order the minute books, records, and files of the Condominium;
- M. prepare and file employee reports, forms, etc.;
- N. cooperate with the accountants and auditors engaged by the Board in regard to the preparation of all tax returns and annual statements;
- O. prepare for consideration of the Board proposed annual operating budgets at least sixty (60) days prior to each annual meeting;
- P. send all notices, reports, etc. to the Board and Unit Owners;
- Q. supervise the moving in and out of Unit Owners and tenants;
- R. submit monthly statements to the designated officers of the Condominium showing collections, disbursements, and amounts necessary to reserve or withhold, if any, to meet the obligations of the Condominium;
- S. send to each Unit Owner each year a statement, furnished by the accountants of the Condominium, showing tax data relevant to the Unit Owners;
- T. make all arrangements necessary for the holding of the meetings of the Unit Owners and the Board of the Condominium and attend all meetings;
- U. at the direction of the Board, carry out required procedures and give required notifications as set forth in the Condominium Declaration and By-Laws, in connection with exercise of right of first refusal on proposed sale or lease of Units;
- V. generally, do all things reasonably deemed necessary or desirable by the Board of the Condominium for the proper management of the Property;
- W. attend Board or Condominium meetings and other activities at the request of the Board;
and
- X. represent the Condominium at all regulatory hearings.

The Managing Agent's responsibility for supervising repairs and alterations to the Building is limited to those routine repairs and incidental alterations required in the course of the ordinary maintenance and care of the Building. Non-emergency repairs and alterations involving an expenditure in excess of \$5,000 for any one item will be made only with the prior approval of the Board. The Managing Agent will also be entitled to receive customary additional fees for such matters as processing transfer requests and shall also receive reimbursement for out-of-pocket expenses such as for postage, messenger service and express courier service.

The Board will be required to indemnify the Managing Agent against liability for acts properly performed by it pursuant to the Management Agreement.

The Management Agreement is not assignable by the Managing Agent without the express written consent of the Board of Managers, except in connection with any merger of the Managing Agent.

22. IDENTITY OF PARTIES

A. Sponsor

The Sponsor is Freud Court Street Properties LLC, a New York limited liability company formed on March 13, 2001. Its principal office is located at 477 Madison Avenue, New York, New York 10022. Sponsor has never offered properties for sale prior to this offering. The managing member and principal of Sponsor is Marc J. Freud. Mr. Freud has fourteen (14) experience in the acquisition, development, management and sale of residential and commercial properties.

Sponsor, Sponsor's principals, or any affiliates of Sponsor or Sponsor's principals, have not offered for sale any properties as cooperatives, condominium, planned unit development homes, or time shares which were first offered within the past five (5) years, except The 636 Pacific Street Condominium, 636 Pacific Street, Brooklyn, NY, first offered in June, 2002, under New York State Department of Law file number CD 020020.

B. Managing Agent

The Managing Agent, Troutbrook Management Corp., 477 Madison Avenue, New York, NY 10022, an affiliate of Sponsor, is a recently formed corporation and has no prior experience in management of residential properties, but its partners have extensive residential and commercial holdings and have a combined thirty-five (35) years of experience in property management.

C. Architect

The Project's Architect is Kutnicki Bernstein Architects PLLC, having an address at 96 Spring Street, New York, NY 10012. Kutnicki Bernstein Architects PLLC, has extensive prior experience in the design of mixed use residential apartment buildings.

D. Attorneys for Sponsor

The law firm of Schneider Goldstein Bloomfield LLP, located at 90 Broad Street, New York, New York 10004, represents Sponsor in connection with all matters pertaining to this Plan. Jay Bloomfield, Esq., prepared this Plan.

E. Selling Agent

Selling Agent is Troutbrook Company LLC, having an office at 477 Madison Avenue, New York, NY. Selling Agent is a New York licensed real estate broker and an affiliate of Sponsor

23. REPORTS TO UNIT OWNERS

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

i. an audited financial statement of the Condominium prepared by a certified public accountant or public accountant by July 1 of each calendar year with respect to the previous calendar year;

ii. prior notice of the annual Unit Owners' meeting; and

iii. A copy of the proposed annual budget of the Condominium at least ten (10) days prior to the date of adoption of such budget by the Board; provided, however, as long as Sponsor is in control of the Board, such budget shall be certified as adequate by a qualified independent expert.

24. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at 477 Madison Avenue, New York, NY, for six (6) years from the date of the First Unit Closing. Sponsor shall deliver to the Board of Managers a copy of all documents filed with the City Register's office, Kings County, at the time of the First Unit Closing.

25. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property and Building Condition set forth in Part II, Section A, of this Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building, except as set forth in such Description.

26. GENERAL

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

B. Sponsor and its agents will not discriminate against any person because of marital status, disability, race, creed, color, national origin, sex, sexual orientation, ancestry, or other grounds prohibited by law in the sale of Units offered under this Plan or in the leasing of any Unit.

D. Sponsor reserves the right, from time to time prior to the Closing Date, without obtaining the consent of Purchasers, to revise the terms and conditions on which the Units offered hereby are sold, including changes affecting the rights, obligations, and liabilities of Purchasers. All material revisions will be contained in a duly filed amendment to this Plan. If a material revision adversely affects the rights, obligations, or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements and to receive a refund of their down payment (with interest, if any, earned thereon) within fifteen (15) days after the presentation of the amendment.

27. WORKING CAPITAL FUND AND APPORTIONMENTS

The Purchaser of each Unit shall be required to make a contribution at the Closing of his Units(s) to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) months' Common Charges in effect for such Unit(s). Sponsor will not be obligated to make any contribution to the Working Capital Fund.

At the First Unit Closing, Sponsor will apportion with the Board the following items as of midnight of the date preceding such Closing:

- (1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals and all other payments or obligations relative to the employees of the Building;
- (2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;
- (3) charges for electricity and other utilities for the General Common Elements;
- (4) cost of fuel on hand (plus sales tax), if any;
- (5) charges and receipts in connection with service, maintenance and concession contracts;
- (6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (7) cost of Building supplies on hand at Sponsor's cost (including sales tax);
- (8) premiums for transferable insurance policies, if any;
- (9) management fees; and
- (10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Unit Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Unit Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, closings costs and adjustments, or for such other appropriate purposes as will be determined by the Board. While Sponsor controls the Board (see the Section entitled "Control by Sponsor"), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time; however, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges or Common Charges attributable to Unsold Units.

28. RESERVE FUND.

The Board must establish and maintain an adequate reserve fund for the replacement of improvements to the General Common Elements and those Limited Common Elements that it is obligated to maintain and the Common Expenses shall also include an amount to fund such replacement reserve. The reserve fund will be funded entirely by Common Charges as a Common Expense. In the event that capital expenditures for renewal or replacement of building components or systems or the remedy major building defects are needed, nevertheless, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, a Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws each board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund or the Replacement Reserve will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Since the rehabilitation to the Building by Sponsor is comprehensive, it is anticipated that the reserve fund which will accumulate will be sufficient to pay for the replacement of capital items likely to be needed within the first five (5) years of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund or Replacement Reserve.

Dated: _____, 2004
New York, New York

PART II

CONDOMINIUM OFFERING PLAN
THE 529 COURT STREET CONDOMINIUM

A. DESCRIPTION OF PROPERTY AND SPECIFICATIONS

529 Court Street
Brooklyn, New York

Architects report prepared by Kutnicki Bernstein Architects PLLC dated October 1, 2004.

A. Location and Use of the Property:

1. Address: 529 Court Street
Brooklyn, NY
2. Block Number: 428
Lot Number: 1
3. Zoning: R-6
4. Use: Residential

B. Status of Construction:

1. The building is new construction. Floors 1-6, attic and partial cellar will be for residential use. There will be a residential interior lobby with elevator accessing all residential units and cellar.
2. Class of Construction: The building will be classified as Class 1-C, fully sprinklered and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The Plans were filed and approved under the number 301617301 with the Department of Buildings and the Construction will be completed December 2005.
3. Certificate of Occupancy: After completion of construction and prior to closing, the Sponsor will apply for a Certificate of Occupancy for the building from the Department of Buildings of the City of New York ("Department of Buildings").

C. Site:

1. The total site area is approximately 8,373 S.F.
2. Upon completion there will be one 6 Story Building including Penthouse and attic space, one cellar and on grade parking.
 - I. There will be a rear yard second floor terrace.
3. The site contains an 80'-6" frontage on Court Street and 99'-4" of frontage on Garnet Street.
 - i. Court Street is paved with asphalt topping and in relatively in good condition.
 - ii. Garnet Street is paved with asphalt topping and in good condition.
 - ii. The existing sidewalks on both Court and Garnet Streets will be new.
 - iii. The street is presently pitched to drain through existing cast iron catch basins into the New York City Sewer System.
 - iv. The City of New York provides the street lighting.
 - v. These items conform to all local fire district and New York City Department of Transportation Codes.
4. Sidewalk:
 - i. The existing concrete sidewalks on Court and Garnet Street will be demolished and replaced with new concrete sidewalks and driveways according to the New York City Building Code. These items conform to

all local fire district and New York City Department of Transportation Codes.

5. Yards:

- i. There is a rear yard. No side yards. The rear yard is paved with asphalt and will be utilized to park cars.

D. Utilities

1. Electricity:

- i. Con Edison, a regulated utility company, will provide electricity to the Building.
- ii. Each unit owner shall be separately metered and pay actual usage charges directly to Con Edison on the basis of approved Utility Electric rates then in effect.
- iii. Con Edison will separately meter the electricity consumed in the Common Elements of the building and the cost of the same will be borne as a Common Expense.

2. Gas: Keyspan will provide Gas for cooking, space heating, and domestic hot water for the Units. The cost of the gas consumed in the Units measured by a common house meter will be borne by the Unit Owners as a Common Expense.

3. The City of New York will provide Water and Sewer services. The charges for water and sewer services provided to the building (including in the Residential Units, and in the public areas of the building) will be levied on the basis of a master meter and borne by the Unit Owners as a Common Expense.

4. Telephone: Each Unit Owner will be required to pay the telephone charges with respect to his or her Unit directly to telephone company providing such service.

5. Cable or Satellite Television: Cable or Satellite Television service will be available for all Units. All charges for cable television service (including subscription charges) will be paid by each Unit Owner, who subscribes for the same directly to the cable TV company. In each Unit, a cable entry point will be provided. As well as data line for internet services. The building will also be wired with an internet connection provided by Time Warner.

6. All utility services are being provided as needed to meet the requirements of all mechanical, electrical and other equipment.

E. Sub-Soil Conditions:

1. The site was formerly used as a gas station until it was acquired by the Sponsor. Boring Logs indicate the ground water table to be at 8' to 9' below grade. A phase II environmental subsurface investigation was performed by EEA, Inc., 55 Hilton Avenue, Garden City, NJ 11530. EEA, Inc. performed six borings, finding soil contamination from gasoline and other contaminants. Ground water was also found to have been contaminated. In addition, three 4,000 gallon tanks and six 550gallon gasoline tanks were detected. All tanks and contaminated soil has been removed and remediated pursuant to all guidelines of all City and State agencies having jurisdiction.
2. There is no danger from flooding, either due to water table in the area or overflow from other bodies of water.

F. Landscaping and Enclosures:

1. Grass Cover: Not Applicable
2. Plantings and Ground Cover: Not Applicable
3. Street trees: A total of 7 trees will be provided along Court and Garnet Street.
4. Fencing: Fencing will be provided at Garnett Street for the parking area.
5. Garden walls: none.
6. Retaining walls: Along North and East side of parking area.
7. Display pools and fountains: none.

G. Building Size:

1. Total Height: The total height of the building from the average curb elevation to the top of the main roof is 56'-3 ¼"
2. Crawl Spaces: None
3. Cellars: One
4. Cellar height: 9'-4" varies under structure
5. There are 6 floors plus cellar.
6. Equipment Rooms: In Cellar, including Gas Meter Room, Water Meter Room, Electric Meter Room, Sprinkler Pump Room and House Trap Room. Boiler room to be located on roof.
7. At all conditions the height of the parapet/railing will be a minimum of 3'-6" above finished surface.
8. Parking: 13 parking spaces will be provided on grade and will be retained by Sponsor as individual condominium units. There will be one handicap parking space.

H. Occupancy:

1. There will be twenty-five (25) residential dwelling units in the building.
2. Recreation Area: Provided at the main roof level.
3. Parking on grade and under building.

I. Structural System:

The building structural members are steel columns and beams. Floors are 8" thick precast concrete plank.

1. The Exterior of the Building:
 - i. Foundations:

Piles: The piles are 14" diameter circular steel "closed end" piles with a ¼" wall thickness being driven to approximately 60-70 feet in length and ultimately being filled entirely with 4,000 PSI concrete having #6 rebars splayed out at their proximal end. There are approximately 105 piles ranging in pile clusters of between one for a PC-1 totaling 9 cups in quantity; two piles to a PC-2 pile cap totaling 17 cups in quantity; 3 piles to a PC-3 pile cap totaling 10 cups; four piles to a PC-4 pile cap totaling 3 cups in quantity; five piles to a PC-5 totaling 1 cup; one PC-7 and one PC-8.

Grade beams: Grade beams are designed to span from one adjacent pile cap to another, measuring at a minimum 16"x24" to 24"x36" and finally

48"x48" all with a compressive strength of 4,000 PSI reinforced concrete. Number #4 steel rebars at 12" OC. Top and bottom are placed within each grade beam.

Foundation: Approximately 50% of the site is enclosed with 4,000 PSI reinforced poured concrete foundation walls resting on the grade beams with a one foot thick reinforced structural matt slab at elevation 7'-6". The remaining 50% of the site at elevation 2'-9" is an asphalt covered parking lot.

- ii. Cellar: floors to be concrete.
- iii. Walls:
Court and Garnet Street facade
Brick

North and Rear Wall

The façade to be of EFIS or similar system.

The interior of the walls will be metal studs with batt insulation and 5/8" gypsum wallboard finish.

The exterior walls will be non load hearing 6" CMU infill supported on the steel beams and concrete planks.

- iv. Windows: To be provided by Champion Architectural Aluminum Inc. or approved equal. Windows will be sliders with painted aluminum finish (or other color which corresponds aesthetically with the building) and glazed with insulating glass. The U value of the glass will be .55 and the shading coefficient will be .91. The windows will have the following warranties:

Glass:	5 year
Window:	10 year
Labor:	1 year

- 2. Parapets: To be of brick or block.
Copings: To be of aluminum or precast concrete.
- 3. Chimneys and Caps:
There will be one chimney at the roof of the mechanical floor from the boiler room. The Chimney will be UL approved "B" vent.
- 4. Bulkheads: A new stair and elevator machine room will be constructed for Bulkheads out of structural steel with a finished EIFS surface.
- 5. Balconies and Terraces: Balconies will be provided at Floors 3-5. Each balcony will be provided with an aluminum or metal rail. Balconies in units 301, 306 and 401, 406 measure 11'-8" x 5'-0" and are metal decking with a concrete topping

Balconies provided at units 202, 302, 402, 502, 203, 303, and 403 measuring 9'-0"x 22"; 503, 204, 304, and 404 measuring 11'-2"x 22" and in units 205, 305, and 405 measuring 10'-8"x22".

Aluminum and glass doors and windows will be provided with same paint finish. A wall mounted light will be provided at each Terrace. Terraces at the second floor level will be accessed by aluminum and glass doors. See unit plan for location. Decking- second floor; to be finished with concrete pavers or rubber matting at the sponsor's sole discretion.

6. Metal work at roof: Rails will be provided to meet code.
7. Exterior Entrances:
 - i. Exterior Doors and Fixtures: The main entrance to the residential lobby will be a painted aluminum door with tempered glass with electric lock strike with a glass awning over entrance.
 - ii. Exterior Stairs to mechanical rooms and elevator machine room will be aluminum or similar material.
 - iii. Railings: Not Applicable
 - iv. Mail Boxes: Mailboxes manufactured by Bommer or approved equal will be located in the Ground Floor Residential Lobby.
 - v. Lighting: There will be sufficient incandescent and fluorescent lighting at the residential lobby entrance.
8. Service Entrances: Not Applicable
9. Roof and Roof Structures:
 - I. Penthouse (sixth floor roof):
 - a) Materials: The roof comprised of the following system will be installed. A plank deck with tapered insulation and a EPDM roofing membrane. The flashing will be aluminum.
 - b) Terrace deck (fifth floor roof): Common Terraces to be completed with concrete pavers in common area only or rubber matting at sponsor's sole discretion. Limited terraces no covering.
 - c) Insulation: min of 5" rigid insulation with an R-value of 19.
 - d) Column Covers: to be powder coated over aluminum.
 - e) Flashing Materials: There will be metal cap flashing and fabric base flashing.
 - f)
 - ii. Attic: An attic space will be provided in unit PH 1. Attic/penthouse space is constructed of 6" metal studs and clad with exterior grade Densglass with an EIFS or similar system; fiberglass batt insulation in stud space and 5/8" sheetrock on interior. Lighting and ventilation provided via windows.

Access to the attic is via an internal stair from the 5th floor.

iii. Drains:

- a) There will be a sufficient number of cast iron roof drains for each area requiring drainage.
- b) There will be drainage at the parking area, 2nd Floor, 5th Floor and penthouse levels, as well as upper roofs.
- c) Storm drainage piping shall be service weight cast iron. Fittings above ground shall be hub-less C.I.S.P.I. style drainage fittings and couplings. Fittings and joints below ground shall be bell and spigot type with neoprene push-on gaskets.

iii. Bulkheads:

- a) Stairs: The stair enclosure will be constructed of 2 hour rated GWB with an EIFS finish on the exterior. The height of the bulkhead will project 10'-8" above the sixth floor roof.
- b) Elevator: New elevator machine room will located at roof.
- c) Other: The boiler room and condenser units will be located on the roof.

iv. Rooftop Facilities:

- a) Penthouse Units PH1, PH2, PH3, and PH4 will have private terraces located at the 4th and 5th Floor roof. Pavers will not be provided.

v. Recreation Space:

- a) Required recreation space for the building will be located on the main roof. Roofing pavers will be provided.

8. Fire Escape: none.

9. Yards and courts: On grade parking will be provided in the rear yard and partially under the building.

I. Paving: Parking area will be provided with asphalt paving. Parking will not be provided for each unit owner.

ii. Drainage: Asphalt paving will be sloped to new cast iron drains.

iii. Railings: No railings.

iv. Stairs: Concrete Stairs with metal rails will be provided from parking area to lobby.

- v. Lift: A handicap lift will be provided from the main entrance lobby to the elevator and a second lift from the parking area to Lobby floor elevation. The lift will be a Genesis vertical lift, Model: Genesis, 750 lbs, Platform.
- vi. Fencing: Ornamental metal fencing will be provided at Garnett Street parking entrance with an electric roll down entrance gate.
- vii. Walls: North and East sides – new CMU walls will be provided.

10. New Interior Stairs:

- i. Number of Stairs of Each Type: There are two (2) main exit stairs.
 - a) Both extend from the sixth floor roof to the ground floor one exits through the garage to Garnett St. the other exits through the main lobby and exits on Court St. The 2 Cellar stairs both exit on the first floor one exits to the garage and Garnett St. and the other through the lobby.
- ii. Enclosure: The stair will be enclosed with 8" concrete block, painted on interior and insulated where exposed with EIFS finish on exterior and 2 layers of 5/8" fire rated gyp board and painted exposed CMU block on the hallway side.
- iii. Stringers: There will be new metal stringers.
- iv. Treads: Metal pan with concrete fill
- v. Risers: Metal
- vi. Hand Rails: New steel pipe handrail in each stair.
- vii. Balustrade: none.
- viii. Skylights at stair bulkhead to have NYC approved protective screens.

11. Interior Doors and Frames:

- i. Unit Entrance and Interior Doors and Frames: Unit entrance doors shall be hollow metal. Unit interior doors shall be solid core wood doors with hollow metal frames.
- ii. Stair and Service Hall Doors and Frames: All doors and frames are hollow metal and meet the New York City Code Requirements.
- iii. Roof Doors, Cellar Doors and Frames: These doors and frames shall be hollow metal and will meet the New York City Code Requirements.

12. Elevator:

- i. Type: New Automatic Passenger Elevator – Manufactured by Hollister Whitney Elevator products, Co Model #42 traction type elevator with IP 8300 Landing Control System, including custom elevator 200 feet per minute. The elevator will serve all floors, including the cellar.
- ii. The elevator machine room location is above the bulkhead space above roof.
- iii. Capacity: 2,000 lbs.
- iv. Motor type: 15 HP, 208 volt, 3 phase A/C Imperial Motor
- v. Car Station: Car station with digital CPI and hands free phone.
- vi. Passenger Elevator Floor: The floor material will be vinyl tile or approved equal.
- vii. Passenger Elevator Walls: The walls for the elevator cabs will be a laminate or equal.
- viii. Passenger Elevator Ceiling: The ceiling will be metal panel or approved equal.
- ix. Passenger Elevator Lighting: Incandescent type lighting.
- x. Passenger Elevator Doors: Hollow metal.
- xi. Passenger Elevator Alarm, safety system: The cab will have the following features: Emergency access ceiling panel; Braille plate; emergency/light and floor call button. The elevators will also be equipped with a system for voice contact. EMR will be located at ground floor Lobby call station.
- xii. Service Elevator: None
- xiii. Elevator Ventilation will be through Elevator Machine room ceiling.

J. Auxiliary Facilities: Telephone

- 1. Laundry Rooms: There will be no common laundry room.
- 2. Refuse Disposal:
 - i. Incinerators: None
 - ii. Refuse Collection: A trash chute from the cellar floor to the sixth floor, with a refuse collector compactor in the cellar.

- iii. The New York City Department of Sanitation will pick up the bags from the sidewalk.
 - iv. Compactor will be APPLE-PAK Model 100
3. Storage Space: Dedicated building storage will be located in the cellar, storage may not be available for each unit.

K. Plumbing and Drainage:

- 1. Water Supply: A new 4-inch fire service and a new 3" domestic water service from the Court Street Water Main will supply the building.
- 2. Fire Protection: The building is to be provided with a new 4" fire service to serve fully sprinklered building. The Fire sprinkler system will include fire department (Siamese) connection. All piping will be schedule 40. Sprinkler heads will be standard coverage, and extended coverage ordinary temperature rating.
- 3. Water Storage Tanks: None.
- 4. Domestic Water System: The Domestic Water pressure is increased by a 3 HP Duplex Pressure Booster Pump, and with by-pass piping. Hot water is produced by (1) Indirect Hot Water Heater A.O. Smith Model #BT12 400A 100 gal with a 200 gallon capacity storage tank. The heater is located in the roof boiler room, together with the heating boiler. Hot water piping has circulating loop with a pump and aquastat, to make hot water available any time.
- 5. Water piping will be type "L" copper tube with wrought copper fittings. Joints will be made with 95/5 tin antimony solder.
- 6. Sanitary Sewage System: All sanitary drainage is connected to the public combined sewer in the Garnett Street. Drainage of cellar floor fixtures and floor drains will be drained to a duplex sewage ejector pump set. All fixtures above the cellar level will drain by gravity. Storm drainage piping will be service weight cast iron. Fittings above ground will be hub-less C.I.S.P.I. style drainage fittings and couplings. Fittings and joints below ground will be bell and spigot type with neoprene push-on gaskets.
- 7. Storm Drainage: All storm drainage from the building connected to the combined public sewer in the Garnett Street. A storm water retention tank will be provided under the parking garage with access through a manhole in the parking garage.
- 8. Garbage Disposals: All units will have access to a common garbage chute centrally located on each floor.

L. Heating Ventilating and Air-Conditioning.

1. General: Heating ventilating and air conditioning systems will be provided for all public areas of the building in accordance with New York City Building Code and applicable standards of the American Society of Heating, Refrigeration, and Air Conditioning Engineers.
2. Heating will be provided for all units through baseboard radiation.
3. Heating will be provided by a gas fired hot water boiler located in the roof boiler room. The total boiler input is 600 MBH. The boiler controls will energize pumps and maintain hot water supply temperature according to the outdoor temperature reset schedule. The Units will be equipped with fin tube radiation. Stairwell and lobby shall be heated by hot water cabinet heaters or radiators. Each will be controlled by a non-electric control valve.
4. The boiler will be Teledyne Lans; HH0600in92; 600 BTUH, 81% efficiency, Labor warranty for one year, parts and materials warranty 3 year by manufacturer.

M. Air-Conditioning

On floors two through six in all Units, will be provided with electric hookups for through the wall A/C units. Units will be provided with a sleeve to house A/C units – the units themselves will not be provided. Elevator machine room will be heated and ventilated.. Unit owners will be requested should they desire to purchase A/C units to do so per the following schedule:

All apartment AC units shall be Friedrich or approved equal and shall have the following capacities:

Wall A/C Unit Schedule				
Symbol	Manufacturer	Model #	BTU	
A/C A	Friedrich	US08A10A	8,000	
A/C B	Friedrich	US10A10A	10,000	
A/C C	Friedrich	US12A10A	11,700	
A/C D	Friedrich	UM-18J34	12,500	

Unit	Living Room	Bedroom	Master Bedroom	Attic
101	C			
102	C			
103	2C	C	B	
201-401	C & A	A		
202-402	B	A	A	
203-403	C	A		
204-404	C	A	A	
205-405	C	A	A	
206-406	C	A	A	
501	2A	A	B	
502	C	A		
503	C	A	A	
504	2A	A	B	
602		A		
603		B		

Ventilation

1. Outdoor air for Units will be provided by operable windows.
2. Kitchens and Bathrooms will be connected to dedicated sheet metal exhaust ducts.
3. Corridors shall be ventilated with 100% outside air. Air handling unit with gas fired heating section (125 MBH) located on the roof.
4. Dryer ventilation is provided by a dedicated sheet metal Dryer Exhaust Shaft.

Design Conditions: Residential Floors: 2,3,4,5, and Penthouse.

Summer:	Outdoor	95°F DB 74°F WB
	Indoor	78°F DB 50°F RH
Winter:	Outdoor	5°F DB 72°F DB<RH uncontrolled

Ventilation: Residential Units: Operable Windows

Commercial Units: Will be provided with outside air per NYC Code.

M. Insulation

Compliance with Chapter 8 (New York State Energy Code)

802.2.4 Roof – Rigid 2" insulation board minimum value R-19

802.2.1 Wall – Above grade walls 2" insulation board minimum value R-11

N. Gas Supply:

The building is provided with gas service boilers, central hot water, and cooking. Gas is master metered via two gas meters. One meter for space heating and domestic hot water heating and a second meter for cooking. Piping material is black iron Schedule 40 pipe with malleable fittings.

O. Electrical System:

1. Electric Service: 1,200 Amp electric service will be provided. The new feeder to the building will be per 3 sets of 4#500MCM, #1/0G. 3"C. A new service is adequate for modern usage.
2. Unit Electric Service: All units will be provided with 100 amp electrical service with 24 circuit panel.

Each Unit service will be 208/120 volts, single phase, 3 wire.

3. The house panel will be 208/120 V, 400 amp., 3 phase, 4 wire and ground.
4. Ground fault receptacles are provided in all bathrooms and kitchens; Ground fault receptacles with weather resistant enclosure are provided at roof terraces where indicated.

P. Telephones, Intercom and Security Systems:

1. Telephone services will enter the building from Verizon and be fed to a telephone switchboard located in cellar level. It will then be distributed throughout the building through risers and sleeves. Each Unit will receive telephone service from a telephone interface block located in each unit.
2. Each Unit will be linked to the building entrance door through the intercom system. A security card key system will be installed at the front of the building. Key access will be at entrance of garage.
3. Wiring will be installed in each Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's expense.

Q. Public Area Lighting: Fluorescent and/or incandescent downlights and/or wall sconces will be provided in the lobby, fluorescent fixtures in the stairs, and fluorescent and/or incandescent fixtures in the corridors and other public spaces.

R. Garages and Parking Areas:

1. An unattended garage with 13 spaces will be provided on grade. The entrance shall be from Garnett St.
2. The garage space is a 5,000 SF on grade asphalt covered parking area consisting of 13 total spaces (1 handicapped space and 12 parking spaces) completely enclosed by an 8" high CMU wall on two sides. The entry way is secured in front by McNichols aluminum swaged grating and a RAYNOU "Duracoil Select" aluminum perforated flat slat (or approved equal) overhead garage door. The parking area is illuminated with surface mounted metal Halide fixtures or approved equal.
3. Garage fire protection: The garage area will be fire protected with a dry sprinkler system.
4. Garage drainage: Drainage will be provided by floor drains to a combined sewer drain.

S. Permits and Certificates:

1. The building is being constructed under the Department of Buildings Permit no. 301617301.
2. All necessary permits will be obtained and all required inspections will be completed prior to obtaining a Certificate of Occupancy. The following inspections will be required: Certificate of Occupancy, Concrete Design and Mix, Steel Structural Stability, Plumbing, Sprinkler, Fire alarm and Ventilation.

T. Information: There will be 25 residential dwelling units in the building.

<u>UNIT</u>	<u>DESCRIPTION</u>
101	STUDIO DPLX, W/ REC. SPACE, 1.5 BATH
101 C	
102	STUDIO DPLX, W/ REC SPACE, 1.5 BATH
102 C	
103	2 BEDRM DPLX, W/ REC. SPACE, 2.5 BATHS
103 C	
201	1 BEDRM, 1 BATH
202	2 BEDRM, 2 BATHS
203	1 BEDRM, 1 BATH
204	2 BEDRM, 2 BATHS
205	2 BEDRM, 2 BATHS
206	2 BEDRM, 2 BATHS
301	1 BEDRM, 1 BATH
302	2 BEDRM, 2 BATHS
303	1 BEDRM, 1 BATH
304	2 BEDRM, 2 BATHS
305	2 BEDRM, 2 BATHS
306	2 BEDRM, 2 BATHS
401	1 BEDRM, 1 BATH
402	2 BEDRM, 2 BATHS
403	1 BEDRM, 1 BATH
404	2 BEDRM, 2 BATHS
405	2 BEDRM, 2 BATHS
406	2 BEDRM, 2 BATHS
PH4	2 BEDRM, 2 BATHS
PH3	STUDIO DPLX, W/ REC. SPACE, 2 BATH
PH2	2 BDRM DPLX, W/ REC SPACE, 2.5 BATHS
PH1	2 BEDRM DPLX, W/ ATTIC. SPACE, 2 BATHS

1. Interior Partition will be 3 5/8 metal stud with 5/8 Gypsum board (GWB) on each side.
2. Exterior walls will be exposed block
3. Floors will be hardwood in the living room, bedrooms, kitchens, hallways and hallways within the units.
4. Finish Schedule for Typical Apartment.

Unit Finish Schedule

Space	Floor	Walls	Base	Ceiling
Living	wood	gwb/paintwd		gwb/paint/exposed concrete slab
Sleeping	wood	gwb/paintwd		gwb/paint/exposed concrete slab
Kitchen	wood	gwb/paintwd		gwb/paint/exposed concrete slab
Bath	ceramic tile	paint/tile ceramic tile		gwb/paint/exposed concrete slab
Master bath	marble	paint/tile marble		gwb/paint/exposed concrete slab
Unit Corridor	wood	gwb/paintwd		gwb/paint/exposed concrete slab
Utility	concrete	gwb/paintwd		gwb/paint

Finish Schedule of Spaces Other Than Units:

Space	Floor	Walls	Ceiling
Lobby(s)	Conc	cmu/dyed plywood panels	painted w/ ornamental metal/exposed concrete slab ceiling
Cellar	Conc.	cmu/gwb/paint	gwb/paint/exposed concrete slab ceiling

2nd – 7th Floor public hallways: Painted metallic Ralph Lauren Gray.

4. Bathrooms:

<u>Fixtures</u>	<u>Manufacturer</u>	<u>Model/Model No.</u>
Sink	Duravit	Scola
Faucet	Newport	2008
Toilet	Toto/Philip Starke	854/30 – Penthouse PH1
Tub	Kohler	Mondota/WH
Tub Fill	Newport	993 PC
Shower Body	Newport	993 PC
Volume Controls	Newport	VD2125
Shower Head	Newport	AT2058
Hand Shower	AF Plumbing	TDL610
or approved equal		

5. Kitchen Appliances

<u>Fixture</u>	<u>Manufacturer</u>	<u>Model/Model No.</u>
Refrigerator	Whirlpool SS	GS395/LEH3
Stove 30"	Magic Chef SS	CGR3742CDC
D/W	Maytag SS	MDB7100AWS
Hood	Maytag SS	VXT4030AAS
or approved equal		

6. Washer & Dryer: Hookups for Washer & Dryer will be provided in each Unit. Dryer will have an electric hookup. Dry ventilation is through a dedicated common Dryer Exhaust duct serving each unit. Washer and Dryer not supplied.

Lighting Fixture Schedule						
TYPE	MANUFACTURER	CATALOG #	QTY	LAMP		LOCATION
				TYPE-VOLT	WATT	
F1	LIGHTOLIER	KLT240120-SO-GLR	2	T8-120V	32	STORAGE/MECHANICAL RM
F2	LIGHTOLIER	6790WH226U-H1	2	QUAD 4-PIN-120V	26	CORRIDORS/LOBBY
F1	LIGHTOLIER	KDL240120-SO-GLR-EM	2	T8-120V	32	STAIRS/CORRIDORS
(EM)						(CELLAR)
						REFUSE ROOM
I1	LIGHTOLIER	1144-1102P1	1	A19-115V	100	KITCHEN
I2	HALO	H7T-73P	1	A19-115V	100	BATHROOMS
I3	PROGRESS	P3520-30	2	A19-115V	75	APT HALLWAY/CLOSETS/DEN
I5	LIGHTOLIER	4532WH	1	A19-115V	100	TERRACE/BALCONIES
I6	PROGRESS	P3280-18	2	A19-115V	60	BATHROOMS
I7	CRESCENT-STONCO	DEC-100-S-L-120V	1	A19-115V	100	EGRESS DOOR/EXTERIOR
H1	CRESCENT-STONCO	LPQ-175-MA-L-FS-120V	1	MH-120V	175	PARKING/EXTERIOR LOBBY
H2	CRESCENT-STONCO	WPM-150-MA-L-FS-120V	1	MH-120V	150	EXTERIOR FAÇADE
H3	CRESCENT-STONCO	TLW-70-HMA-L-FS-120V	1	MH-120V	70	EXTERIOR LOBBY
EM	DUAL-LITE	LM-NY SERIES (LM-33-NY)	2	HALOGEN LAMP - 6V	8	CORRIDORS
EX	DUAL-LITE	"METROPOLITAN" SERIES NSRW-NWP-1F	1	FLUOR	-	CORRIDORS/STAIRS/LOBBY

Or Approved Equal

7. Internal duplex stairs will be painted steel stairs with open risers and wood treads and a metal rail.

U. Safety and Warning Devices:

1. Apartment Smoke Detection System:
 - i. Each Unit will contain a smoke detector located within 15'0" of the bedrooms. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device.
2. Common Area Fire Detection System:
 - i. A sprinkler alarm system will be provided. An alarm will come on after fire trips sprinkler head. Devices will be monitored at central station.
 - ii. Pull station located in building lobby.

U. Additional Information Required:

1. Site Plan: Refer to Architectural Drawing
2. Floor Plan for each Line or Type of Unit: Refer to Unit Plans
3. Floor to ceiling Heights of Units will be approximately:

- a) Cellar: 9'-6" - varies under structure
- b) Ground Floor: 9'-6" - varies under structure
- c) Floor 2: 9'-6" - varies under structure
- d) Floor 3: 9'-6" - varies under structure
- e) Floor 4: 9'-6" - varies under structure
- f) Floor 5: 9'-6" - varies under structure
- g) Floor 6: 9'-6" - varies under structure

4. Approximate Total Area of each Unit: Refer to Unit Plans. Each Unit consists of the area measured horizontally from the outside side of the glass or the outside face of the exterior wall to the face of the metal studs or the unexposed face of drywall or the concealed concrete structural member or the face of the concealed block work of the interior walls and partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment space of any common elements or the Unit side of the opposite exterior walls.

Kutnicki Bernstein Architects, PLLC

By: *[Signature]*
Daniel K. Bernstein, Partner

10/1/04
Date:

Sworn before me to this

Seal:

1st Day of October, 2004



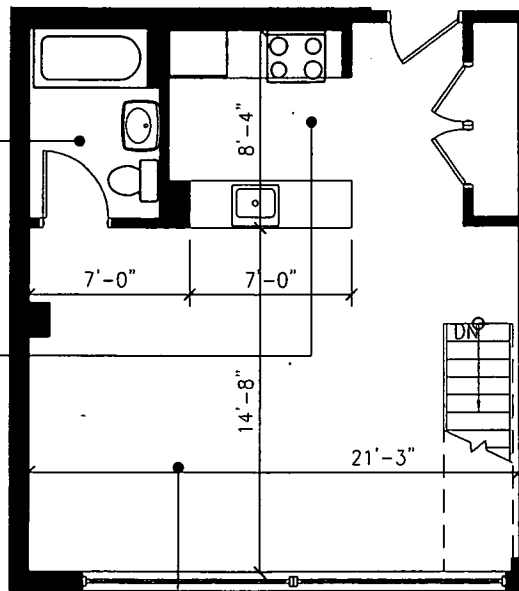
[Signature]
SHERRI ROSEN
NOTARY PUBLIC, State of New York
No. 41-4712214
Qualified in Queens County
Certificate Filed in New York County
Term Expires December 31, 2006

B. SITE PLAN AND FLOOR PLANS OF UNITS

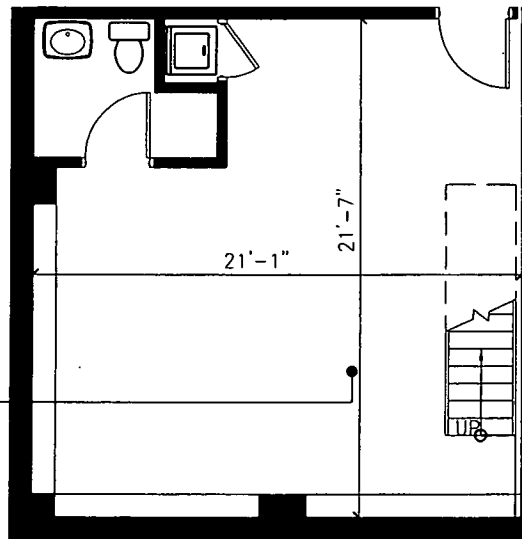
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KITCHENETTE
CLG HT: 8'-5"

LIVING/DINING
CLG HT: 9'-6"



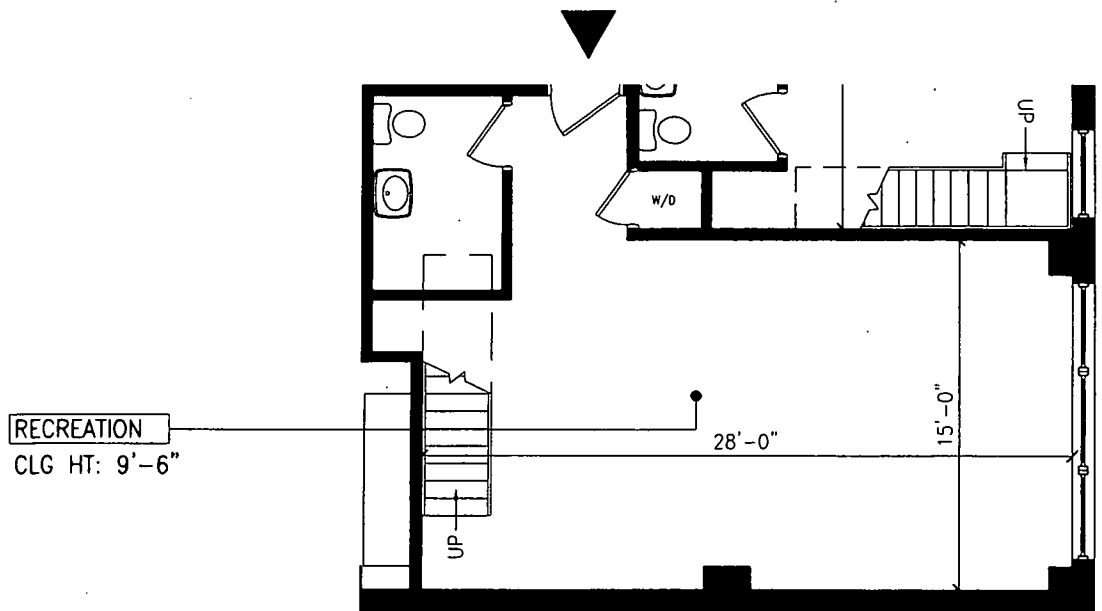
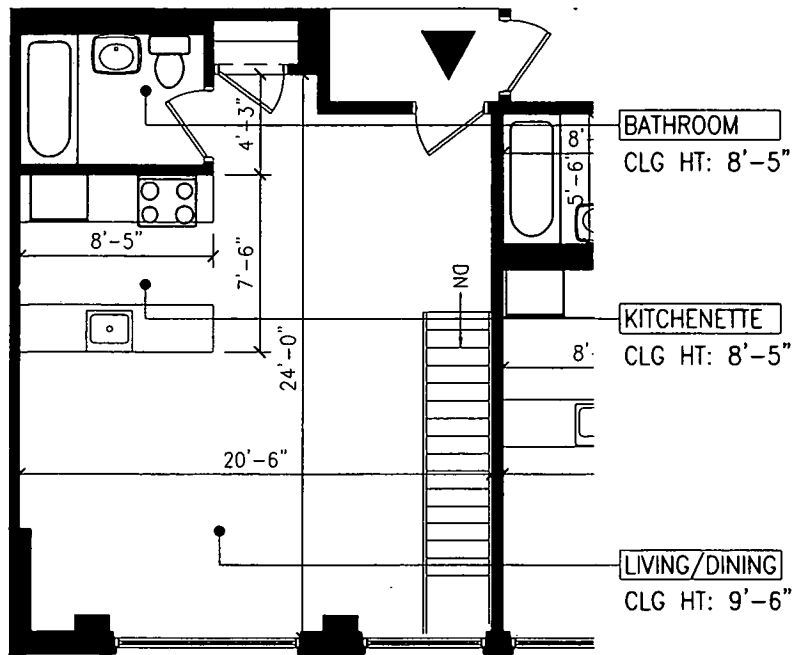
RECREATION
CLG HT: 9'-6"



UNIT 101
971 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663



UNIT 102
1,055 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

M.BATHROOM

CLG HT: 8'-5"

M.BEDROOM

CLG HT: 9'-6"

CLOSET

BEDROOM

CLG HT: 9'-6"

BATHROOM

CLG HT: 8'-5"

KITCHENETTE

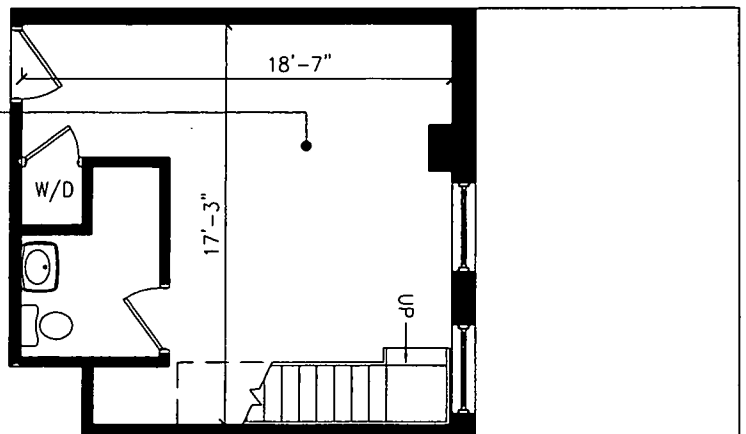
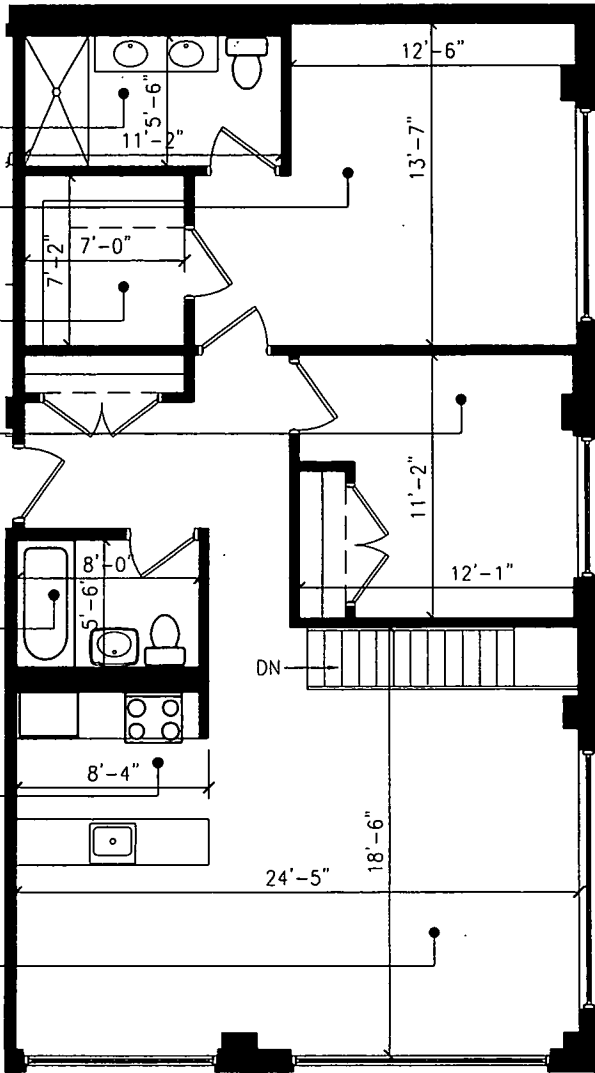
CLG HT: 8'-5"

LIVING/DINING

CLG HT: 9'-6"

RECREATION

CLG HT: 9'-6"



UNIT 103

1,399 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

TERRACE
453.SF

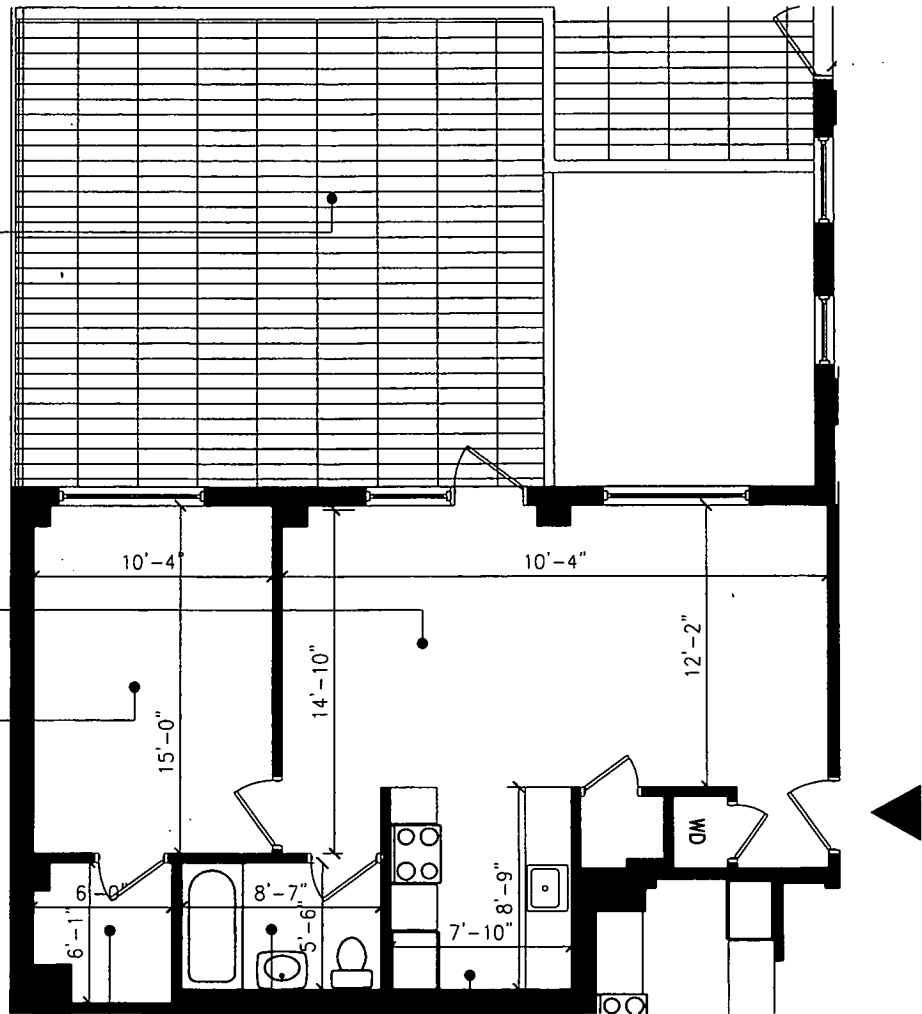
LIVING/DINING
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BEDROOM
CLG HT: 9'-6"

CLOSET

BATHROOM
CLG HT: 8'-5"

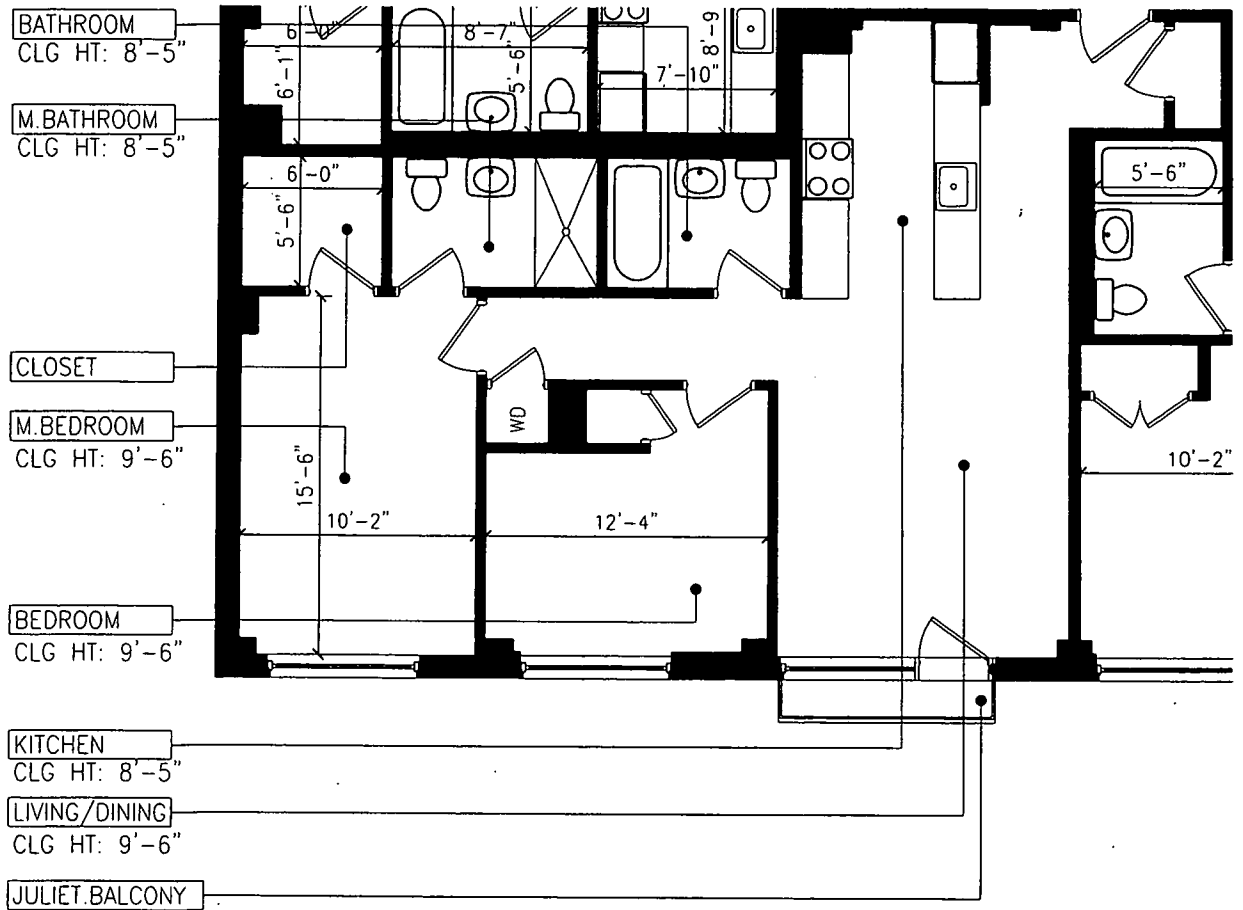
KITCHEN
CLG HT: 8'-5"



UNIT 201
895 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663



UNIT 202-402

895 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

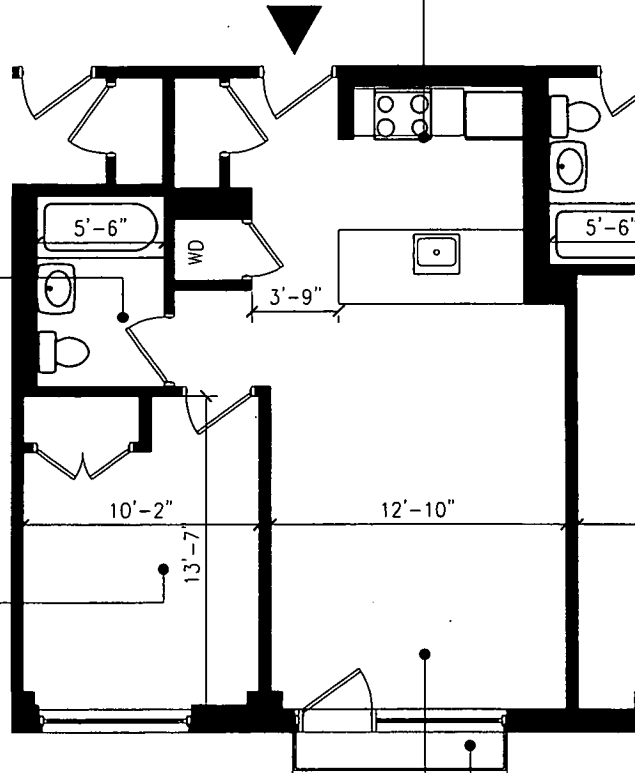
KITCHEN
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BATHROOM
CLG HT: 8'-5"

BEDROOM
CLG HT: 9'-6"

LIVING/DINING
CLG HT: 9'-6"

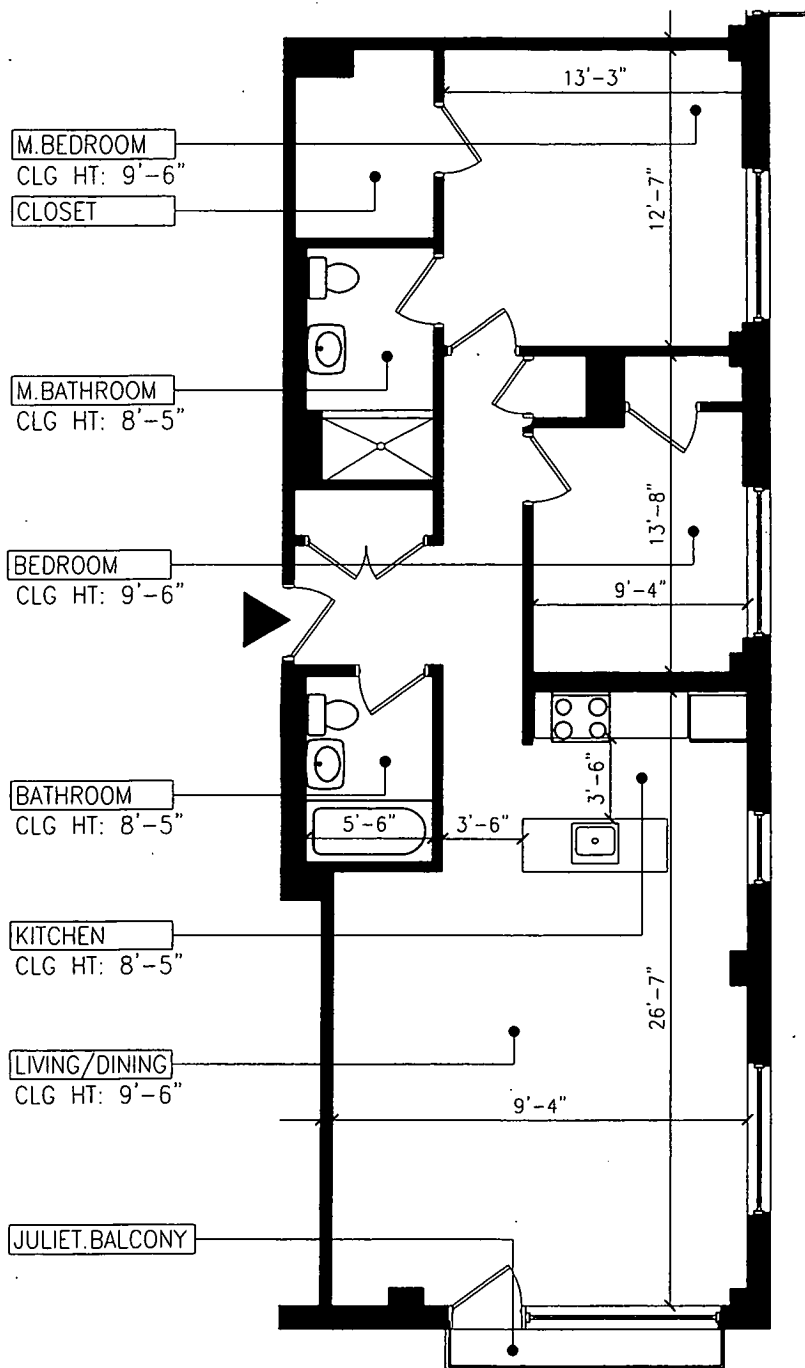
JULIET BALCONY



UNIT 203-403
613 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663



UNIT 204-404

1,050 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

M.BEDROOM
CLG HT: 9'-6"

CLOSET

M.BATHROOM
CLG HT: 8'-5"

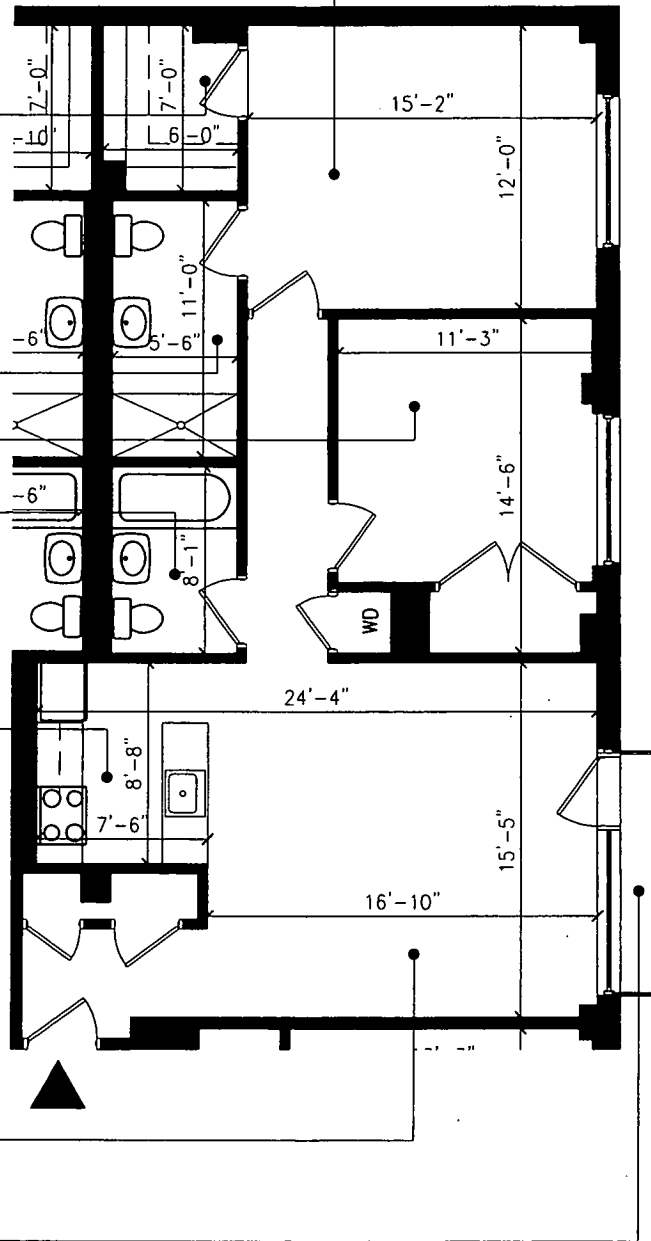
BEDROOM
CLG HT: 9'-6"

BATHROOM
CLG HT: 8'-5"

KITCHEN
CLG HT: 8'-5"

LIVING/DINING
CLG HT: 9'-6"

JULIET.BALCONY



UNIT 205-405

995 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

M.BATHROOM
CLG HT: 8'-5"
CLOSET

BEDROOM
CLG HT: 9'-6"
M.BEDROOM
CLG HT: 9'-6"



UNIT 206
1,021 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

M. BATHROOM
CLG HT: 8'-5"

CLOSET

M. BEDROOM
CLG HT: 9'-6"

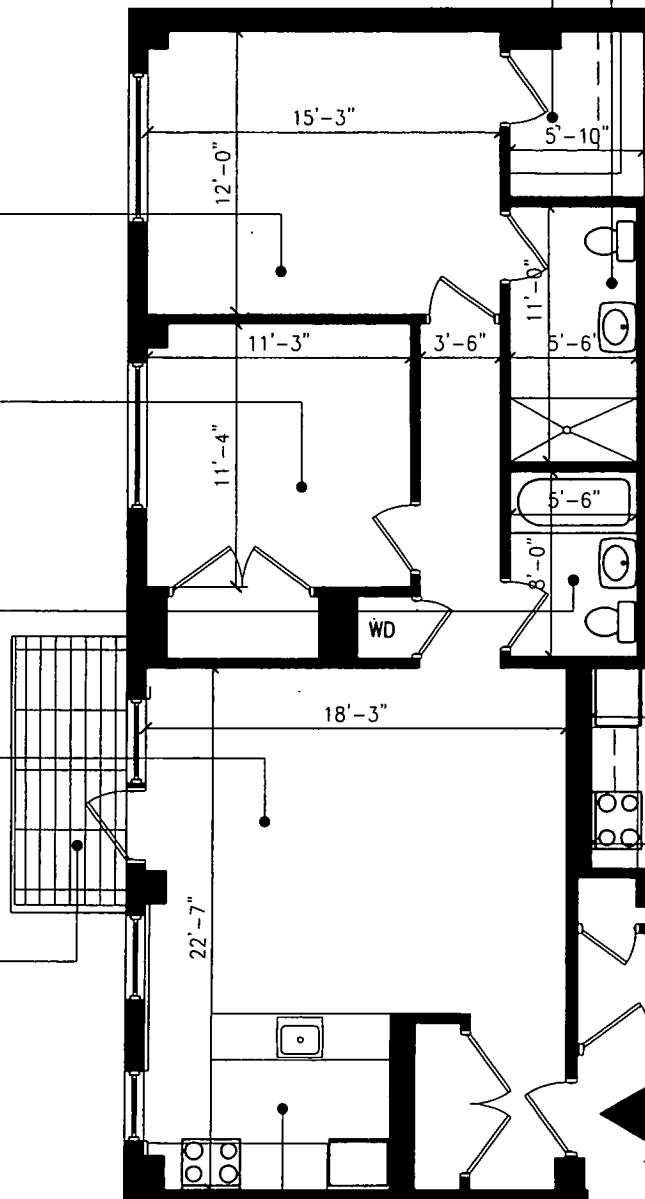
BEDROOM
CLG HT: 9'-6"

BATHROOM
CLG HT: 8'-5"

LIVING/DINING
CLG HT: 9'-6"

TERRACE

KITCHEN
CLG HT: 8'-5"



UNIT 306-406
1,017 sf

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

LIVING
CLG HT: 9'-6"

TERRACE
260SF

BATHROOM
CLG HT: 8'-5"

KITCHEN
CLG HT: 8'-5"

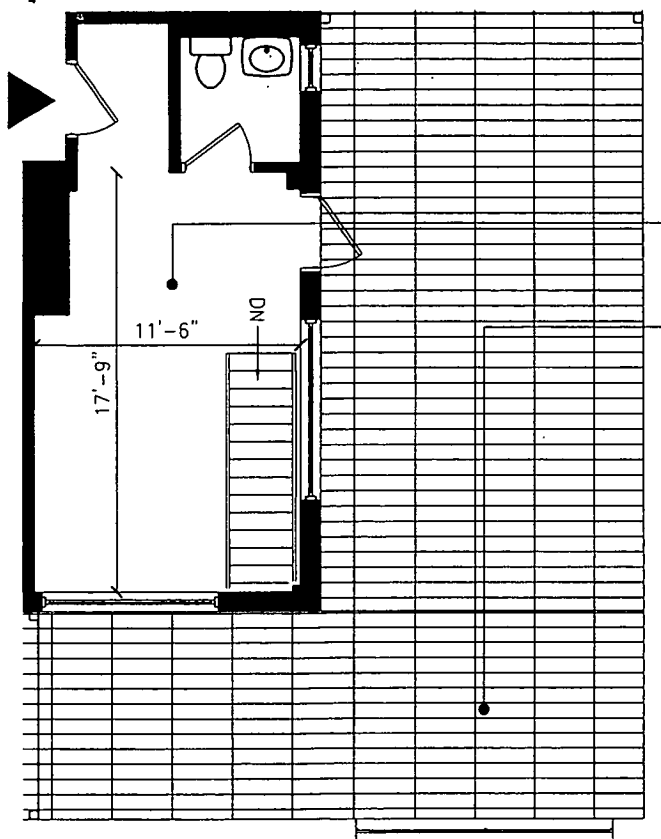
LIVING/DINING
CLG HT: 9'-6"

UNIT PH 3

811 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663



LIVING
CLG HT: 9'-6"

TERRACE
589SF

M.BEDROOM
CLG HT: 9'-6"

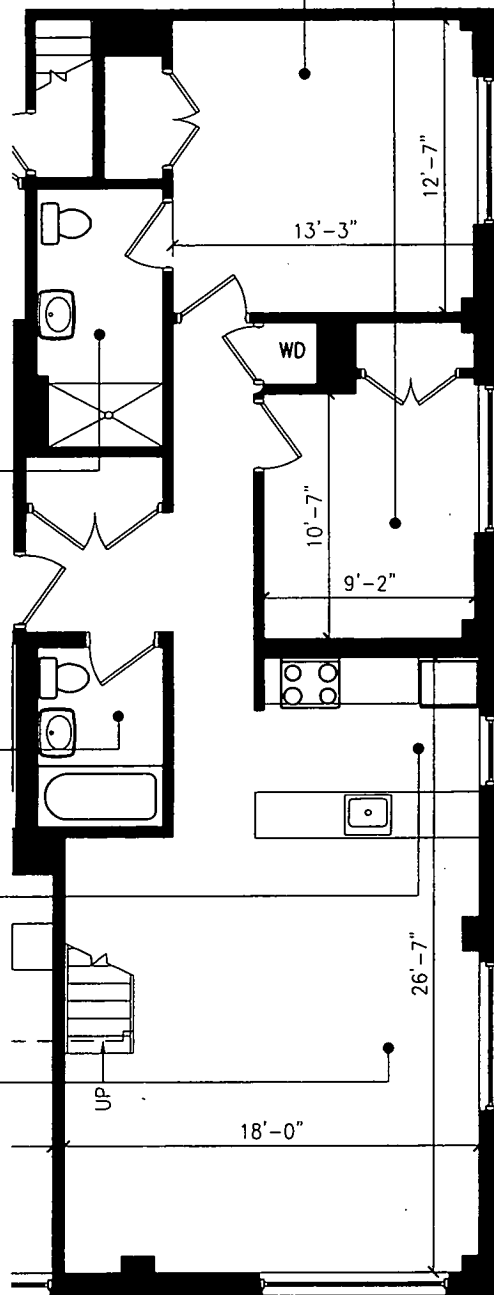
BEDROOM
CLG HT: 9'-6"

M.BATHROOM
CLG HT: 8'-5"

BATHROOM
CLG HT: 8'-5"

KITCHEN
CLG HT: 8'-5"

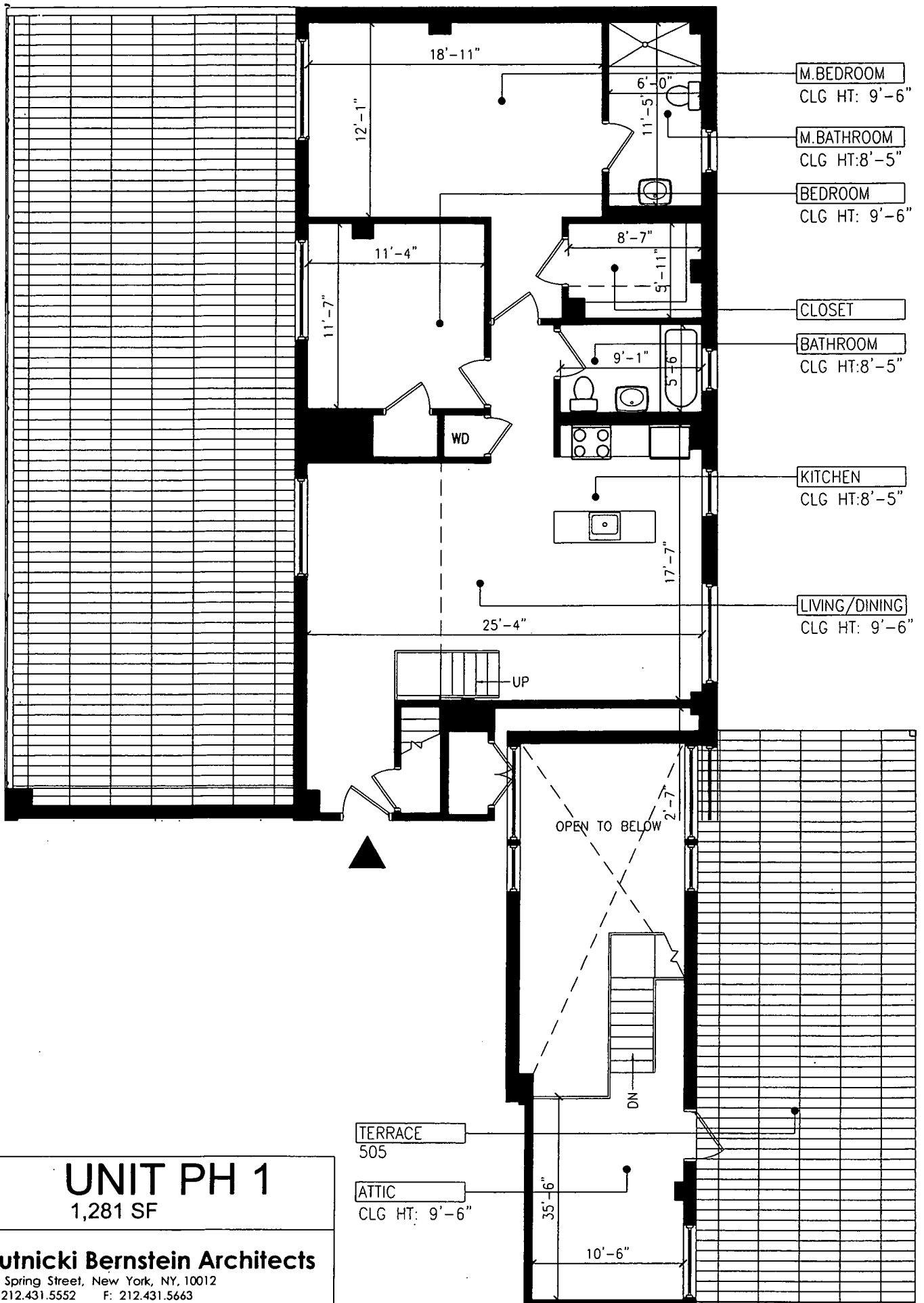
LIVING/DINING
CLG HT: 9'-6"



UNIT PH 2
1,235 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663



UNIT PH 1

1,281 SF

Kutnicki Bernstein Architects

96 Spring Street, New York, NY, 10012
P: 212.431.5552 F: 212.431.5663

C. PURCHASE AGREEMENT

THE 529 COURT STREET CONDOMINIUM

Dated as of: _____, 20__

Sponsor: Freud Court Street Properties LLC ("Sponsor")

Purchaser(s): _____ ("Purchaser")

Purchaser's Address: _____

Purchaser's Social Security Number: _____

Purchaser's Telephone No.: _____

Unit No.: _____

Common Interest: _____

Closing Date: The later of the date of issuance of a Temporary or Permanent Certificate of Occupancy covering the Unit or _____

Broker(s): _____

Mortgage Contingency Amount (if any): \$ _____

PURCHASE PRICE: \$ _____

Less Down Payment: (\$ _____)

Balance Due at Closing \$ _____

Receipt of Documents.

1. Purchaser represents that Purchaser has received and read a copy of the Offering Plan for the 529 Court Street Condominium (the "Condominium") and any and all filed amendments thereto (the "Plan") at least three (3) days prior to signing this Agreement.

Agreement to Purchase.

2. Purchaser agrees to purchase from Sponsor the condominium unit (the "Unit") in the 529 Court Street Condominium, together with the undivided interest in the Common Elements of the Condominium appurtenant to the Unit, for the Purchase Price, all as set forth above, upon the terms set forth herein.

3. Purchaser is delivering to Sponsor Purchaser's check for the Down Payment upon execution of this Agreement by Purchaser. When Sponsor signs this Agreement, Sponsor acknowledges receiving this check although Sponsor will not then have cashed it. If the Down Payment check is not collectible for any reason, this Agreement will be void. When Sponsor gives Purchaser the deed for Purchaser's Unit, Purchaser will give Sponsor or anyone Sponsor designates Purchaser's certified check or official bank check for the Balance Due at Closing, drawn on a New York City bank which is a member of the New York Clearing House Association. PURCHASER UNDERSTANDS THAT SPONSOR SHALL NOT BE REQUIRED TO ACCEPT ANY CHECK WHICH DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS AND SHOULD PURCHASER TENDER ONE OR MORE CHECKS WHICH DO NOT COMPLY WITH THE FOREGOING REQUIREMENTS PURCHASER WILL NOT HAVE COMPLIED WITH PURCHASER'S OBLIGATIONS AND PURCHASER WILL BE IN DEFAULT HEREUNDER.

4. Purchaser understands that this Agreement will not bind Sponsor and will have no legal effect until Sponsor has signed a copy of this Agreement and delivered it to Purchaser. Purchaser ~~further understands that Sponsor shall have no obligation whatsoever to sign this Agreement;~~ provided, however, that if Sponsor does not sign and return a counterpart of this Agreement within thirty (30) days of the date hereof, Sponsor shall return Purchaser's Down Payment.

Definitions in this Agreement.

5. All of the capitalized terms used in this Agreement shall have the same meanings as they do in the Plan, unless the context requires otherwise. The term "Purchaser" shall be read "Purchasers" if more than one person is a Purchaser, in which case the obligations of each person signing this Agreement shall be joint and several. If there is more than one Purchaser, each Purchaser hereby designates the others as his or her lawful attorney-in-fact to give and receive notices on behalf of the other in connection with this Agreement.

The Closing Date.

6. Purchaser agrees to close title and deliver to Sponsor the Balance Due at Closing on the Closing Date set forth on page 1 of this Agreement. Sponsor will write to Purchaser at least thirty (30) days in advance of the Closing Date to tell Purchaser the exact time and place at which the Closing will be held. In that written notice Sponsor will remind Purchaser of the amount of the Balance Due at Closing and Sponsor will inform Purchaser of the date on which Common Charges will first be due and payable. Sponsor may change the specified time and place of Closing for any

reason, provided that Sponsor gives Purchaser written notice in advance of the scheduled Closing Date. If Purchaser has agreed to purchase more than one Unit, Sponsor may, at Sponsor's option, schedule a separate closing of title for each Unit. In such event, (a) it shall be assumed that the Down Payment comprises an equal percentage (10%) of the Purchase Price for each Unit, and (b) following the closing of title to the first Unit, the terms of this Agreement shall continue to apply to the other Unit only, except for those provisions which shall survive the closing of title generally. The deed will be a type of deed known as a bargain and sale deed with a covenant against grantor's acts, the form of which is shown as Document E in Part II of the Plan. Notwithstanding the Closing Date set forth on page 1 of this Agreement, if the Plan has not been declared effective, the Declaration and Floor Plans have not been duly filed, or the temporary or permanent certificate of occupancy covering the Unit has not been issued, the Closing Date shall be deemed adjourned until all of such events have occurred and the notices therein provided have been given. When Sponsor delivers the deed, Purchaser will sign the Power of Attorney in favor of the Board of Managers of the Condominium in the form contained in Part II, Section D of the Plan. Purchaser will also sign whatever other documents are reasonably necessary or customary in connection with the conveyance of a condominium unit, including but not limited to title affidavits, real property transfer tax forms, etc. and Purchaser will furnish to Sponsor at or before the Closing, all information necessary for the completion of Form 1099-S of the Internal Revenue Service.

Title.

7. Sponsor will convey to Purchaser and Purchaser will accept title to the Unit without any liens or encumbrances other than those shown on Exhibit B annexed to the form of deed set forth in Section E in Part II to the Plan; provided, however, that any lien or encumbrance that is not specified on such Exhibit B shall not be an objection to title if (a) the proper instrument in form for recording to remove the objection is delivered with all recording and filing fees to the appropriate party at or prior to closing, or (b) Purchaser's title company or First American Title Insurance Company of New York will issue its policy of title insurance without such objection or insure Purchaser that the objection, if a lien, will not be collected out of Purchaser's Unit or, if not a lien, will not be enforced against Purchaser's Unit.

Closing Costs and Adjustments.

8. When Sponsor gives Purchaser the deed to the Unit, Purchaser will pay the expenses shown in Section 15 of the Plan entitled "Closing of Title to Units and Closing Costs and Adjustments" that are Purchaser's obligations and Sponsor will pay the expenses shown in such section that are Sponsor's obligations. At Closing, Sponsor and Purchaser will apportion between them the real estate taxes, Common Charges for the Unit, and other items specified in the "Closing of Title to Units and Closing Costs and Adjustments" section of the Plan (collectively, "Adjustments").

9. Purchaser agrees that if Purchaser postpones the date of the closing of title for the Unit, unless due to Sponsor, all Adjustments will be made as of the originally scheduled Closing Date and

Purchaser shall pay Sponsor interest on the Purchase Price from the originally scheduled date of Closing through the date of actual Closing at a rate equal to 0.03% per day, and Purchaser agrees to pay to Sponsor's attorneys an adjournment fee of \$250.00.

10. Purchaser agrees that if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Sponsor and Purchaser will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) between Purchaser and Sponsor based on the amount of time each of Purchaser and Sponsor owned the Unit during the period for which the refund or credit is obtained. The provisions of this paragraph shall survive Closing.

11. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act or otherwise, it is specifically understood that such credit will inure to Sponsor's benefit. Accordingly, at Closing, if Purchaser obtains mortgage financing to purchase Purchaser's Unit, Purchaser will pay the full amount (but not more than would otherwise be imposed) of the mortgage recording tax imposed on the entire amount of Purchaser's mortgage loan. At the Closing, Purchaser will assign to Sponsor any mortgage tax credit to which Purchaser is entitled and pay over to Sponsor the amount of such credit.

Purchaser's Down Payment to Be Held in Trust.

12. The Down Payment made pursuant to this Purchase Agreement is subject to the requirements of Section 71-a(3) of the New York State Lien Law and Sections 352-3(2-b) and 352-h of the New York State General Business Law and the regulations of the Attorney General promulgated thereunder. Any Down Payment received from Purchaser hereunder will be delivered to Schneider Goldstein Bloomfield LLP, Sponsor's counsel, as escrow agent ("Escrow Agent") and shall be held in accordance with the terms of the Plan. Purchaser's Down Payment will earn interest from the date of its deposit in the escrow account in accordance with the terms of the Plan. Any interest accrued on Purchaser's Down Payment as of the date of Closing will at Sponsor's option, either (i) be applied as a credit toward adjustments between Purchaser and Sponsor at the closing of title for the Unit, or (ii) be disbursed to Purchaser within thirty (30) days of the Closing.

Sponsor's Rights if Purchaser Fails to Keep Purchaser's Promises and Agreements

13. If Purchaser continues in default of any of Purchaser's obligations under this Agreement after thirty (30) days after Sponsor has sent written notice to Purchaser of such default, Sponsor may, at Sponsor's option, cancel this Agreement without any further notice to Purchaser, and retain the Down Payment and any interest accrued thereon as liquidated damages, it being agreed that the amount of damages resulting to Sponsor as a result of such breach by Purchaser is difficult to ascertain; provided, however, the Down Payment which may be forfeited shall not exceed the sum of ten percent (10%) of the Purchase Price and the actual costs incurred by Sponsor for any special work ordered by Purchaser. After cancellation of this Agreement as a result of Purchaser's default, neither Sponsor nor Purchaser will have any further obligation under this Agreement and this

Agreement shall be considered canceled without any further action by either Sponsor or Purchaser, and Sponsor will have the right to sell the Unit to any other person.

No Right to Assign this Agreement.

14. Purchaser understands that Purchaser cannot give or sell Purchaser's rights under this Agreement to anyone else unless Purchaser first obtains Sponsor's written consent, which consent may be withheld in Sponsor's sole discretion. If Sponsor give Sponsor's written consent to an assignment by Purchaser of Purchaser's rights under this Agreement, Purchaser will pay Sponsor a non-refundable transfer fee of \$1,000.00 for Sponsor's expenses incurred in connection with such an assignment and, in addition, \$500 to Sponsor's attorneys, for its legal fees in connection with such assignment, which sums shall not be held in escrow or be applied toward the Balance Due at Closing.

Notices.

15. Any notice (including a letter, request, consent or other communication) that either party wants to give to the other must be in writing and must be sent by registered or certified mail, postage prepaid, to Purchaser at the address shown on the first page of this Agreement or to Sponsor at Freud Court Street Properties LLC, 477 Madison Avenue, New York, NY 10022. Purchaser will send a copy of any notice Purchaser gives Sponsor to Sponsor's attorneys, Schneider Goldstein Bloomfield LLP, 90 Broad Street, New York, New York 10004, Attention: Jay Bloomfield, Esq., by registered or certified mail, postage prepaid. Either Purchaser or Sponsor can specify a different address by written notice to the other. A notice shall be considered given on the date it is mailed, except that a notice of an address change shall be considered given when it is received, and any notice which either Purchaser or Sponsor receives from the other attorneys, shall be the same as a notice received directly from Sponsor or Purchaser.

Representations.

16. Purchaser has not relied on any statements, whether written or oral, made by Sponsor or any other person except those that are expressly contained in this Agreement or in the Plan. Purchaser understands that any advertising material, presentations or scale models shall not constitute representations made by Sponsor. Purchaser understands that subject to the terms set forth in the Plan, Sponsor may change certain of the terms of Sponsor's offer by filing an amendment to the Plan with the Department of Law, a copy of which will be given to Purchaser. Accordingly, the state of facts shown in any previously printed advertising or other promotional material or scale models may not reflect the current terms of Sponsor's offer. Purchaser agrees that Purchaser shall not be relieved of any of Purchaser's obligations under this Agreement and that Sponsor will have no liability to Purchaser if there is a minor error or inaccuracy in the layout or dimensions of the Unit or the Common Elements of the Condominium as shown on the Floor Plans certified by Sponsor's Architect, and filed in the Office of the City Register, Kings County.

Recording of Deed and Power of Attorney.

17. Purchaser will deliver the deed to Purchaser's Unit and the Power of Attorney to the title company representative issuing title insurance to Purchaser (or to Purchaser's lender, if any, or to Sponsor (if Purchaser does not obtain title insurance) so that the deed can be recorded. Purchaser agrees to pay all recording charges for the deed and Power of Attorney.

Agreement Subject to Plan Becoming Effective.

18. The performance of Sponsor's obligations pursuant to this Agreement is contingent upon the Plan being declared effective. Sponsor has the right to withdraw or abandon the Plan under certain conditions and at certain times, as set forth in the Plan. If Purchaser is not in default under this Agreement beyond any applicable grace period, and title to the Unit does not close within the time set forth in the Plan for any reason other than Purchaser's default, this Agreement shall be deemed canceled, and Purchaser will receive a refund of all monies paid to Sponsor by Purchaser under this Agreement, together with the interest earned on those monies, if any, not later than thirty (30) days after such cancellation.

Purchaser's Acceptance of the Unit.

19. Purchaser represents to Sponsor that before signing this Agreement, Purchaser carefully inspected or was afforded the opportunity to inspect the Plans and Specifications for, and/or, the Unit, all fixtures, appliances and finishes, and all portions of the General Common Elements and Limited Common Elements. If construction of the Unit has been completed, Purchaser agrees to accept title to the Unit in its present condition on the date hereof without any abatement in or credit against the Purchase Price, or any provision for escrow deposits at the closing of title. Sponsor will give Purchaser a reasonable opportunity to examine the Unit prior to the closing of title to confirm that the Unit is, if completed, in substantially the same condition as on the date hereof, subject to normal wear and tear and natural deterioration, or, if not completed, in accordance with the Plan, except as expressly set forth in an inspection statement in the form provided by Sponsor and delivered to Sponsor and acknowledged by Sponsor's representative prior to Closing. No deficiency noted on such inspection statement shall permit Purchaser to postpone the Closing, as long as such is minor and does not affect the health or safety of the occupants of the Unit. All such deficiencies shall be remedied by Sponsor within a reasonable time after the Closing. This provision shall survive delivery of the deed.

Damage to the Unit

20. The risk of loss to the Unit by fire or other casualty until the earlier of closing of title or any possession of the Unit is assumed by Sponsor, but without any obligation or liability on Sponsor's part to repair or restore the Unit (except for damage to an immaterial part of the unit or Building as determined by Sponsor in Sponsor's sole discretion). If Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect. Purchaser will not have the

right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor will be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser will promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title hereunder.

If (a) Sponsor notifies Purchaser that Sponsor does not elect to repair or restore the Unit, sent within sixty (60) days of the occurrence, or (b) if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed terminated. Sponsor shall thereupon return to Purchaser all sums Purchaser deposited hereunder, together with interest earned thereon, if any, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder as and for liquidated damages. This section is an express agreement in replacement of Section 5-1311 of the General Obligations Law.

This Agreement is Subject to Mortgages.

21. No encumbrance shall arise against the Property as a result of this Agreement. Purchaser understands that this Agreement is and shall be subject and subordinate to the lien of any and all mortgages affecting the Property, including, but not limited to, any construction or building loan mortgage now existing or subsequently made and any advances of money heretofore or hereafter made thereon and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, or to protect the security thereof to the full extent thereof, without Purchaser's signing any documents in addition to this Agreement. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at Sponsor's option, either satisfy such mortgage(s) or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgage(s) on or prior to the Closing Date, unless Purchaser voluntarily either assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not be (a) a reason for Purchaser to object to title or to be excused from completing payment of the Purchase Price or from performing all of Purchaser's other obligations hereunder or (b) the basis of any claim against, or liability of, Sponsor, provided that any such mortgage or mortgages is or are subordinated to the Declaration, and the Unit is released from the lien of such mortgage or mortgages.

Sponsor's Inability to Convey the Unit

22. If Sponsor is unable to deliver title to the Unit in accordance with the provisions of this Agreement and/or the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever to cure such inability, and in such case, if Sponsor delivers to Purchaser written notice ("Title Inability Notice") of Sponsor's refusal to cure such inability and 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 in, reduction of or credit against the Purchase Price, or any claim or action against Sponsor for damages or otherwise or (b) rescind and cancel this Agreement by written notice ("Termination Notice") to Sponsor not later than ten (10) days from Purchaser's receipt of Sponsor's Title Inability Notice. If Purchaser elects to cancel this Agreement, Sponsor shall, not later than thirty (30) days after receipt of Purchaser's Termination Notice, return to Purchaser all sums deposited hereunder, including interest, if any, and upon the making of such payment, this Agreement shall be canceled and neither Sponsor nor Purchaser shall have any further rights, obligations or liability to or against the other and Sponsor and Purchaser shall be released and discharged from all obligations and liability under this Agreement and the Plan. Purchaser understands that Purchaser's option to terminate this Agreement, may only be exercised by Purchaser's written Termination Notice to Sponsor within ten (10) days from Sponsor's delivery to Purchaser of Sponsor's Title Inability Notice, and that, if Purchaser fails to exercise Purchaser's option to terminate by delivery of Purchaser's Termination Notice to Sponsor within ten (10) days from Sponsor's Title Inability Notice to Purchaser, it shall be conclusively deemed that Purchaser elected above to acquire title subject to such inability with no reduction of any nature to the Purchase Price.

Performance by Sponsor and Liability of Sponsor.

23. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement and Plan, except those (if any) herein or in the Plan expressly stated to survive delivery of the deed.

Broker.

24. Purchaser represents to Sponsor that the broker or brokers named on the first page of this Agreement is (are) the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay any commission earned by said broker(s) pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than such named broker(s), on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees and the cost of enforcing the indemnity. The provision of this paragraph shall survive the closing of title.

Jury Waiver.

25. Purchaser waives Purchaser's right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan. With respect to any matter for which a jury trial cannot be waived, Purchaser agrees not to assert any such claim as a counterclaim in, or move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

Captions.

26. The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

Further Assurances.

27. Sponsor and Purchaser each agrees to execute, acknowledge and deliver to the other any documents or instruments and to take any other action, in addition to the documents or instruments specifically provided for by this Agreement, that either Sponsor or Purchaser may reasonably request in order to effectuate the provisions of this Agreement.

Strict Compliance.

28. Sponsor's failure to insist upon strict performance by Purchaser of any of the provisions of this Agreement is not a waiver of any of the provisions contained in this Agreement and Sponsor will have the right, notwithstanding any such failure, to insist upon Purchaser's strict performance thereafter of any and all provisions of this Agreement.

Governing Law.

29. The provisions of this Agreement will be governed by and construed in accordance with the internal laws of the State of New York for agreements made in, and to be wholly performed therein, without regard to principles of conflicts of laws.

Entire Agreement.

30. This Agreement constitutes the entire agreement between Sponsor and Purchaser, and supersedes any and all prior understandings or agreements between Sponsor and Purchaser.

Severability.

31. If any provision of this Agreement or the Plan is invalid or unenforceable, the remainder of this Agreement or the Plan will not be affected thereby. Each provision of this Agreement and the Plan, except as otherwise provided in this Agreement or the Plan, will be valid and enforced to the fullest extent permitted by law.

Successors and Assigns.

32. Subject to the provisions of Section 9 hereof, this Agreement will bind and inure to Purchaser's benefit and the benefit of Purchaser's heirs, legal representatives, successors and permitted assigns and will bind and inure to Sponsor's benefit and the benefit of Sponsor's successors and assigns.

No Oral Changes.

33. This Agreement cannot be changed or terminated orally, only by a written agreement signed by Sponsor and Purchaser.

Incorporation of Plan and Conflicts with the Plan.

34. The terms and conditions of the Plan are incorporated in this Agreement as if set forth at length herein. Any conflicts between any provision of this Agreement and the Plan, shall be resolved in favor of the Plan.

Mortgage Financing Contingency.

35. (a) If there is a mortgage contingency amount set forth on the first page of this Agreement, this Agreement is contingent upon the issuance within forty-five (45) days of a written mortgage loan commitment ("Commitment") for such amount at prevailing rates and terms for a conventional first lien purchase money mortgage loan from a commercial bank, savings bank, trust company, savings and loan association, an insurance company, an educational institution, a federal, state municipal or similar public employee's welfare, pension or retirement fund system, credit union to which Purchaser is a member, or state or an agency thereof ("Institutional Lender"). An application for such a mortgage loan commitment must be made through a mortgage broker ("Mortgage Broker") designated by Sponsor.

(b) Purchaser must make an application for financing to an Institutional Lender or through the Mortgage Broker for such mortgage loan, within five (5) business days after Sponsor accepts and delivers to Purchaser or Purchaser's attorney the fully executed Agreement. Sponsor shall have the right, but not the obligation, to cancel the mortgage financing contingency if Purchaser fails to make such application for such mortgage loan within such five (5) day time period.

(c) Purchaser will further agree promptly to furnish to any prospective Institutional Lender such truthful, accurate and complete information, data and documents pertaining to Purchaser's financial condition as may be required by such prospective Institutional Lender; pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Institutional Lender to the end of securing the mortgage loan, and comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Sponsor with a copy thereof promptly after receipt. Purchaser's failure to provide information promptly upon request therefor, or to accept a

Commitment issued to Purchaser on the terms set forth herein, shall constitute an event of default for which Sponsor shall have the right to cancel the Purchase Agreement and retain Purchaser's Down Payment. FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.

(d) Purchaser shall have forty-five (45) days from the date Sponsor accepts and delivers to Purchaser the fully executed Agreement to obtain the Commitment as provided above. In the event Purchaser fails to obtain a Commitment within such time period, Purchaser must notify Sponsor of same within five (5) business days subsequent to such forty-five (45) day period, or the financing contingency shall be deemed waived by Purchaser. Unless waived by Sponsor, Sponsor, if it so desires, shall then have sixty (60) days after receipt of such notice to secure a Commitment for Purchaser from the same or another Institutional Lender in the same amount at the same or the then prevailing interest rate. In the event no such Commitment is furnished prior to the expiration of such sixty (60) period, this Purchase Agreement shall be terminated and the Down Payment, together with any interest earned thereon, shall be refunded to Purchaser, provided Purchaser has not waived the financing contingency prior to the expiration of such sixty (60) day period. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from any Institutional Lender.

(e) Notwithstanding anything above or herein to the contrary, once a Commitment from an Institutional Lender has been issued to Purchaser, then any financing contingency which previously existed is deemed extinguished; provided, however, a Commitment subject to an appraisal satisfactory to the Institutional Lender shall not result in extinguishment of the financing contingency until satisfied. Accordingly, any revocation or withdrawal of such Commitment shall not reinstate any financing contingency, and in such event this Agreement shall remain in full force and effect and Purchaser must pay the balance of the Purchase Price at Closing or be in default. Notwithstanding the foregoing, if the Commitment lapses or expires before Closing, and Purchaser has made a good faith effort to extend the Commitment, Sponsor will grant to Purchaser a right to rescind the Purchase Agreement, provided Purchaser shall have notified Sponsor in writing within ten (10) days of receipt of such offer that Purchaser elects to exercise such right and, upon such election, the Down Payment, together with any interest earned thereon, shall be refunded to Purchaser. Additionally, failure of Purchaser to comply with the terms and conditions of the Commitment which are unrelated to Sponsor's responsibility to perform under the Purchase Agreement or the Offering Plan shall not relieve Purchaser of Purchaser's obligation to close title.

Offering Plan Received
this _____ day of _____, 2004
_____ AM/PM

Purchaser's Initials _____

PURCHASER:

SPONSOR:

FREUD COURT STREET PROPERTIES LLC

By: _____, Manager

D. POWER OF ATTORNEY

I (we) _____, residing at and the owner(s) of Condominium Unit No. ___ in the condominium known as The 529 Court Street Condominium (the "Condominium") covering certain property located in the City, County and State of New York, which is known and designated as Block 478, Lot __, on the Tax Map of The City of New York, County of Kings, do hereby irrevocably nominate, constitute and appoint the members of the Board of Managers of THE 529 COURT STREET CONDOMINIUM and their successors, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in the undersigned's name and on the undersigned's behalf, subject to the Declaration and By-Laws then in effect:

A. to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Units in said property, any Unit (including the appurtenant interest in the Common Elements) whose owner desires to sell or to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale or which shall be acquired in connection with any Right of First Refusal or otherwise pursuant to the Declaration and By-Laws of the Condominium, as same may be amended, at such price and on such terms as the undersigned's said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Unit so acquired, at such terms as the undersigned's attorneys-in-fact may in their sole discretion determine, granting to the undersigned's said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; or

B. to lease any Unit whose Owner desires to lease the same, at such rent and on such terms as said attorneys-in-fact shall deem proper, and thereafter to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; or

C. to prepare, execute, acknowledge and record on behalf of all Unit Owners, an amendment to the Declaration to either combine or subdivide Units and to reallocate the Common Interest of the affected Unit(s) among the newly established Unit(s), provided that all work in connection with the combination or subdivision was approved by the Board of Managers pursuant to the terms of the By-Laws and performed in accordance with applicable law and the Common Interest of any other Unit will not be changed nor will the aggregate Common Interest for the new Unit(s) be greater than the aggregate Common Interest for the original Units; or

D. to seek administrative and judicial review of any real property tax assessment, including retaining legal counsel on behalf of all Unit Owners and charging all Unit Owners a pro rata share of expenses, disbursements and legal fees for which charges the Board shall have a lien pursuant to Section 339-Z of the New York Condominium Act;

E. to acquire property on behalf of all owners of Units in the Condominium in accordance with their respective Common Interests; or

F. to represent the undersigned in any proceeding, negotiation, settlement, or agreement with respect to the Common Elements in connection with any condemnation, casualty, insurance claim, or liquidation and to make agreements on behalf of the undersigned with respect to such matters on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things with respect to such matters as the undersigned could do if the undersigned were personally present.

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

The undersigned do hereby nominate, constitute and appoint Freud Court Street Properties LLC ("Sponsor") and any Sponsor-designee (as defined in the Declaration) as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution: (1) to execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with following: any addition, alteration, or improvement (structural or nonstructural, ordinary and extraordinary, interior and exterior), repair or subdivision of any Unsold Unit or the use or operation of any Unsold Unit, or any portion thereof; any change the layout or number of rooms in any Unsold Unit or any change in the size and/or number of any Unsold Unit by subdividing or combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any such Unit or otherwise, incorporating Common Elements into the Unit as long as such incorporation has no material adverse impact on any other Unit Owner and, upon such incorporation, the Common Element shall become a Limited Common Element, and reapportioning among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant Common Interests; (2) to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, the Floor Plans or any of said documents, when such amendment shall be required to file Floor Plans required by the Condominium Act Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded, and to file along with said amendment to the Declaration and the Floor Plans, the verified statement of registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; or shall be required to reflect any changes in Unsold Units and Limited Common Elements appurtenant thereto and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or Sponsor-designee in accordance with the Declaration; or shall be required to reflect any changes in the reapportionment of the Common Interests attributable thereto resulting therefrom, made by Sponsor or Sponsor-designee in accordance with the Declaration; or shall be required by (a) an Institutional Lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (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 this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, 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

The terms, covenants and conditions contained in, and the powers granted pursuant to the immediately preceding paragraph in favor of Sponsor shall remain in full force and effect until such time as the Sponsor or Sponsor-designees shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

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.

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E. FORM OF UNIT DEED

THIS INDENTURE, made the day of , 20__ between Freud Court Street Properties LLC, a New York limited liability company, having an office at 477 Madison Avenue, New York, New York 10022 ("Grantor"), and , ("Grantee"), residing at , ("Grantee"),

WITNESSETH:

That the Grantor in consideration of Ten Dollars (\$10.00) and other valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. (the "Unit") in the building (the "Building") known as 529 Court Street, New York, NY, and more particularly described in the Declaration establishing The 529 Court Street Condominium made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated , 20__, and recorded in the office of The City of New York Register's Office, Kings County, on the day of , 20__, in Reel , Page (the "Declaration"), establishing a plan for condominium ownership of the Building and the land (the "Land") located in the City and State of New York, County of Kings, more particularly described in Schedule A attached hereto, upon which the Building is situated. The Unit is designated also as Block 478, Tax Lot No. on the Tax Map of the Real Estate Property Assessment Department of The City of New York, Kings County, and on the floor plans of the Building (together, the "Plans"), certified by Kutnicki Bernstein Architects PLLC, filed with the Real Property Assessment Department of the City of New York on , 20__ as Condominium Plan and with The City of New York Register's Office, Kings County, on , 20__ as Map No. , (the Land and Building are together referred to herein as the "Condominium Property").

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

TOGETHER with an undivided percent interest appurtenant to the Unit in the common elements of the Condominium Property (the "Common Elements");

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

TOGETHER with an easement in common with the owners of other units to use any pipes, wires, ducts, cables, conduits, utility lines, flues and other Common Elements located in any of the other Units or elsewhere on the Condominium Property, and serving the Unit;

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

TOGETHER also with the right of ingress and egress by foot over all hallways, lobbies, walkways, and other parts of the Common Elements extending through the Condominium Property;

TOGETHER with the right, if any, to the use of the Limited Common Elements as is set forth in the Declaration and subject to the rights of other Unit Owners to use the Limited Common Elements appurtenant to their Units, if any, as set forth in the Declaration;

TOGETHER also with the easements created by the Declaration, which are incorporated herein by reference as though fully set forth herein;

TOGETHER with the Appurtenant Interests (as defined in the Declaration) of Grantor with respect 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: (1) The covenants, restrictions, easements, agreements, documents, instruments and matters of record and matters set forth in Schedule B annexed hereto; (2) Any state of facts an accurate survey would show; and (3) All other covenants, restrictions, easements, agreements, documents and instruments that may be recorded against the Condominium Property for the construction of the improvements and the use, maintenance and operation thereof.

SUBJECT to easements in favor of adjoining units and in favor of the Common Elements and Limited Common Elements for the continuance of all encroachments of such adjoining units or Common Elements, Limited Common Elements or on the Unit now existing as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or of any adjoining unit or of the Common Elements or Limited Common Elements after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements so that any such encroachment may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of other units to use the pipes, wires, ducts, cables, utility lines, flues and other Common Elements located in the Unit or elsewhere on the Condominium Property and serving such other units;

SUBJECT also to the terms, conditions, covenants and provisions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the office of the City Register of The City of New York, Kings County, which terms, conditions, covenants and

provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein and to the rules and regulations of the Condominium promulgated thereunder;

SUBJECT also to the Power of Attorney from Grantee to the Board of Managers and their successors relating, among other things, to disposition of Units acquired or leased by the Board of Managers;

SUBJECT also to the easements created by the Declaration, which are incorporated herein by reference as though fully set forth herein;

SUBJECT also to the rights reserved in the Declaration to establish, grant and create additional utility easements in, under and through the Condominium Property, to relocate existing utility easements in any portion of the Condominium Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company;

SUBJECT also to easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

SUBJECT also to rights of other unit owners for ingress and egress by foot over all hallways, lobbies, walkways and other parts of the Common Elements extending through the Condominium Property;

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

As used herein, the term "Unit" shall have the meaning ascribed to "Unit" in Article 9-B of the Real Property of the State of New York and as further defined in the Declaration.

The use for which the Unit is intended is that of a residence as permitted by the By-laws and the Declaration.

The Grantor covenants that it is not done or suffered anything whereby said premises have been encumbered in any way, except as aforesaid.

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 for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purpose.

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

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

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:

FREUD COURT STREET PROPERTIES LLC

By: _____,
Manager

GRANTEE:

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

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

Notary Public

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

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

Notary Public

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

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

Notary Public

SCHEDULE "A"

Description of Property

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

BEGINNING at the corner formed by the intersection of the northerly side of Garnet Street with the easterly side of Court Street;

RUNNING THENCE easterly along the northerly side of Garnet Street, 99 feet 4 inches to the westerly line of land now or late of Patrick Clark;

THENCE northerly along the said line of land of Clark parallel with Court Street 100 feet to the center line of the block;

THENCE westerly along the said center line of the block parallel with Garnet Street, 19 feet 4 inches;

THENCE southerly parallel with Court Street, 19 feet 6 inches;

THENCE westerly parallel with Garnet Street and part of the distance through a party wall, 80 feet to the easterly side of Court Street;

THENCE southerly along the easterly side of Court Street, 80 feet 6 inches to the corner, the point or place of BEGINNING.

SCHEDULE B

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey of the Property would show, provided such state of facts would not make title to the Unit uninsurable, except as otherwise permitted herein.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Purchaser to the Board of Managers, and the Floor Plans; as all of the same may be amended from time to time.

4. Consents by the Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, Maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

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

9. The lien of any unpaid Common Charge, water charge or sewer rent, or vault charge, provided the same are adjusted at the closing of title.

10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers), except that the Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

11. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

12. Any encumbrance as to which First American Land Title Insurance Company of New York (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a title policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (1) will not be collected out of the Unit if it is a lien or (2) will not be enforced against the Unit if it is not a lien.

13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Residential Unit for residential purposes.

14. Any lease covering the Unit made from the Sponsor to the Purchaser.

15. Any violation against the Property (other than the Unit) which is the obligation of the Board of Managers or another Unit Owner to correct.

16. Declaration of Zoning Lot Description and Ownership Statement recorded in CRFN #2003000438387.

17. Zoning Lot Description and Ownership Statement recorded in CRFN #2003000083775.

18. Certification Pursuant to Zoning Lot Subdivision recorded in CRFN #2003000438386.

19. Terms, restrictions, conditions, and easements set forth in the Declaration of Condominium and By-laws of The 529 Court Street Condominium recorded in CRFN #_____.

20. Power of Attorney to the Board of Managers given by Grantee pursuant to the Declaration of Condominium.

F. FORM OF DECLARATION

Establishing a Plan of Condominium Ownership of Premises Located at 529 Court Street, Brooklyn,
New York, Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: THE 529 COURT STREET CONDOMINIUM

Declarant: FREUD COURT STREET PROPERTIES LLC

Date of Declaration: , _____

Block Number 478, Lot 1
Kings County, City and State of New York

Record and Return to:

Schneider Goldstein Bloomfield LLP
Attorneys for Sponsor
90 Broad Street
New York, New York 10004
Attention: Jay Bloomfield, Esq.

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF PREMISES TO BE KNOWN AS THE 529 COURT STREET CONDOMINIUM, LOCATED IN THE CITY AND STATE OF NEW YORK, COUNTY OF KINGS, PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

Freud Court Street Properties LLC, a New York limited liability company, having an office at 477 Madison Avenue, New York, New York 10022, hereinafter referred to as "Sponsor" does hereby declare:

1. Submission of Property. Sponsor hereby submits the land (the "Land") described on Exhibit A attached hereto and made a part hereof, together with the building and improvements thereon erected, owned by Sponsor in fee simple absolute (hereinafter called the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").
2. Area and Location of Land. The Land has approximately 11,000 square feet and is located on a parcel of land at 529 Court Street, in the County, City and State of New York.
3. Name of Condominium. The Condominium shall be known as The 529 Court Street Condominium.
4. Description of the Building. The building (the "Building") contains six (6) floors above grade level and a below grade level and also contains a garage with thirteen (13) outdoor parking spaces, which is located on the Land. The Building will contain twenty-five (25) Residential Units on floors 1 through 6 and thirteen (13) Parking Units.

The structure and foundation and exterior walls of the Building are poured-in-place concrete. The interior of the perimeter walls will be metal studs with batt insulation, a 1" air gap, and 5/8" gypsum wall boards. Windows are double-hung aluminum with painted aluminum finish and glazed with insulating glass.

5. The Units. Exhibit B annexed hereto and made part hereof sets forth the following data with respect to each designation; tax lot number; approximate area; location; number of rooms in Units; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access; the percentage of interest of each of the Units in the Common Elements, and the percentage of interest in the Common Elements. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined), certified by the Architect and intended to be filed in the Kings County Office of the Register of The City of New York, simultaneously with the recording of this Declaration, and reference should be made thereto for the statement of the location of each Unit. The approximate physical dimensions of each Residential Unit consist of the area and dimensions measured horizontally from the outside of the exterior walls to the center line of the dry wall partitions separating one Unit from another Unit, or to the Unit side of the walls or partitions separating a Residential Unit from corridors, stairs, elevators and other mechanical equipment spaces or other Common Element; vertically, each Residential Unit consists of the area measured

from the top of the finish floor to the underside of the finish ceiling. Any terrace, deck or balcony immediately adjacent to a Residential Unit will be deemed a Limited Common Element appurtenant to such Residential Unit and for the exclusive use and benefit of such Residential Unit. Each Residential Unit also includes the interior doors and walls and all plumbing, gas and electrical fixtures, lines, conduits and equipment such as refrigerators, dishwashers, panel boxes, ranges and other appliances, as may be affixed, attached or appurtenant to said Residential Unit, not including the Building heating equipment and system. Plumbing, gas and electrical fixtures and equipment as used in the preceding sentence include exposed and unexposed (to the extent solely serving or benefitting the Residential Unit) gas and water pipes attached to the fixtures, appliances and equipment and the fixtures, appliances and equipment, and appliances and any special equipment, fixtures or facilities affixed, attached, or appurtenant to the Residential Unit. The description of the Residential Units set forth herein pertains to the location of the walls, floors and ceilings of the Residential Units as they are finally set forth in the Floor Plans. As shown on the Floor Plans, any back yard, front yard, and/or roof terrace immediately adjacent to and accessible to a Residential Unit shall be deemed a Limited Common Element appurtenant to such Residential Unit and for the exclusive use and benefit of such Residential Unit. All Common Elements or Limited Common Elements located within a Residential Unit will not be considered a part of such Residential Unit. Each Parking Unit has no walls or ceiling and is a cube of space, having as its lower surface the upper face of the macadam pavement forming the parking lot floor and horizontal dimensions as shown on the Floor Plans. Each Parking Unit has no walls or ceiling and is a cube of space, having as its lower surface the upper face of the macadam pavement forming the parking lot floor and horizontal dimensions as shown on the Floor Plans. The upper limit of each Parking Unit is eight (8') feet from the upper surface of the macadam pavement forming the parking lot floor.

6. Common Elements. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon, other than the Units. Common Elements comprise General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements: The General Common Elements comprise the following:

i. All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the interior exposed face of the exterior walls; those portions of the walls and partitions dividing a Unit from corridors, lobby, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing a Unit, or, where applicable, the sub-floor and framing joists including any framing attached to such joists from which the dry wall ceiling of a Unit is attached; roof bulkheads; skylights (other than those located in a Unit), if any; water towers and tanks, if any; chimneys; yard areas, if any; roofs and terraces, which are not Limited Common Elements; all cellar areas (excluding the compactor room) which are not part of a Unit;

ii. All central and appurtenant installations, facilities, and equipment located outside the Units for services such as gas, electric power, telecommunications, water, heat, security and fire

prevention, including all pipes, ducts, valves, wires, cables, chutes, conduits and meters used in connection therewith, which serve the Units;

iii. All central and appurtenant installations, facilities, and equipment located outside the Units for the removal of sanitary waste, including all sewer and drainage pipes and risers, which serve the Units;

iv. All other apparatus and installations existing in the Building for common use, or necessary for or convenient to the existence, maintenance or safety of the Units or the Unit Owners.

v. the elevators and their shafts and equipment;

vi. compactor room and its shafts and equipment;

vii. stairs, lobby, mail room, and concierge;

viii. all masonry walls, partitions, floors and ceilings in, on, or under the Building, separating a Unit from another Unit or a Common Element and that portion of all such masonry walls, partitions, floor and ceilings separating a Common Element from a General Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element;

ix. all central and appurtenant installations and facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, telecommunications, and other mechanical and electrical systems which serve the Units and/or the Common Elements only;

x. all interior portions of the Building, to the extent that the same are not a Unit or expressly included as part of the General Common Element; and

xi. storage bins in basement.

B. Limited Common Elements: The Limited Common Elements consist of those Common Elements which are for the use of one or more specified Units to the exclusion of all others, including the following:

(i) roof, terrace and balcony areas allocated to specific Units as shown on the Floor Plans and indicated on Exhibit B to this Declaration;

(ii) windows and their frames, sills and sashes, all doors that lead to the exterior or to a Common Element and their frames and saddles;

(iii) all central and appurtenant installations inside the Units for services such as gas, electric power, security, fire prevention, telecommunications, water, sanitary disposal, and heat

(including all pipes, ducts, valves, wires, cables, chutes, conduits and meters used in connection therewith), which exclusively service or benefit a single Unit; and

(iv) parking lot circulation area.

7. Use of Units. Each of the Units may be used only for private residential use, except that a Unit Owner may use a portion of such Unit Owner's Unit for any home occupation use, including as a professional office, provided that the nature and manner of such use comply with Law and does not violate the then existing Certificate of Occupancy covering such Unit or applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Notwithstanding the foregoing, Sponsor reserves the right for itself and any Sponsor-designee, without the permission of the Board of Managers or any Unit Owner, to retain ownership of one or more Units for use as models, sales and construction offices in connection with the sale or rental of the Units and the completion of construction of the Building. The Parking Units may be used only for parking of currently registered non-commercial passenger vehicles and pick-up trucks and shall not be used to wash or repair such vehicles.

8. Determination of Percentages in Common Elements. The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the Condominium Act, is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit.

9. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) movement, settlement or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers or by Sponsor, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the continuance, maintenance, repair and alteration of the same so long as the Building shall stand.

10. Easements.

A. Each Unit Owner shall have an easement in common with all other Units and right of access to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, flues, cables, conduits, public utility lines and other Common Elements located in other Units or elsewhere on the Property and serving such Unit. Each Unit shall be subject to an easement in favor of and rights of access of the owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building. In addition, each Unit shall

have, and shall be subject to, easements of subjacent, support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

B. Sponsor and Sponsor-designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development as contemplated by the Offering Plan or required by Law, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines as contemplated by the Offering Plan or required by Law, and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose and (iv) construction and installation, ingress to and egress from and the right to use such additional pipes, conduits, flues, ducts, wires and cables as Sponsor, Sponsor-designees, their successors, assigns, invitees, licensees, contractors, employees and tenants shall deem necessary for the lawful use of any Unsold Unit.

C. Sponsor, Sponsor-designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the rights to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements, (ii) Shall have nonexclusive easements (a) over and access to those portions of the roof above the elevator bulkhead and mechanical, boiler, and storage rooms, and from such portions through the core and telecommunications conduits, lines, pipes, flues, ducts, wires, cables, risers, wiring, equipment and other facilities of the Building relating thereto, for any lawful purpose, including, but not limited to, the purposes of installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment, and the conduits, lines, pipes, flues, ducts, wires, cables, risers, wiring, equipment and other facilities relating thereto, located in such easement areas, which may serve the Property, and other premises and/or businesses, and (b) maintaining any encroachment on any Common Element resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided, however, that Sponsor's use of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units and Common Elements for their permitted purposes, and (iii) reserve the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, cable television, telephone, telecommunications, internet, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if Sponsor or Sponsor-designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the

residents of any property adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for dwelling purposes for any lawful purpose. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

D. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

E. The user of any easement granted by subparagraphs B, C, and D of this paragraph 10 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

11. Power of Attorney to Board of Managers. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to do the following: acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, or to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers; to amend the Declaration to combine or subdivide Units and to seek administrative and judicial review of real property tax assessments; and/or to represent the Unit Owners in any proceedings, negotiations, settlements, or agreements concerning losses, awards, or proceeds from the condemnation, destruction, or liquidation of all or a part of the Property, or from the termination of the Condominium. Each Unit Owner shall grant to Sponsor or any Sponsor-designee, on behalf of the Board of Managers, such Unit Owner's Power of Attorney to execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with following: any addition, alteration, or improvement (structural or nonstructural, ordinary and extraordinary, interior and exterior), repair or subdivision of any Unsold Unit or the use or operation of any Unsold Unit, or any portion thereof; any change the layout or number of rooms in any Unsold Unit or any change in the size and/or number of any Unsold Unit by subdividing or combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any such Unit or otherwise, incorporating Common Elements into the Unit as long as such incorporation has no material adverse impact on any other Unit Owner and, upon such incorporation, the Common Element shall become a Limited Common Element, and reapportioning among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant Common Interests; provided, however, Sponsor or Sponsor-designee, as the case may be, shall indemnify and hold the Board of Managers and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

12. Acquisition of Units by Board of Managers. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

13. Person to Receive Service. The Secretary of State of the State of New York is hereby designated to receive notice of process in any action which may be brought against the Condominium.

14. Units Subject to Declaration, By-Laws and Rules and Regulations. All present and future Unit Owners, tenants, subtenants 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 entering into of 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 Unit Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

15. Amendments to Declaration and By-Laws. Neither this Declaration nor the By-Laws may be amended, modified, added to or deleted from except by the vote of at least 67% in number of Units and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by at least 67% in number of Units and in Common Interest of all Unit Owners; provided, however:

(i) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the holder of such mortgage;

(ii) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units, may be made without the written consent of the affected Unit Owner, and no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units

may be made without the written consent of the holder of any and all mortgages covering such Unit or Units;

(iii) No amendment, modification, addition or deletion of or to this Declaration, the By-Laws, including the Rules and Regulations affecting the rights, benefits and exemptions of Sponsor, any Sponsor-designee, or the Unit Owner of any Unsold Unit will be effective in any respect against the such party until the such party shall have consented thereto in writing; and

(iv) Sponsor hereby reserves to itself and Sponsor-designee(s) the right to amend this Declaration, the By-Laws and the Rules and Regulations of the Condominium, the Floor Plans or any of said documents at any time without the requirement of a vote and without the approval or consent of Board, any Unit Owners or Permitted Mortgagees when such amendment (a) shall be required to file the Floor Plans required by the Condominium Act Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and to file along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p or (b) shall be required to reflect changes in Unsold Units and Limited Common Elements appurtenant thereto and/or the reapportionment of the Common Interests of the affected Unsold Unit or (c) as otherwise set forth in this Declaration, in the By-Laws or the Power of Attorney;

(v) No amendment to the Declaration shall be effective until recorded in the Kings County office of the Register of The City of New York; and

(vi) Amendments to this Declaration of a material nature must also be approved by at least 51% of the holders of Eligible Mortgage Holders (consent of an Eligible Mortgage Holder shall be deemed to have been given, when an Eligible Mortgage Holder fails to submit a response to any written proposal within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a return receipt). A change to any of the provisions governing the following would be considered as material:

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;
- (c) reductions in reserves for maintenance, repair, and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the General or Limited Common Elements, or rights to their use;
- (f) redefinition of any Unit boundaries;
- (g) convertibility of Units into Common Elements or vice versa;
- (h) expansion or contraction of the Property;

- (i) hazard or fidelity insurance requirements;
- (j) imposition of any restrictions on the leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (l) restoration or repair of the Building (after damage or partial condemnation) in a manner other than that specified in the Condominium Documents; or
- (m) any provisions that expressly benefit mortgage holders, insurers or guarantors.

16. Changes in Unsold Units. For any Unit owned by Sponsor or a Sponsor-designee, if not prohibited by the Condominium Act (as the same may be amended), Sponsor or a Sponsor-designee shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or Permitted Mortgagees, and without paying any cost or charge to the Board of Managers, to (i) make alterations, additions or improvements, structural or nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit or portions thereof or Limited Common Elements appurtenant thereto, including but not limited to any addition, improvement, or alteration to any roof area or terrace Limited Common Element; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise, incorporating Common Elements into the Unit as long as such incorporation has no material adverse impact on any other Unit Owner and, upon such incorporation, the Common Element shall become a Limited Common Element; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant Common Interests; provided, however, that in each instance Sponsor or Sponsor-designee shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Notwithstanding the foregoing: (a) no change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common Elements, except by amendment, when applicable, to this Declaration; and (b) in no event, unless an affected Purchaser consents or is in default of Purchaser's Purchase Agreement, shall any materially adverse change be made in the size or layout of a Unit, the percentage of the Common Interest attributed to a Unit, or the amount or quality of the Common Elements directly affecting or servicing the Unit. For purposes of recording an amendment to this Declaration as required by this Section, no consent of the Board or Unit Owners or Permitted Mortgagees is required.

At Sponsor or a Sponsor-designee's request, the Board shall execute any application or other document required to be filed in connection with the foregoing paragraph or filed in connection with any addition, alteration, improvement, repair or subdivision of the Unsold Units or the use or operation of the Unsold Units, at which time, the requesting party shall indemnify and hold the Board and the other Unit Owners harmless from any expense or liability by virtue of the execution

of the application or such other documents. As an alternative, Sponsor or a Sponsor-designee may execute any such application or other documents on behalf of the Board pursuant to the Power of Attorney granted to Sponsor or Sponsor-designee, as the case may be. The provisions of this Section 18 may not be added to, amended or deleted without the prior written consent of Sponsor or Sponsor-designee, as the case may be.

17. Invalidity.

A. If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or 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 the 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 or 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 or 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 purpose of submitting the Property to the provisions of the Condominium Act.

B. Subject to the terms of subparagraph A of this Section 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or 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.

18. Termination of Condominium. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the Condominium Act, if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units and by Eligible Mortgage Holders who represent at least fifty-one (51%) percent of the votes of the Units that are subject to Permitted Mortgages held by Eligible Mortgage Holders. The written consent of the Eligible Mortgage Holders, if any, shall be required before such vote is effective; provided, however, consent of an Eligible Mortgage Holder shall be deemed to have been given, when an Eligible Mortgage Holder fails to submit a response to any written proposal within thirty (30) days after it receives proper notice of the proposal, provided the

notice was delivered by certified or registered mail, with a return receipt. Sponsor and Sponsor-designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor and Sponsor-designees may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

19. Authorization to Borrow. The Board is authorized to incur debt on behalf of Unit Owners to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes. The repayment of any and all such debt may be secured and paid as provided in Section 339-jj of the New York Real Property Law.

20. Rights of Sponsor and Sponsor-designees. As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or a Sponsor-designee; or (ii) interfere with the offer, sale or leasing of Units, or construction within the Unit or Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary or desirable for construction, renovation, repair, or correction of the Property or any Unsold Unit, as determined by Sponsor or a Sponsor-designee, as the case may be.

21. Special Allocation of Common Expenses. In accordance with Section 339-m of the Condominium Act, the Common Expenses of the Condominium shall be specially allocated and apportioned by the Board between the Residential Units and the Parking Units based on special or exclusive use or availability or exclusive control of the Common Elements by the Residential Units and the Parking Units.

22. Parking Units. A Parking Unit may be owned by any Person.

23. Definitions. All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in Exhibit C to this Declaration. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

24. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

SCHEDULE "A"

Description of Property

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

BEGINNING at the corner formed by the intersection of the northerly side of Garnet Street with the easterly side of Court Street;

RUNNING THENCE easterly along the northerly side of Garnet Street, 99 feet 4 inches to the westerly line of land now or late of Patrick Clark;

THENCE northerly along the said line of land of Clark parallel with Court Street 100 feet to the center line of the block;

THENCE westerly along the said center line of the block parallel with Garnet Street, 19 feet 4 inches;

THENCE southerly parallel with Court Street, 19 feet 6 inches;

THENCE westerly parallel with Garnet Street and part of the distance through a party wall, 80 feet to the easterly side of Court Street;

THENCE southerly along the easterly side of Court Street, 80 feet 6 inches to the corner, the point or place of BEGINNING.

EXHIBIT B

Unit	Bdrms/Baths	Balcony/Attic/ Terrace/Rec Rm	Approx. SF	% of Common Interest	Location	Common Element Access
101	1/1.5	R	1066	2.29%	1st floor	Hallway
102	1/1.5	R	1101	3.58%	1st floor	Hallway
103	2/2.5	R	1500	4.50%	1st floor	Hallway
201	1/1	T - 478 SF	720	2.36%	2nd floor	Hallway
202	2/2	J	933	3.90%	2nd floor	Hallway
203	1/1	J	614	2.69%	2nd floor	Hallway
204	2/2	J	1088	4.35%	2nd floor	Hallway
205	2/2	J	1030	4.01%	2nd floor	Hallway
206	2/2	T - 1,259 SF	1059	4.45%	2nd floor	Hallway
301	1/1	B	720	2.99%	3rd floor	Hallway
302	2/2	J	933	3.94%	3rd floor	Hallway
303	1/1	J	614	2.62%	3rd floor	Hallway
304	2/2	J	1088	4.59%	3rd floor	Hallway
305	2/2	J	1030	4.27%	3rd floor	Hallway
306	2/2	B	1059	4.39%	3rd floor	Hallway
401	1/1	B	720	2.99%	4th floor	Hallway
402	2/2	J	933	3.89%	4th floor	Hallway
403	1/1	J	614	2.52%	4th floor	Hallway
404	2/2	J	1088	4.41%	4th floor	Hallway
405	2/2	J	1030	4.47%	4th floor	Hallway
406	2/2	B	1059	4.55%	4th floor	Hallway
PH 4	2/2	T - 560 SF	1106	4.69%	5th floor	Hallway
PH 3	1/2	T - 296 SF	889	3.91%	5th floor	Hallway
PH 2	2/2.5	T - 651 SF	1356	5.44%	5th floor	Hallway
PH 1	3/2	T 1452 SF + A	1496	5.99%	5th floor	Hallway
P1			157	0.17%	Garage	Driveway
P2			157	0.17%	Garage	Driveway
P3			157	0.17%	Garage	Driveway
P4			157	0.17%	Garage	Driveway
P5			157	0.17%	Garage	Driveway
P6			157	0.17%	Garage	Driveway
P7			157	0.17%	Garage	Driveway
P8			157	0.17%	Garage	Driveway
P9			157	0.17%	Garage	Driveway
P10			157	0.17%	Garage	Driveway
P11			157	0.17%	Garage	Driveway
P12			157	0.17%	Garage	Driveway
P13			157	0.17%	Garage	Driveway
				100.00%		

A = ATTIC
B = BALCONY
T = TERRACE
R =
RECREATION
ROOM

EXHIBIT C

DEFINITIONS

“Appurtenant Interest”: With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers 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 assets of the Condominium.

“Board” or “Board of Managers” or “Condominium Board”: The governing board of the Condominium composed of representatives designated by Sponsor or Sponsor-designees, as provided in the By-Laws, or elected by Unit Owners voting in accordance with their respective percentages of Common Interest.

“Building”: The structure known as and located at 529 Court Street, Brooklyn, New York.

“By-Laws”: The By-Laws annexed to this Declaration, including amendments as may be adopted from time to time.

“Common Charges”: The charges allocated and assessed by the Board to the Unit Owners, pro-rata, in accordance with their respective Common Interests, except as otherwise provided in the Declaration or By-Laws, to meet the Common Expenses.

“Common Elements”: All portions of the Property other than the Units. Common Elements comprise General Common Elements and Limited Common Elements.

“Common Expenses”:

(a) All costs and expenses incurred generally by the Unit Owners 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 replacements with respect to the General Common Elements and those Limited Common Elements that the Board is obligated to maintain, or to make up any deficit in the Common Charges for any prior year(s) relating to Common Expenses; and (iii) generally, the conduct of the affairs of the Condominium; and

(b) All sums designated Common Expenses pursuant to the Declaration or By-Laws;

(c) all sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws, incurred with respect to the General Common Elements; and

(d) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Common Elements and those Limited Common Elements that the Board is obligated to maintain.

"Common Interest": The proportionate undivided interest, expressed as a numerical percentage, in fee simple absolute in the Common Elements appurtenant to each Unit, as set forth in on Exhibit B to this Declaration.

"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 Documents": The Declaration, the By-Laws, the Floor Plans, and the Rules and Regulations.

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

"Eligible Mortgage Holders": The holders of first lien Permitted Mortgages on Units who have submitted a written request that the Condominium notify them of any proposed action requiring the consent of a specified percentage of Eligible Mortgage Holders.

"Family Members": The spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, great-grandparents, nieces, nephews and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit and any other person who resides with the Unit Owner in the Unit as a primary or principal residence and with whom he or she has an emotional and financial commitment and interdependence.

"First Unit Closing": The first closing of title with a bona fide Purchaser of a Unit.

"Floor Plans": The floor plans of the Building and Land filed in the office of the City Register, Kings County, simultaneously recorded with this Declaration, as they may, from time to time, be amended consistent with applicable Law, this Declaration, and the By-Laws.

"General Common Elements": The General Common Elements comprise the following:

i. All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the interior exposed face of the exterior walls; those portions of the walls and partitions dividing a Unit from corridors, lobby, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing a Unit, or, where applicable, the sub-floor and framing joists including any framing attached to such joists from which the dry wall ceiling of a Unit is attached; roof bulkheads; skylights (other than those located in a Unit), if any; water towers and tanks, if any; chimneys; yard areas, if any; roofs and terraces, which are not Limited Common Elements; all cellar areas (excluding the compactor room) which are not part of a Unit;

ii. All central and appurtenant installations, facilities, and equipment located outside the Units for services such as gas, electric power, telecommunications, water, heat, security and fire prevention, including all pipes, ducts, valves, wires, cables, chutes, conduits and meters used in connection therewith, which serve the Units;

iii. All central and appurtenant installations, facilities, and equipment located outside the Units for the removal of sanitary waste, including all sewer and drainage pipes and risers, which serve the Units;

iv. All other apparatus and installations existing in the Building for common use, or necessary for or convenient to the existence, maintenance or safety of the Units or the Unit Owners.

v. the elevators and their shafts and equipment;

vi. compactor room and its shafts and equipment;

vii. stairs, lobby, mail room, and concierge;

viii. all masonry walls, partitions, floors and ceilings in, on, or under the Building, separating a Unit from another Unit or a Common Element and that portion of all such masonry walls, partitions, floor and ceilings separating a Common Element from a General Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element;

ix. all central and appurtenant installations and facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, telecommunications, and other mechanical and electrical systems which serve the Units and/or the Common Elements only;

x. all interior portions of the Building, to the extent that the same are not a Unit or expressly included as part of the General Common Element; and

xi. storage bins in basement.

"Land": All that certain tract, plot, piece and parcel of land situate, lying and being in the County, City and State of New York as more particularly described in Exhibit A to this Declaration.

"Law": The laws and ordinances of any or all of the Federal, New York State, and The City of New York governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any of the governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Limited Common Elements": The Limited Common Elements consist of those Common Elements which are for the use of one or more specified Units to the exclusion of all others, including the following:

(i) roof, terrace and balcony areas allocated to specific Units as shown on the Floor Plans and indicated on Exhibit B to this Declaration;

(ii) windows and their frames, sills and sashes, all doors that lead to the exterior or to a Common Element and their frames and saddles; and

(iii) all central and appurtenant installations inside the Units for services such as gas, electric power, security, fire prevention, telecommunications, water, sanitary disposal, and heat (including all pipes, ducts, valves, wires, cables, chutes, conduits and meters used in connection therewith), which exclusively service or benefit a single Unit; and

(iv) parking lot circulation area.

“Majority”: With respect to any matter or matters, a majority of Unit Owners means, as the case may be, (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units.

“Managing Agent”: A Person employed by the Condominium Board pursuant to the By-Laws, which shall undertake to perform the duties and services that the Condominium Board shall direct and which shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in the By-Laws.

“Offering Plan” or “Plan”: The document, as may be amended from time to time, filed with the New York State Department of Law which describes the Property and pursuant to which individual Units in the Condominium are offered for sale.

“Operation of the Property”: The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

“Parking Units”: A designated area on the Land, as shown on the Floor Plans, which may only be used to park a motor vehicle, together with its appurtenant Common Interest, which will be owned in fee simple absolute, subject to the Condominium Documents and Permitted Encumbrances.

“Permitted Mortgage”: Any mortgage covering a Unit, the holder of which has given written notice to the Board that it desires to receive notice of: any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage; any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; a lapse, cancellation, or material modification of any insurance policy maintained by the Condominium; and any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

“Permitted Mortgagee”: Any holder of a Permitted Mortgage at the time in question and/or any guarantor or insurer of such mortgage.

“Person”: A natural person, corporation, partnership, limited liability company, unincorporated association, trust, estate, fiduciary, syndicate, joint venture, organization, government or any department or agency thereof or other legal entity in the State of New York.

“Power of Attorney”: The document, signed by Unit Owners, which appoints

(i) the Board of Managers as attorney-in-fact, inter alia, to acquire or lease, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell, lease or abandon, together with the Appurtenant Interests thereto and to deal with any such Units so acquired or leased as they may determine; and

(ii) Sponsor as attorney-in-fact, inter alia, to amend the Declaration, the By-Laws, or the Rules and Regulations of the Condominium under certain conditions set forth in the Power of Attorney and to sign certain applications or other documents required to be filed with any governmental agency in connection with any addition, alteration, improvement, repair, subdivision or operation of the Unsold Units.

"Property": Includes the Land, the Building and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the Condominium Act.

"Purchaser": Any Person who has entered into an agreement with Sponsor for purchase of a Unit.

"Residential Unit": A designated residential apartment Unit in the Building which will be owned in fee simple absolute.

"Special Assessments": The charges allocated and assessed by the Board to the Unit Owners, pro rata in accordance with their respective Common Interests, in accordance with the By-Laws, except as otherwise provided in the Declaration or in the By-Laws.

"Sponsor": Freud Court Street Properties LLC, a New York limited liability company, having an office at 477 Madison Avenue, New York, New York, 10022, its successors, and/or assigns.

"Sponsor-designee": Any person designated by Sponsor to hold title, or to be its successor, to any Unsold Unit, including but not limited to any member of Sponsor or member of any limited liability company which is a member of Sponsor. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under the Offering Plan, this Declaration, and By-Laws. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee."

"Unit": Any space in the Building or the Land designated as a Unit in this Declaration, consisting generally of a specific apartment in the Building, together with an appurtenant proportionate undivided interest in the Common Element. Each Unit is part of the Property and intended for any type of legal use or uses, and adjoins an exit to a public street or highway or a Common Element or Common Elements leading to a public street.

"Unit Deed": The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

"Unit Designation": The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

“Unit Owner”: The Person owning a Unit in simple absolute. Collectively, Unit Owners means the respective owners of the Units.

“Unsold Unit”: Any Unit owned or retained (by way of lease or any other arrangement by which management and/or financial responsibility is retained) by Sponsor or a Sponsor-designee, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of its principals, is a principal.

G. BY-LAWS

THE 529 COURT STREET CONDOMINIUM

BY-LAWS

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The property is located on a parcel of land (the "Land") formerly known as Block 478, Lot 1, and 529 Court Street, Kings County, City and State of New York, has been submitted to the provisions of Article 9-B of the Condominium Act by the Declaration recorded in the Office of the City Register of The City of New York, Kings County, simultaneously herewith and shall hereinafter be known as The 529 Court Street Condominium (hereinafter called the "Condominium"). Capitalized terms used in these By-Laws shall have the meanings provided in the Declaration. These By-Laws shall be subject and subordinate to the terms of the Declaration. In the event of any conflict between the terms of these By-Laws and the terms of the Declaration, the terms of the Declaration shall prevail.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and the use and occupancy thereof. The term "Property" as used herein shall include the Land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, all of which are intended to be submitted to the provisions of said Article 9-B of the Condominium Act.

Section 3. Application. All present and future owners, mortgagees, lessees, sublessees and occupants of Units and their employees, and any other persons who may use the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A, each as may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with by such grantee, lessee and/or occupant.

Section 4. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Board of Managers

Section 1. Number and Qualification. Until the first meeting of the Unit Owners, the affairs of the Condominium shall be governed by a Board of Managers consisting of three (3) members, all of whom

shall be appointed by Freud Court Street Properties LLC ("Sponsor"). After the first meeting of Unit Owners, the Board of Managers shall consist of five (5) members. As long as Sponsor or any Sponsor-designee shall own at least one Unit, it shall each have the right to designate one member of the five-member Board, who shall serve at the pleasure of the Sponsor or Sponsor-designee. All members of the Board of Managers shall be Unit Owners, mortgagees of Units, or, in the case of partnership or limited liability company mortgagees or Unit Owners, shall be partners, members, managers or employees of such partnership or limited liability company, or in the case of corporate mortgagees or Unit Owners, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary mortgagees or Unit Owners shall be the fiduciaries or officers or employees of such fiduciaries, or in the case of the Sponsor, Sponsor-designees, shall be designees of the Sponsor, Sponsor-designee. Persons designated by the Sponsor, Sponsor-designee under this Article need not be Unit Owners.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Déclaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- A. Operation, care, upkeep and maintenance of the Common Elements described in the Declaration.
- B. Determination of the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- C. Collection from the Unit Owners of the Common Charges and assessments, if any.
- D. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- E. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.
- F. Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- G. Purchasing, leasing, or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers.
- H. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- I. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

J. Selling, leasing, mortgaging, or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

K. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units or rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium, on behalf of all Unit Owners.

L. Obtaining insurance for the Property, including the Units, pursuant to the provisions of Article V, Section 2 hereof.

M. Making of repairs, additions, and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

N. The Board is authorized to incur debt on behalf of Unit Owners to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes. The repayment of any and all such debt may be secured and paid as provided in Section 339-jj of the New York Real Property Law.

O. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property.

P. Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2, or with respect to any condemnation, and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

Q. Act as agent for all Unit Owners who have given written authorization to seek administrative and/or judicial review of assessments for real estate tax purposes.

Section 3. Managing Agent and Manager. The Board of Managers may employ a managing agent and/or manager (including the Sponsor or a corporation organized or controlled by the Sponsor) for the Condominium at a compensation established by the Board of Managers to perform such duties and services the Board of Managers shall authorize. The Board of Managers may delegate to any manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions B, F, G, H, I, J, K, L, O, and P of Section 2 of this Article II. The cost of any Managing agent and/or manager engaged by the Board of Managers pursuant to this Section 3, including administrative expenses billed by such managing agent and/or manager, shall be borne by the Board of Managers as a Common Expense.

Section 4. Election and Term of Office. Until Sponsor relinquishes control of the Board, the Board will consist of three (3) members designated by Sponsor. If at the time of the first meeting of Unit Owners held pursuant to Section 1 of Article III of these By-Laws, Sponsor and/or Sponsor-designees have transferred title to all Units to Unit Owners who are not Sponsor-designees, then the Unit Owners will form a new five-member Board elected by the Unit Owners. If at the time the first meeting of Unit

Owners is held, Sponsor and/or Sponsor-designees have not transferred all of the Units to Purchasers, the non-Sponsor and/or Sponsor-designee Unit Owners shall elect four members and Sponsor and/or Sponsor-designees shall designate one member of the new five-member Board and one alternate, who shall be entitled to vote in such designee's absence. The remaining Sponsor and/or Sponsor-designee's and alternate's terms shall expire when title to all Units has been conveyed from Sponsor and/or Sponsor-designee to Unit Owners who are not Sponsor or a Sponsor-designee. The non-Sponsor and/or Sponsor-designee Unit Owners will elect at the next annual meeting of Unit Owners the successors to Sponsor's and/or Sponsor-designee designees. The term of office for each member of the Board elected by the Unit Owners shall be for one (1) year. The term of office for members of the Board designated by Sponsor and/or a Sponsor-designee shall be indefinite until removed by such appointing party or as otherwise provided in these By-Laws. In addition, no Unit Owner may be elected to serve on the Board if the Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election, or to serve on the Board as long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Board or as an officer of the Board at the same time during the term of office.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee may be removed with or without cause by a Majority and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed by the Sponsor or a Sponsor-designee, except for cause, and only they shall have the right to designate a replacement. If a member of the Board of Managers ceases to be a Unit Owner or a Unit mortgagee (or a partner, officer, member, manager, director, stockholder or employee of a partnership, limited liability company or corporate mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor or a Sponsor-designee, he or she shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 6. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners, at which meeting a successor shall be elected for such member. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or a Sponsor-designee (except as expressly provided above) shall be filled only by the Sponsor or the Sponsor-designee, as the case may be.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail, telecopier, or personal delivery, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days notice to each member of the Board of Managers, given by mail, telecopier, or personal delivery, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 12. Fidelity Bonds. The Board of Managers shall obtain a fidelity bond in such amount as it deems proper for all officers and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity bonds as it deems proper. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. Neither the Condominium nor members of the Board of Managers shall have any liability for failure to enforce any of the Rules and Regulations, as such enforcement shall be in the absolute discretion of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise,

except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Members of the Board of Managers designated by the Sponsor or Sponsor-designee shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf of the Unit Owners with the Sponsor or Sponsor-designee provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the Kings County area.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have Power (a) to determine the Common Charges and Common Expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions G, H, I and N of Section 2 of Article II.

Section 16. Other Committees. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. Such committee shall not have power to do any act which the Executive Committee may not do under subsections A-D of Section 15 of Article II.

ARTICLE III

Unit Owners

Section 1. Annual Meetings.

A. First Meeting. Sponsor shall call the first annual meeting of all Unit Owners within thirty (30) days after the earlier of: (1) the closing of the sale of seventy-five percent (75%) of the Units, or (2) three (3) years after the First Unit Closing.

B. Subsequent Annual Meetings. Subsequent to the first annual meeting, annual meetings of Unit Owners shall be held within fifteen (15) days of the anniversary of each annual meeting. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in Common Interest in the aggregate of Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a Majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.

- (d) Reports of officers.
- (e) Report of Board of Managers and/or Managing Agent.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

Section 7. Title to Units: Status of Holder of Title as Unit Owner. Title to Units may be taken in (a) the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, (b) or in the name of Sponsor or Sponsor-designee, or (c) a Mortgagee (or its designee) acquiring title in foreclosure or by deed in lieu of foreclosure, or (d) any partnership, corporation, limited liability company, or other entity authorized to do business in the State of New York and which has duly authorized a responsible party in Kings County to receive service of process. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing mortgages, title restrictions, certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The owner or owners of each Unit (except the Board of Managers), or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. The total number of votes of all Unit Owners shall be 10,000 and each Unit Owner (including the Sponsor or Sponsor-designees, if the Sponsor or Sponsor-designees shall then own or shall then hold title to one or more Units) shall be entitled to cast one vote at all meetings of the Unit Owners for each .01 per cent of interest in the Common Elements applicable to his or their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

Section 9. Quorum. Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 10. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration, these By-Laws, or by law a higher percentage vote as required.

Section 11. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws, or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary, the Treasurer, or the Secretary/Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers. The Board may determine that the offices of Secretary and Treasurer be held by one person.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium and must be a member of the Board of Managers. He or she shall preside at all meetings of the Unit Owners and the Board of Managers. He or she shall have all the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he or she shall have charge of such books and papers as the Board of Managers may direct, and he or she shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he or she shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law to the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Condominium shall be executed by any two persons who shall be officers of the Condominium.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such. As long as Sponsor is the owner of any Units, this section may not be modified.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges and Special Assessments.

A. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses and allocate and assess such Common Charges and Common Expenses among all the Unit Owners in accordance with their Common Interests; provided, however, because Parking Units will not be using or benefitting from many of the services which will be provided to the Residential Units, the Common Charges payable with respect to the Parking Units will be specially allocated to them; provided further, however, that the Common Charges payable with respect to the Parking Units will be sufficient to cover the Common Expenses attributable to the Parking Units. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board must establish and maintain an adequate reserve fund for the replacement of improvements to the General Common Elements and those Limited Common Elements that it is obligated to maintain and the Common Expenses shall also include an amount to fund such replacement reserve. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit, or of any Unit which is to be sold at a foreclosure or other judicial sale. A copy of each proposed budget shall be sent to each Unit Owner at least ten (10) days prior to the date set for adoption thereof by the Board of Managers. As long as Sponsor or a Sponsor-designee is in control of the Board, such proposed budget must be certified as adequate in compliance with Part 20 of Title 13 NYCRR. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and expenses are based to all Unit Owners (and their respective mortgagees, if required). In any year in which the Common Charges are in excess of the Common Expenses, such excess shall, at the option of the Board of Managers,

be refunded to the Unit Owners in accordance with their respective Common Interests, deposited into a reserve account, or applied against Common Charges due for the subsequent year. As long as the Sponsor or Sponsor-designee has control of the Board of Managers, the Sponsor or the Sponsor-designee shall authorize payment of (i) the expenses described in Schedule B of the Offering Plan, as amended, presented by Sponsor for sale of the Units, or (ii) expenses required: (1) to comply with applicable laws or regulations, (2) to remedy any notice of violation, or (3) to remedy any work order by an insurer. In addition, when Sponsor or the Sponsor-designee has conveyed title to Units representing fifty (50%) percent of the aggregate Common Interests, Sponsor may not exercise any veto power over Common Expenses. If Sponsor has relinquished control of the Board and Sponsor and Sponsor-designees continue to own at least one (1) Unit, but in no event later than five (5) years after the First Unit Closing, the Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Offering Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Unit Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

B. In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board of Managers shall have the right, subject, in all respects, to the express limitations contained in the Declaration and these By-Laws, to levy Special Assessments to meet the Common Expenses, which shall be allocated and assessed amongst all Units in accordance with their Common Interests, except as expressly provided in these By-Laws. Any Special Assessment may be payable either in one lump sum or in installments, as the Condominium Board shall determine; provided, however, that the Condominium Board shall give each Unit Owner not less than thirty (30) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Board of Managers shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges.

C. The obligation to pay Common Charges shall commence on acquisition of the fee estate in a Unit. Each Purchaser (excluding Sponsor and any Sponsor-designee), upon acquisition of his or her Unit shall deposit with the Board of Managers for working capital a sum equal to two (2) times the monthly Common Charges for such Unit.

D. The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against each Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

E. The Sponsor shall establish an initial working capital fund equal to two (2) months of the initial Common Charges for each Unit. This fund will be funded as the sale of each Unit occurs by the purchaser of the Unit. The Sponsor shall not use the working capital fund to defray any of its expenses,

reserve contributions, or construction costs, or to make up any budget deficits while it is in control of the Board.

Section 2. Insurance.

A. The Board of Managers shall obtain, and shall maintain in full force and effect, an insurance policy to protect against fire and all other hazards that are normally covered by the standard extended coverage endorsements, and all other perils customarily covered for similar types of buildings, including those covered by the standard "All Risk" property insurance, insuring the Building (including all Units, all walls, ceilings and floors in the Units as finished by Sponsor in accordance with the section titled "Description of Property and Specifications" in the Offering Plan but not including appliances or any furniture, fixtures, furnishings, decorations or belongings, or personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interests of the Condominium, the Board of Managers, the officers thereof, all of the Unit Owners, all Permitted Mortgagees, Freud Court Street Properties LLC, and the Managing Agent, as the named or additional insureds, as their interests may appear. Such insurance must be provided by an insurer having a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Report, or an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports - International Edition. Such policy shall contain:

- i. waivers of (a) subrogation if in writing, before the loss, (b) invalidity arising out of any acts of the insured and (c) pro-rata reduction if Unit Owners obtain coverage;
- ii. a provision that any adjustment of loss will be made by the Board of Managers and that all proceeds thereof shall be paid to the Board of Managers as provided in Section 3 hereof;
- iii. a New York standard mortgagee clause in favor of each Permitted Mortgagee, subject, however, to the loss payment provisions in favor of the Board of Managers set forth in subparagraph ii above and in Section 3 hereof;
- iv. if available, Building Ordinance or Law Endorsement; and
- v. a provision that such policy may not be either canceled or substantially modified except upon at least ten (10) days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all named insured and additional insured at least ten (10) days prior to the expiration of the then current policies.

B. The Board of Managers shall also obtain and maintain:

- i. comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit or its Limited Common Elements);
- ii. rent insurance;

- iii. boiler and machinery insurance;
 - iv. water damage legal liability insurance;
 - v. elevator collision insurance;
 - vi. condominium directors and officers liability insurance;
 - vii. fidelity insurance;
 - viii. if the Condominium is located in a designated flood hazard area, flood hazard insurance; and
- vii. such other insurance as the Board of Managers shall from time to time determine and such additional coverage consistent with the requirements of mortgages insured by the Federal National Mortgage Association.

Each of the aforementioned policies shall name the Persons described in paragraph A of Section 2 above as the named insured, as their respective interests may appear, or additional insureds (to the extent required).

C. All policies of insurance to be maintained by the Board of Managers shall contain such limits as the Board of Managers shall from time to time determine; provided, however, that:

- i. with respect to insurance policies maintained by the Board of Managers pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to the current cost at the time coverage or renewal is obtained to repair or replace the Building at the time of loss, including additional cost to meet the most current building codes, exclusive excavation, foundations and non-recurring soft costs, without deduction for depreciation; such coverage shall be on an agreed amount basis so as to avoid the effects of coinsurance;
- ii. with respect to insurance policies maintained by the Board of Managers pursuant to subparagraph (i) of paragraph B hereof, such primary policies shall contain limits of not less than \$1,000,000 per occurrence, \$1,000,000 general aggregate, \$1,000,000 other aggregates and umbrella policies shall contain limits of not less than \$5,000,000 per occurrence and \$5,000,000 aggregate until the first regular meeting of the first five-member Board of Managers elected by the Unit Owners and will also cover cross-liability claims of one insurer against another; and
- iii. with respect to insurance policies maintained by the Board of Managers pursuant to subparagraph (ii) of paragraph B hereof, the minimum coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Board of Managers may also provide for such deductible amounts as the Board of Managers shall determine. The Board of Managers shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year. All insurance shall be consistent with the requirements of mortgages insured by the Federal National Mortgage Association.

D. The cost of all insurance maintained by the Board of Managers pursuant to this Section 2 shall be borne by the Board of Managers as a Common Expense.

E. Unit Owners shall carry condominium owner's insurance for their own benefit, covering the Unit Owner's improvements and betterments, contents and liability. All such policies shall be in such amounts, including any deductibles, as the Board may from time to time require, and shall contain waivers of subrogation.

Section 3. Casualty or Condemnation.

A. In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Board of Managers pursuant to the terms of Section 2 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 Board of Managers. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 3. Notwithstanding anything to the contrary contained either in this paragraph A or elsewhere in this Section 3, 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 the Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

B. Subject to the terms of paragraph D hereof, the Board of Managers shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units, the exposed face of all walls, ceilings and floors in the Units (other than those walls, ceilings and floors erected by a Unit Owner other than Sponsor) as finished by Sponsor in accordance with the section of the Offering Plan titled "Description of Property and Specifications" but not including appliances or any furniture, fixtures, furnishings, decorations or belongings, or personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to one or more Units or Common Elements that service or enclose such one or more Units and other Common Elements, or any combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements or Common Elements that service or enclose Units and then in or to the balance of the Common Elements.

C. In the event that Work shall be performed pursuant to the terms of paragraphs B and D of this Section 3, the Board of Managers shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Board of Managers, at its discretion, shall levy a Special Assessment against all Unit Owners or borrow funds as permitted in these By-Laws, for the amount of such deficiency in such proportions as are provided herein for Special Assessments, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess,

such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph C for any projected deficiency in the amount of the Trust Funds available to the Board of Managers and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective contribution, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

D. If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% 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 be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in 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 (other than mortgages that are not Permitted Mortgages).

E. In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board with respect to such Unit.

F. If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph D hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of all liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium

Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

G. As used in this Section 3, the terms:

“prompt repair or restoration” shall mean that the Work is to be commenced not more than sixty (60) days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

“promptly resolve” shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges and Special Assessments assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine, and other amounts (“Other Amounts”) due and payable by the Unit Owners as set forth in these By-Laws. These are personal obligations of the Unit Owner who owned the Unit at the time the Common Charges, Special Assessments, or Other Charges became due, but do not pass to successors in title as personal obligations, unless such successors in title agree to assume any such obligation. No Unit Owner shall be liable for the payment of any part of the Common Charges, Special Assessments, and Other Amounts assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances (other than a Permitted Mortgage) and the statutory lien for unpaid Common Charges, convey his Unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, without any compensation and in such event be exempt from Common Charges thereafter assessed.

Section 5. Default in Payment of Common Charges, Special Assessments, and Other Amounts. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any Special Assessment as determined by the Board of Managers or other amounts (“Other Amounts”) due and payable by a Unit Owner to the Condominium as provided in these By-Laws, appropriate legal procedures the Board of Managers may impose a late charge and such Unit Owner shall be obligated to pay interest at the highest lawful rate on such Common Charges, Special Assessments and/or Other Amounts from the due date thereof, together with all expenses, including attorneys’ fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges, Special Assessments and/or Other Amounts which may be commenced by the Board at its discretion. The Board of Managers, on behalf of all Unit Owners, shall have a lien on each Unit for all unpaid Common Charges, Special Assessments, and Other Amounts imposed on such Unit in accordance with Section 339-z of the Condominium Act, which shall be subordinate to a first lien mortgage recorded prior to when the Common Charge or Special Assessment became due. The Board of Managers shall have the right and duty to attempt to recover such Common Charges, Special Assessments and/or Other Amounts, together with interest thereon, and the expenses of the proceeding, including attorneys’ fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof. The lien for Common Charges or any Special Assessment will not be affected by the sale or transfer of the Unit, unless a foreclosure of a first mortgage

is involved, in which case the foreclosure will extinguish any lien for Common Charges, Special Assessments and/or Other Amounts that were payable before the foreclosure sale, but will not relieve any subsequent Unit Owner from paying further Common Charges, Special Assessments, and Other Amounts.

Section 6. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, Special Assessments and/or Other Amounts, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges, Special Assessments and/or Other Amounts shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7. Statement of Common Charges and Assessments. The Board of Managers (or a managing agent on its behalf) shall promptly provide any Unit Owner so requesting the same in writing with a written statement of all unpaid Common Charges, Special Assessments, and Other Amounts due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium) or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. Any Unit Owner which is the subject of such action by the Board of Managers shall pay on demand all costs and expenses paid or incurred by the Board of Managers in connection with such action, together with interest on any unpaid amount at the highest lawful rate.

Section 9. Maintenance and Repairs.

A. All painting, decorating, maintenance, repairs and replacements, whether structural (if previously authorized by the Board), or nonstructural, ordinary or extraordinary, in or to, or appurtenant to, any Unit and all portions thereof, including, but not limited to, the interior walls, dry wall portion of ceilings and floors (excluding sub-floors) in the Unit, kitchen and bathroom fixtures and appliances, sills and sashes, all doors (entrance, balcony, terrace and plaza, if any) and their frames and saddles (except painting the exterior side of Unit entrance doors), exposed plumbing, unexposed plumbing which exclusively serves the Unit, lighting, cable, and electrical fixtures, and gas, electrical, cable, and utility lines, conduits, and equipment which exclusively serve the Unit shall be performed by the Owner of such Unit at such Unit Owner's cost and expense. In the case of structural work in or to any Unit, the Board reserves the right to perform such work on behalf of the affected Unit Owner at such Unit Owner's sole cost and expense.

B. All painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to the General Common Elements shall be made by the

Board and charged to all Unit Owners as a Common Expense. If Sponsor has relinquished control of the Board and Sponsor and Sponsor-designees continue to own at least one (1) Unit, but in no event later than five (5) years after the First Unit Closing, Sponsor has the right to veto any action of the Board relating to any addition, alteration, improvement or change in or to the Common Elements or the Building; provided, however, Sponsor may not veto such action if (1) such action is necessary to enable the Board of Managers or Unit Owner to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium and (2) no other alternative is available after a discussion of the alternatives were considered at a meeting in which Sponsor was present, and further provided that Sponsor's veto is delivered by written notice within ten (10) days after Sponsor has notice of the proposed action.

C. All painting, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to the Limited Common Elements will be performed by (a) the Board, if such Limited Common Element is for use by more than one Unit Owner or involves the roof or painting the exterior side of Unit entrance doors, which shall be a Common Expense, or (b) except if it involves a balcony, terrace or the roof or painting the exterior side of Unit entrance doors as provided in (a), by the Unit Owner of the Unit which is exclusively serviced or benefitted by the Limited Common Element, at such Unit Owner's sole cost and expense. In the event of any repair or replacement of any portion of the roof which is a Limited Common Element, the Unit Owner of the Unit which is exclusively serviced or benefitted by the roof area Limited Common Element shall be liable for the cost to remove all decking, improvements, and personal property therefrom as the Board in its absolute discretion deems necessary to facilitate such repair or replacement, and the Condominium shall not be liable for the cost of restoring, replacing, or repairing any such decking, improvements, or personal property removed to facilitate such repair or replacement, except if due to negligence. The Board shall have the authority to remove any such decking, improvement, and personal property, at the Unit Owner's expense, if the Unit Owner has not removed any of such items upon thirty (30) days prior written notice to the Unit Owner or without notice in an emergency. In addition, the exterior surface of all windows in the Building, if so determined by the Board, shall be washed and cleaned by the Board and the cost and expense thereof shall be a Common Expense. Otherwise, the exterior of all such windows shall be washed or cleaned at the cost and expense of the Unit Owner. The interior glass surfaces of all windows located in any Unit shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. Notwithstanding the foregoing, each Unit Owner will be liable for all repairs and replacements to the Common Elements, whether structural or nonstructural, ordinary or extraordinary, if necessitated due to the negligence or abuse of an Owner or Family Member, guest, employee, contractor or agent of the Unit Owner.

D. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by certified mail to the Board or to the Managing Agent any defect or need for repairs for which the 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 a Unit Owner of the 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 Unit.

E. If any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or nonstructural, 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 Family Member, guest, employee, contractor or agent of a Unit Owner, or (ii) the Board, the entire cost and expense thereof shall be borne by the 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.

F. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, balconies, plazas, windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to the Unit Owner's Unit. The cost of keeping all sidewalks adjacent to the Building free from refuse, debris, snow and ice shall be a Common Expense and shall be the responsibility of the Board.

Section 10. Alterations, Additions, Improvements, or Repairs in or to the Units.

A. Alterations, repairs, modifications, and improvements to a Unit that do not affect the exterior of the Building, any of the Building's systems, the Building structure, any Limited Common Element, the certificate of occupancy for the Building, or the value of other Units may be made by any Unit Owner without consent of the Board, subject to compliance with all applicable Law, these By-Laws and the Rules and Regulations.

B. Except as otherwise provided in the Declaration or in these By-Laws, no Unit Owner may make a structural alteration or improvement, or repair, or any other alteration which may affect the Building's systems, in or outside of a Unit, or the exterior of the Building (including roof terraces), without the prior written approval of the Board. Prior to commencing any alteration, a Unit Owner must sign and submit an alteration agreement to the Board in a form prescribed by the Board, which shall provide that the Unit Owner shall follow the conditions set forth in the By-Laws and agree, among other things, that (i) such alteration shall be at the Unit Owner's sole cost and expense, (ii) all work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, (iii) all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurance (certificates for which shall be delivered to the Board prior to the commencement of work), (iv) the Unit Owner shall procure and maintain during the course of such work such other insurance as the Board may reasonably prescribe, and (v) any additions shall be maintained in their entirety by the Unit Owner who shall also be responsible for any repairs, including structural repairs, to such alterations in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stress caused by the alteration or due to improper design or construction of the alteration. Such Unit Owner shall further agree to indemnify and hold harmless the Board and its officers, the Managing Agent, Sponsor, and all other Unit Owners from and against any liability cost and expense rising from such work. Although the Board will have the responsibility to maintain the underlying roof, the Unit Owner will be liable for all costs and expenses for any damage to the roof attributable to the Unit Owner's roof improvements or use. The Board shall have unlimited access to all areas of the roof for the purpose of making inspections, repairs and replacements.

Section 11. Use of the Units. 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 following:

A. Each Unit shall be used only as a residence. Notwithstanding the foregoing, however, a portion of a Unit may be used for any home occupation, including as a professional office, by the resident thereof provided that the nature and manner of such use comply with Law and does not violate the then existing Certificate of Occupancy covering such Unit, applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. No illuminated or other sign may be used in connection with the aforementioned use without the prior written consent of the Board of Managers. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, education or otherwise, designed for profit, altruism or otherwise shall be conducted, maintained or permitted in any part of the Units. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted in any Unit or adjoining Common Elements, nor shall any Unit be rented for hotel, motel or transient purposes.

B. A Unit owned or leased by an individual, limited liability company, 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, member, manager, or employee of such partnership or limited liability company, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners, members, managers, or employees of partnership or limited liability company 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 (however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). 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 (B)) may be accommodated therein, and no lease or other occupancy arrangement (except with Family Members or guests as described above) for less than one (1) year shall be permitted without the express written consent of the Board, which may be withheld in its absolute discretion.

Section 12. Use of the Common Elements.

A. Subject to the terms of paragraphs (B) and (C) of this Section 13, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building) 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, doormats, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, 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 Board of Managers. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

B. The owner or owners of any two or more Units, if such Units are the only Units serviced or benefitted by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any hallway that is directly adjacent to any such Units located on opposite sides of such hallway) shall, with the consent of the Board of Managers (which consent shall not be unreasonably withheld or delayed), have the right to use such Common Elements exclusively, as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no

amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such an event, however, such Owner or Owners shall, at such Owner(s)'s sole cost and expense, both (i) operate, maintain and repair such Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Section 13. Right of Access. A Unit Owner shall grant a right of access to his Unit or Limited Common Element to the Managing Agent and/or any other person authorized by the Board of Managers, the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in the Unit Owner's Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, improvements, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit Owner's Unit or Limited Common Element or elsewhere in the Building or to correct any condition which violates the provisions of any mortgage covering another Unit or for the purpose of complying with any Law, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the proper use of the Units. If it is immediately necessary for the preservation of safety of the property of the Condominium, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium (an "Emergency"), such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Neither the Board nor the Condominium shall have any liability for or responsibility to repair any damage caused to any Unit, Limited Common Element, or property of a Unit Owner in the course of performing its obligations hereunder, except for its gross negligence.

Section 14. Water, Gas, and Electricity. Electricity, water, and gas to the Building and each Unit will be supplied by the public utility companies or municipal agency serving the area. The cost of electricity for the public spaces outside the Units and all water and gas consumed at the Property by the Unit Owners will be borne by the Unit Owners and will be included in the Common Charges and paid as a Common Expense. Electricity consumed in each Unit will be metered and the cost paid directly by the Unit Owner to the public utility providing such service.

ARTICLE VI

Mortgages

Section 1. Notice to Board Managers. Each Unit Owner has the unrestricted right to mortgage such Unit Owner's Unit. The Board of Managers shall maintain a book entitled "Mortgages of Units," containing a list of Permitted Mortgages, Permitted Mortgagees, and Eligible Mortgage Holders.

Section 2. Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever so requested in writing by a Permitted Mortgagee, shall promptly report any then unpaid (for a period of 60 days) Common Charges or assessments levied by the Board of Managers due from the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or assessments or other default, shall send a copy of such notice to each Permitted Mortgagee.

Section 4. Examination of Books. The Board of Managers will maintain current copies of the Declaration, these By-Laws and the Rules and Regulations of the Condominium, as well as its books, records and financial statements, available for inspection by Unit Owners, the holders of mortgages covering Units and any guarantors and insurers of such mortgages, during normal business hours

Section 5. Notices of Certain Events. In addition to the notice required to be sent under Section 2 above, the Board of Managers shall provide Permitted Mortgagees the right to timely written notice of any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage; a lapse, cancellation, or material modification of any insurance policy maintained by the Condominium; and any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

ARTICLE VII

Sales, Leases and Mortgages of Units

Section 1. Sales and Leases. Except as provided in Section 7 and Section 11 of this Article VII, no Unit Owner may sell or lease his Unit or any interest therein except by complying with the following provisions:

Each Unit Owner must sell or lease his Unit subject to the permitted encumbrances and restrictions contained in the deed conveying such Unit to the Unit Owner regarding nondiscrimination and use and occupancy of the Unit. Any lease or rental agreement must be in writing, a true copy of which must be provided to the Board upon execution. Any Unit Owner who receives a bona fide offer (hereinafter called an "Outside Offer") for either (i) the sale of his Unit together with (A) the undivided interest in the Common Elements appurtenant thereto; (B) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (C) the interest of such Unit Owner in any other assets of the Condominium (the interests in subsections (A), (B), and (C) are hereinafter collectively called the "Appurtenant Interests"), or (ii) lease of his Unit, which he intends to accept. Such Unit Owner shall give notice by certified mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or tenant, the terms of the proposed transaction and such other information and an application fee as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or lease such Unit to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer to the Board of Managers on behalf of the other Unit Owners that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice to such Unit Owner, if a sale, either (a) to purchase such Unit, together with the Appurtenant Interests; (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner or (b) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, or, if a lease, either (x) to lease such Unit (or cause the same to be leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, except that it shall have the right to sublet the Unit, or (y) to produce a tenant who will lease such Unit on the same terms and conditions as contained in the Outside Offer and as stated in the Notice from the offering Unit Owner on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In

the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Condominium Act, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale real estate taxes, mortgage interest and Common Charges and expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser or tenant within thirty (30) days as aforesaid or fails to act within said 30-day period, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or lease such Unit, after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the outside offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed or lease pursuant to an outside offer shall provide that the acceptance thereof by the grantee or tenant shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations as the same may be amended from time to time. In the event the offering Unit Owner shall not contract to sell such Unit, together with the Appurtenant Interests, or lease such Unit, on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell his Unit (and Appurtenant Interests), or lease such Unit, but such sale shall not be consummated pursuant to the terms of such contract, or lease terminated, as the case may be, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or lease to the same or another outside offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VII. Any purported sale or lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers.

Section 2. Consent of Unit Owners to Purchase of Units by Board of Managers. The Board of Managers shall not exercise any option herein above set forth to purchase any Unit without the prior approval of a Majority of Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold or conveyed, or leased, free and clear of the provisions of such Section.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged and in recordable form by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII have been met by a Unit Owner, or have been duly waived by the Board of

Managers, and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VII or in respect to whom the provisions of such Section have been waived, upon request. No such certificate shall be provided for the sale or lease of any Unit owned by Sponsor or a Sponsor-designee, as the Board of Managers does not have a right of first refusal to purchase or lease any Unit owned by Sponsor or a Sponsor-designee.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his ownership in the Common Elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit.

Section 7. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit and Appurtenant Interests by gift, or to devise his Unit and Appurtenant Interests by will, or to pass the same by intestacy without compliance with the provisions of Section 1 of this Article VII, but subject to all the other provisions of these By-Laws and the Declaration.

Section 8. Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit; subject, however, to the provisions of Sections 339-t and 339-cc of the Condominium Act.

Section 9. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, or sell his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except mortgages to which such conveyance, pledge, hypothecation, or sale shall be subject.

Section 10. Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction.

Section 11. Exceptions. The provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale, lease, or conveyance by a Unit Owner of his Unit and Appurtenant Interests to any Family Member, or (b) the acquisition, lease, conveyance or sale of a Unit and Appurtenant Interests by the Sponsor, a Sponsor-designee or a designee of same, or (c) the acquisition, lease, or sale of a Unit, together with the Appurtenant Interests, by a mortgagee or its designee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure.

ARTICLE VIII

Condemnation

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, which it shall hold

as Trust Funds. If at least sixty-seven (67%) percent or more of the Unit Owners in number and Common Interest duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for such repair and restoration, and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If at least sixty-seven (67%) percent or more of the Unit Owners in number and Common Interest do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

ARTICLE IX

Records, Reports and Tax Returns

Section 1. Records. The Board of Managers shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

Section 2. Audited Financial Statement. Within 120 days of the end of each of the Condominium's fiscal years, the Board of Managers shall cause to be prepared for such fiscal year an audited financial statement of the receipts and expenditures of the Condominium, prepared by an independent certified public accountant. Such audited financial statement shall be available to all Unit Owners, to each holder of a mortgage covering a Unit or guarantor of any such mortgage, and each insurer who have requested the same. The Board of Managers shall choose the fiscal year of the Condominium. The cost of such financial statement shall be paid by the Board of Managers as a Common Expense.

Section 3. Tax Returns. As required by applicable law, the Board of Managers shall cause to be prepared for each tax year tax returns for the Condominium, prepared by an independent certified public accountant. Such tax returns shall be available to all Unit Owners, to each holder of a mortgage covering a Unit or guarantor of any such mortgage, and each insurer who have requested the same. The cost of preparing such tax returns and all taxes and fees due pursuant to such returns shall be paid by the Board of Managers as a Common Expense.

ARTICLE X

Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers at the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all Unit Owners and to all Eligible Mortgage Holders. All notices to any Unit Owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board of Managers. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Right of Action. The Board of Managers and any aggrieved Unit Owner shall have the right of action against other Unit Owners or the Board of Managers for failure to comply with the Declaration, these By-Laws or the decisions of the Board of Managers.

ARTICLE XI

Amendments to By-Laws

Section 1. Amendments Generally. Except as hereinafter provided otherwise, these By-Laws may be modified or amended by approval of Unit Owners who represent at least 67% in number and in the Common Interests of all Unit Owners.

Section 2. Amendments Affecting Sponsor. These By-Laws may not be amended with respect to any right or privilege expressly granted to Sponsor, Sponsor-designee, or the holder of Unsold Units, without the consent in writing of the Sponsor, Sponsor-designee, or the holder of Unsold Units, as the case may be, so long as such party shall be the owner of one or more Units.

Section 3. Amendments of a Material Nature. Amendments to these By-Laws of a material nature must also be approved by at least 51% of the holders of Eligible Mortgage Holders (consent of an Eligible Mortgage Holder shall be deemed to have been given, when an Eligible Mortgage Holder fails to submit a response to any written proposal within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a return receipt). A change to any of the provisions governing the following would be considered as material:

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;
- (c) reductions in reserves for maintenance, repair, and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the General or Limited Common Elements, or rights to their use;
- (f) redefinition of any Unit boundaries;
- (g) convertibility of Units into Common Elements or vice versa;

- (h) expansion or contraction of the Property;
- (i) hazard or fidelity insurance requirements;
- (j) imposition of any restrictions on the leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

- (l) restoration or repair of the Building (after damage or partial condemnation) in a manner other than that specified in the Condominium Documents; or
- (m) any provisions that expressly benefit mortgage holders, insurers or guarantors.

ARTICLE XII

Conflicts

These By-Laws are set forth to comply with the requirements of Article 9-B of the Condominium Act. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XIII

Termination

The Property shall not be withdrawn from the provisions of Article 9-B of the Condominium Act unless at least 80% of the Unit Owners in number and in Common Interest agree to the withdrawal of the Property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless 80% of the Unit Owners in Common Interest and number other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Relative to termination of the Condominium by withdrawal from the provisions of Article 9-B of the New York Condominium Act, Section 339-t of such law provides as follows:

"If withdrawal of the property from this article is authorized by at least eighty percent in number and in common interest of the units, or by at least such larger percentage either in number or in common interests, or in both number and common interest, as may be specified in the by-laws, then the property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective common interest, provided, however, that no payment shall be made to any Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his unit. Such withdrawal of the property from this article shall not bar the subsequent submission to the provisions of this article in accordance with the terms of this article."

SCHEDULE A

RULES AND REGULATIONS OF THE THE 529 COURT STREET CONDOMINIUM

1. All capitalized terms not defined herein shall have the meaning ascribed thereto in the Declaration of The 529 Court Street Condominium.
2. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors, stairways or other public areas of the building known as 529 Court Street, Brooklyn, New York (the "Building") shall not be obstructed or used for any other purpose than ingress to and egress from the Units without the prior written consent of the Board of Managers.
3. No article (including garbage cans or bottles) shall be placed in any of the sidewalks, entrances, lobbies, passages, public halls, elevators, vestibules, corridors, stairways or other public areas of the Building (except in areas designated by the Board where routine household garbage in tied garbage bags placed in the garbage cans, and newspapers which are neatly stacked may be placed), nor shall any fire exit thereof be obstructed in any manner. No velocipedes, bicycles, baby carriages, scooters or similar vehicles shall be allowed to stand in the entrances, lobbies, passages, public halls, elevators, vestibules, corridors, stairways or other public areas of the Building. Nothing shall be hung or shaken from any doors, windows, roofs or terraces or placed upon the outside window sills of the Building.
4. Neither occupants nor their guests shall play (including bicycle, roller blade, skateboard, and ball play) in the entrances, lobbies, passages, public halls, elevators, vestibules, corridors, stairways or other public areas of the Building.
5. No public hall of the Building shall be decorated or furnished by any Unit Owner in any manner without the prior consent of all of the Unit Owners to whose Units such hall serves as a means of ingress and egress and the Board of Managers.
6. Each Unit Owner shall keep his Unit and any Limited Common Elements appurtenant thereto in a good state of preservation and cleanliness, free of Building Code and other violations, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
7. No window guards or other window decorations shall be used in or about any Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Board of Managers, which approval shall not be unreasonably withheld or delayed.
8. Except in connection with use of the roof easement reserved by Sponsor, Sponsor-designees and their successors, assigns, invitees, licensees, contractors, employees and tenants, no radio or television aerial or antenna shall be attached to or hung from the exterior of the Building (including the roof) and no sign, notice, advertisement, flag or illumination shall be inscribed or exposed on or at any door or window or other part of the Building, except such as are permitted pursuant to the Declaration, the By-Laws or shall have been approved in writing by the Board of Managers, nor shall anything be projected from any door or window of the Building without similar approval.

9. No ventilator or air-conditioning device shall be installed in any Unit, except window units installed in the exterior wall sleeves provided, without the prior written approval of the Board of Managers and under the supervision of the Building Superintendent or Managing Agent.
10. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Managers of Fire Underwriters and the public authorities having jurisdiction. No Unit Owner shall install or use any electrical equipment which exceeds the electrical capacity for the Unit. Each Unit Owner shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Owner's Unit. No Unit Owner shall bring new electrical, cable, or other wiring into such Unit Owner's Unit from the Common Elements, except with the consent of the Board of Managers and with the supervision of the Managing Agent and such licensed professionals as it deems appropriate.
11. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:30 A.M. and 5:30 P.M., unless such construction or repair work is necessitated by an emergency.
12. No more than two animals or pets, including dogs and cats (but excluding fish and turtles), shall be permitted, kept or harbored in a Unit unless the same in each instance shall have been expressly permitted in writing by the Board of Managers, and such consent, if given, shall be revocable by the Board of Managers or such Managing Agent at any time. If any animal or pet causes disturbing noises (including but not limited to loud or barking pets in the exterior parts of any Unit) or smells which interfere with the rights, comforts or convenience of the other Unit Owner, the Board of Managers may require that such animal or pet be removed from the Property. In no event shall any animal or pets be permitted in any public portion of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.
13. The Managing Agent shall maintain a list of all persons owning, occupying, or leasing a Unit. Anyone who has a house guest staying longer than a week shall give the name of the guest to the Managing Agent, so that the Managing Agent can have a list at all times of the occupants of the Building.
14. The maximum number of Residents in a Unit is two plus two for each bedroom in excess of one. The number of bedrooms in a Unit is determined by the number of bedrooms indicated for the Unit in the plans filed and approved or accepted by the Building Department of The City of New York.
15. No roof Limited Common Element may be used without the installation of a deck or other surfacing approved by the Board which shall be maintained at the sole cost and expense of the Unit Owner having exclusive use of such Limited Common Element. No Unit Owner shall install any plants on the roof without the prior written approval of the Board of Managers. Plants shall be contained in boxes of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace, balcony or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes will be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plants may be contained in masonry or hollow tile walls which will be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. It will be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Any Unit owned by Sponsor or a Sponsor-designee shall not be subject to this Rule.

16. No refuse or debris from any Units shall be sent to the ground floor or cellar level of the Building except at such times and in such manner as the Board of Managers may direct.

17. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same, except if specifically approved by the Board of Managers. Any damage, resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

18. No Unit Owner shall send any employee of the Building or of the managing agent thereof out of the Building on any private business.

19. The agents of the Board of Managers and any contractor or workman authorized by the Board of Managers of the Building, may enter any room or Unit at any reasonable hour of the day accompanied by the superintendent or a representative of the Managing Agent, on at least one (1) day's prior written notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. Each Unit Owner shall provide the Board of Managers or the Managing Agent of the Building with the keys to the Unit Owner's Unit, pursuant to a procedure to be established by the Board of Managers. Such keys shall be kept in a locked box and access thereto shall be limited to the superintendent and the Managing Agent. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent of the Building shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to her or his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or such Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of such Board of Managers or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

22. Complaints regarding the service of the Board of Managers, staff, or the Managing Agent for the Condominium shall be made in writing to the Board of Managers.

23. Unit Owners shall keep the interior of the windows of their respective Units clean. In case of the Unit Owner's failure to clean the interior of the windows within ten (10) days after written notice from the Managing Agent, such cleaning may be done by the Managing Agent at the Unit Owner's cost, and the managing agent shall have the right by its officers or agents to enter the Unit for such purpose. Unit Owners shall not hang sheets, towels or anything else outside of their windows, nor hang sheets, towels or other unsightly fabric or items shall be hung on the inside of windows, and shall keep shades and blinds and any other window treatment visible outside of the Building in a good state of repair.

24. Unit Owners shall not cause or permit any unusual or objectionable odors to be produced upon or to emanate from their Units or any storage bin.

25. No Unit Owner shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for those which are typical for daily residential use.

26. If any key or keys are entrusted by a Unit Owner or their guest, agent, employee, a tenant to an employee of the Board of Managers or the Managing Agent of the Building, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent of the Building shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

27. No Unit Owner or occupant shall keep, generate, use or dispose of any hazardous or toxic materials, wastes or substances in quantities or concentrations or under conditions which are not permitted by law or which must be reported, or notification given, to the public pursuant to any legal requirement. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will or could result in the cancellation of insurance on the Building or the denial of an insurance claim or which would be in violation of any law. No waste shall be committed to the Common Elements.

28. No group tour or exhibition of any Unit or its contents shall be conducted, no film, television, commercial or video production be conducted within a Unit, nor shall any auction sale be held within any Unit, without the prior consent of the Board of Managers. Any Unit owned by Sponsor or a Sponsor-designee shall not be subject to this Rule.

29. In the event that any Unit is used for home occupation purposes which are permitted by law, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

30. At least 80% of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets, and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material, unless otherwise expressly authorized by the Board of Managers in each case.

31. No Unit Owner shall perform or cause alterations or renovations, including structural, electrical, and plumbing work and combining (via an internal doorway or in any other manner) two or more Units, until such Unit Owner has executed and delivered to the Board an alteration agreement in form and substance satisfactory to the Board. Any Unit owned by Sponsor or a Sponsor-designee shall not be subject to this Rule.

32. Smoking is not permitted in any of the public areas of the Building.

33. Unless otherwise specified herein, any consent or approval required of the Board of Managers to be given under these Rules and Regulations may be granted or refused in its sole discretion. Any consent or approval given under these Rules and Regulations may be amended, modified, added to or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

34. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

35. All of these rules and regulations shall apply to the Unit Owners, all tenants of the Unit Owners, and all occupants of the Unit and to their respective guests, employees, agents, and servants. The term "including" as used herein shall be read to mean "including but not limited to."

36. Each Unit Owner shall have the right to provide keys and access to the Building and the Unit Owner's Unit to servants, contractors, agents, and employees, provided that the Unit Owner shall inform the Managing Agent of the name of such authorized person.

37. Each Unit Owner shall comply with all applicable law with respect to the use and occupancy of the Unit Owner's Unit and any storage bin, including but not limited to the law regarding noise control and nuisances.

H. OPINION LETTERS



MERKER ADVISORY SERVICES

85 Old Shore Road, Suite 201, Port Washington, NY 11050 • Tel: 516-944-5320 • Fax: 516-883-1910

Writer's Extension: 112

February 17, 2004

Freud Court Street Properties LLC ("Sponsor")
% Marc Freud
Troutbrook Company
477 Madison Avenue
New York, NY

Re: Brooklyn, Block: 478 / Lot: 1

Dear Mr. Freud:

You have requested us to project the real estate tax liability of the above referenced premises after the proposed construction of the building is completed.

It has been the practice of the Real Property Assessment Department to increase the assessed valuation of buildings based on the new improvements. Until the Department actually assesses the property after completion of construction, it is not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. The estimates presented below are based upon current policies and practices of the Department, and upon analysis of comparable neighboring properties as presently assessed per square foot of total building area.

These estimates assume that the assessed valuation will be increased solely due to the construction being completed by the Sponsor. All prospective purchasers are advised that although the estimate provided below of the assessed valuation upon completion of the construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated.

You have further advised us that you intend to make application of the appropriate agencies of The City of New York for real estate tax exemption benefits pursuant to Section 421-a of the Realty Property Tax Law and Section 11-245 of the Administrative Code of The City of New York (hereinafter, "421"). The benefits, which are available to eligible projects which meet the qualifications of the statute, include a tax exemption as detailed below.



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TAX EXEMPTION

Eligible properties which receive a 421 exemption are exempted from any increase in assessed value over the assessed value of the property for the tax years prior to the commencement of construction. This means that the assessed value of the property, after application of the exemption, will be "frozen" at the level of the assessed value prior to construction for the duration of the exemption. 421 benefits are granted to residential developments, and only a portion of the commercial space developed in conjunction with such a project. Since this project contains only residential space, the restrictions on the exemption for commercial space are not applicable.

You have advised us that:

- (1) You intend to construct 24,931 square feet of gross floor area, of which will be entirely for residential use;
- (2) You intend to create 25 Class "A" dwelling units (as defined by the Multiple Dwelling Law) each consisting of an average of approximately 997 square feet; 3 of which will be studio apartments, 7 one bedroom apartments, and 15 two bedroom apartments;
- (3) Upon completion of construction each apartment shall contain at least one private bathroom and private kitchen for the exclusive use of the occupants therein;
- (4) The project meets the eligibility criteria of the 421 program including:
 - a. The project will not be receiving benefits under any other real estate tax program;
 - b. The property has not been mapped or used as a park since 1961;
 - c. The property is located in a zoning area which does not allow floor area ratios over fifteen as of right;
 - d. Dwelling Units will be sold to owner/occupants, and not rented, so the project will not be subject to rent regulation requirements;
 - e. No dwelling units will be used for transient occupancy;
 - f. The construction will be "as of right";
 - g. The previously existing structures on the site are in compliance with the 421 requirements based on square footage and zoning requirements.



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Upon completion of construction, you will provide a Permanent Certificate of Occupancy and an opinion of counsel which states that the building is a legal condominium/cooperative with a prospectus accepted for filing by the Attorney General.

ASSESSED VALUATION

2003/04 Assessed Valuation for the property is as follows:

Block/Lot		Land	Total
478/1	Actual	69,300	79,650
	Transitional	56,250	71,820

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sale price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money is a competing investment, yields a close estimate of the market value of the property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation (see New York State Real Property Tax Law Sec. 581, and Real Property Law Sec. 339-y).

Since tax year 1982/83, Real Property Tax Law section 1805 (3) has mandated that increases



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in assessed valuation must be phased in over a five year period, resulting in a "transitional assessment". However, the statute requires the Department of Finance to include all physical (new construction, renovation, rehabilitation, or addition of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five year period, assuming the assessment is not increased in the interim. Taxes are payable based upon the lower of the two values.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded and the floor plans are filed with the office of the City Register. The apportionment will be based in part upon the proportion the projected selling price presented in the Offering Plan for each unit bears to the gross sellout price for all units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units.

Because the project will be under construction in January, 2004, which is when assessments are determined for the 2004/2005 tax year, it is not possible to determine to what extent, if any, the improvements constructed will affect the 2004/2005 taxable value of the property. For purposes of this letter, it will be assumed that the taxable values for the 2004/2005 tax year will be equal to the 2003/2004 tax year (with adjustments for the phase in of the actual to transitional differences) and that the full value of the project will be assessed beginning with the 2005/2006 tax year.

Based on our analysis of the property, we project an assessed value, after completion of construction of approximately \$40 to \$70 per foot, and for purposes of this opinion we will assume \$55 per foot. Based on the size of the building, this results in an estimated overall assessment of \$1,371,205.

Prospective purchasers are advised that this valuation estimate assumes that the taxing authority is assessing a post-construction, completed, occupied building and is not intended to reflect any interim valuation. **Prospective purchasers are also advised, that this figure is an estimated projection and that it is impossible to determine the exact figure until the Department of Finance provides such information.**



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REAL ESTATE TAXES

The property is currently classified as Class 4 commercial. For the 2004/2005 tax year, it is assumed that the property will be classified as class 4 commercial, and that for the 2005/2006 tax year (after completion of the project), the property will be classified as class 2 residential. For purposes of this projection, it will be assumed that tax rates will increase by 5% per year. The current rates, and projected rates are as follows:

	Current Year - 2003/2004	Estimate for 2004/05 based on 5% increase	Estimate for 2005/06 based on 5% increase
Class 2	12.517%	13.143%	13.800%
Class 4	11.580%	12.159%	12.767%

Using these rates, and the assessed values discussed above, taxes payable during tax years 2004/05 and 2005/06 would be as follows **if no 421 benefits were received**:

Tax Year	Billable Value	Tax Rate	Annual Tax
2004/2005	78,120	12.159%	9,499
2005/2006	1,371,205	13.800%	189,226

Assuming the Property qualifies for 421 benefits, and as described above, the benefits commence in the 2005/2006 tax year, the taxes for the 2005/2006 tax year would be adjusted as follows:

The 421 benefits would grant the property an exemption from increases in assessed value due to the construction of the project. This means that the property's assessed value after the exemption is subtracted would be equal to the assessed value of the land and improvements prior to construction of the project. Taking this into account, the taxes payable for the 2005/06 tax year would be as follows **if 421 benefits are granted**:

Tax Year	Billable Value after exemption	Tax Rate	Annual Tax
2005/06	71,820	13.800%	9,911



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DURATION OF BENEFITS

421 Benefits are granted for a period of from 10 to 25 years, with a phase out of benefits during the last 5 years. Based on the location of this property, and the fact that it is not being constructed with "substantial government assistance" or for low income housing, the project will be entitled to the 421 exemption for a period of 15 years as follows:

Year	Percentage of Exemption Benefit
Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	100%
Year 7	100%
Year 8	100%
Year 9	100%
Year 10	100%
Year 11	100%
Year 12	80%
Year 13	60%
Year 14	40%
Year 15	20%

This letter was prepared at the Sponsor's request. The figures set forth herein are approximations derived from material submitted by the Sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of tax abatement and exemption contained herein. We have not passed upon the accuracy of any figures or estimates contained in the plan, and offer no warranties of the amount of any 421 real estate tax benefits for any period.



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The above opinion is based upon our interpretation of Section 11-245 of the Administrative Code of the City of New York and is not intended to be a guarantee that tax exemption will be granted. The opinion is further subject to the owner's compliance with the rules and regulations concerning the 421 tax exemption program.

No representation is made that the provisions of law will apply at the time the alterations to the building are completed, and if they do apply, that the Department of Housing Preservation and Development of The City of New York will hold that the property is entitled to the benefits conferred by Section 11-245 of the Administrative Code of The City of New York.

No warranty is, or can be made that the New York City Department of Housing Preservation and Development or the New York City Real Property Assessment Department, or any other agency with jurisdiction, will approve sponsor's application for 421 Tax benefits. The writer of this letter shall not be liable if the property fails to obtain in whole or part 421 benefits. Should tax exemption be denied, in whole, or in part, then the unit owners will be responsible for all taxes due and owing from the closing date.

The opinions expressed above are based on our interpretation of the Administrative Code and the applicable rules and regulations of HPD, as all of same exist on the date hereof. While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that you will satisfy the existing requirements of section 11-245 or the regulations. You should be aware of the possibility that the Administrative Code upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of this statute by one or more agencies of The City of New York.

We hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

Robert Merker

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EMAIL@LEXNEWYORK.COM

March 10, 2004

Freud Court Street Properties LLC
477 Madison Avenue
New York, New York 10022

Re: The 529 Court Street Condominium
529 Court Street
Brooklyn, New York

Gentlemen:

You have requested our opinion as to the eligibility of the above-referenced real property ("Site") for real estate tax benefits pursuant to Section 421-a of the Real Property Tax Law ("Section 421-a").

In rendering this opinion, we have relied upon the following facts and assumptions which were confirmed by your office.

(1) You began construction at the Site of a mixed-use building (the "Building") on or about February 1, 2004. Upon completion of construction, the Building will be classified as a Class A multiple dwelling (as defined by Section 4(8)(a) of the Multiple Dwelling Law) with twenty-five (25) residential units (the ultimate number of such Units may vary).

(2) The Site on which the Building is being constructed was "vacant," (as defined in the Rules of the City of New York, Title 28, Chapter 6 (the "Rules")) for at least six months prior to the commencement of construction.

(3) The Site was neither mapped as a public park nor utilized for ten or more years prior to October 1, 1971 as a "private park" (as defined in the Rules);

(4) The Building will be substantially used for dwelling purposes for a period of at least ten years following its completion.

SCHNEIDER GOLDSTEIN BLOOMFIELD LLP

Freud Court Street Properties LLC

January 18, 2005

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(5) Construction was started on or about February 1, 2004, and the projected completion date is on or about December 1, 2005, but in any event prior to December 31, 2007.

(6) The Building will contain more than three multiple dwelling units.

(7) In the event that the Building contains Floor Area of Commercial, Community Facility and Accessory Use Space which exceeds twelve percent of the Aggregate Floor Area (as those terms are defined in the Zoning Resolutions), there shall be a diminution of such tax exemption in an amount equal to the ratio of Floor Area of Commercial, Community Facility and Accessory Use Space in excess of twelve percent of the Aggregate Floor area to the Aggregate Floor Area.

Section 421-1 provides, in part, as follows:

(i) Within a city having a population of one million or more, new multiple dwellings, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during construction so long as used at the completion of construction for dwelling purposes for a period not to exceed ten years in the aggregate after the taxable status date immediately following the completion thereof, as follows:

(A) except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, and for two years following such period;

(B) followed by two years of exemption from eighty percent of such taxation;

SCHNEIDER GOLDSTEIN BLOOMFIELD LLP

Freud Court Street Properties LLC
January 18, 2005
Page 3

(C) followed by two years of exemption from sixty percent of such taxation;

(D) followed by two years of exemption from forty percent of such taxation;

(E) followed by two years of exemption from twenty percent of such taxation.

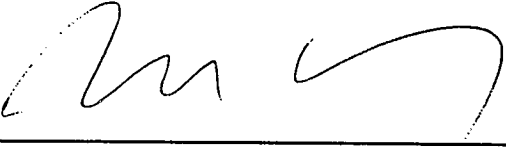
In the City of New York, the "taxable status date" is January 25th preceding the fiscal tax year, which begins July 1st of the same year and ends June 30th of the following year.

Based upon the foregoing and subject to your timely and proper completion of construction and your timely and proper filing of all required documentation under Section 421-a, it is our opinion that the Building, after the completion, will be eligible for the partial tax exemption benefits under Section 421-a.

This opinion may be inserted in an Offering Plan for the sale of Units located on the above-referenced property filed with the Attorney General's office of the State of New York pursuant to Section 352-e of the General Business Law.

Very truly yours,

Schneider Goldstein Bloomfield LLP

By:  _____

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FAX: (212) 265-2442
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March 9, 2004

Freud Court Street Properties LLC
477 Madison Avenue
New York, NY 10022

**Re: Offering Plan for the Sale of Units
in The 529 Court Street Condominium
Brooklyn, New York**

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above-referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based solely upon the factual determinations made by Jarzi Realty Advisors, LLC, as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Jarzi Realty Advisors, LLC.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to method (iv) contained in Section 339-i(1) of the New York Condominium Act, that is, such allocations are based upon floor space, subject to the location of such space and additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion,

Freud Court Street Properties LLC

March 9, 2004

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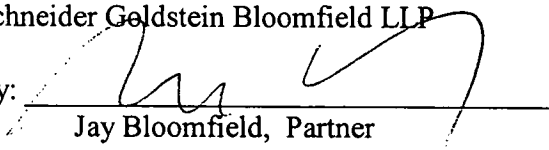
while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will Schneider Goldstein Bloomfield LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Schneider Goldstein Bloomfield LLP

By: 

Jay Bloomfield, Partner

SCHNEIDER GOLDSTEIN BLOOMFIELD LLP

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March 9, 2004

Freud Court Street Properties LLC
477 Madison Avenue
New York, NY 10022

**Re: Offering Plan for the Sale of Residential Units
in The 529 Court Street Condominium
Brooklyn, New York**

Ladies and Gentlemen:

We are serving as special counsel to you, the Sponsor for the proposed condominium to be known as The 529 Pacific Street Condominium in Brooklyn, New York. You have requested our opinion concerning (i) the deductibility for Federal and New York State income tax purposes of mortgage interest and real estate taxes paid by a person ("Residential Unit Owner") who, under the above-referenced Offering Plan (the "Plan") purchases a Residential Unit in said Condominium; and (ii) the tax consequences to the Condominium of the collection of assessments from Unit Owners.

We have reviewed the Plan and the documents set forth therein, including the Declaration of Condominium. We have also reviewed Article 9-B of the Real Property Law of the State of New York, as amended, pursuant to which the Condominium will be formed, the relevant Sections of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations or rules issued thereunder and any judicial interpretations thereof, and the New York State Tax Law.

Deductibility Of Interest And Taxes

Based upon our review of the foregoing and assuming the Condominium is validly created pursuant to said Article 9-B and consummated in accordance with the

Plan, we are of the opinion that under present law each individual Residential Unit Owner of the Condominium who uses the Residential Unit as his or her principal residence or specifically selected secondary residence (each a "qualified residence") and itemizes deductions on his or her income tax return may deduct for both Federal and New York State Income Tax purposes all real estate taxes assessed against the Residential Unit and paid by him or her in the year in which such taxes are paid and may likewise deduct "qualified residence interest" paid by him or her on mortgage indebtedness covering the Residential Unit in the year in which such interest is paid, subject to certain limitations. "Qualified residence interest" is interest on indebtedness incurred in acquiring, constructing or substantially improving a qualified residence ("Acquisition Indebtedness") and interest on any indebtedness, other than Acquisition Indebtedness, secured by a qualified residence ("Equity Indebtedness") to the extent the aggregate amount of such Equity Indebtedness does not exceed the fair market value of such qualified residence less any Acquisition Indebtedness with respect to such qualified residence. However, the aggregate amount treated as Acquisition Indebtedness (on both a principal residence and a specifically selected secondary residence) shall not exceed \$1 million (\$500,000 in the case of a married individual filing a separate return) and the aggregate amount treated as Equity Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) shall not exceed \$100,000 (\$50,000 in the case of a separate return by a married individual). In addition, there are special rules concerning certain indebtedness incurred before October 14, 1987 and refinancings thereof.

Generally, a person who purchases a Residential Unit for use in a trade or business will be entitled under present tax laws and regulations, to deduct from gross income for Federal income tax purposes (i) real estate taxes assessed against such Owner's Residential Unit, and (ii) interest on indebtedness incurred or continued in connection with the conduct of such trade or business, subject, however, to the limitations of Section 469 of the Code relating to "passive activity" losses and Section 465 of the Code relating to the "at-risk" rules. The foregoing expenses will be deductible when paid or accrued by the Residential Unit Owner in accordance with such owner's method of accounting.

However, for purposes of the Federal alternative minimum tax, under present tax laws and regulations, such Residential Unit Owner (i) will not be entitled to deduct real estate taxes paid or accrued with respect to such Owner's Residential Unit,

and (ii) will be allowed to deduct interest on (a) any indebtedness which is incurred in acquiring, constructing or substantially rehabilitating such Owner's Residential Unit provided the Residential Unit is used as his or her primary residence or specifically selected secondary residence (such indebtedness is referred to as "Qualified Housing Indebtedness"), and (b) a refinancing of Qualified Housing Indebtedness to the extent such refinancing does not exceed the amount of the refinanced Qualified Housing Indebtedness immediately before the refinancing.

New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions." See Sections 601-A and 622 of the Tax Law of the State of New York.

Tax Consequences To The Condominium

Section 528 of the Code which concerns the taxability of condominiums, provides that a Condominium Management Association ("Association") may elect to be exempt from federal income tax on assessments collected from unit owners if it meets certain requirements set forth in said section of the Code. Those requirements are:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property;
2. 60% or more of the Association's gross income must consist of dues, fees or assessments from residential unit owners ("exempt function income");
3. 90% of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;
4. No part of the net earnings can inure to the benefit of private individuals; and
5. Substantially all units must be used as residences.

In order for an Association meeting the above requirements to obtain the tax treatment provided by Section 528 of the Code, it must elect to have said Section apply for the taxable year of the association. The election may be made by filing Form 1120-H,

Freud Court Street Properties LLC

March 9, 2004

Page -4-

U.S. Income Tax Return for Homeowners Associations, within the time provided for filing Federal income tax returns for the year for which the election is made, including any extensions. A condominium meeting the requirements of Section 528 of the Code and electing to be exempt from federal income tax on exempt function income would be taxable on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income.

It is our opinion that The 529 Court Street Condominium will qualify as a "Condominium Management Association," and that the receipts from the Residential Unit Owners which qualify as dues and assessments will be "exempt function income" for the taxable year for such Association. It is our further opinion that The 529 Court Street Condominium will meet the above requirements for election of Section 528 during its first year of operation.

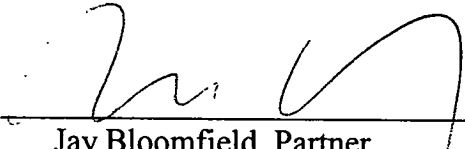
The qualification of the Condominium to elect to be subject to tax under Section 528 in any subsequent year involves factual issues which can only be determined on a year-by-year basis. Thus, we cannot express an opinion as to whether in any subsequent year the Condominium will qualify to make a Section 528 election. In the event that the Condominium either fails to qualify under Section 528 or, if qualified, fails to elect Section 528 tax treatment in any year, it could be subject to the regular Federal corporate income tax on its taxable income.

No warranties are made that either the United States Treasury Department or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Residential Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. The undersigned will in no event be liable if it shall be determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Internal Revenue Code of 1986, as amended, or the New York State Law, or any amendment of either thereof, by reason of changes in fact or statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. Nor does this opinion address the tax consequences which result from ownership of a Residential Unit in connection with a Residential Unit Owner's trade or business for the production of income (including the possible application of the passive loss rules and the at-risk rules) other than those explicitly expressed herein. We strongly advise each person contemplating the purchase of a Residential Unit to consult his or her own tax advisor as to all tax matters (including tax matters discussed in this opinion). Moreover, no opinion is expressed nor is any representation or warranty made with respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of ownership of units offered under the Plan) except as herein expressly set forth.

We hereby consent to the inclusion of this opinion letter in the Offering Plan.

Very truly yours,

SCHNEIDER GOLDSTEIN BLOOMFIELD LLP

By: 

Jay Bloomfield, Partner

I. DOWN PAYMENT ESCROW AGREEMENT

ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made this 11th day of January, 2005, between Freud Court Street Properties LLC ("SPONSOR") as sponsor of the Offering Plan (defined below) and Schneider Goldstein Bloomfield LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as the 529 Court Street Condominium, Brooklyn, NY (the "Offering Plan"); and

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

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or 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:

A. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1. ESCROW AGENT has established a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at JPMorgan Chase Bank, 1 Chase Manhattan Plaza, New York, NY 10081, in account number [REDACTED] entitled "Schneider Goldstein Bloomfield LLP" (the "Master Escrow Account").

2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. At such time as ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, from a Purchaser, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow savings account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

3. Partners or attorneys employed by ESCROW AGENT are the sole signatories on the Master Escrow Account.

4. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

5. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event Purchaser defaults.

B. DEPOSITS INTO THE ESCROW ACCOUNT.

1. All funds received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Schneider Goldstein Bloomfield LLP, as Escrow Agent." Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Contract of Sale 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 Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

C. RELEASE OF FUNDS.

1. Consummation of the Offering Plan does not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

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

3. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

4. In the event SPONSOR and a Purchaser close title under the Contract of Sale, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

5. Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, 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 Deposit 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 ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

D. RECORDKEEPING.

1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven years after release of the funds.

2. Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

3. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

E. GENERAL OBLIGATIONS OF ESCROW AGENT.

1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

3. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Contract of Sale, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

4. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

5. ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

6. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

F. RESPONSIBILITIES OF SPONSOR.

1. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a member of or employed by ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

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.

3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or Form W-8BEN, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

G. TERMINATION OF AGREEMENT.

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 to the Offering Plan 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. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

(c) all shares or units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

2. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 (a) or (b) above, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

H. SUCCESSORS AND ASSIGNS.

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

I. GOVERNING LAW.

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

J. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

K. SEVERABILITY.

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

L. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation,

disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

M. ENTIRE AGREEMENT.

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

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

ESCROW AGENT:

SCHNEIDER GOLDSTEIN BLOOMFIELD LLP

By: *S/*

Name: *JAY BLOOMFIELD*
Title: *PARTNER*

SPONSOR:

FREUD COURT STREET PROPERTIES LLC

By: *S/*

Name: Marc Freud
Title: Member

J. CERTIFICATIONS

Sponsor
Sponsor's Engineer
Sponsor's Expert Concerning Adequacy of Budget

Certification of Sponsor

**FREUD COURT STREET PROPERTIES LLC
477 Madison Avenue
New York, NY 10022**

February 20, 2004

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

Re: The 529 Court Street Condominium
529 Court Street, Brooklyn, NY

Dear Sir or Madam:

The undersigned certify as follows:

We are the Sponsor and principal of the Sponsor of the Condominium offering plan for the captioned property.

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

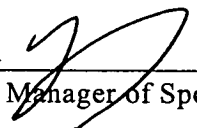
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

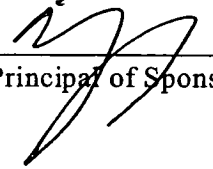
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;

- (v) not contain any fraud, deception, concealment, suppressions, 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; and
- (vii) not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

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

FREUD COURT STREET PROPERTIES LLC

By: 
Marc J. Freud, Manager of Sponsor


Marc J. Freud, Principal of Sponsor

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

Sworn to and subscribed before me
this 20 day of February, 2004


Notary Public

JUDITH KARDOS
Notary Public, State of New York
No. 01KA6023259
Qualified in New York County
Commission Expires April 19, 2007

Kutnicki
Bernstein
Architects, PLLC

96 Spring Street
New York City 10012
PH 212 431 5552
FX 212 431 5663

October 1, 2004

Certification of Sponsor's Architect Pursuant to
Part 20 of the Regulations issued Pursuant to
General Business Law Article 23-A, as amended

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, NY 10271

RE: 529 Court Street
Brooklyn, NY

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined building plans and specifications that were prepared by us dated November 19, 2003 and prepared the report dated, February 15 2004, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

I understand that 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 that the Report:

1. Sets forth in narrative form the description 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.
2. In my professional opinion affords potential investors, purchasers and participants and adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined.
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

Kutnicki

Bernstein

Architects, PLLC

96 Spring Street

New York City 10012

PH 212 431 5552

FX 212 431 5663

reasonable expectation or unwarranted by existing circumstances.

7. Does not contain any representation or statement which is false, where I:

- a) knew the truth;
- b) with reasonable effort could have known the truth;
- c) made no reasonable effort to ascertain the truth; or
- d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent to 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.

Sworn before me to this
1st day of October, 2004

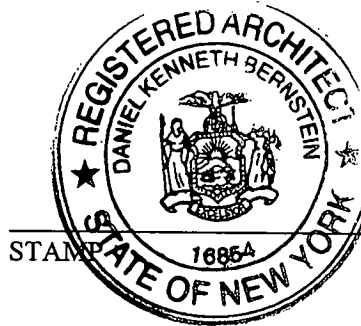
Sherril Rosen

Notary Public

SHERRI ROSEN
NOTARY PUBLIC, State of New York
No. 41-4712214
Qualified in Queens County
Certificate Filed in New York County
Term Expires December 31, 2006

[Signature]

SIGN



CERTIFICATION OF ADEQUACY OF BUDGET

Jarzi Realty Advisors, LLC

Re: 529 Court Street
Brooklyn, N.Y.

The sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule B, containing projections of income and expenses for the first year of condominium operation.

Mr. Marlon Matza has over 15 years experience in real estate, finance and investment. He has been involved in structuring and financing over 20 residential and commercial properties throughout the New York Metropolitan area. His firm has overseen the management and renovation of these properties.

I/We understand that I/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.

I/We have reviewed Schedule B and investigated the facts set forth in Schedule B and the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/We certify that the projections in Schedule B appears reasonable and adequate under existing circumstances, and the project income appears to be sufficient to meet the anticipated operating experiences for the projected first year of condominium operation.

I/We certify that Schedule B:

- (i) Sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) Does not omit any material fact;
- (iv) Does not contain any untrue statement of a material fact;
- (v) Does not contain any fraud, deception, concealment, or suppression;
- (vi) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) Does not contain any representation or statement which is false, where I/we
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

Page 2

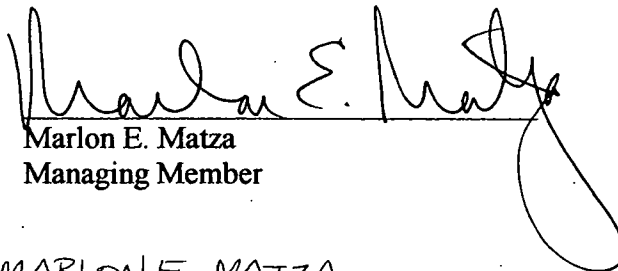
Certification of Adequacy of Budget
529 Court Street
Brooklyn, New York

I/We further certify that I am /we are not owned or controlled by the sponsor. I/we understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guaranty or warranty of the income and expenses for the first year of the condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

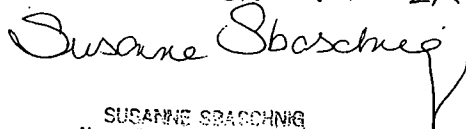
I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Plan.

Dated: March 3, 2004

Jarzi Realty Advisors, LLC


Marlon E. Matza
Managing Member

Sworn to before me this
3RD Day of March 2004

FOR MARLON E. MATZA


SUSANNE SBASCHNIG
Notary Public, State of New York
No. 41-4980483
Qualified in Queens County
Commission Expires May 3, 2007

K. FORM OF APPLICATION TO THE ATTORNEY GENERAL
DETERMINATION OF THE DISPOSITION OF DOWN PAYMENT

(Send this application to the reviewing attorney assigned to the subject plan.)

Re:

Address of Building or

Name of Project

File Number:

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

1. Name
of Applicant
2. Address
of Applicant
3. Name, Address, and Telephone Number of Applicant's
Attorney (if any)
4. This is an application for
return of down payment.
forfeiture of down payment.
other:
5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).
6. The project is structured as
☐ a cooperative.
☐ a condominium.
☐ a homeowners association.
☐ a time share.
☐ other:
7. Name and Address
of Sponsor:
8. Name and Address
of Escrow Agent:
9. If down payments 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 down payments have been secured by bonds:
 - (a) Name and address of
bond issuer or surety:
 - (b) Copy of bond included in this application.
(DO NOT SEND ORIGINAL BOND.) If not included, explain:

11. If down payments have been secured by a letter of credit:
(a) Name and address of bank which issued the letter of credit:
(b) Date of expiration of the letter of credit, if known:
12. Plan information:
(a) Date of filing of plan:
(b) Plan
 ☐ has not been declared effective.
 ☐ has been declared effective. Approximate date:
(c) If effective, the plan
 ☐ has closed or the first unit has closed. Approximate date:
 ☐ has not closed.
 ☐ don't know.
(d) Down Payments are secured by
 ☐ escrow account.
 ☐ bonds.
 ☐ letter of credit.
13. Contract information:
(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)
(b) Date on which subscription or purchase agreement was signed:
(c) Date(s) of down payment(s):
(d) Total amount of down payment(s):
(e) Names and addresses of subscribers or purchasers affected by this application:
14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.
15. I am contemporaneously sending a copy of this application to the following persons:

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

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

Signature:

Date:

Name (Printed):

Telephone: (Home):

(Business)

Mailing Address: