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

THE ELMWOOD GARDENS CONDOMINIUM

Located at
90-20 55th Avenue
Elmhurst, New York 11373
Queens County

TOTAL OFFERING - 20 Units - $6,756,500

SPONSOR

FABIAN BUILDERS HRPT, LLC
59-05 59th Drive
Maspeth, New York 11378

SELLING AGENT

P & C Realty Group, Inc.
59-05 59th Drive
Maspeth, New York 11378

SPONSOR'S ATTORNEY

HENRY F. CAMUSO, ESQ.
147 Remsen Street
Brooklyn, New York 11201

THE DATE OF ACCEPTANCE FOR FILING OF THE FIRST OFFERING TO THE PUBLIC IS AUGUST 10,2004 THE OFFERING PLAN MAY NOT BE USED AFTER AUGUST 9,2005, UNLESS EXTENDED BY AMENDMENT.

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

TABLE OF CONTENTS

	PAGE
SPECIAL RISKS	iii
INTRODUCTION	1
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	5
LOCATION AND AREA INFORMATION	6
OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A	8
BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B	11
BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1	15
COMPLIANCE WITH REAL PROPERTY LAW SECTION 339 (i)	16
CHANGES IN PRICES AND UNITS	18
PROCEDURE TO PURCHASE	18
FINANCING FOR QUALIFIED PURCHASERS	21
EFFECTIVE DATE	22
TERMS OF SALE	23
UNIT CLOSING COSTS AND ADJUSTMENTS	25
RIGHTS AND OBLIGATIONS OF THE SPONSOR	28
CONTROL BY THE SPONSOR	32
BOARD OF MANAGERS	33
RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANGERS	37
REAL ESTATE TAXES	43
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	44
OPINION(S) OF COUNSEL	46
CONTINGENCY FUND	52
WORKING CAPITAL FUND	52
MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	52
IDENTITY OF PARTIES	53
REPORTS TO UNIT OWNERS	54
DOCUMENTS ON FILE	54
GENERAL	55
SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION	55
PART II	
PURCHASE AGREEMENT	57
POWER OF ATTORNEY	100
FORM OF UNIT DEED	101

PAGE

DESCRIPTION OF PROPERTY AND SPECIFICATIONS
OR BUILDING CONDITION..... 104
FLOOR PLANS..... 115
HOUSING MERCHANT IMPLIED WARRANTY LAW..... 129
DECLARATION OF CONDOMINIUM..... 134
CONDOMINIUM BY-LAWS..... 147
ESCROW AGREEMENT..... 178
DECLARATION OF EASEMENTS, USE AND MAINTENANCE.....
CERTIFICATIONS..... 183
SPONSOR AND PRINCIPALS..... 200
SPONSOR'S ENGINEER (OR ARCHITECT)..... 202
SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET... 204

SPECIAL RISKS

1. The Cellar and first floor of the Building will be community facility space retained by the Sponsor and not subject to this offering. According to Gerald Caliendo, Architect, some of the permissible uses for this space are medical offices, group medical centers and non-commercial recreational centers. Residential Unit Owners will, however have an easement of ingress and egress to the public areas in these floors. The commercial space will be a separate tax lot and not part of the Condominium. In order to manage and maintain the common areas of the Building which may be shared by the Unit Owners with others, the Sponsor will subject the property to the Declaration of Easements, Use and Maintenance set forth in Schedule M. This Declaration provides for mutual easements of ingress and egress, utilities, support, maintenance, the apportionment of expenses and the establishment of a committee to enact and enforce rules, regulations and obligations imposed under the Declaration for maintenance, repair and replacement of the common area. See Page 182.

2. The Sponsor has the right to maintain voting control of the Board of Managers of the Condominium until the fifth anniversary date of the closing of title to the first Residential Unit or until all of the Residential Units have been sold, whichever is sooner. A meeting shall be held to elect new board members unrelated to the Sponsor within thirty days of the expiration of Sponsor's control. See page 32.

Notwithstanding Sponsor's control, Sponsor may not exercise veto power over expenses described in Schedule B of the plan, or over expenses required to (i) to comply with applicable laws and regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may, however, exercise veto power over expenses other than those described herein, if the Plan so provides, for a period of not more than five years from the closing of title to the first unit or whenever the unsold units constitute less than twenty five (25%) percent of the common interest, whichever is sooner. See Section XV at Page 32.

3. The Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the condominium so long as the Sponsor or its designee shall continue to own Residential Units representing 5 % or more in number of Residential Units, or five (5) years after the date of closing of title to the first Residential Unit whichever shall first occur. During this period, the Sponsor will have control of maintenance, facilities and services to be provided and will determine the common charges to be paid by all Residential Unit Owners, including the Sponsor and the enforcement of the Sponsor's obligations. The expenses Sponsor will have control of include, but are not limited to, insurance, accounting and legal fees. See Schedule B at page 11.

4. The New York State Legislature enacted Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new homes. This law is applicable to all Residential Units offered for sale under this Plan. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers which provides for a Limited Warranty on certain items. Certain of the limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Residential Unit Buyer only; Sponsor's liability is limited to 50% of the purchase price, exclusive of all options; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Exhibit D-2. For details see page 29 of the Plan and the full text of the law set forth in Exhibit H of the Offering Plan.

5.. Purchasers should note that although normally a Sponsor's expense pursuant to contractual agreement, the following obligations have been transferred to Purchasers and as such a Purchaser shall be required to pay New York State Real Estate Transfer Taxes at the rate of $2.00 per $500 of consideration and New York City Transfer Tax of 1% of the Purchase Price. When a Purchaser assumes the obligation to pay these taxes, the amount of such taxes will be included in the consideration subject to tax. For an illustration of these charges see page 27. See also the Purchase Agreement set forth as

Schedule D.

6. Sponsor has not been required to post a completion bond with the City of New York covering the Common Areas. In addition, no bond has been posted to secure Sponsor's obligations under the Offering Plan. See page 28.

7. Purchasers should note that although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the escrow account as described on page 19, such funds may be released from the escrow account as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras. See page 20.

8. Purchasers should note that during the period of time the Sponsor retains a majority of the Board of Managers as disclosed on page 32, the Sponsor will have control of maintenance, facilities and services to be provided and will determine the common charges to be paid by all Residential Unit Owners, including the Sponsor and the enforcement of all obligations, including that of the Sponsor.

9. Purchasers should note that the first annual meeting of the Residential Unit Owners may not be held until one (1) year after the date of the closing of title to the first unit the condominium.

10. Purchasers should note that a late charge equal to .04% (14.6% per annum) of the purchase price shall be imposed for each day beyond the originally scheduled closing date due to Purchaser's failure to close on such closing date. This late charge will not apply to any period covering a mutually agreed upon adjournment or adjournments requested by the Sponsor. Purchaser should also note that time is of the essence with respect to Purchaser's obligation to promptly accept a mortgage commitment and deliver a copy thereof to Seller. In addition, if Purchaser does not obtain a mortgage commitment within 45 days, of the signing of the Contract of Sale, or longer if extended by the Seller, Purchaser must give Seller notice of his or her election to cancel the transaction within ten days after the expiration of the 45 day period, or any extension period granted by Seller, time being of the essence. Failure to adhere to these provisions will result in a material breach of the Contract. See Schedule D at page 57.

11. Purchasers should note that Sponsor is not providing any air conditioning equipment as part of the Purchase Price of the unit. Purchaser shall therefore, be responsible for purchasing and installing their own air conditioning equipment at their own cost and expense. Furthermore, if a Unit owner does install an air conditioning unit he will be restricted to installing a unit which shall be approved by the Board of Managers so as to ensure a uniform appearance of the exterior of the building and such unit may only be installed in the air conditioning sleeves and/or cutouts provided by Sponsor. See Section IX for Procedures to Purchase.

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

13. Should Purchaser use a title company other than Fidelity National Title Insurance Company of New York through STG Associates, then in such event Purchaser shall pay Sponsor's attorney an additional fee of $500.00 for its services rendered in connection with his review of the title report and clearance of title exceptions. See page 25 for a detailed discussion of all closing costs payable by Purchaser.

14. Purchasers should note as a special risk that the Sponsor has no obligation to defend any suits nor to indemnify the Board of Managers or Unit Owners arising out of any act or occurrence occurring prior to the recording of the Declaration of Condominium except claims arising out of the acts, omissions or representations of the Sponsor. See page 28 for further details.

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

Even once a building is completed, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

17. Purchasers should note that although the Sponsor shall timely file to obtain partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law, it can not be certain that benefits will be obtained prior to the closing of the first unit. See Section XVIII.

THE ELMWOOD GARDENS CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of Condominium Residential Units (the "Residential Units") in a Condominium to be known as The Elmwood Gardens Condominium located at 90-20 55th Avenue, Elmhurst, New York. The purpose of the Plan is to set forth all the terms of the offer for the benefit of prospective purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on purchasers and Unit Owners. A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Residential Unit by the Sponsor. The property will be subject to the Condominium Act. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the purchaser. The Sponsor will amend the Plan before or when the plan is declared effective to disclose the percentages of common interest, the approximate number of units that will be built, and the timetable for completing the units. This Offering Plan and the accompanying documentation should be carefully studied by prospective purchasers and their attorneys prior to the purchase of a Unit.

The Sponsor of the Plan is Fabian Builders HRPT, LLC, a New York limited liability company with an address at 59-05 59th Drive, Maspeth, New York, 11378 who acquired title to the subject property by deeds dated November 14, 2002 and March13, 2003. Said deeds were recorded in the Register's Office of the City of New York, Queens County.

The Condominium will be located in one (1) building, containing four stories plus a cellar (the "Building"). The Building, which shall be newly constructed shall contain commercial space in the cellar and community facility space on the first floor as well as parking and storage in the cellar. Parking and storage which shall be limited common elements of the Condominium as well as a meter room which shall be a common area of the Condominum shall be located in the Cellar. All other areas of the Cellar and first floor shall be retained by the Sponsor as rental property, and shall not be a part of the Condominium or this offering. The Condominium shall contain twenty (20) units, located on the second, third and fourth floors of the Building. Each unit shall be newly constructed and vacant at the time of sale. Although the condominium will be separately operated and managed, it will share certain common areas of the Building, including the lobby, stairwell and elevator. In order to manage, maintain and repair such common areas, the Sponsor will subject the Property to a Declaration of Easements, Use and Maintenance included in the Plan in Part II as Schedule M. Such Declaration shall contain in part, the following provisions:

1. Mutual non-exclusive easements of ingress and egress;
2. Mutual non-exclusive utility easements;
3. Mutual non-exclusive support easements;
4. Mutual covenants to repair, maintain and replace respective portions of the common area;

5. Establishment of a four-member committee (two from the condominium unit owner and two from the commercial space) to impose and enforce rules and regulations governing the use of the common areas;

6. Mutual covenants to pay taxes, utilities, insurance, maintenance and repair costs for the respective portions of the common areas;

7. Apportionment of expenses based upon the respective usable square footage;

8. Unpaid common expenses shall be a lien upon the property owned by the debtor; and

9. All future mortgages shall be subject to the Declaration of Easements.

The common area of the Building will be subject to reasonable rules and regulations governing their use and enjoyment which will be imposed and enforced by the 90-20 55th Avenue Common Area Committee (the "Committee"). The Committee shall be responsible for the maintenance, regulation and all decisions affecting common area shared by the Condominium and Commercial space. The Committee shall consist of four members, two of which shall be appointed by the board of managers of the condominium at the Property, and two appointed by the owner(s) of the commercial space. The Committee will only have authority to take action sponsored by a majority vote of its members. In the event of a tie vote, a request to break the deadlock may be made by at least two Committee members. If such request is made, then the Committee shall select an impartial third party to break the tie. If a third party cannot be agreed upon by the Committee, then the representatives of the Condominium and the representatives of the commercial space shall each select one impartial third party, who in turn shall jointly select a third impartial party. The tie shall then be broken by a majority vote of the three person panel selected by the Committee. Such decisions of the Committee or the panel of impartial arbiters shall be binding upon both the Condominium and the owner(s) of the commercial space.

The Condominium and the commercial space shall be obligated to maintain, repair and replace its respective portions of the common areas of the Building. The cost of such maintenance, repair and replacement shall be apportioned between the Condominiums and the commercial space based upon their usable square footage. Pursuant to the Building plans and the Declaration of Easements, The Elmwood Gardens Condominium contains 18,763.41 gross square feet. The cellar and first floor, all attributable to the commercial space each consist of 6967.91 gross square feet in the aggregate. Consequently, The Elmwood Gardens Condominium shall be responsible for 61.40% of the cost of maintaining, repairing and replacing the Common areas of the Building. The same percentages will be used to apportion other common costs, including water and sewer charges for the Building.

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

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

The common elements include without limitation the external walls, the hallways, the roof of the Building as well as the, utility rooms, stairwells, and elevator shaft. For a detailed description of the common elements see Schedule I, Article Fourth and Fifth in Part II of the Plan.

A Unit Owner is required to pay monthly common charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(l) and (m) of the New York

Condominium Act. Monthly common charges may commence with the closing of the first unit which is expected to be April 1, 2005, however, see page 38 as to the right of the first Board of Managers to commence the collection of common charges at a subsequent date.

Until title to a unit has passed to a purchaser, the Sponsor will pay such common charges and special assessments as are assessed by the Board of Managers on Residential Units, built or unbuilt. Once title has passed to a purchaser, the purchaser will be responsible for all costs, including all common charges and maintenance charges associated with the Residential Unit the purchaser may acquire.

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

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes as described on page 38. Residential Units can be sold by a Residential Unit Owner, provided that he is not in arrears on the payment of common charges (except where the payment of such unpaid common charges is paid by the Grantee or provided for out of the proceeds of the sale) and subject to restrictions contained in the mortgage, if any, covering their home. A purchaser is free to make a gift of his Residential Unit to anyone during his lifetime or to devise his Residential Unit by will, or to have it pass by intestacy without any restriction. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the common elements.

Each Residential Unit Owner can sell his Residential Unit to whomever he desires. Residential Unit Owners may lease their Residential Units subject to the conditions contained on page 37.

The Units can be purchased for all cash or may be purchased partly for cash and partly by mortgage. If the Unit Owner desires to finance the purchase of the Unit by obtaining a mortgage loan, such mortgage loan may be obtained only from a Mortgagee approved by the Sponsor.

The Unit Owner may mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender. Any Unit Owner may, however, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all arrears for common charges, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Residential Unit Owners. See Schedule J, Article III in Part II of the Plan. For information concerning Sponsor's initial control of the Board of Managers, see page 32.

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

Each Unit will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Unit Owner is liable for the payment of real estate taxes or mortgage payment on any other Unit. In the opinion of Counsel, a Residential Unit Owner is presently entitled to deductions for income tax purposes for his payments for real estate taxes on his Residential Unit. In addition, provided the Residential Unit will be the Purchaser's principal residence or one other residence selected pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, he may also deduct on his income tax the interest on the mortgage he procures to finance the purchase of his Residential Unit. See page 46.

Fire and liability insurance covering the common elements are included with other items as part of common charges but fire and liability insurance for the purchaser's personal effects and the interior of the Residential Unit should be carried by the individual purchaser. Common charges are levied in proportion

to the interest in the "common elements" appurtenant to each Residential Unit. For possible increases in common charges upon default in payment by a Unit Owner see page 39. Each Residential Unit Owner is responsible for the cost of his own interior repairs and decoration in his Residential Unit after closing. The price of the Residential Units will include all the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan. The Residential Unit will not include an air conditioner. Sleeves will be provided in each unit for the installation of an air conditioning unit. If a Unit owner does install an air conditioning unit he will be restricted to installing a unit which shall be approved by the Sponsor so as to ensure a uniform appearance of the exterior of the building.

The prices for the Units are set forth in Schedule A beginning at page 8. **THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C, and D of the Exhibits submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, and C of the Exhibits will be available for inspection by prospective purchasers and their attorneys without charge and for copying at a reasonable charge at the condominium site whenever the on site sales office is open and at the office of the Sponsor or any Selling Agent.

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

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.

II. DEFINITIONS

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

1. "Condominium" - The Elmwood Gardens Condominium which is composed of the Unit Owners.

2. "Units" - As used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law and includes the Residential Units in the Condominium. Residential Units may be referred to separately within the body of the Offering Plan.

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

4. "Residential Unit Owners" - The owner of each Residential Unit in the Community.

5. "Common Elements" - The common elements of the Community will consist of all of the Community, except the Units, including, but without limitation, walls outside of the Condominium and roof of the Building, the land, buildings and improvements (other than the Units) comprising the Community (including the land under the Units and under the improvements), all utility or other pipes and material located outside of the Residential Units, and utility rooms.

6. "Irrevocably Restricted Common Elements" or "Limited Common Elements"- The portions of the common elements that are irrevocably restricted in use to specified Unit Owners.

7. "Common Interest" - The proportionate, undivided interest each Unit Owner has in the common elements.

8. "Common Charges" - Each Residential Unit's proportionate share of the common expenses in accordance with its common interest.

9. "Common Expense" - (a) Expenses of operation of the Condominium, and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

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

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

12. Declaration of Easement, Use and Maintenance - The instrument governing the management and maintenance of the common areas of the Building shared by the Condominium and the commercial space located on the remaining floors of the building.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location. Acreage and Zoning

The Condominium is located on the southerly side of 55th Avenue, 125 Feet from the corner of 90th Street and 55th Avenue in the Elmhurst section of Queens, New York. The immediate area is zoned R-5 which permits the construction of the Condominium. The Condominium will consist of twenty (20) Residential Units, on the second, third and fourth floors of the Building built on a parcel of land 15,028.21 square feet.

Topographical Features

The land consists of relatively flat terrain.

Improvements - General Description

The Community will consist of twenty (20) Residential Units located on the second, third and fourth floors of the Building. The Building has access to a public road and Sponsor will not be constructing any roads in connection with this project.

The building also contains a lobby on the first floor and a mechanical room in the Cellar all of which are Common Elements as designated on the building plans.

The Building Plans have been filed with the Building Department of the City of New York and are available for inspection at the Sponsor's Office.

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

such Unit or the Building in which it is located. At the time of the first closing of title to a Residential Unit, the construction of all Units will have been partially or substantially completed. Landscaping, if any, for the Condominium will be completed before the time of closing of title to the last Unit or within two years after the recording of the Declaration, whichever is earlier.

Recreation Area

The Condominium does not contain any recreational facilities.

Construction Data for Units and Common Elements

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

Construction of the Units has commenced and completion and closing of title to the first Unit is expected to commence April 1, 2005, and completion of the balance of the Units and the common elements of the Condominium during 2004 barring any strikes, material shortages, acts of God, sales activity or other unforeseen delays beyond the control of the Sponsor.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceeding, or by reason of an alteration made by the Board to the common elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Mangers, its agents and employees shall have a right of access to the Units and the common elements (irrespective of the restricted nature of such common element) to inspect, maintain or repair the Common Elements or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Allocation of Common Interest

The common interest of the Condominium establishes the Unit Owners' percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Unit Owner has the percentage of common interest in the Condominium set forth on Schedule A. Such allocation has been made by the Sponsor pursuant to Real Property Law 339(i)(l)(iv) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

IV. LOCATION AND AREA INFORMATION

Location

The Condominium is located on the southerly side of 55th Avenue, 125 Feet from the corner of 90th Street and 55th Avenue in the Elmhurst section of Queens, New York.

Municipal Services

The New York City Transit Authority provides local bus service via route Q60 which runs along Grand Avenue. In addition, local subway stops for the R, V and G trains providing service to Manhattan is located on the corner of Grand Avenue and Queens Boulevard , within 4 block of the premises.

Engine Company 287 and Ladder Company 136 of the New York City Fire Department are located within ½ mile of the Property at 86-53 Grand Avenue, Elmhurst, NY. The 110th Precinct of the New York City Police Department is located at 94-41 43rd Avenue, within 1 mile of the premises.

Shopping Facilities

Local shopping is located within 2 blocks of the premises and the Queens Center Mall is approximately 1/4 mile from the Condominium.

Water and Sewage

Water and sewage service will be supplied by New York City and will be a common expense of the Condominium. There shall also be a separate meter for the supply of water for the sprinkler system which shall also be shared with the Commercial portion of the Building.

Refuse Removal

There is a trash compactor in the building for refuse removal, which shall be used by the Condominium. It will be the responsibility of each Unit Owner to separate and bag all recyclable garbage. All refuse shall be removed by the New York City Department of Sanitation.

Snow Removal

Snow removal from the Common Elements of the Condominium will be the responsibility of the Managing Agent, and will be a common expense to the Condominium.

Medical. Educational and Religious Facilities

St. John's Hospital and Elmhurst Hospital are each located approximately ½ mile from the premises.

The closest public schools to the property are PS 13 at 55-01 94th Street, PS 7 at 83-00 Cornish Avenue, Elmhurst, NY, IS 61, Leonardo DaVinci Junior High School at 98-50 50th Avenue and Newtown High School at 48-01 90th Street, all within 1 mile of the premises.

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

Zoning

The Property is presently zoned R-5 which permits the construction of the Condominium. The immediate area surrounding the site is as follows:

East: Various residential homes.
West: Various residential homes.
South: Various residential homes.
North: Various residential homes.

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

SCHEDULE A

ESTIMATED INDIVIDUAL EXPENSES FOR THE FIRST FULL YEAR AT THE ELMWOOD GARDENS CONDOMINIUM
For the Period April 1, 2005 to March 31, 2006

Unit No.	No. of Bedrooms/ Bathrooms	(1) Offering Price	(1) Square Footage	(2) Percentage of Common Interest	(3) Estimate of Monthly Common Charges	(4) Estimate of Monthly Real Estate Taxes with Section 421A Benefits	(4) Estimate of Annual Real Estate Taxes with Section 421A Benefits	(4) Estimate of Monthly Real Estate Taxes with-out Section 421A Benefits	(4) Estimate of Annual Real Estate Taxes with-out Section 421A Benefits	(5) Total Estimate Monthly Carrying Charges with Section 421A Benefits	(5) Total Estimate of Monthly Carrying Charges without Section 421A Benefits
2A +PS16	2 BR/2 Bath	370,400	847	5.50	354.04	16.48	197.77	581.66	6,979.98	370.52	935.70
2B +PS4	2 BR/2 Bath	320,100	746	4.82	310.26	14.44	173.32	512.30	6,147.60	324.71	822.56
2C	Studio/	177,700	428	2.53	162.86	7.58	90.98	293.92	3,527.04	170.44	456.78
2D + PS10	2 BR/2 Bath	343,100	777	5.10	328.29	15.28	183.39	533.59	6,403.07	343.57	861.88
2E + PS5	2 BR/2 Bath	320,100	746	4.82	310.26	14.44	173.32	512.30	6,147.60	324.71	822.56
2F + PS22	2 BR/2 Bath	356,700	812	5.30	341.16	15.88	190.58	557.62	6,691.46	357.04	898.78
2G = PS1	2 BR/2 Bath	301,500	716	4.58	294.81	13.72	164.69	491.70	5,900.39	308.54	786.51
3A + PS17	2 BR/2 Bath	377,100	847	5.55	357.25	16.63	199.57	581.66	6,979.98	373.88	938.92
3B + PS6	2 BR/2 Bath	338,700	746	5.00	321.85	14.98	179.79	512.30	6,147.60	336.83	834.15
3C + PS19	2 BR/2 Bath	404,700	856	5.85	376.56	17.53	210.36	587.84	7,054.08	394.09	964.40
3D + PS23	2 BR/2 Bath	350,800	777	5.18	333.44	15.52	186.27	533.59	6,403.07	348.96	867.03
3E + PS 7	2 BR/2 Bath	327,700	746	4.89	314.77	14.65	175.84	512.30	6,147.60	329.42	827.07
3F + PS21	2 BR/2 Bath	364,400	812	5.37	345.67	16.09	193.10	557.62	6,691.46	361.76	903.29
3G + PS2	1 BR/2 Bath	309,200	716	4.58	294.81	13.72	164.69	491.70	5,900.39	308.54	786.51
4A + PS18	2 BR/2 Bath	382,900	847	5.62	361.76	16.84	202.09	581.66	6,979.98	378.60	943.42
4B + PS 8	2 BR/2 Bath	332,600	746	4.94	317.99	14.80	177.64	512.30	6,147.60	332.79	830.29
4D + PS15	2 BR/2 Bath	356,000	777	5.23	336.66	15.67	188.06	533.59	6,403.07	352.33	870.24
4E + PS 9	2 BR/2 Bath	332,600	746	4.94	317.99	14.80	177.64	512.30	6,147.60	332.79	830.29
4F + PS 20	2 BR/2 Bath	369,300	812	5.43	349.53	16.27	195.26	557.62	6,691.46	365.80	907.15
4G + PS3	2 BR/2 Bath	320,900	716	4.77	307.04	14.29	171.52	491.70	5,900.39	321.34	798.74
Totals		6,756,500	15216	100.00	6437.00	299.66	3595.88	10,449.29	125,391.43	6,736.66	16886.29

FOOTNOTES TO SCHEDULE A

1. No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit purchase. See page 18 as to other terms of the offering which are negotiable. See page 25 for estimated closing costs and adjustments, which costs are in addition to the sale prices set forth herein. Approximate square footage is also provided in Schedule A. See the floor plans in Part II of the Plan for details of different types of rooms in each model.

2. Percentage of common interest has been calculated in accordance with Section 339(i)(l)(iv) of the Real Property Law on the basis of floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

3. Common charges have been estimated by the Sponsor and include fire and liability insurance for the Units and common elements, maintenance and operation of the common elements. Common charges exclude repair and decoration to the inside of a Residential Unit, utilities for each Residential Unit and insurance for personal belongings. See Schedule B-1 for estimated electrical costs for each Residential Unit.

4. The Sponsor is in the process of submitting an application to the New York City Department of Housing Preservation and Development ("HPD") for a Certificate of Eligibility for partial real estate tax exemption benefits under Section 421-a of the New York State Real Property Tax Law. Henry F. Camuso, Esq. has issued an opinion letter to Sponsor indicating that the Residential Units may be eligible to receive these benefits based on certain assumptions and conditions set forth therein. This opinion letter is reproduced at page 49.

   Schedule A reflects the estimated taxes for the Residential Units assuming taxes with the 421A tax abatement as well as the estimated taxes without the 421A tax abatement. Reference should be made to the Section entitled "Real Estate Taxes" at page 43 for a full discussion of the effects of 421A benefits upon the real estate taxes payable by Unit Owners.

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

   Real estate tax estimates are based upon information received from Anthony T. Panzarino, a licensed real estate appraiser and consultant, by letter dated February 4, 2004. The figures are also based upon a projected tax rate of $12.517 per $100 of assessed valuation for the Residential Units. As described more fully at page 43, the tax charges may increase in subsequent years as the amount of applicable tax exemption and abatement benefits decrease.

The following is the estimated assessed valuation for each Unit upon completion:

Unit	Estimated Assessed Valuation
2A	55,764
2B	49,114
2C	28,178
2D	51,155
2E	49,114
2F	53,459
2G	47,139
3A	55,764
3B	49,114
3C	56,356
3D	51,155
3E	49,114
3F	53,459
3G	47,139
4A	55,764
4B	49,114
4D	51,155
4E	49,114
4F	53,459
4G	47,139

Actual assessments for individual Units may vary depending on such factors as optional features, and premium locations.

After the condominium is divided into individual tax lots, each Unit will be taxed separately for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the nonpayment of taxes on other Units. In addition, pursuant to the provisions of the Internal Revenue Code of 1986, the real estate taxes payable by a Residential Unit Owner which are assessed against his Residential Unit by any governmental taxing authority are a proper deduction in connection with Federal, State and City Income Taxes payable by such Unit Owner.

No warranty is made that the actual assessed valuation will be as projected above, or that the projected tax rate will not change. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any purchaser under this Plan, nor will any purchaser have the right to rescind his Purchase Agreement, in the event the actual taxes differ from those projected.

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

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

VI. SCHEDULE B

THE ELMWOOD GARDENS CONDOMINIUM
PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
20 Residential Units

Beginning April 1, 2005*

INCOME (1)		
Common Charges	$	77,244 (1)
Total Income	$	77,244
EXPENSES		
Labor	$	13,200 (2)
Common Area Electric		20,632 (3)
Common Area Gas		10,325 (4)
Water and Sewer		8,195 (5)
Repairs , Maintenance and Supplies		4,700 (6)
Insurance		2,692 (7)
Refuse Removal		0 (8)
Management Fees		14,000 (9)
Accounting/Legal Fees		2,500 (10)
Contingency		1,000 (11)
Total Expenses	$	77,244

*In the event that the first budget year commences six months or more after the date forecast above, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If amended budget exceeds this budget by 25% or more, the Sponsor will offer all purchasers the right to rescind their purchase agreement and have their deposits returned, with interest, if any.

FOOTNOTES TO SCHEDULE B

1. **INCOME**

These estimates of operating expenses and income have been made by the Sponsor based upon the operation of comparable developments in the immediate area.

2. **LABOR**

These estimates are based upon the expert opinion of O'Kane Realty, who has certified this budget. It is projected that the Condominium will require one full time superintendent for general cleaning and normal maintenance of the Common Elements and the organization of garbage removal. The projection assumes the employee will work a normal 40 hour work week and includes applicable payroll taxes and required insurances, including unemployment, disability and worker's compensation. The Managing Agent shall be responsible for hiring any appropriate repair service and to ensure that such service will make any emergency repairs to the Common Elements. In the event the Board determines that additional labor is required in the future, common charges may be increased to cover the cost thereof.

3. **COMMON AREA ELECTRIC**

This item includes the cost of electricity supplied to the common elements only. This budgeted figure is based upon an estimate dated February 6, 2004 made by Manouvelos Engineering, P.C., 30-53 Crescent Street, Long Island City, NY 11102, of a projected consumption of electrical energy of approximately 107,500 KWH/Yr. for public lighting and the operation of the elevator machinery at a cost of approximately $0.18per KWH which includes tax, adjustments and demand charges. Sponsor has added a 5% inflationary factor to the above estimate. Estimate is based upon providing exterior lighting during non-daylight hours and interior public lighting on a 24 hour basis. Also assumes .5 watts per square foot for indoor fixtures and four 100 watt outdoor fixtures.

All Residential Units are separately metered for electricity. Each Residential Unit Owner will pay the charges for all electricity to his Unit, as and when billed, as measured by such separate meter, directly to the utility company servicing the Property. See Schedule B-1 for electricity and gas costs projected for individual Residential Unit Owners.

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

4. **COMMON AREA GAS**

This item includes the cost of gas for cooking and heating, which shall be a common expense of the Condominium. This budgeted figure is based upon an estimate dated February 6, 2004 made by Manouvelos Engineering, P.C., 30-53 Crescent Street, Long Island City, NY 11102, of a projected consumption of natural gas of approximately 27,321 Therms for heating and 2,491 Therms for cooking at a cost of approximately $0.32 per Therm which includes tax and adjustments. Sponsor has added a 5% inflationary factor to the above estimate.

Since the Building is being newly constructed, it has no operative history. Thus, it is not possible to predict how closely the budgeted figure will reflect the actual expenses for natural gas to be incurred during the first year of condominium operation, in part because such expenses will vary with the level of consumption and the cost of natural gas. It is, however, believed that the projected figure should be

sufficient to cover any reasonable increase in the cost of natural gas during the first year of condominium operation.

5. **WATER AND SEWER**

Based on an estimate dated February 6, 2004 from Manouvelos Engineering, P.C., 30-53 Crescent Street, Long Island City, NY 11102. The water and sewer combined rate is $3.94/100 cubic feet. The assumption is based upon the assumption that each person will use 70 gallons of water per day. These are historical assumptions made by Manouvelos Engineering, P.C. upon a metered method. Costs include taxes and adjustments. Sponsor has added an inflationary factor of 5% to the above estimates.

6. **REPAIRS, MAINTENANCE AND SUPPLIES**

This estimate is based upon the previous experience of the Sponsor with buildings of a similar quality and nature. The estimate for repairs does not include repairs to, maintenance of, or supplies for individual Units and Limited Common Elements. Each Unit Owner is responsible for repairs to, maintenance of, and supplies for his Unit and those Common Elements irrevocably restricted to his use. The estimate includes miscellaneous repairs to all Common Elements of the property which are not covered by subcontractors' guarantees, snow removal, landscape maintenance, as well as janitorial supplies. Repairs to those portions of the Common Elements which are for the irrevocable restricted use of certain Unit Owners shall be the responsibility of those Unit Owners, except that any repairs to the structure of such common elements shall be a common expense. Since the elevator will be under guaranty, there will be no cost to service the elevator during the first year of Condominium operation.

7. **INSURANCE**

The insurance is based on an estimate dated February 10, 2004 received from Chester Agency, Inc., 497 Westbury Avenue, Carle Place, NY 11514 and includes the following coverage:

Description of Coverage:	All risk condominium policy including fire, extended coverage, vandalism and malicious mischief- $2,500 deductible.
	Comprehensive liability including bodily injury and property damage - $1,000,000/ occurrence, $2,000,000/general aggregate limit. No deductible.
	Directors & Officers liability -$1,000,000/ occurrence, $1,000,000/general aggregate limit.
	Employee Dishonesty - $50,000 limit
Amounts of Insurance:	$ 2,430,250 with replacement cost.

Based upon the opinion of Chester Agency, Inc., , the coverage amount limit stated above for casualty insurance is based on full replacement value and shall be sufficient to avoid the effects of co-insurance. Excess liability coverage is not included and may be obtained at extra cost. The insurance policies shall provide that (i) each Unit Owner is an additional insured; (ii) there will be no cancellation without notice to the Condominium Board and Unit Owners; (iii) the right to subrogation against Unit Owners is waived; (iv) there shall be a waiver of invalidity because of the acts of the insured and unit owners, and (v) there shall be a waiver of pro rata reduction if the unit owners obtain additional coverage.

No coverage is provided for fire and casualty losses to the contents of each individual Unit, boiler and machinery, excess liability, auto liability or a fidelity bond, nor does the coverage take into account any future replacements or additions to either the Units or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Unit Owner is included in the coverage provided above. Prospective purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and

casualty losses. The budgeted item has been adjusted to reflect the Condominium's share of the premium due for the building.

8. **REFUSE REMOVAL**

Refuse removal is provided by the Sanitation Department of the City of New York.

9. **MANAGEMENT FEES**

Sponsor will enter into an agreement with Robert Fabian doing business as JND Management Company to manage the Condominium for a period of fifteen (15) years with the first year fee being $14,000. Mr. Fabian is a principal of the Sponsor.

10. **ACCOUNTING**

Based on an estimate dated January 21,2004, received by the Sponsor from Langenthal, Meyrowitz & Company, LLC, One Linden Place, Great Neck, NY 11021, Certified Public Accountants for the preparation of an annual certified audit during the time of Sponsor control of the Board of Managers, and preparation of applicable tax returns.

11. **LEGAL FEES**

Based on an estimate from Henry F. Camuso, Esq., 147 Remsen Street, Brooklyn, NY 11201 dated February 5, 2004, for a reserve to be used by the Board of Managers elected by Unit Owners when consulting with an attorney of their selection to review contracts and collect delinquent common charges. The cost of litigation, if any, would be additional.

12. **CONTINGENCY**

This item is to provide a fund for possible expenses not included in the budget or possible increases in one or more items of operating expense above the amounts projected. The budget may be modified, from time-to-time, prior to the commencement of, or during, condominium operation to add new items of expenses or increase one or more items of operating expenses. The funds for such modifications may be provided by decreasing the contingency reserve or by decreasing one or more items of expense, or both. The contingency does not include a reserve for capital replacements or repairs, for which no provision is made under this budget. In view of the fact this Condominium is newly constructed, although Sponsor cannot make any guarantees, it is unlikely there will be any major capital improvements during the first five (5) years of Condominium operation. As a result, the contingency should be sufficient to pay for any necessary repairs or replacements to the common areas within the first five (5) years of operation.

IN THE OPINION OF O'KANE REALTY, REAL ESTATE APPRAISER AND CONSULTANT (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING APRIL 1, 2005. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN THE SAID BUDGET. IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

VII. SCHEDULE B-1

ELECTRICAL AND GAS COSTS (1)

The following are the projected individual electrical costs for lights, power and air conditioning:

UNIT	KWH/Year	$/Year
2A	13,432	2068
2B	13,432	2068
2C	7,153	1097
2D	13,432	2068
2E	13,432	2068
2F	13,432	2068
2G	10,729	1646
3A	13,432	2068
3B	13,432	2068
3C	10,729	1646
3D	13,432	2068
3E	13,432	2068
3F	13,432	2068
3G	13,432	2068
4A	13,432	2068
4B	13,432	2068
4D	13,432	2068
4E	13,432	2068
4F	13,432	2068
4G	13,432	2068

The above estimates are based on projections provided by Manouvelos Engineering, P.C., in a letter dated February 6, 2004 and are based on the following assumptions:

1. Double insulated glass, thermal barrier type windows.
2. R-19 insulation for roof.
3. R-19 insulation for walls.
4. Individual unit electric meters and a house meter for common electric.
5. Cost of Electricity: $0.18 per Kw-hr average yearly residential usage. Costs include taxes, adjustments, and demand charges. Sponsor has added an inflation factor of 5% to these estimates.
6. Cost of Gas to include taxes and adjustments. Sponsor has added an inflation factor of 5% to these estimates.
7. Heating based on 4871 degree days, 70F space temperature average with + 15F outdoor design with 15 mph wind.
8. Cooling based on 600 load hours per air conditioning residential season. Figured with 6,000 BTUH unit for bedrooms and an 8,000 BTUH unit for living rooms. All units figured with an EER of 9.5.
9. Studio unit based upon occupancy by one (1) person. One bedroom unit based upon occupancy by two (2) people. Two bedroom unit based upon occupancy by three (3) people.

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

Although the Sponsor is obligated to provide accurate information to prospective purchasers, factors beyond its control may substantially effect the cost of electricity and gas after the purchase of a Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost.

LAW OFFICES OF

HENRY F. CAMUSO

147 REMSEN STREET

BROOKLYN, NEW YORK 11201

TEL: (718) 522-1969

FAX: (718) 625-8503

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

March 9, 2004

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

Re: The Elmwood Gardens Condominium

Gentlemen:

The Sponsor of the Condominium Offering Plan for the above-captioned property has retained this writer to review the percentage of common interest applied to the units contained in Schedule A of the Offering Plan.

My experience included the following:

I have been actively involved in the construction and development of residential real estate for over 15 years; and have built and developed homes and Condominum Units in Kings County. For such projects, I handled all phases of the construction operation.

I have been an attorney at law since 1984 and have prepared several condominium offering plans for clients since 1988. In addition, I have been involved in the management of various sized multiple dwellings for over fifteen (15) years.

In reviewing said Schedule A, the percentage of common interest has been calculated in accordance with Section 339(i)(1)(iv) of the Real Property Law of the State of New York on the basis of floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

I hereby authorize inclusion of this opinion in the

Offering Plan for The Elmwood Gardens Condominium to be filed with the Department of Law.

Very truly yours,

Henry F. Camuso

Sworn to before me this
9th day of March, 2004.

NOTARY PUBLIC

Eugene Gauciello
Notary Public State of New York
No. 01CA5042978
Qualified in New York County
Commission Expires 05/01/07

VIII. CHANGES IN PRICES OF RESIDENTIAL UNITS

Sponsor will not make any changes in the size or number of Units, and their respective percentage of common interest and no material change will be made in the size or quality of common elements, except by amendment to the Plan and to the Declaration of Condominium (if the Declaration was filed prior to such change) without the consent of all unit owners directly affected. Sponsor will also obtain the consent of all Purchasers in the event that Sponsor makes a material change in size of the effected Unit or a change in the quality of the common elements. However, Sponsor reserves the right to modify the model mix layout, design number and size of the Residential Units without consent of any Residential Unit Owner provided such changes do not affect the percentage of common interest of any unit to which title has closed or for which a purchase agreement has been executed. Sponsor will not however, make any material change in Residential Unit size, layout, percentage of common interest or in the amount or quality of common elements directly affecting or servicing the Residential Unit if title has closed to such or if a purchase agreement has been executed and delivered to Sponsor for that Residential Unit and the purchaser is not in default unless the owner and or the purchaser consents in writing to such change.

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

The Sponsor further reserves the right, but not the obligation, to negotiate with a purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Residential Unit of the fixtures or equipment contained therein or credits or allowances there for; treatment of reduced and/or split down payment; financing contingency; extension of period to secure financing; payment of all or part of a purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to the Residential Unit; maintenance subsidies, rebates or other costs associated with maintaining a Unit as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on the purchase of a Residential Unit and application of rent toward the purchase price. As a result, a purchaser may receive different terms as a prior or subsequent purchaser for a similar Residential Unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or at its sole option to expand the applicability of such negotiable terms to some or all purchasers pursuant to Section 352-e of the General Business Law.

IX. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Residential Units to be constructed in the Condominium for residential occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Residential Unit or portion of a Residential Unit by a lessee or lessees of the Residential Unit Owner for the purposes set forth in this paragraph shall be deemed in accordance with residential occupancy.

The sales price at which the basic Units are being offered are shown in detail in Schedule A. The Sponsor reserves the right to change the sales prices and to negotiate other terms on an individual basis. Any such change will not affect the common interest of the Unit, however, some purchasers may pay less or more for the same model Residential Unit or receive different terms.

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

between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan. Upon signing the Purchase Agreement the Purchaser shall make a down payment of 10% of the purchase price of his Unit plus the cost of any special work ordered by the Purchaser. Upon full payment of the balance of the purchase price and the balance of the cost of any special work ordered at the closing, in cash or by mortgage, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to him of fee ownership in the Unit and such percentage of common interest in the common elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth on page 24. The Purchase Agreement may be modified with the consent of purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. Sponsor must either return a fully executed Purchase Agreement within twenty (20) days to the purchaser or reject the Purchase Agreement and refund the deposit monies. If Sponsor does not return the fully executed Purchase Agreement within the time specified, it will be presumed that Sponsor has rejected the Purchase Agreement. The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the closing of title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

It is anticipated that the closing to the first Residential Unit will occur on April 1, 2005 In the event of a failure by the Sponsor to convey title as set forth in the Purchase Agreement to any Residential Unit on or before twelve (12) months after the date of delivery of title set forth in the respective Purchase Agreement, the purchaser will have the option of rescinding his purchase agreement and to have all monies refunded by the Sponsor, with interest, if any.

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

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

The Purchase Agreement may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan.

The Purchase Agreement will be subject to and contingent upon Purchaser obtaining, at its own cost and expense, a mortgage loan commitment within forty five (45) days from the date of contract, from a Lender designated by Sponsor in the amount and pursuant to the terms set forth in Paragraph 8 of the Purchase Agreement. Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the Commitment. In the event Purchaser can not extend such commitment, after a good faith effort to do so, Sponsor shall grant Purchaser a reasonable period of time within which, the Purchaser may rescind the transaction. A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

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

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

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

All deposits, down payments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Agreement is signed by all necessary parties, in a segregated special escrow account of Henry Camuso, Esq., the Escrow Agent, whose address is 147 Remsen Street, Brooklyn, New York, 11201 and whose telephone number is (718)522-1969. Any partner of the firm shall be an authorized signatory on this account permitted to withdraw funds with the same address as above. The name of the account is "Henry F. Camuso Esq. IOLA Account for the benefit of The Elmwood Gardens Condiminium", located in Signature Bank, 26 Court Street, Brooklyn, New York. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a down payment in excess of $100,000.00 for the purchase of a unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000.00.

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

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

All instruments shall be made payable to or endorsed to the order of Henry F. Camuso, Esq., as escrow agent and shall be accepted subject to collection.

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

Purchasers should note that the deposit of a Purchaser's down payment into the escrow account shall not be deemed acceptance by the Sponsor of the Purchase Agreement. The Purchase Agreement shall be deemed accepted by the Sponsor only when countersigned by the Sponsor. Sponsor must accept the Purchase agreement within twenty (20) days as set forth in the Procedures to Purchase at page 18.

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

(I) a writing signed by both Sponsor and purchaser; or

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

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

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

The Sponsor will not object to the release of the escrow 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; or

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

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

Purchasers and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of the Plan as Schedule "K". The party applying for a determination must send all other parties a copy of the application. If application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until (1) both the Sponsor and Purchaser direct the payment in a writing signed by each of them; (2) a judgment or order of a court of competent jurisdiction is served upon escrow agent; or (3) the escrow agent deposits the disputed amount into court. In no event, however, shall the escrow agent release funds in dispute, other than by payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of the Sponsor and Purchaser. Any provision of any contract or agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the purchaser and the escrow agent shall abide by an interim directive issued by the Attorney General. A copy of the Escrow Agreement between the Sponsor and the escrow agent which incorporates the terms of the Attorney General's regulations is contained in Part II of the Plan as Schedule "L". Copies of the forms provided by the Bank for opening the escrow account together with the executed escrow agreement have been submitted to the Attorney General as part of this offering.

The escrow agent shall maintain all records concerning the escrow account for seven years after the release of funds. In the event of the dissolution of the law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm and shall promptly notify the Department of Law of such transfer. In addition, the Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

X. FINANCING FOR QUALIFIED PURCHASERS

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

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

The Purchase Agreement of Purchasers desiring to finance the purchase of a Residential Unit will be conditioned upon the Purchaser making prompt and diligent application to a lending institution designated or approved by Sponsor for a mortgage commitment.

The Purchase Agreement is contingent upon Purchaser obtaining, at its own cost and expense, a mortgage loan commitment in the amount and under the terms set forth in Paragraph 8 of the Purchase

Agreement (Schedule D to the Offering Plan) from a lender designated or approved by Sponsor. If the Lender fails to issue its Commitment to Purchaser within 45 days after the date of the Purchase Agreement or within such longer period of time as Sponsor may grant by notice to Purchaser, either party may cancel the contract only if at the time notice of cancellation is given, the Lender has still not issued its Commitment to grant the mortgage loan. It is an express condition to Purchaser's right to cancel that Purchaser has strictly complied with all obligations imposed on Purchaser's mortgage loan application. To cancel, the canceling party must give written notice of cancellation to the other party, whereupon Sponsor shall refund the down payment. Thereafter, the contract shall be deemed canceled and neither party shall have any further liability or obligation to the other in connection with the contract or transaction.

The Purchaser shall be obligated to fill out all forms and perform all acts necessary to obtain such mortgage commitment. The Purchaser will be obligated to take all action necessary to fulfill all of the terms and conditions of the mortgage commitment in order to close title, including but not limited to paying any outstanding debts required by the lending institution issuing the mortgage commitment and paying all costs and expenses incurred in procuring the mortgage and closing such mortgage including but not limited to mortgage tax, origination fees, commitment fees, recording fees, title fees and the lender's fees. See Paragraph 8 of the Purchase Agreement for complete terms. Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the commitment. In the event Purchaser can not extend such commitment, after a good faith effort to do so, Sponsor shall grant Purchaser a reasonable period of time within which, the Purchaser may rescind the transaction.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF HIS APPLICATION FOR FINANCING IS NOT ACCEPTED, EXCEPT TO RETURN THE DOWN PAYMENT, PROVIDED THE AGREEMENT WAS CONDITIONED UPON OBTAINING SUCH FINANCING.

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

XI. EFFECTIVE DATE OF THE PLAN

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

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

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

(iii) with any purchaser who is the Sponsor, 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 my be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bonafide.

Further, the Sponsor has the option not to close title to the Residential Units and to abandon the Plan at any time before declaring the plan effective, if less than 80% in number of the Residential Units offered hereby are sold and title to any Residential Unit has not been conveyed. In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within twenty (20) days of the abandonment of the Plan. When purchase agreements for 80% of the Residential Units have been entered into the Sponsor must declare the Plan effective. Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than 1/2% of the total amount of the offering or (ii) substantial damage or destruction of the buildings by fire or other casualty which cannot be cured for less than 1/2% of the total offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Attorneys fees and any defects in title or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the Sponsor or a matter of public record, shall not be used in calculating a dollar amount to be relied upon for abandonment after effectiveness. In the event Sponsor abandons the Plan, it shall do so by means of a promptly filed amendment to the Plan together with an RS-3 Form. All monies advanced by Purchasers will be returned to them within twenty (20) days of the abandonment of the Plan.

XII. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the closing of title to all Units for which Purchase Agreements have been executed by serving no less than thirty (30) days notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Notice will be sent to all Purchasers who have executed and delivered purchase agreements to the Sponsor and whose Purchase Agreements are then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested, addressed to the Purchasers at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address. If Sponsor has no information of the last known residence address, but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address.

Such notice will be served no less than thirty (30) days before the date set for the closing of the Units. Sponsor may permit Purchasers to waive the thirty (30) day provision by waiver. A form of such waiver is contained as Exhibit D-4 to the Offering Plan. Said notice will also include notice of the obligation to pay the balance of the purchase price. In the event of Purchaser's failure to comply with the notice of closing, Sponsor must make written demand for payment after default, at least thirty (30) days before forfeiture of the deposit may be declared.

On the closing date fee title to the Residential Unit will be conveyed to the Purchaser together with the Residential Unit's undivided interest in the common elements. The closing of title to the first Residential Units are expected to commence on April 1, 2005. Such closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Residential Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts.

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

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

4. If so requested by the purchaser, Fidelity National Title Insurance Company of New York through STG Associates, 46 Carnation Avenue, Floral Park, New York, (516) 488-8811, a title insurance company licensed to do business in New York State shall agree to insure that such purchaser has good and marketable fee title in the Residential Unit, free and clear of all liens, encumbrances and title exception, except those set forth on page 24 of this Offering Plan, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

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

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

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

8. The Sponsor will give each purchaser who entered into a Purchase Agreement before the Plan was declared effective not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to his Unit unless a Purchaser waives such thirty (30) days notice. A form of such waiver is contained as Exhibit D-4 to the Plan. Any Purchaser who enters into a Purchase Agreement after the Plan is declared effective will receive not less than fifteen (15) days written notice of the date, time and place for the transfer of title to his Residential Unit.

9. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section XII will be met, that the Residential Units to be closed have been constructed in accordance with the plans and specifications filed with the Building Department of the City of New York and that the Sponsor has complied with the requirements of this Section.

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

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

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

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

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

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

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

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

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

(c) Easements in favor of those Units having restricted use to portions of the common elements; and

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

5. Any easement granted or hereafter granted to use the water supply and/or storm and sanitary sewer lines for the Building.

6. Declaration of Easement, Use and Maintenance set forth in Schedule M of this Offering.

The Sponsor has been advised by its counsel that in counsel's opinion, the foregoing exception to title herein above set forth are not contrary to the terms of the purchase agreement nor will they interfere with the quiet use or enjoyment of the purchaser's Residential Unit.

XIII. CLOSING COSTS AND ADJUSTMENTS

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

(a) Fee title insurance is available from Fidelity National Title Insurance Company of New York through STG Associates, 46 Carnation Avenue, Floral Park, New York, (516) 488-8811. Based upon the purchase price of $313,100, the cost of obtaining said insurance will be $1707.

(b) Mortgage title insurance at the estimated rates of $4.84 per thousand for the first $50,000 of mortgage title insurance, approximately $3.95 for each additional $1,000 of mortgage title insurance up to $100,000 and $3.17 per thousand for each additional $1,000 up to $500,000. Based upon a mortgage of $250,480, the simultaneous mortgage rate will be $361.

In the event a purchaser obtains both mortgage and fee title insurance, the simultaneous fee rate is based on the full rate of the fee and a reduced rate of 30% of the full mortgage.

Each Purchaser will be free to obtain title insurance from a title insurance company other than Fidelity National Title Insurance Company of New York through STG Associates. Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title insurance. In

addition, should Purchaser use a title company other than Fidelity National Title Insurance Company of New York through STG Associates, Inc., then in such event Purchaser shall pay Sponsor's attorney an additional fee of $500.00 for its services rendered in connection with its review of the title report and clearance of title exceptions.

(c) Fees for the recording of the deed and power of attorney are approximately $59.00 per document.

(d) In the event the purchaser shall obtain a purchase money first mortgage, he shall pay recording fees for the mortgage of approximately $125.00 and mortgage tax of 1.75% of the amount of the mortgage less $25, and lending institution's attorney's fees. In addition the purchaser will be required to pay any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. A portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-a subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid in connection with existing mortgage on the Community. There will be no mortgage closing costs pursuant to this Sub-Section (d) on Residential Units which are not covered by mortgages.

(e) New York State transfer tax of $2.00 per $500 of the purchase price and New York City Real Property Transfer Taxes of 1% of the Purchase Price where the consideration is less than $500,000 and 1.425% where the consideration is $500,000 or greater. These taxes are normally an expense of the Seller, however, by contractual arrangement they will be paid by purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

1. Multiply the purchase price by the State Tax Rate to compute a tentative tax.
2. Multiply the purchase price by the City Tax Rate to compute a tentative tax.
3. Add both tentative taxes to the purchase price.
4. Multiply the total of "3" above by the State Rate.
5. Multiply the total of "3" above by the City Rate.

EXAMPLE: Purchase Price = $320,100

(1) $320,100 x .004 = $1,280
(2) $320,100 x .01 = $3,201.00
(3) $320,100 + $1,280 + $3,201 = $324,581
(4) $324,581 x .004 = $1,298 = amount due for State Transfer Tax
(5) $324,581 x. .01 = $3,245.81= amount due for New York City Real Property Transfer Tax.

(f) Working capital equal to two month's common charges to be paid to the Condominium. While Sponsor is in control of the Board of Managers, the working capital fund will not be used to reduce the common charges of the Condominium. If any portion of the working capital fund is used during this period to pay for items in the budget set forth, such amounts will be repaid to such fund out of common charges collected.

(g) A charge of $450 covering survey fees.

(h) A charge of $675.00 covering partial reimbursement of Sponsor's cost to install the water meter.

(i) Each purchaser shall pay to the Sponsor $975.00 of the sales price of his respective unit for partial reimbursement of the Sponsor's cost in obtaining partial tax exemption benefits pursuant to Section 421A of the New York State Real Property Tax Law.

(j) Each Purchaser shall be responsible for paying Sponsor's attorney's fees in the amount of $750 associated with the closing of title to his unit.

(k) Each Purchaser shall pay a fee equal to 3% of the Sales Price of the Unit to the sales agent for the sale and negotiation of the transaction.

(l) Each Purchaser desiring a storage unit in the Cellar shall pay a one time fee of $750.00. Storage closets will be on a first come, first served basis, until the storage areas are completely sold.

As an example, a purchaser of a Residential Unit 2E in which the purchase price is $320,100 and who procures a first mortgage in the amount of $256,080 will pay the following approximate closing costs:

Fee Title Insurance:	$1,707.00
Mortgage Insurance:	$ 361.00
Deed Recording Fee:	$ 59.00
Power of Attorney Recording Fee:	$ 59.00
Mortgage Recording Fees:	$ 125.00
New York State Transfer Tax:	$1,298.00
New York City Transfer Tax:	$3,245.81
Mortgage Tax:	$4,456.40
Sales Commission	$9,393.00
Condominium Working Capital	$ 592.00
Survey Fees:	$ 450.00
421A Reimbursement:	$ 975.00
Water meter	$ 675.00
Sponsor's legal fees	$ 750.00

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

In the event a closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $250.00.

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

If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments/adjustments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of

one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Residential Unit for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges. The provisions of this paragraph will not apply to any period covering a mutually agreed upon adjournment or adjournments requested by the Sponsor.

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

The Sponsor anticipates that the only items which will be apportioned at the closing of title to Residential Units will be real estate taxes and sewer charges, if any, and common charges and maintenance charges, if they have been declared due by the Board of Managers and Board of Directors. The adjustments will be made as of 11:59 P.M. on the day preceding the closing date. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at the closing. The Sponsor will advise the purchaser of the closing date by giving him written notice at least fifteen (15) days prior to the closing date.

XIV. RIGHTS AND OBLIGATIONS OF THE SPONSOR

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

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

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

3. Until title to a Unit is passed to a purchaser, the Sponsor will pay such common charges, special assessments and real estate taxes, as are assessed by the Board of Managers of the Condominium and the City of New York on the Units, whether built or unbuilt, to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all common charges, special assessments, real estate taxes and all other costs applicable to the Unit, as are assessed by the Board of Managers of the Condominium and the municipality. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of the Units and Sponsor's assets. If projected sales are not made, Sponsor represents that it presently has the resources to fund such obligations.

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

5. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. In the event there is insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent common charges collected.

6. In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Residential Units in the Condominium, the Principals of the Sponsor

will provide financially responsible entities or individuals who will assume the status and all the obligations of the Sponsor for those Residential Units under the Offering Plan, applicable laws or regulations.

7. Before the closing of title to the first Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant common interest shall be released therefrom by partial release duly recorded.

8. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Condominium substantially in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filed with the local Municipality together with any "field changes" made during the course of construction. Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. Sponsor reserves the right to change the size, number and location of the improvements to the Building, Units or common elements, provided such changes do not change or adversely affect the percentage of common interest 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 Purchasers consent in writing to such a change.

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

In the event a Permanent Certificate of Occupancy for a Residential Unit has not been issued as of the date of closing for said Residential Unit, the Sponsor will continue to hold all deposits and funds in the special escrow account required pursuant to Section 352-e (2-b) and 352-h as described on Page 29 unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the Permanent Certificate of Occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by Sponsor's engineer or architect. In such event, it will disclose such fact by duly filed amendment to the Plan.

10. The Sponsor will give a Limited Warranty to the Purchaser which provides the following warranty coverage regarding the Residential Units:

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of the Warranty (as shown on page 1 thereon), the Residential Unit will be free from latent defects that constitute:

(a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor; or

(d) defective installation of appliances sold as part of the Residential Unit by the Sponsor or an agent, employee or subcontractor of the Sponsor.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of the Warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Residential Unit which have been installed by the Sponsor are warranted to be free from latent defects resulting from defective installation by the Sponsor.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of the Warranty, the Residential Unit will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor.

The Sponsor excludes the Housing Merchant Implied Warranty set forth in Article 36-B of the General Business Law, and all other warranties, express or implied, other than the Limited Warranty. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Exhibit D-2 and Article 36-B of the General Business Law set forth in Exhibit H.

To the extent any coverage under this warranty applies to Common Elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium. Regarding the Common Elements the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the date of substantial completion of the defective portion(s) of the Common Elements. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements; damage to walkways or other concrete areas caused by the application of salt or de-icers; normal settlement cracks on patios, sidewalks, other flat work; patios, sidewalks, basement leaks resulting from acts of God or alteration of landscaping or grading (whether performed by the Condominium or Unit Owner); leakage resulting from "ice dams" forming on roofs; spilling or flaking of concrete surfaces if ice melting compounds have been used; shading variations of the exterior siding staining (on the face surface or grooves), and shading variations on fascias from staining. The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

10. The Sponsor will deliver to the purchaser and/or the Board of Managers upon the recording of the Declaration all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the purchaser's Residential Unit or the common elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.

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

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

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

13. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the common elements of the Condominium for the purpose of completing construction and sale of Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the common elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Finally, the Sponsor reserves the right to continue to use the common elements and any facilities, sales offices, model units, and signs located on the common elements, in its efforts to market Units constructed in the Condominium. Sponsor will be obligated to repair any damages to the common elements and Units caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the Condominium.

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

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

16. The Sponsor reserves the right to lease any unsold Residential Units or Parking Spaces before or after the Declaration has been recorded. In such an event, purchasers of any such Residential Units will be purchasing a Residential Unit that has previously been occupied. Such previously rented Residential Units will be delivered in their "as is" condition. Prior to leasing any Unit, however, Sponsor will endeavor in good faith to sell, in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy by themselves or their families. Until at least 50% of the Residential Units are so sold and conveyed to Purchasers for personal occupancy, Sponsor will not rent Unsold Residential Units, nor enter into Purchase Agreements with Purchasers for investment or resale. After such 50% threshold is achieved, Sponsor will continue to endeavor in good faith to so sell Residential Units to Purchasers for personal occupancy, 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 or to sell Unsold Residential Units to unrelated Purchasers for rental operation and not personal occupancy. Sponsor's good faith efforts to sell to Purchasers for personal occupancy include multi-listing Unsold Residential Units with brokers, showing Unsold Residential Units to brokers and prospective Purchasers or their representatives, filing updating 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 for personal occupancy 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 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 Owners 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 Condominium by reason of its voting control of the Condominium Board during the Sponsor Board Control Period. Even thereafter, Sponsor will continue to have a voice in governance due to its right to designate a specified minority of the Residential Board Members for so long as Sponsor owns one or more Unsold Residential Units. Moreover, Sponsor and any other non-resident Owners will at all times have the same right as Owner-occupants to vote on issues that require the approval or consent of Unit Owners (such as the exercise of the Board's Right of First Refusal to purchase or lease a Sold Unit or to borrow money in excess of $100,000 in any Budget Year).

To further assure that this Plan will create a fully viable condominium, the By-Laws contain a residency requirement pursuant to which a majority of the Condominium Board must be owner-occupants of the building who are unrelated to Sponsor or its principals, after the end of the Sponsor Board Control Period. The Sponsor reserves the right to lease any unsold unit for a duration consistent with the provisions of the Martin Act and any regulation promulgated by the Attorney General thereunder. Such previously rented Residential Units will be delivered in their "as is" condition.

XV. CONTROL BY THE SPONSOR

The Sponsor, as the owner of unsold Residential Units, will be entitled to designate a majority of the members of the Board of Managers for a period of five (5) years after closing of the first Residential Unit, or until all Residential Units have been sold, whichever is sooner. As a result the Sponsor will have voting control of the Board of Managers during this period. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the common charges to be paid by all Residential Unit Owners, including the Sponsor and the enforcement of the Sponsor's obligations. Notwithstanding Sponsor's control, Sponsor may not exercise veto power over expenses described in Schedule B of the plan, or over expenses required (i) to comply with applicable laws and regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may, however, exercise veto power over expenses other than those described herein, if the Plan so provides, for a period ending not more than five years after the closing of the first unit or whenever the unsold units constitute less than twenty five (25%) percent of the common interest, whichever is sooner.

The first Board of Managers of the Condominium will consist of Henry Fabian, Paul Fabian and Robert Fabian who are principals of the Sponsor herein. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the First Board as set forth below. The first Board of Managers will call for the First Annual Meeting of the Residential Unit Owners to elect and designate a new Board within one (1) year of the closing of the first Residential Unit. Said Board will consist of Sponsor designees and elected Residential Unit Owners. At such time as all of the Residential Units are sold or five years after the closing of title to the first Residential Unit, whichever is sooner, Sponsor must relinquish control of the Board of Managers. Upon the election and designation of the new Board, the members of the first Board will resign. Members of the Board of Managers shall not be compensated for their services. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Managers.

So long as the Sponsor or its designee shall continue to own Units constituting at least twenty five (25%) percent of the common interest, or five years after the closing of title to the first Residential Unit, whichever shall first occur, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the common elements or to any Residential Unit costing cumulatively more than $5,000, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the first closing of title to a Residential Unit; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the common charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the

nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize condominium funds or assess the Sponsor for the purpose of commencing a lawsuit against the Sponsor or any of its principals.

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

XVI. BOARD OF MANAGERS

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

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

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board"). Until the first annual meeting the first Board shall consist of three (3) Managers designated by the Sponsor. Thereafter the Board of Managers shall consist of a total of three (3) Managers who shall be elected or designated for staggered terms. See page 32 as to Sponsor's right to designate a majority of the Board of Managers until ninety-five percent (95%) of the Residential Units have closed or five (5) years from the closing of title to the first Residential Unit, whichever is sooner.

Every Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit he owns. Consequently, each unit owner will cast 5% of the total votes cast per ballot. All Managers other than designees or nominees of the Sponsor shall be Residential Unit Owners and shall be elected by the Residential Unit Owners. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. Elections are to be held annually.

Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners No manager other than a member of the first Board of Managers or Sponsor's designees or nominees shall continue to serve on the Board if, during his term of office, he shall cease to be a Residential Unit Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Powers and Duties of Board of Managers

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

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance.

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Residential Units, Buildings, and other common elements;

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

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

5. To insure and keep insured the common elements and Residential Units;

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

7. To make reasonable rules and regulations;

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

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

10. To acquire Residential Units in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Residential Unit so acquired and to vote as a Residential Unit Owner, offer such Residential Unit for sale or lease or take any other steps regarding such Residential Unit as shall be deemed proper by the Board of Managers;

11. To make additions, alterations, or improvements to the common elements of the Community, the cost of which addition, alteration, or improvement does not exceed $5,000.00. The Board of Managers may make additions, alterations or improvements to the common elements costing in excess of $5,000 only with the approval of a majority of the Residential Unit Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the common elements costing in excess of $5,000.00, or enter into service or maintenance contracts, the duration of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Residential Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Residential Unit Owners;

12. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Residential Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $5,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the common elements without the written consent of the Owners of said Residential Unit;

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

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

15. To elect two (2) Unit Owners to be members of the Committee established to impose and enforce rules and regulations governing the use and maintenance of the common areas of the Building pursuant to the Declaration of Easements.

Liability of Board of Managers and Unit Owners.

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

Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Residential Unit Owners or members of the first Board of Managers. Two or more offices may not be held by the same person.

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

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

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

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

He shall disburse the funds of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including 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.

Repairs. Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls of the Buildings, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the common elements but serve one or more Units shall be made in

accordance with the Declaration of Easements, and the cost attributable to the Condominium shall be a common expense.

All costs and maintenance associated with limited common elements, shall be the sole responsibility of the Unit Owner. All repairs to the exterior of any door, fence, building, open area or other generally visible portion of the Condominium must conform with the style and colors initially installed by the Sponsor. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the common elements. The Board of Managers shall have a right of access to any Unit and to all portions of the common elements for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Condominium as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Condominium and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the common charges.

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

In the event of damage to or destruction of the Building which may affect areas not subject to this offering, the restoration shall be governed by the terms of the Declaration of Easements set forth as Schedule M of this Offering.

Insurance

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

Reports to Unit Owners

All Unit Owners will receive within 3 months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners, and a notice of the holding of the annual Unit Owners meeting. All Unit Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month. During such time as the Sponsor retains a majority of the Board of Managers, the Board shall provide a certified annual statement at the cost of the Condominium.

Amendments

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

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

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

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

Units Acquired by the Board of Managers

All Units which are acquired by the Board of Managers, or its designee, shall be held by it on behalf of all Unit Owners whose respective interests shall be in proportion to the common interest to such Unit Owners and the votes appurtenant to such Units shall be cast by the Board of Managers or its designee at all meetings of the Unit Owners, except that the Board will not vote the votes appurtenant to such Units in any election of members of the Board.

Termination of Condominium

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

Covenant Against Partition of Common Elements

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

XVII. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

Sale or Lease of Units

Residential Units can be sold or leased by a Residential Unit Owner, provided that he is not in arrears on the payment of common charges (except where the payment of such unpaid common charges is paid by the Grantee or provided for out of the proceeds of the sale). Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of The Elmwood Gardens Condominium and the provisions of Article XI, Section 2 of the Condominium By-Laws. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium. Rental of a Residential Unit in the Condominium is not currently subject to any local or state regulation. A purchaser is free to make a gift of his Residential Unit to anyone during his lifetime or to devise his Residential Unit by will, or to have it pass by intestacy without any restriction. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the common elements.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium. These restrictions shall also apply to the Sponsor.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Units and common elements in any manner that would be illegal, disturbing or a nuisance to other homeowners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the building or to string clothes lines on or over the common elements or to use any of the common elements for storage. No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Residential Unit.

Mortgage of Residential Units by Residential Unit Owners

A Residential Unit Owner may mortgage his Residential Unit at any time after he acquires title to the Residential Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from a bank, savings and loan association, mortgage company, life insurance company, pension fund, trust company or other institutional lender. Any Residential Unit Owner may, however, upon the resale of his Residential Unit, grant a purchase money mortgage to a purchaser of his Residential Unit. A Residential Unit Owner may mortgage his Residential Unit only if all arrears for common charges and maintenance charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their interest in the common elements. Any special assessments will be charged to the Unit Owners in accordance with their interest in the common elements. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the common elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition common charges may have to be increased as a result of Unit Owners not paying their common charges.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by O'Kane Realty, 72-01 Grand Avenue, Maspeth, New York 11378. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the common charges are to be used primarily to pay for fire and other casualty insurance on the Building and the common elements, public liability and property damage insurance as set forth on page 40, legal and accounting expenses, supplies, common area electric and gas, water and sewer rent for the building and a maintenance reserve. The common charges do not include maintenance, repairs or decoration of the interior of the Residential Units or portions thereof, payments required pursuant to the terms of Residential Unit Owners' mortgages or real estate taxes covering the individual Residential Units.

The common charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Residential Units are set forth on Schedule A. See Schedule B-1 for estimated

heating and other utility costs for each model Type Residential Unit. However, additional services which the Residential Unit Owners may desire or other factors can increase these charges. The initial Board of Managers may commence the collection of common charges upon the closing of title to the first Residential Unit or at any subsequent date as in its sole discretion it may determine. Prior to the collection of common charges, sponsor shall be obligated to provide all the services disclosed in the first year budget at its sole expense. The Board's collection of common charges will be in an amount necessary to carry out the duties of the Board of Managers as is set forth in this Offering Plan and such common charges shall be paid by the Residential Unit Owners and the Sponsor as owner of the unsold Residential Units in accordance with the common interest set forth herein. The common charges will initially be placed in an account in the name of the Board of Managers in Chase Manhattan Bank, Brooklyn, New York.

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

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

Liens for the Non-Payment of Common Charges

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

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Unit Owner for the payment of common charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event he shall be exempt from any common charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However a Unit Owner may not exempt himself from liability for his common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit.

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

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the board of managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which Sponsor is more than 30 days in arrears of common charges, unless a majority of the Managers, other than Sponsor designated Managers, decide otherwise.

Repairs, Alterations and Improvements to Residential Units

The Residential Unit Owner can make any interior alterations or improvements to the Residential Unit he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Building or any other common element. Repairs to common elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a common expense. All expenses of any limited common element that is appurtenant to a Unit shall be the sole responsibility of the Unit Owner who has exclusive use of the limited common element. See page 35 for repairs, alterations and improvements to common elements. In the event such alterations or improvements affect the structural soundness of the Building, the Residential Unit Owner must first obtain the written consent of the Board of Managers. All maintenance (including electrical repairs and plumbing stoppages in the Residential Units, painting and decorating of the Residential Units), repairs and replacements to the Residential Units including windows and doors abutting a Residential Unit (except painting or maintenance of the exterior surface of windows and doors which open from a Residential Unit, which are performed by the Board of Managers) and repairs to the heating/air conditioning system, pipes, wires and conduits located within and without the Residential Unit and servicing the same Residential Unit other than as set forth on page 7 of the Condominium By-Laws shall be made by the respective Residential Unit Owners at their own expense.

In the event that a Unit Owner fails to make any repair or creates any condition, whether through negligence or abuse, which affects the Building in which the Unit is located, the common elements, the limited common elements or any other Unit, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Unit Owner for the cost of such service.

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

Insurance

The Board of Managers shall obtain and maintain, as per note 7 on page 13, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

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

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

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

The amount of fire insurance to be maintained on the Condominium upon the transfer of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of at least $ **2,430,250** for all 20 Residential Units. The Board of Managers shall review the amount of fire insurance annually.

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

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

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be a limit of $1,000,000 per occurrence and $2,000,000 in the aggregate covering all claims for bodily injury and for property damage arising out of any one occurrence in the common elements.

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

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

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

The Board will arrange for repair of the Units in the event of casualty loss. In the event the insurance proceed are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units, after fire or casualty and condemnation provisions see Article VII and XII of the By-

Laws. In the event of a casualty loss, the Unit Owners will continue to pay the common charges on his Unit.

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

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the common elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws. The Board shall provide reasonable notice prior to accessing any unit, except when the Board determines that an emergency exists which requires immediate access. In such situations, an attempt will be made to contact the Unit owner prior to access.

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

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

The provision of the Declaration and By-Laws that requires written consent of the Board of Managers prior to a Unit Owner making an alteration that would impair the structural soundness of the Building does not apply to the Sponsor.

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

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the common elements or located in other Units and servicing his Residential Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or common element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the common elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units.

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

Allocation of Common Interest

The common interest of the Condominium establishes the Unit Owners percentage of ownership in the common elements and percentage of liability for the payment of common charges. Each Unit Owner

has the percentage of common interest in the Condominium set forth on Schedule A. Such allocation has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for the exclusive or shared use, and the overall dimensions of the particular Unit.

The percentage of the undivided interest in the common elements shall not be changed except with the consent of all of the Residential Unit Owners affected expressed in a duly recorded amendment to the Declaration. Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

XVIII. REAL ESTATE TAXES

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

The Sponsor shall file an application for eligibility for partial tax exemption benefits under Section 421-a of the New York State Real Property Tax Law. This section of the law, which is administered by the Department of Housing Preservation and Development of the City of New York ("HPD"), provides for a fifteen (15) year partial tax exemption program applicable to multiple dwellings constructed in New York under certain limiting conditions. The Sponsor shall apply to HPD for a preliminary certificate of eligibility for such tax exemption benefits. If for any reason the preliminary certificate of eligibility is not issued in routine fashion, the Sponsor will promptly amend this Plan prior to closing title to the first unit. If required by HPD, a final exemption will be applied for by the Sponsor at least sixty (60) days prior to initial occupancy of a Unit. The Sponsor will, in any event, file all necessary papers to secure final approval. It should be noted as a special risk that Sponsor can not guarantee that tax exemption benefits, if received, will be in place before the closing to the first unit.

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

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

The estimate of real estate projections for the Residential Units set forth in Schedule A are based upon the tax rate of $12.517 per $100 of assessed valuation. Schedule A reflects the estimated Real Estate Taxes assuming that 100% of the value of the improvements to the residential portion of the Condominium will be exempt from taxation under Section 421-a as well as reflecting the estimated taxes without any 421-a exemption.

Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Unit is reasonable, there can be no assurance that final exemption or abatement will be granted or

that this method of calculation of real estate taxes applicable to each Unit will be the final method used by the New York City taxing authorities in establishing the real estate tax assessment for each Unit. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Units by such authorities, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

Since the New York State Condominium Act provides that real estate taxes will be separately assessed against each individual Unit Owner, the result of the tax exemption program will be to give each individual Unit Owner the full benefit of the tax exemption program.

The effect of Section 421-a tax exemption program can be illustrated by the following example. Assuming that the City of New York assessed Unit 3B at $49,114.00 when fully constructed. The real estate taxes payable on the Unit for the first year without the benefit of the tax exemption program would amount to approximately $6,147.60. Under the tax exemption program, the taxes would amount to approximately $179.79 on the unit during each of the first eleven (11) years when 100% abatement was available. Thereafter, the Unit will be taxed the sum of $ 1,373.34 during year 12 when 80% abatement was available and approximately $4,954.04 during year 15 when 20% abatement was available assuming the current tax rate remains constant. Prospective purchasers are cautioned that the foregoing example is offered solely to illustrate how the Section 421-a tax exemption program functions. An opinion letter from Henry F. Camuso, Esq. 147 Remsen Street, Brooklyn, New York regarding the 421-a tax abatement is contained on page 49.

In the event the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and will be entitled to reimbursement from unit owners to the extent of the actual assessment. There are no tax certiorari proceedings pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Unit Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. In no event will the Sponsor or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind his Purchase Agreement, in the event the amount of the taxes differ from those projected.

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

The Sponsor has been advised by its counsel, Henry F. Camuso, Esq. that each Unit Owner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by him covering his Residential Unit and, provided the Residential Unit is used as the Unit Owners primary residence or one (1) other residence that he selects pursuant to Section 163(h) of the Internal Revenue Code of 1986, for the interest paid by him on any mortgage covering his Residential Unit. See the Opinion of Counsel at page 46. Similarly, the Sponsor has been advised by counsel that certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Residential Units.

The Sponsor has been advised by its counsel that the Condominium may not qualify as a tax exempt organization under the Internal Revenue Code Section 528 and, as such, will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional common charge. For the full text of this opinion, see page 46.

XX. OPINION OF COUNSEL

LAW OFFICES OF
HENRY F. CAMUSO
147 REMSEN STREET
BROOKLYN, NEW YORK 11201

TEL: (718) 522-1969
FAX: (718) 625-8563

March 9, 2004

Fabian Builders HRPT, LLC
59-05 59th Drive
Maspeth, NY 11378

Re: The Elmwood Gardens Condominium

Gentlemen:

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

After substantial analysis it is my opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code" or "IRC") (See Revenue Ruling 64-31, C.B.1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such payments of real estate taxes are proper deductions by the owner of a Residential Condominium Unit, in connection with his Federal, New York State and New York City income taxes. Further, certain Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Residential Unit.

In addition, I am of the opinion that a Residential Unit owned as either a principal residence or the one other residence selected pursuant to Section 163 (h)(5)(A) (i) (II) of the Code will be entitled, under Section 216(a)(2) of the Code and Section 615(a) of the State Law, to deduct interest paid or accrued on any mortgage which becomes a lien on such Residential Condominium Unit. IRC Section 280A (d) (1) provides that the Residential Unit may be so selected if the Unit Owner either uses it as a residence within the meaning of said section (i.e., it is used for personal purposes for a number of days which exceed the greater of 14 days, or 10% of the number of days during the year for which the Home is rented at a fair rental), or neither rents nor uses the Residential Unit at any time during the year.

Section 528 of the Code permits certain Condominiums to elect tax exempt status. If all of the Condominium's units are used for residences and sixty percent (60%) or more of the gross income of the Condominium consists of amounts received from membership dues, fees or

assessments from Residential Unit Owners and ninety percent (90%) or more of the expenditures of the Condominium are for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in Section 528 of the Code, include property held by the Condominium, or property within the Condominium, a tax exempt election may be made. Based upon my examination of this Offering Plan, it appears that the Condominium will probably not satisfy the minimum percentage income and expenditure criteria set forth above due to the anticipated laundry income. Therefore, it appears that The Elmwood Gardens Condominium may not be eligible to be treated as a tax exempt organization under Section 528 of the Code.

In the event the Condominium fails to qualify for and/or elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Unit Owners not expended in any taxable year, be subject to income taxes at the federal, state and city levels (see Rev. Ruling 74-99, 1974-1 C.B. 131).

If the condominium is determined to be eligible, such an election will exempt from Federal, New York State and New York City income taxes all amounts received by the Condominium from the Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Unit Owners.

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

I have examined the exceptions to title set forth in the Offering Plan, and am of the opinion that none of such exceptions of title are contrary to the terms of the purchase agreement nor do they interfere with the quiet use or enjoyment of a purchaser's unit as set forth in the Offering Plan.

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

In addition, it should be noted that the percentage of common interest for each Residential Unit as contained in Schedule A has been determined based upon the approximate proportion that the floor area of the Unit at the date of the declaration bears to the then aggregate floor area of all the Units together with the sales price of such unit relative to the total offering price. Such proportions shall also reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements.

In my opinion such method of determining the percentage of common interest in a Condominium is proper and complies with Section 339(i)(1)(iv) of the Real Property Law.

In no event can the opinions expressed in this letter be construed as a guarantee. They are based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws reviewed and relied upon in this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if there are changes in the facts or the applicable statues, regulations, decisional law or Internal Revenue Service rulings on which counsel relied in issuing this opinion.

I hereby authorize the use of this opinion, or a reproduction thereof, in the Offering Plan referred to herein.

Very truly yours,

Henry F. Camuso

LAW OFFICES OF

HENRY F. CAMUSO

147 REMSEN STREET

BROOKLYN, NEW YORK 11201

TEL: (718) 522-1969

FAX: (718) 625-8563

March 9, 2004

FABIAN BUILDERS HRPT, LLC.
59-05 59th Drive
Maspeth, NY 11378

Re: **Tax Exemption Benefits**
The Elmwood Gardens Condominium

Gentlemen:

Pursuant to your request, I have reviewed the Offering Plan (the" Plan") for The Elmwood Gardens Condominium (the "Condominium") and the documents referred to therein.

You have requested my opinion, based on my review of the foregoing and assuming that the Plan is consummated in accordance with its terms, as to whether under present laws and regulations the residential units in the Condominium will be eligible upon their completion for the partial real estate tax exemption under Section 421-a of the New York State Real Property Tax Law and the regulations promulgated by the New York City Department of Housing Preservation and Development ("HPD').

CONCLUSION

Based solely on my review of the Plan, the RPTL and the Rules and Regulations referred to above, as well as the validity and correctness of the assumptions hereinafter set forth, it is my opinion that, subject to changes in the RPTL or the regulations or rulings issued thereunder, or any judicial interpretations thereof, upon which I have based this opinion , the completed residential units will be eligible for partial real estate tax exemption under Section 421-a of the RPTL.

DISCUSSION

In order for the completed units to be eligible for partial real estate tax exemption under Section 421-a of the RPTL and the applicable Rules and Regulations of HPD, the following major requirements will have to be satisfied:

1. The project must contain new multiple dwellings with three or more dwelling units.

Since the site will be comprised of twenty (20) dwelling units, the first requirement will clearly be met.

2. The construction of the units must have commenced on or after January 1, 1975 and prior to January 1, 2006, and must be completed no later than December 31, 2007. The Sponsor has advised us that regarding the units located at 90-20 55th Avenue, Elmhurst, New York, construction was commenced on or about September 3, 2003, and the sponsor expects to complete all the units during 2005. We assume but can not guarantee, the commencement and completion of this project will fall within the dates set forth above. Notwithstanding this fact, the deadlines may be extended by appropriate legislation.

3. The land on which the buildings are constructed must have been vacant, predominately vacant or under utilized or improved with a non-conforming use thirty-six months prior to commencement of construction. It may not be mapped as a public park or utilized for ten or more consecutive years prior to October 1, 1971, as a private park. The sponsor, has advised us that the land in this matter was underutilized on such date. Assuming that such advice is correct, but not having independently verified it, the third requirement will be fulfilled.

4. I understand that an application for a Preliminary Certificate of Eligibility must be filed after the commencement of construction but prior to the issuance of a Temporary or Permanent Certificate of Occupancy for all residential portions of the premises. In addition, application for a Final Certificate of Eligibility must filed prior to the first taxable status date following the completion of construction.

5. The Condominium Offering Plan shall also contain a statement that if the plan is not declared effective within fifteen (15) months from the date of issuance of a Final Certificate of Eligibility, the owner of the project will submit the newly created units in the project to the requirements and jurisdiction of rent stabilization as regulated by the New York State Department of Housing and Community Renewal.

Although there are a number of additional criteria for determining eligibility for Section 421-a benefits, most of them are not applicable to the units, and I assume that they will be satisfied.

If the foregoing assumptions are accurate and valid and HPD approves the units for partial real estate exemption under Section 421-a of the RPTL, the residential units shall be partially exempt from taxation for local purposes, for a period of fifteen (15) years in the aggregate after the taxable status date immediately following completion of construction. The real estate taxes on the residential units (but not of the previous land) will be partially exempted on a declining basis as set forth below:

Year	Percentage Exemption on Improvements
1 - 11	100%
12	80%
13	60%
14	40%
15	20%
16	0%

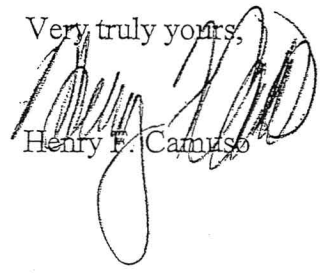
The RPTL requires that taxes shall be paid in each tax year during such period in the amount of taxes payable at the current tax rate on the assessed valuation of the land and any improvements thereon during the tax year preceding the commencement of construction.

You have advised that regarding the property located at 90-20 55th Avenue , the total assessed valuation of Block 1857, Lot 2 in the tax year 2002/2003 (the tax year prior to commencement of construction) was $26,409 and the total assessed valuation of Block 1857, Lot 6 in the tax year 2002/2003 (the tax year prior to commencement of construction) was $20,379. In addition, you have advised that the condominium units will occupy 61.40 percent of the total floor area of the newly constructed building (the remaining footage to be occupied by commercial space not subject to this offering). Consequently, the total assessed value attributable to this offering should be $ 28,728 . Based upon such advice, if a Final Certificate of Eligibility is issued for the condominium units, the taxable assessed valuation should be no greater than $ 28,728 starting from commencement of construction and for the first eleven years after commencement of construction. Consequently, the real estate tax for each of these years should be no greater than $ 3,596 based upon a tax rate of 12.517 per $100 of assessed valuation. Thereafter, the tax will increase in accordance with the percentages listed in the schedule above.

I consent to the inclusion of this opinion in the Offering Plan. No warranties are made that HPD will approve the Section 421-a application or that the laws or regulations upon which the undersigned partially bases his opinion will not change.

In addition, I have not passed upon the accuracy of any figures or estimates contained in the Plan, and do not warrant the amount of the tax savings if the units receive partial real estate exemption.

Very truly yours,



Henry F. Camuso

XXI. CONTINGENCY FUND

The Condominium budget includes as a line item a contingency fund of $1,000 per year, to be collected out of the common charges paid by the Unit Owners. The contingency fund is to be used for the unanticipated expenses and future repair of the common elements of the Condominium.

No representation is made that the contingency fund will be adequate for future expenses including repairs or replacements of common elements. If additional funds are required over and above the contingency fund, it may be necessary to increase the common charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

During the period Sponsor is in control of the Board of Managers, the contingency fund will not be used to reduce the estimated common charges.

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

XXII. WORKING CAPITAL FUND

At closing the Sponsor will collect two month's common charges from each purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers of the Condominium the working capital funds will not be used to reduce the common charges. If any portion of the working capital funds are used during this period to pay for items in the budgets set forth in Schedule B, such amounts will be repaid to such fund out of common charges collected.

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

XXIII. MANAGEMENT SERVICES

Sponsor will enter into an agreement with Robert Fabian, doing business as JND Management, to manage the Condominium for Fifteen (15) years. The fee for the first year's service shall be $14,000 payable in monthly installments plus customary fees for minor services. This fee is comparable to the prevailing cost of such services in the area for similar buildings. Mr. Fabian is one of the principals of the Sponsor herein. Pursuant to the Federal Co-op and Condominium Abuse Relief Act, The Board of Managers may cancel this agreement on the date which Sponsor's control is terminated or the date which Sponsor owns less than 25% of the Units, whichever occurs first. The duties of the Managing Agent shall include but not be limited to :

1. Bill and collect Common Charges and if so determined , to demand and sue for any Common Charges that may be outstanding by a Unit Owner.

2. Cause the Condominium to be maintained, repaired or altered as may be advisable or necessary, including snow removal, landscaping and exterminating.

3. Engage and pay all help or employees which the Board of Managers may deem necessary to operate and maintain the premises.

4. Purchase all supplies and equipment, provide all services necessary and to obtain and pay for insurance, etc., as the Board of Managers may determine.

5. Maintain the Condominium books and prepare an annual report of the Condominium, including a balance sheet and profit and loss statement verified by an independent certified accountant.

6. Furnish monthly reports of receipts and disbursement to the President and Treasurer of the Condominium.

All expenses incurred in connection with the management of the Condominium will be paid by the Unit Owners as a common expense.

All officers and Board members of the Condominium will be insured at all times from and after the first closing of title to a Residential Unit pursuant to Directors and Officers liability insurance in the amount of $ 1,000,000 as well as Employee Dishonesty Insurance in the amount of $ 25,000 both in favor of the Condominium for each loss. The cost of said insurance has been included in the budget of Common Charges payable by all Unit Owners.

The Managing Agent's responsibility for supervising repairs and alterations to the Common Elements is limited to those routine repairs and incidental alterations required in the course of the ordinary maintenance and care of the Common Elements. Non-emergency repairs and alterations involving an expenditure in excess of $500 for any one (1) item will be made only with the prior approval of the Board of Managers.

XXIV. IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan and the Selling Agent is Fabian Builders HRPT, LLC, a New York Limited Liability Company organized and formed on July 30, 2001 with an office at 59-05 59th Drive, Maspeth, New York. The principals of the Sponsor are Henry Fabian, Robert Fabian, Paul Fabian, and Thomas Fabian.

Henry Fabian, Robert Fabian, Paul Fabian and Thomas Fabian are real estate developers and General Contractors having between sixteen and fifty years of experience. They have developed several rental and sale projects in the area during this time. They were also the principals of the developer Metrose Gardens, LLC, which was the Sponsor of The Metrose Gardens Condominium which was completely and fully sold under CD01-0091.

In addition to development experience, Robert Fabian has five years of property management experience as President of JND Management Co., Inc. and Paul Fabian is licensed real estate broker and President of P & C Realty Group, Inc. since 1987.

Selling Agent

The firm of P&C Realty Group, Inc., 59-05 59th Drive, Maspeth, NY 11378 has been engaged by the Sponsor as the exclusive selling agent. The firm is duly licensed under the laws of the State of New York as a real estate broker and is experienced in the sale of condominiums in the Metropolitan area. The principal of said company, Paul Fabian, is also a principal of the Sponsor.

Attorneys

Henry F. Camuso, Esq. 147 Remsen Street, Brooklyn, New York 11201, counsel of the Sponsor, has been selected by the Sponsor to represent the Condominium in connection with all legal matters incidental to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The Condominium can at any time choose to select a different attorney to represent it.

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein and the preparation of this Offering Plan have been passed upon for the Sponsor by Henry F. Camuso, Esq. Mr. Camuso will also represent the Sponsor in connection with the individual Residential Unit closings and will act as the Escrow Agent as described on page 19.

Insurance

The estimated insurance rates have been passed upon by Chester Agency, Inc., 497 Westbury Avenue, Carle Place, NY 11514. The aforementioned estimate has been included in this Offering Plan in reliance upon the opinions of said agency and upon its authority as an expert but the Sponsor has no knowledge that this estimate is not correct.

Architect

The architect who prepared the report in Part II and who executed the Certification in Part II is Gerald J. Caliendo, R.A., 108-18 Queens Blvd., Forest Hills, New York. Mr. Caliendo has served the building industry in the New York Metropolitan area for over ten years and has been the architect for numerous condominium developments during that time. He has no relationship with the Sponsor or its principal.

XXV. REPORTS TO UNIT OWNERS

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

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor remains in control of the Board of Managers;

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

(iii) a copy of the proposed annual budget of the Condominium; such budget shall be certified while the Sponsor remains in control of the Board of Managers.

XXVI. DOCUMENTS ON FILE

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

XXVII. GENERAL

Pending Litigation

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

Prior Offerings

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

Non-Discrimination

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

Amendment of Plan

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

XXVIII. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property set forth in Part II of the Plan.

Date of Offering Plan:

Brooklyn, New York

Fabian Builders HRPT, LLC
Sponsor

OFFERING STATEMENT

THE ELMWOOD GARDENS CONDOMINIUM

90-20 55th Avenue
Elmhurst, New York 11373

PART II

PURCHASE AGREEMENT

90-20 55th Avenue Unit No._____ Date_____

Anticipated Closing Date_____

Seller: **Fabian Builders HRPT, LLC**

Address: **59-05 59th Drive, Maspeth, New York**

Purchaser: _____

Home Address: _____

_____

Telephone Number(s): _____

Social Security Number:_____

Seller and Purchaser agree as follows:

1) **DESCRIPTION OF UNIT** - Seller shall sell to Purchaser and Purchaser shall buy from Seller the above condominium unit (the "Unit") together with a _____ percent undivided interest in the common elements of the condominium known as The Elmwood Gardens Condominium (the "Condominium") as described in the declaration of condominium to be recorded in the Register's Office of New York City, Queens County. The Unit shall also include the following:

_____

_____

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

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

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

On the signing of this agreement, the receipt whereof is hereby acknowledged; $_____

Builder upgrades (see attached addendum) $_____

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

Loan in that amount, to be procured by the Purchasers in accordance with paragraph 8 herein, the proceeds of which shall be turned over to the Seller. $_____

TOTAL $_____

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

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

ALL PAYMENTS AT CLOSING ARE TO BE MADE BY GOOD UNENDORSED CERTIFIED CHECK OR BANK CASHIER'S OR OFFICIAL CHECK PAYABLE DIRECTLY TO THE ORDER OF SELLER OR SELLER'S DESIGNEE AND DRAWN ON A BANK WHICH IS A MEMBER OF THE NEW YORK CLEARING HOUSE. UNCERTIFIED CHECKS OF A FUNDING COMPANY OR ATTORNEY'S ESCROW ACCOUNT WILL NOT BE ACCEPTED BY SELLER ON ACCOUNT OF PROCEEDS DUE FROM PURCHASER.

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

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

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

4) **CHANGES** - In building the Unit and performing any other work to the Unit or on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model or building plans provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color, design and location of any building and landscaping and grading of the Property; (c)determine elevation and location of foundations (including reversal of Unit layout), walks and driveways to conform with topographical conditions; (d) determine the location and type of Unit to be constructed in a particular building; (e) fix the location and setbacks of all buildings; (f) determine the ultimate Unit type mix to be constructed in the development; and (g) determine whether existing trees, shrubs and other plant life are to be removed. Seller shall notify Purchaser of any major changes, specifications, deviations, additions or deletions which are beyond the scope of those set forth in subsections (a) through (g) above ("Extraordinary Changes"). If Seller notifies Purchaser in writing of any Extraordinary Changes, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval thereof within 10 days from date of the notice by Seller. Upon receipt of Purchaser's disapproval, Seller may, within 30 days thereafter, give Purchaser written notice withdrawing its proposed Extraordinary Changes, in which case Seller shall thereafter continue with its development activities without the Extraordinary Changes. If Seller fails to give Purchaser notice of withdrawal within such 30 day period, Purchaser may declare this contract null and void by so notifying Seller in writing delivered to Seller no later than 45 days after having delivered Seller the original notice of disapproval, whereupon Seller shall promptly return to Purchaser all monies paid by Purchaser to Seller on account of the purchase price and thereafter neither party shall have any further liability or obligation to the other in connection with this contract or transaction.

5) **GOVERNMENTAL REQUIREMENTS** - If after the date of this contract, any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Unit and shall be payable by Purchaser to Seller at Closing (defined below), provided, however, that if the amount of such additional cost exceeds $1,000 then Purchaser may cancel this contract and receive a full refund of all payments made to Seller on account of the purchase price, whereupon neither party shall have any further

liability or obligation to the other in connection with this contract or transaction. However, such right to cancel this contract shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within 10 days after Seller informs Purchaser of the amount of the additional expense.

6) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER-**
The act of transferring ownership of the Unit in return for payment in full of the purchase price and all other sums due from Purchaser under this contract is known as "Closing", and shall take place at such time and place and on such date as Seller shall designate to Purchaser by prior written notice ("Notice for Closing"), which shall be given to Purchaser (i) no less than 30 days before the date set for Closing in the event Purchaser enters into this contract prior to the Plan being declared effective, or (ii) no less than 15 days before the date set for Closing in the event Purchaser enters into this contract after the Plan is declared effective. Purchaser may waive the applicable notice period by execution of a waiver in the form set forth as Exhibit D-4 to the Plan.

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

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

If this contract is subject to Purchaser's ability to obtain a mortgage loan commitment, Seller may delay completion of the Unit until after a written mortgage loan commitment has been issued, Purchaser has signified acceptance of it as required by the lender, Seller has received a copy thereof and Purchaser has sold all assets as required by the commitment.

If Purchaser is not in default under this contract and Closing has not taken place within nine (9) months after the date of this contract (except for delays due to labor trouble, acts of God, war, lockout, military operation, national emergency, public utilities, installation, approvals of applicable municipal authorities, governmental restriction preventing Seller from obtaining necessary supplies and/or materials, or any other circumstances beyond Seller's control in which event the period shall be extended to 12 months), either Seller or Purchaser may cancel this contract by forwarding written notice of cancellation to the other no later than 10 days after expiration of such nine (9) or twelve (12) month period (whichever is applicable) whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section IX of the Plan, all payments made by Purchaser to Seller on account of the purchase price and neither party shall thereafter have any further liability or obligation to the other in connection with this contract or transaction.

7) **TRUST FUNDS** - All deposits, down payments or advances towards the purchase price made by purchasers prior to closing shall be held in a segregated escrow account held by Henry Camuso, Esq., 147 Remsen Street, Brooklyn, NY 11201 pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Exhibit "L" of the Offering Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section IX of the Offering Plan. Said funds shall be held in an Interest-on-Lawyers Account pursuant to Judiciary Law Section 497 in an account entitled "Henry Camuso, Esq., IOLA Account for the Benefit of The Elmwood Gardens Condominium" at Signature Bank, 26 Court Street, Brooklyn, New York 11201. Pursuant to Judiciary Law, Section 497, all interest earned in the IOLA account will be paid to the State of New York. All instruments shall be made payable to or endorsed to the order of Henry Camuso, Esq. as escrow agent. The deposit by the escrow agent of the Purchaser's down payment into the escrow account shall not be deemed acceptance of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or his authorized agent. In addition, although all funds received by Seller for upgrades or extras to the Unit will initially be placed in the escrow account, such funds may be released from the escrow account as long as the Sponsor uses the funds for such upgrade or extra. At Closing, the down payment shall be paid to Seller upon consummation of the closing, and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at closing. In addition, Purchaser shall execute the release form annexed to and made a part of the Purchase Agreement as Schedule D-3.

8) **MORTGAGE LOAN/ RESIDENTIAL UNIT** -

(a) Purchaser shall apply for a conventional mortgage loan from a lender designated by Seller (the "Lender") in the sum of not more than $_____ to be repaid over a term of at least 15 years but not more than 30 years at such fixed, variable or adjustment rate of interest which such Lender may lawfully charge and subject to such other terms and conditions as the Lender may lawfully require. Seller hereby designates_____ as the Lender to which Purchaser's mortgage loan application is to be made. **HOWEVER, SELLER DOES NOT REPRESENT THAT IT CAN OR WILL PROVIDE OR OBTAIN A MORTGAGE LOAN FOR PURCHASER.** Not later than 5 days after the date of this contract, Purchaser shall complete and submit a full and accurate application for the mortgage loan. Thereafter Purchaser shall diligently submit such financial and other information as the Lender may require from time to time and do all things necessary on Purchaser's part to qualify for, obtain and close such mortgage loan. This contract shall terminate automatically upon rejection of Purchaser's mortgage loan application by the Lender, and Purchaser shall give Seller immediate notice of such rejection. Upon receipt by Purchaser of Lender's written commitment or letter of approval granting Purchaser a mortgage loan in the amount and for the time period set forth in this paragraph (8), (the "Commitment"), Purchaser shall accept the Commitment, pay all application, origination, commitment, appraisal and other fees and charges as and when required by the Commitment, and deliver to Seller a true and complete copy of the Commitment signed by Purchaser. **THE OBLIGATION OF PURCHASER TO ACCEPT AND SIGN THE COMMITMENT AND DELIVER A COPY TO SELLER PROMPTLY AFTER RECEIPT IS OF THE ESSENCE OF THIS CONTRACT, THE FAILURE OF WHICH SHALL CONSTITUTE A MATERIAL BREACH OF THIS CONTRACT.**

If the Lender fails to issue its Commitment to Purchaser within 45 days after the date of this contract or within such longer period of time as Seller may hereafter expressly grant by notice to Purchaser, either party may cancel this contract only if at the time notice of cancellation is given, the Lender has still not issued its Commitment to grant the mortgage loan. Notwithstanding the foregoing, it is an express condition to Purchaser's right to cancel that Purchaser has strictly complied with all obligations imposed on Purchaser under this contract or by the Lender with respect to Purchaser's mortgage loan application. To cancel, the canceling party must give written notice of cancellation to the other party within ten (10) days after the expiration of the forty-five (45) day period, **Time Being Of The Essence**, whereupon Seller shall refund the down payment. Thereafter, this contract shall be deemed canceled and neither party shall have any further liability or obligation to the other in connection with this contract or transaction.

Notwithstanding the foregoing, if the Lender is willing to issue a Commitment for a lower mortgage loan than the amount applied for by Purchaser, Purchaser shall accept such reduced mortgage loan Commitment provided it is reduced by not more than 5% below the amount originally applied for by Purchaser.

All fees, costs, charges and expenses which may arise by reason of Purchaser's mortgage loan application and mortgage loan closing, shall be borne exclusively by Purchaser.

Notwithstanding anything in this contract to the contrary, upon the issuance of a Commitment by Lender prior to cancellation of this contract as above provided, this transaction and sale shall thereby automatically be rendered firm and unconditional.

(b) The mortgage loan contingency contained in this paragraph (8) shall be deemed fulfilled, and this contract shall be considered firm and binding on Purchaser even though the Commitment contains conditions to be satisfied by Purchaser as a prerequisite to funding the mortgage loan including, but not limited to (i) proofs and confirmations regarding the credit-worthiness of Purchaser or any co-applicant and existing bank accounts of Purchaser or any co-applicant and any balances thereof, (ii) continued employment of Purchaser or any co-applicant, (iii) sale of any house, property or other asset required to be sold by Purchaser or any co-applicant and (iv) satisfaction of a debt by Purchaser or any co-applicant. **THE RISK OF COMPLYING WITH ALL CONDITIONS OF THE COMMITMENT IN SUFFICIENT TIME TO BE ABLE TO CLOSE TITLE AT THE TIME, PLACE AND DATE SET FORTH IN SELLER'S NOTICE FOR CLOSING, IS EXCLUSIVELY ON PURCHASER, AND THE FAILURE OF THE LENDER TO FUND THE LOAN BECAUSE OF PURCHASER'S FAILURE TO COMPLY WITH ALL CONDITIONS OF THE COMMITMENT, REGARDLESS OF CIRCUMSTANCE, SHALL NOT EXCUSE PURCHASER FROM CLOSING TITLE AND PAYING THE BALANCE OF ALL SUMS DUE UNDER THIS CONTRACT ON THE DATE SET FORTH IN SELLER'S NOTICE FOR CLOSING**. In addition, if the commitment is conditioned upon the sale of any asset, even though the failure to sell such asset will not excuse Purchaser from completing the purchase of the Premises, the failure of Purchaser to sell such asset within 45 days after the date of the commitment shall constitute a default by Purchaser under this contract for which Seller may cancel this contract and be entitled to the remedies and retention of monies as provided in paragraph (24). Upon such cancellation of this contract, Seller shall be released and discharged of all further liability and obligations to Purchaser under this contract. Thereafter the Premises

may be sold or disposed of as though this contract had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale.

(c) If the Commitment expires prior to the Closing, Purchaser shall obtain renewals or extensions of the Commitment through the date of Closing on such terms and conditions and at such interest rate as the Lender may require, and shall pay any fees and charges required to so renew or extend the Commitment.

(d) If required by the Lender, Purchaser shall also pay in full and discharge, prior to Closing, all outstanding obligations and judgments. If Seller has advanced to the Lender any fees or charges on Purchaser's behalf, then in addition to all other sums payable or reimbursable by Purchaser to Seller at or before Closing, Purchaser shall reimburse to Seller as and when demanded by Seller, all such fees and charges so advanced. Purchaser hereby authorizes release to Seller and/or Lender, all financial, employment and other information relative to Purchaser's mortgage loan application.

(e) If the Commitment is conditioned upon execution of the mortgage loan documents by a co-borrower, the entire risk of the failure of such co-borrower to co-sign the mortgage loan documents shall be upon Purchaser.

(f) **THIS MORTGAGE CONTINGENCY PROVISION IS ONLY APPLICABLE IF PURCHASER APPLIES FOR THE LOAN TO THE LENDER DESIGNATED BY SELLER. ALTHOUGH PURCHASER IS FREE TO OBTAIN A MORTGAGE LOAN COMMITMENT OR MORTGAGE LOAN FROM ANY LENDER NOT DESIGNATED BY SELLER. IF PURCHASER APPLIES TO A LENDER NOT DESIGNATED BY SELLER AND FAILS TO OBTAIN A LOAN FROM SUCH OTHER LENDER AND CANNOT CLOSE TITLE BECAUSE THE LOAN WAS NOT GRANTED, SELLER MAY DECLARE PURCHASER IN DEFAULT AND RETAIN IN MONIES AS PROVIDED IN PARAGRAPH 24.**

9) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be the usual Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (g) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State transfer tax) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Seller shall give and Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this contract, as Fidelity National Title Insurance Company of New York through STG Associates, Inc., 46 Carnation Avenue, Floral Park, New York, (516) 488-8811, is willing to approve and insure without additional premium. At Purchaser's sole discretion, Purchaser may obtain title insurance from any other title insurance company or Purchaser may decline to obtain any title insurance at all. **HOWEVER, SHOULD PURCHASER USE A TITLE COMPANY OTHER THAN FIDELITY NATIONAL TITLE THROUGH STG ASSOCIATES, INC., PURCHASER SHALL PAY SELLER'S ATTORNEY A FEE IN THE AMOUNT OF $500.00 FOR ITS SERVICES RENDERED IN CONNECTION WITH ITS REVIEW OF THE TITLE REPORT AND CLEARANCE OF ANY TITLE EXCEPTIONS. IN ADDITION, SELLER SHALL NOT BE**

OBLIGATED TO CAUSE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIDELITY NATIONAL TITLE THROUGH STG ASSOCIATES, INC.) TO OMIT ANY EXCEPTION TO TITLE IF FIDELITY NATIONAL TITLE THROUGH STG ASSOCIATES, INC. IS WILLING TO INSURE PURCHASER'S TITLE WITHOUT SUCH EXCEPTION OR AGAINST ENFORCEMENT OF SUCH EXCEPTION. Purchaser shall be responsible to pay the title company the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State transfer tax and New York City transfer tax. The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

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

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

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

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

(e) The Declaration and By-Laws of the Condominium.

10) **CONSTRUCTION LOAN MORTGAGE** - This contract is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this contract, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

11) **CONDITION OF UNIT ON CLOSING DATE** - Seller and Purchaser shall close title even though there are things remaining to be done by Seller at the Unit, provided a Certificate of Occupancy for the Unit (or building in which it is located) has been issued and Seller gives Purchaser a written list at the time of Purchaser's final inspection of the Unit which sets forth the incomplete items and provides for completion within 3 months after Closing, weather and circumstances permitting. This paragraph shall survive delivery of the deed.

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

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

14) **PURCHASER MAY NOT ERECT SIGNS ON RESIDENTIAL UNIT-** Purchaser shall not place any sign, anywhere on the Unit or Property at any time without Seller's or Board of Manager's prior written consent. This paragraph shall survive delivery of the deed.

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

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

17) **NO BROKER CONSULTED BY PURCHASER** - Purchaser warrants that Purchaser did not employ or consult with any broker or agent other P&C Realty Group, Inc. in connection with this transaction. This paragraph shall survive delivery of the deed.

18) **REQUIRED PAPERS AND ACTS-** Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and prior to the issuance of a permanent Certificate of Occupancy, a Bureau of Electrical Control Certificate for the Unit will be delivered to the Building Department of the City of New York. This Paragraph 18 shall survive delivery of the deed.

19) **ASSIGNMENT OF RECORDING PROHIBITED** - Neither this contract nor Purchaser's interest hereunder may be assigned by Purchaser. Nor shall this contract or any memorandum thereof be recorded in any county clerk's office by Purchaser or anyone on Purchaser's behalf.

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

(a) inspections;
(b) appraisals
(c) survey fee of $450;
(d) water meter fee of $650
(e) title examination and policy insuring the Lender's interest;
(f) Lender's attorneys' fees for preparation of all loan documents;
(g) all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(h) mortgage recording taxes;
(i) governmental charges which may be assessed on account of the mortgage loan;
(j) New York State real estate transfer tax on the deed;
(k) New York City transfer tax;
(l) all recording and filing charges payable to any public official;
(m) advance sewer use payments, if any;
(n) a sum equal to the partial mortgage tax credit to which Seller may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
(o) an initial non-reimbursable capital contribution of two month's common charges to the condominium;
(p) recordation or filing of the Power of Attorney to be executed by Purchaser at Closing;
(q) amount equal to $950 as partial reimbursement of Seller's cost in obtaining partial tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law;
(r) Seller's attorneys fees in the amount of $750 (a travel fee may also be imposed as set forth in Section XIII of the Plan).
(s) a sum equal to 3% of the purchase price payable to the Selling Agent.

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

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

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

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

22) **OPTIONS AND COLOR SELECTIONS** -Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within 10 days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such 10 day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice. If, as may be permitted under this contract, Purchaser is given an allowance for or opts to have performed or installed by someone other than Seller, any work, fixtures, appliances, equipment or materials at the Unit, Purchaser shall give Seller written notice of all contractors, tradesmen, suppliers and other vendors with whom Purchaser has contracted for such work, fixtures, appliances, equipment or material, such notice to be given within 5 days after placing each such order. If the Lender which grants the mortgage loan to Purchaser requires an escrow deposit to secure performance and/or completion of such work or installation of such fixtures, appliances, equipment or materials, Purchaser shall post such escrow deposit from Purchaser's own funds or reimburse to Seller at Closing, if Seller posts such escrow deposit, an amount equal to the escrow deposit so posted by Seller, whereupon Seller shall, if appropriate, give to Purchaser an assignment of Seller's interest in such escrow deposit to the extent of the reimbursement received from Purchaser. Nothing herein shall be construed as consent by Seller to Purchaser for the performance or installation of any such work, fixtures, appliances, equipment or materials prior to Closing.

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

24) **PURCHASER'S DEFAULT-** If Purchaser fails to appear and close title in accordance with this contract on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this contract, Seller may send Purchaser a written notice of default giving Purchaser 30 days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such 30 day period this contract shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the purchase price plus all additional sums paid and/or payable by Purchaser for all extra work and extra items ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable. The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section IX of the Offering Plan. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH 30 DAY PERIOD.** Upon cancellation of this contract for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this contract. Thereafter the Unit may be sold or disposed of as though this contract had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this contract or at law for any default by Purchaser under this contract.

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

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

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

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

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

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

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

Upon such cancellation and refund, neither party shall thereafter have any further liability or obligation to the other in connection with this contract or transaction. The Escrow Agent shall be permitted to release the funds being held in escrow if Purchaser is entitled to a refund as a result of one (1) of the above events.

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

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

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

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

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

(iii) upon personal delivery actually being made, and

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

30) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this contract shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by

Purchaser of any and all obligations to be performed by Purchaser under this contract irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this contract or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this contract or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this contract or the Plan.

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

32) **LIMITED WARRANTY - THE LIMITED WARRANTY SET FORTH IN SCHEDULE D-2 ANNEXED HERETO AND INCORPORATED HEREIN BY REFERENCE (THE "LIMITED WARRANTY") IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY AS DEFINED IN ARTICLE 36-B OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT, WHICH EXTEND BEYOND THE FACT THEREOF.**

PRIOR TO THE OF EXECUTION OF THIS CONTRACT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SELLER HAS SUPPLIED TO PURCHASER FOR EXAMINATION AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY. THIS PARAGRAPH 32 SHALL SURVIVE DELIVERY OF THE DEED. THE ATTORNEYS REPRESENTING THE SELLER OR ANY LENDER REPRESENT SUCH PARTIES ONLY AND NOT THE PURCHASER. THE PURCHASER MAY RETAIN INDEPENDENT COUNSEL AT PURCHASER'S OWN EXPENSE IN ORDER TO PROTECT PURCHASER'S OWN INTEREST.

FABIAN BUILDERS HRPT, LLC

By:_____

Purchasers:

_____ _____

Signature Social Security Number

_____ _____

Signature Social Security Number

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

RIDER TO PURCHASE AGREEMENT DATED . 20 BY AND BETWEEN FABIAN BUILDERS HRPT, LLC, AS SELLER, AND , AS PURCHASER,

LIMITED WARRANTY

NAME OF PURCHASER(S):	_____
ADDRESS OF PURCHASER(S):	_____
DESIGNATION OF UNIT WARRANTED:	_____
NAME OF SELLER:	**FABIAN BUILDERS HRPT, LLC**
ADDRESS OF SELLER:	59-05 59th Drive Maspeth, New York 11378
EFFECTIVE DATE OF THIS LIMITED WARRANTY:	The date that Purchaser or its family shall first occupy the Unit warranted or the date of delivery of the deed to such Unit to Purchaser, whichever occurs first.
SELLER'S LIMIT OF TOTAL LIABILITY:	50% of the purchase price of the Unit less any insurance proceeds received by Purchaser.

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

1. To Whom Given. This Limited Warranty is given to the Purchaser named on this page 1 while the Purchaser owns the Unit. **IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE UNIT, ANY ONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.**

2. By Whom Made. This Limited Warranty is made exclusively by the Seller whose name and address appear on this page 1.

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

All defects found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will be signed by the Purchaser and the Seller before occupancy of the Unit or delivery of the deed.

4. Warranty Coverage and Periods. The Warranty Period for all of the following coverage begins on the Effective Date of this Warranty shown on page 1 of this warranty.

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of this warranty, the Unit will be free from latent defects that constitute:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller; or

(d) defective installation of appliances sold as part of the Unit by the Seller or an agent, employee or subcontractor of the Seller.

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

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of this warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

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

The Electrical System refers to all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System refers to all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

Except by reason of a defect in installation by Seller, this major system coverage does not include defects in appliances, fixtures and items of equipment.

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

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of this warranty, the Unit will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or

(c)defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

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

Damage to the following non-load bearing portions of the Unit are not covered by this six-year coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

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

In all coverage under this Paragraph 4, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Unit is located, in effect on the date that the building permit for the Unit was issued, as supplemented by the annexed locally accepted building standards and practices.

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

5. Exclusions From All Coverage. The following are not covered by this warranty:

(a) patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to the Effective Date of this warranty ought to have revealed;

(b) defects in carports; swimming pools and other recreational facilities, if any; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); and any other improvements not a part of the Unit itself;

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

(d) defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors and for incidental or consequential damages resulting from such work or materials;

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

(f) damage caused by the misuse, abuse, or interference by Purchaser or anyone other than Seller or its employees, agents and subcontractors with the Seller's original construction or installations;

(g) additional damage caused by the failure of the Purchaser to give notice to the Seller of any defects or damage in a timely manner as provided in this warranty;

(h) damage caused by changes in grade made by anyone other than the Seller, its employees, agents or subcontractors and damage caused by changes in grade made by Seller's agents and subcontractors if such work was ordered directly by Purchaser;

(i) damage caused by changes, alterations or additions made to the Unit by anyone other than Seller or its employees, agents or subcontractors after the Effective Date of this warranty;

(j) damage caused by changes, alterations or additions made to the Unit by Seller's agents and subcontractors if such work was ordered directly by Purchaser after the Effective Date of this warranty;

(k) damage caused by dampness or condensation due to the failure of the Purchaser to maintain adequate ventilation;

(l) loss or damage caused by or resulting from accidents, riot and civil commotion fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, soil movement and changes in the underground water table;

(m) loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(n) any damage which Purchaser has not taken timely action to minimize;

(o) normal wear and tear and normal deterioration;

(p) insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests;

(q) bodily injury, death, or damage to personal property;

(r) costs of shelter, transportation, food, moving, storage or other expenses related to relocation during repair or replacement;

(s) consequential, incidental, special and indirect damages;

(t) any claim not filed in a manner set forth in paragraph 7 of this warranty;

(u) damage which arises while the Unit is being used for nonresidential purposes;

(v) damage due to abnormal loading on floors which exceeds design loads as mandated by the applicable building code or building standards; and

(w) damage to the roof or any other exterior part of a Unit or building the Unit is located in as a result of icedams.

6. What Seller Will do in the Event of a Defect Covered by This Warranty. If a defect occurs in an item covered by this warranty, the Seller will repair, replace, or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s), within sixty (60) days after the Seller's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Seller's control. The choice among repair, replacement or payment is solely that of the Seller. In making any repairs or replacements, Seller shall have the right to select the method and materials to be used in performing such repairs or replacements.

Seller's liability under this warranty is limited in the aggregate to the amount listed on page 1 of the warranty.

Repair of damage to the load-bearing portions of the Unit will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Unit unsafe, unsanitary or otherwise unlivable.

7. Step by Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Seller no later than the tenth (10th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Seller by certified or express mail, return receipt requested. If this form shall not properly be completed and received by the Seller by that deadline, the Seller will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. **COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM IN A TIMELY MANNER IS NECESSARY TO PROTECT THE RIGHTS OF THE PURCHASER UNDER THIS LIMITED WARRANTY.**

(b) No steps taken by the Seller, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Warranty. No steps taken by the Seller in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Seller to Purchaser in connection with such claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Seller and the Seller's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to the Seller and the Seller's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement. Failure by Purchaser to provide such access shall invalidate this warranty with respect to the defect(s) set forth on the Notice of Warranty Claim.

(d) The Seller will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Seller will determined whether to accept or reject the claim. If the Seller rejects the claim, the Seller will give written notice of that decisicn to the Purchaser at the address shown on the Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action

within a reasonable period of time under the circumstances. The Seller will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacements of defects necessary are subject to weather conditions, availability of materials, and other events beyond the Seller's control.

8. Legal Actions. (a) No claim under this warranty may be commenced or asserted against Seller in any lawsuit unless a properly completed Notice of Warranty Claim form has been received by the Seller in the time period set forth in paragraph 7 of this warranty.

(b) No lawsuit against the Seller under this warranty may be commenced more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Seller has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Builder has substantially completed corrective action for a defect with respect to such defect.

9. Miscellaneous Provisions. (a) To the extent any coverage under this warranty applies to common elements of a condominium, such coverage shall be deemed given to the Board of Managers of the condominium.

(b) This warranty may not be amended in any way without Seller's prior written consent in each instance.

(c) If any provision of this warranty will not be enforced by an appropriate court, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

(e) This warranty shall be governed in accordance with the laws of the State of New York.

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser:

To ask the Seller to correct a defect in your Home that you think is covered by the Seller's Limited Warranty, you must complete this form and deliver it to the Seller. This is necessary to protect your rights to warranty performance under the Limited Warranty.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any items blank.

Your Name: _____

Mailing Address: _____

_____

Phone: _____

Home No.: _____

Effective Date of the Warranty: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

_____ _____

(signature) (date)

_____ _____

(signature) (date)

This completed and signed form must be sent to Seller at its address listed on the first page of the Warranty by certified or express mail, return receipt requested.

PERFORMANCE STANDARDS

The following performance standards are the accepted standards for all homes to be built.

While these performance standards define the builders' responsibility, they shall not apply and the builder shall not be responsible for items installed or modified by the owner, or their agents, or for items subject to neglect or abnormal or improper use. Unnecessary service calls or service calls caused by misuse, modification, abuse or changes from original installation and construction shall result in a service call charge to the homeowner at the prevailing rate for such charge at the time it is made.

In no event shall the builder be responsible for the partial or total death of any trees, shrubs, bushes, or any other landscape improvements. Healthy stock is planted initially.

In no event shall the builder be responsible for normal lumber shrinkage and any ramifications caused by same, e.g. ridging floor over "built up" double or triple floor beams, etc. or shrinkage of floor or ceiling beams.

Accepted Standards

The performance standards list specific items (defects) within each separate area of coverage. The first section covers workmanship and materials; the second section covers systems. These standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

Possible deficiency - a brief statement, in simple terms, of problems that may be encountered.

Performance standard - A performance standard relating to a specific deficiency.

Responsibility - A statement of the corrective action required of the builder to repair the deficiency or a statement of the Home Owner's maintenance responsibility.

Workmanship and Materials, First Year Only -

1. Site work
2. Concrete
3. Masonry
4. Wood and Plastic
5. Thermal and Moisture Protection
6. Doors and Windows

7. Finishes
8. Specialties
9. Equipment
10. Plumbing
11. Heating and Cooling
12. Ventilation
13. Electrical
14. Roofing

Systems (First and Second Year):

Plumbing, electrical, heating, cooling and ventilation shall mean:

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

b. In the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. In the case of heating, cooling and ventilation systems: all duct work, steam, water, and refrigeration lines, registers, convectors, radiation elements and dampers.

Major Structural Material Defects:

"Material defect" means actual physical damage to the following load bearing portions of the home caused by failure of such load bearing portions which affects their load bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems, and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

PART I.

GENERAL ELECTRICAL, PLUMBING, MECHANICAL AND STRUCTURAL STANDARDS

A. Mechanical, plumbing, structural and electrical standards shall be governed by the New York City Building Code.

B. The issuance by the appropriate authorities of any document indicating evidence of compliance, shall be deemed evidence of the builder's compliance. Use of the building must always comply with the Certificate of Occupancy issued at title closing to the first purchaser.

C. Appliances, Fixtures and Equipment:

a. Appliances, fixtures and equipment (including their fittings, attachments, controls and appurtenances) shall include but not be limited to furnaces, humidifiers, air purifiers, air handling equipment, ventilating fans, air conditioning condensers and compressors, water heaters, boilers, pumps, stoves, automatic garage door openers, washers and dryers, bath tubs, sinks, commodes, faucets and fittings, light fixtures, light switches, convenience outlets, circuit breakers, thermostats and controls.

b. The warranty period for appliances, fixtures and equipment (including their fittings, attachments, controls and appurtenances) for which there is no written manufacturer's warranty shall be one year. The initial warranty period for appliances, fixtures and equipment on those items where a manufacturer's warranty is provided by the manufacturer is the builder's warranty under these performance standards and shall be limited to the duration of the manufacturer's warranty but in no event shall the builder's responsibility under these performance standards exceed one year. (This does not, however, limit to one year the stated period of the applicable manufacturer's warranty where such warranty exceeds one year.)

PART II.

QUALITY STANDARDS

General workmanship and material defects are guaranteed under the initial warranty period. The following quality standards are intended to define the specific limits of permissible defects in materials and general workmanship. These performance standards have been developed after careful analysis of building custom and practice within this jurisdiction. These performance standards may be periodically supplemented; however, if a buyer complaint on a warrantable item should arise which is not governed by any specific performance standard, then determination of builder responsibility through conciliation and arbitration shall be made on the basis of good industry practice within the jurisdiction where the home is situated.

These performance standards represent the basis for determining the validity of all home buyer complaints relating to defective materials and workmanship during the initial one year warranty program. If any specific performance standard listed below conflicts with any of the general standards set forth in Part I, then that standard which requires a greater quality of performance shall govern.

I. SITE WORK

A. Site Drainage

1. Improper draining and water runoff from the site.

Approved Standard: The builder shall be responsible for providing grades and swales to insure proper drainage away from the house as per approved plans, if any. Standing water shall not remain thirty-six hours after a rain, except swales which may drain as long as forty-eight hours. No grading decisions shall be made while there is frost on the ground or while grade is saturated.

Required Remedy: The builder is required to establish proper grades and swales to effectuate proper drainage. It is the owner's responsibility to maintain such grades and swales once they have been properly established by the builder.

B. Backfill and Excavation

1. Settling of the ground around filled areas, including foundation, utility trenches, etc.

Approved Standard: The maximum allowable settling around utility trenches, foundations or other filled areas shall be six inches, and settling foundation shall not interfere with proper water drainage away from the house.

Required Remedy: The builder shall be responsible for refilling any excessively settled areas. The builder's responsibility shall be limited to one such occurrence during the one year warranty period. The builder shall not be held responsible for any grass, shrub or other landscaping affected by such settling or by such additional backfilling.

C. Paved Driveways

1. Polling of water and uneven settling of pavement.

Approved Standard: No standing water more than one inch deep should remain on the paved driveway twenty-four hours after a rain. Improper draining resulting from non-clearance of snow and ice is not the builder's responsibility.

Required Remedy: Builder shall fill in low spots to meet the above standard. However, the builder is not responsible for matching the patch in color or texture to the rest of the driveway.

II. MASONRY

A. Unit Masonry

1. Cracking of foundation and basement walls.

Approved Standard: While it is not unusual for some minor cracking to appear in mortar joints of masonry foundation walls, such cracks are considered excessive if greater than 1/4 inch in width.

Required Remedy: The builder shall repair visible cracks in excess of 1/4 inch by surface

patching, but shall not be responsible for matching color or texture. Any such repairs should be made near the end of the one year warranty period so as to permit stabilization of the normal settling process of the home.

2. Cracks in veneer or masonry walls .

Approved Standard: Cracks greater than 1/4 inch in width are considered excessive.

Required Remedy: The builder shall repair visible cracks in excess of 1/4 inch by surface patching, but shall not be responsible for matching color or texture. Any such repairs should be made near the end of the one year warranty period so as to permit stabilization of the normal settling process of the home.

III. CONCRETE WORK

A. Cast-in-place Concrete

1. Cracks in basement floor.

Approved Standard: Minor cracks in concrete basement floors are not unusual. Cracks exceeding 1/4 inch in width or 1/4 inch in vertical displacement are considered excessive.

Required Remedy: The builder shall repair by surface patching all cracks exceeding maximum tolerances in the performance standard.

2. Cracks in basement or foundation walls.

Approved Standard: While some non-structural cracking is not unusual, such cracks greater than 1/4 inch in width are considered excessive.

Required Remedy: The builder shall repair visible non- structural cracks in excess of 1/4 inch by surface patching. Such repairs should be done once during the first year limited warranty period.

3. Settling, cracking, or heaving of steps or stoops.

Approved Standard: Cracks of less than 3/4 inch are acceptable in concrete stoops; however, steps of stoops should not settle or heave in excess of 1-1/2 inch in relative position to the adjacent house.

Required Remedy: Builder shall repair excessive cracks by surface patching.

4. Cracks in slab floor of attached garage

Approved Standard: Cracks in excess of 1/4 inch in width and 1-1/2 inch in vertical displacement of slab floor of attached garage are considered excessive.

Required Remedy: Builder shall repair excessive cracks as required by any acceptable method.

5. Water staying on stoops

Approved Standard: all water should drain from outdoor steps and stoops.

Required Remedy: Builder shall repair by surface patching to assure appropriate drainage.

6. Cracking in attached patio floors.

Approved Standard: Only those cracks greater than 1/4 inch in width or 1" in vertical displacement are considered to be excessive.

Require Remedy: Builder shall repair by surface patching providing this deficiency has not been caused by freezing fall action which is beyond the control of the builder.

7. Excess caulking or powdering of concrete surface.

Approved Standard: Excessive caulking or powdering of concrete surfaces is not acceptable, but shall not be confused with surface dust.

Required Remedy: The builder shall repair surfaces as necessary, utilizing "proper" resurfacing or coating material.

8. Cracking of concrete slab-on-grade floors greater than 1/4 inch.

Approved Standard: Cracks significantly diminishing performance and/or appearance of the flooring material shall not be acceptable.

Required Remedy: Builder shall repair by surface patching the cracks as necessary to diminish visibility when finish flooring material is in place. Builder is not responsible for color differences or discontinued floor covering patterns.

IV. MOISTURE PROTECTION

A. Shingles and Roofing Tiles.

1. Leaking of the roof or flashing

Approved Standard: Under normal conditions, leaking of roofing or flashing shall not be acceptable.

Required Remedy: Builder shall take corrective action as necessary to repair verified roof or flashing leaks caused by poor workmanship or materials.

B. Waterproofing

1. Leaking of foundation or basement.

Approved Standard: Dampness of foundation or basement walls occurs frequently in newly constructed homes and should not be considered a defect. No leaks producing trickling water shall be acceptable. Any leaking which is caused by faulty landscaping installed by owner or caused by owner's failure to maintain proper grades is not covered by the warranty.

Required Remedy: Except when caused by owner's negligence, builder shall repair leaks as necessary; builder represents and warrants that the basement will remain free of leaks for a period of one year from date of closing under the following terms and conditions;

a. Seller shall repair said leak and/or seepage, if any, in a manner consistent with standard building practices in the City of New York.

b. In the event that all reasonable attempts to repair said leaks shall fail to resolve said problem, Seller shall have the right at Seller's sole discretion to alleviate said leak and/or seepage condition by the installation of a sump pump or similar liquid transfer system; installation of said system shall constitute complete compliance with the terms of Seller's warranty under this clause and purchaser agrees, warrants and recognizes that no cause of action shall lie subsequently to Seller's installation of said pump or similar system. Seller shall provide manufacturer's warranty on said system if available.

c. This warranty shall be void and of no force and effect in the event that leak or seepage is caused by: (I) Act of the Purchaser or (ii) Act of God.

C. Siding and Cladding

1. Cracks in siding and cladding

Approved Standard: cracks in excess of ½ inch in joints of siding or cladding are considered excessive. Frequently, bowing in siding appears as a result of shrinkage and drying of lumber.

Required Remedy: The builder shall correct or repair as necessary open cracks in excess of ½ inch, but shall not be responsible for bowing caused by shrinkage. Corking or wood fillers are acceptable remedies.

D. Membrane roofing

1. Leaking.

Approved Standard: Membrane roofing should not leak under normal conditions.

Required Remedy: The builder shall repair or correct as necessary any verified roof leaks caused by poor workmanship or materials.

E. Flashing and sheet metal.

SEE IV. A. 1.

F. Sealants

1. Inadequate caulking causing leaking in exterior wall.

Approved Standard: Some shrinkage in caulking is not unusual and is acceptable. Caulking around joints and cracks in exterior wall surfaces and openings to exclude entry of water must be properly maintained by the homeowner.

Required Remedy: The builder shall caulk joints, cracks and openings as necessary in exterior wall surfaces to prevent entry of water. Recaulking is a maintenance item to be done by the owner.

I. Louvers and Vents

Possible deficiency: Leaks due to snow or rain driven into the attic through louvers or vents.

Performance Standard: Attic vents and or louvers must be approved for proper ventilation of the attic space of the structure. Builder shall not be responsible if homeowner modifies ventilation as provided by builder.

Responsibility: None

II. Roofing And Siding

1. Possible deficiency: Ice build-up on roof.

Performance Standard: During prolonged cold spells, ice build-up is likely to occur at the eves of a roof. This condition occurs when snow and ice accumulate and gutters and down spouts freeze up.

Responsibility: Prevention of ice build-up on the roof is a homeowner maintenance item.

2. Possible deficiency: Roof or flashing leaks

Performance Standard: Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or homeowner action or negligence.

Responsibility: Builder will repair any verified roof or flashing leaks not caused by ice build-up or homeowner action or negligence.

3. Possible deficiency: Standing water or flat roof.

Performance Standard: Water shall drain from flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.

Responsibility: Builder will take corrective action to assure proper drainage of roof.

G. Plastic And Wood

I. Exterior finish carpentry

1. Unsatisfactory workmanship on exterior trim.

Approved Standard: Cracks in excess of ½ inch in joints between exterior trim elements are considered excessive (this includes siding). Exclusion of the elements is necessary in all cases for exterior trim and siding to be acceptable.

Required Remedy: The builder shall repair as necessary any open cracks in excess of ½ inch by caulking same.

II. Interior Finish Carpentry

1. Unsatisfactory workmanship on interior trim.

Approved Standard: Cracks and or gaps between moldings and joints and adjacent surfaces should not exceed 1/4 inch in width or vertical displacement, except in the case of gaps between base or floor molding and flooring, in which case gaps shall not exceed ½ inch.

Required Remedy: The builder shall repair or correct as necessary defective joints so as to meet the above standard. Shoe molding of quarter round molding may be installed to cover space between floor and base molding.

III. Rough Carpentry

1. Squeaking floors.

Approved Standard: While some squeaking may occur due to normal shrinking in wood floors, excessive squeaking due to loose boards is not acceptable. This also applies to sub-floors as well.

Required Remedy: Builder shall be responsible only for face nailing loose boards. Builder is not responsible for normal squeaking due to shrinkage in wood floors. This applies to subfloors as well.

2. Floors not level.

Approved Standard: Floor slope within any room shall not exceed 1/240 of the room width, and floors should not be more than 1/4 inch out of level within any 32 inch measurement.

Required Remedy: The builder shall repair uneven floors as necessary to meet the above standards.

3. Carpentry

a. Possible Deficiency: Open carpet seams.

Performance Standard: Carpet seams will show. However, no visible gap is acceptable.

Responsibility: Builder will correct.

b. Possible Deficiency: Carpeting becomes loose, seams separate or stretching occurs.

Performance Standard: Wall to wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its point of attachment.

Responsibility: Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by builder.

c. Possible Deficiency: Spots on carpet, minor fading.

Performance Standard: Exposure to light may cause spots on carpet and/or minor fading.

Responsibility: None.

VI. FINISH ITEMS

A. Ceramic Tiles

Approved Standard: Loosening or cracking of ceramic tile unacceptable under normal use conditions.

Required Remedy: (1)The builder shall reseal any loose ceramic tiles and replace any cracked ceramic tiles unless cracking and/or loosening is due to poor owner maintenance or misuse. (2) Grout in joints or junctions with other material (bath, etc.) cracks; ceramic tile cracks. (3) With regard to tile & grout, color and style will be matched as close as possible. Builder shall not be responsible for discontinued patterns or colors.

Approved Standard: Normal shrinkage conditions often result in cracks in the grouting of ceramic tile joints.

Required Remedy: The builder does not warrant against normal shrinkage or separation of ceramic tile grout.

B. Resilient Flooring

1. Appearance of nail "pops" on the surface of the resilient flooring material.

Approved Standard: Easily visible nail "pops" are not acceptable.

Required Remedy: The builder shall repair or replace as necessary only if material used was originally applied and installed from builders samples, but is not responsible for color differences or discontinued floor covering patterns.

2. Appearances of hollow and/or ridges in the resilient flooring due to irregularities beneath floor surface.

Approved Standard: Hollows and/or ridges exceeding 1/8 inch are not acceptable and should be repaired. Determination of hollow or ridge measurement is established by taking the measurement of the gap created at one end of a 6 inch straight edge placed over the hollow or ridge, holding three inches of the straight edge tight to the floor on the other side.

Required Remedy: The builder shall correct or repair as necessary to reduce visibility or irregularity and to bring the defect within acceptable tolerance. The builder is not responsible for color differences or discontinued patterns.

3. Resilient flooring becomes unglued.

Approved Standard: Flooring should not become unglued, causing lifts, bubbles, etc. under normal use and proper maintenance.

Required Remedy: The builder shall repair or reinstall resilient flooring as necessary but shall not be responsible for color differences or discontinued patterns.

4. Appearance of gaps due to shrinkage or seams at joint in resilient flooring.

Approved Standard: Gaps in excess of 1/16 inch in width are not acceptable. Where resilient flooring boarders other material, gaps in excess of 1/2 inch are not acceptable.

Required Remedy: The builder shall correct or repair as necessary, but shall not be responsible for color differences or discontinued patterns.

C. Paint

1. Peeling or degeneration of exterior paint and/or stain.

Approved Standard: While some wearing out of deck paint or stain from traffic is normal, exterior paints and/or stains should not degenerate appreciably during the first year.

Required Remedy: The builder shall appropriately repaint or restain the area so affected, including entire wall or area the majority of such wall or area is affected. However, the warranty on the repainted or restained area shall not exceed the original warranty period. The builder shall match color as closely as possible.

2. Other repair work necessitates painting surrounding area.

Approved Standard: Builder shall refinish area as made necessary by other repairs covered under this warranty, matching surrounding area closely.

Required Remedy: Builder shall refinish areas as may be necessary, matching surrounding areas as closely as possible.

3. Lacquer finish and/or varnish degeneration.

Approved Standard: Interior varnish and lacquer deteriorated within the first year is not acceptable. However, varnish type finished applied on the exterior are not covered by the warranty as they do tend to quickly degenerate.

Required Remedy: The builder shall refinish affected areas of interior natural finished woodwork as necessary, matching colors as closely as possible.

4. Poor quality or defective application of interior paint.

Approved Standard: Where specified, interior paint shall be applied so as to visually cover surfaces (trim, wall, ceiling, etc.) matching color closely.

Required Remedy: The builder shall repaint unacceptable surfaces where necessary to cover underlying surface.

D. Plaster and Lath

1. Cracking appears in stucco wall surfaces.

Approved Standard: Cracks in excess of 1/8 inch in width are not acceptable. However, hairline cracks in stucco wall surfaces are not uncommon. Cracks may appear where stucco abuts other material. These cracks may be repaired by caulk or surface patching.

Required Remedy: The builder shall repair cracks in excess of 1/8 inch as necessary. However, the builder does not warrant color matching.

E. Plaster, Lath, and Gypsum Wallboard.

1. Flaws due to poor quality of workmanship (trowel marks, excess compound, blisters, bubbles, cracks, etc.).

Approved Standard: Cracks in interior wall and ceiling surfaces, nail pops and hairline cracks are not unusual in interior wall and ceiling surfaces and are not the responsibility of the builder. Cracks greater than 1/8 inch in width shall be repaired.

Required Remedy: Builder will repair cracks exceeding 1/8 inch in width one time only, during the first year of the Limited Warranty period. Paint ouch ups, if necessary, with color match as closely as possible.

VII. WINDOWS AND DOORS

A. Windows

1. Windows difficult to open and close or are inoperative.

Approved Standard: Windows shall open and close reasonably easy. Some air inflation is normally noticeable around doors and windows, especially during high winds. It may be necessary for the homeowner to have storm doors and windows installed to provide satisfactory solutions during wind conditions.

Required Remedy: Builder shall take steps as necessary to facilitate proper functioning. Any channel must be kept clean to prevent clogging of weep holes.

B. Wooden Doors

1. Interior passage door warp.

Approved Standard: Warping of full opening interior doors in excess of the National Woodwork Manufacturers Association standard of 1/4 inch is not acceptable.

Required Remedy: Builder shall replace or correct warped doors and refinish if necessary, matching finish as closely as possible.

2. Exterior Door Warps.

Approved Standard: Warping in excess of National Woodwork Manufacturers Association standard of 1/4 inch is unacceptable.

Required Remedy: Builder shall adjust or replace exterior doors as required and refinish if necessary.

C. Garage Doors.

1. Garage door difficult to operate or inoperable.

Approved Standard: Should operate easily and as intended.

Required Remedy: Builder shall adjust or repair garage door as necessary.

D. Seals and Weather Stripping

1. Drafts around windows and doors, except garage doors.

Approved Standard: An unusually great amount of draft produced by doors and windows which don't fit properly, weatherstripping that doesn't fit properly, or open cracks is not acceptable, although some drafting is almost always noticeable around windows and doors, particularly during storms and high winds.

Required Remedy: Builder is required to repair open cracks and to adjust ill-fitting weather stripping, widows and doors excluding garage doors.

VIII. EQUIPMENT

A. Residential Equipment

1. Kitchen drawers, cabinet doors, or other moving parts difficult to operate or inoperable. Equipment can not be misused or damaged by purchaser. Builder will not be responsible for chips and cracks noted following first occupancy, or fading due to over-sunlight exposure.

Approved Standard: All kitchen drawers and cabinet doors should operate reasonably as intended.

Required Remedy: Builder shall adjust or replace operating parts as necessary, matching colors closely.

2. Appearance of chips or surface cracks and/or delamination of high pressure laminated counter tops.

Approved Standard: There should be no chips, cracks, or delamination in counter tops fabricated with high pressure laminate. However, abuse, misuse or damage caused by purchaser voids warranty.

Required Remedy: Builder shall repair or replace equipment as required, matching color as closely as possible.

IX. MECHANICAL

A. Generating Heat or Power

1. Insufficient Heat.

Approved Standard: According to specifications in the ASHRAE handbook, the heating system should be able to produce an interior temperature of 70 degrees F, as measured in the middle of each room at a height of 5 feet above the floor under local winter conditions. The heating system shall conform to the New York State Energy Code.

Required Remedy: Builder shall adjust or repair the heating system as necessary to produce the required temperatures. However, the owner shall be responsible for balancing dampers, registers, radiators, and other minor adjustments, including filter changes and furnace lighting.

B. Refrigeration

1. Insufficient Cooling.

Approved Standard: According to the specifications found in the ASHRAE handbook, under

local outdoor summer design conditions, the cooling system should be able to maintain a temperature of 80 degrees F, as measured in the middle of each room at a height of 5 feet above the floor, where air conditioning is provided, with a 95 degree outside temperature.

Required Remedy: Builder shall adjust or repair the cooling system as necessary to produce and maintain the required temperatures. However, the homeowner shall be responsible for balancing dampers, registers, and other minor adjustments.

C. Plumbing

1. Fixtures, drains and plugged sewers

Approved Standard: Drains, fixtures, and sewers should all operate properly as intended.

Required Remedy: If faulty construction practices are shown to be the cause of problems with sewers, fixtures and drains, the builder shall assume the repair costs. If owner negligence or misuse is shown to be the cause of the problems, the owner shall assume the repair costs. When a problem occurs, the owner should notify the builder and ask for recommendations. Builder shall not be responsible for drains, sewers, and fixtures plugged due to negligence or misuse by owner. stoppages in City Sewers are not the responsibility of the builder.

2. Piping Leaks.

Approved Standard: Condensation on piping is common and should not be construed as a leak, and is not covered under the warranty. No leaks of any kind in soil, vent, waste, or water pipes are acceptable.

Required Remedy: The builder shall repair or adjust pipes as necessary to stop leaking.

3. Leaking valves or faucets

Approved Standard: No leaks should exist in valves or faucet due to poor quality to the materials or workmanship.

Required Remedy: The builder shall repair or replace faucets and/or valves which leak unless the leaking is caused by defective washer. Leaks caused by worn out washers are the responsibility of the owner after 90 days.

4. Defects in appliances, trim fittings, and plumbing fixtures.

Approved Standard: Manufacturer's standards should be used to determine whether or not appliances, fixtures or fittings are defective.

Required Remedy: The builder shall replace fittings and fixtures which do not meet manufacturer's standards.

D. Pipe Insulation

1. Freezing of plumbing pipes.

Approved Standard: All pipes (water, drain, waste, and vent) should be protected properly so as to prevent freezing during normally anticipated winter temperatures. It is the home owners responsibility to maintain adequate heat to prevent freeze ups.

Required Remedy: The builder shall repair or correct conditions causing pipes to freeze and shall also repair any piping which was damaged due to freezing. It is the homeowners responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

E. Septic Tanks

1. Malfunction of septic system.

Approved Standard: The septic system should be able to adequately handle a normal flow of household effluent, based or requirements of local regulatory agency.

Required Remedy: The builder shall adjust or repair system as necessary. The builder shall not be responsible for malfunctioning caused be owner misuse or negligence.

F. Controls and Instruments
See IX.A.1

G. Air Distribution
See IX.A.1 and IX.8.1

H. Liquid Heat Transfer
See IX.A.1 and IX.B.1

X. ELECTRICAL

A. Conductors, Switches, Receptacles, and Lighting

1. Electric switches, outlets, fixtures malfunction.

Approved Standard: Electrical outlets, fixtures and switches should operate properly and as intended.

Required Remedy: The builder shall repair or replace defective wiring, outlets, switches, and fixtures.

XI. SPECIALTY ITEMS

A. Chimneys and Fireplaces

1. Chimney or fireplace does not draw adequately.

Approved Standard: Although high winds may cause temporary negative draft situations, a correctly designed and installed chimney or fireplace should function properly and draw adequately.

Required Remedy: The builder shall correct or repair the chimney or fireplace as necessary if the problem is caused be faulty design or construction and not by obstruction.

B. Vents and Louvers

1. Attic and crawl spaces poorly ventilated.

Approved Standard: Attics should have a natural ventilation area equal to either 1/150 of the floor area or 1/300 of the floor area when an accepted vapor barrier is installed on the warm side of the ceiling, or when at least 50% of the required ventilation is provided at lease 3 feet above the ceiling. Crawl spaces should have a natural ventilation area equal to either 1/150 of the floor area to 1/1500 of the floor area when the surface is covered with an accepted vapor barrier. Builder shall not be responsible if homeowner modifies ventilation as by builder.

Required Remedy: The builder shall make provision for adequate ventilation in accordance with the above Approved Standard.

XII. CONDENSATION

Builder shall not be responsible for any damage caused by acts of the purchaser which result in condensation. These acts include, but are not limited to the use of humidifiers, improper use of any equipment or improper ventilation.

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Henry Camuso, Esq.
147 Remsen Street
Brooklyn, New York 11201

Re: The Elmwood Gardens Condominium
Purchaser:
Unit #:

Dear Sirs:

You have been holding in a trust account my/our Down payment for the above referenced unit in the amount of $_____ . I / we acknowledge that closing has taken place this date. Accordingly, Henry Camuso, Esq. is authorized to release the funds being held in said amount to whomever the sponsor so designates. In addition, Henry Camuso, Esq., as Escrow Agent on said account, is hereby released from any and all liability or further obligation to us with respect to said Down payment.

Very truly yours,

_____
Purchaser

_____
Sponsor's representative

SCHEDULE D-3

WAIVER OF NOTICE OF CLOSING

, being duly sworn, does hereby depose and state:

1. I am the Purchaser of Unit at The Elmwood Gardens Condominium.

2. Pursuant to a Purchase Agreement dated , 20 , I am entitled to either thirty (30) or fifteen (15) days' written notice of the closing for my Unit, depending upon whether or not the Offering Plan has been declared effective.

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

_____
Purchaser

Sworn to before me this
day of 20 .

_____
Notary Public

POWER OF ATTORNEY

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

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

This power of attorney shall be irrevocable.

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

_____

_____

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

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

_____

Notary Public

SCHEDULE E

DEED

THIS INDENTURE made the day of , 20 between Fabian Builders HRPT, LLC. having a place of business at 59-05 59th Drive, Maspeth, New York, 11378 Party of the First Part and

Party of the Second Part;

WITNESSETH

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

ALL that certain piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Unit (the "Unit") in Queens County, City and State of New York known as Unit No._____ , in the Condominium known as The Elmwood Gardens Condominium, said Unit designated and described as Unit No_____, in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, Queens County (the "Register's Office") on _____ in Reel_____, Page_____ and also designated as Tax Lot_____ in Block_____ of Section_____ of the County of Queens on the Tax Map of the Real Property Assessment Department of the City of New York, and on the Floor Plan of said building certified by_____ on _____and filed with the Real Property Assessment Department of the City of New York on_____ as Condominium Plan No._____, and also filed in the Register's Office on _____as Condominium Plan No._____, Map No._____.

TOGETHER with an undivided _____ % interest in the Common Elements.

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

(PROPERTY DESCRIPTION)

SCHEDULE F

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

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

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

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

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

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

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

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

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

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

FABIAN BUILDERS HRPT, LLC

By:_____

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

On the day of ,20 , before me, the undersigned, a notary public in and for the 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 person upon behalf of which the individual(s) acted, executed the instrument.

_____

NOTARY PUBLIC

Gerald J. Caliendo, R.A., A.I.A
Architect, P.C.
108-18 Queens Boulevard
Forest Hills, N.Y. 11375

Tel. (718) 268-9098
Fax (718) 268-9097
E-Mail: GJCRA@AOL.com

Proposed Condominium
Elmhurst, Queens, New York

Outline for Description of Property Report

(a) THE SUBJECT PROPERTY IS LOCATED IN ELMHURST, BOROUGH OF QUEENS, NEW YORK and will be used for twenty (20) condominium residential units and community facilities: medical offices, daycare facility, etc. known as Elmwood Gardens Condominium. The proposed use will comply with all zoning requirements as approved by the New York City Department of Buildings.

(1) The address is 90-20 55th Avenue
(2) The property is known as Tax Block: 1857 Tax Lot: 2
(3) The Zoning District is R5
(4) Permissible use is multi-family residential units and community facilities
(5) This new building was filed and approved under NB # 401696134
(6) No Tax Lot subdivision was required.

The allowable use of the Community Facility: Community facilities are Separate and residential portion of building will not be accessible from Community. Facility.

Allowable use of the Community Facility: Churches, rectories or parish houses, clubs, community centers or settlement houses, medical offices or group medical centers, mosateries, convents, non-commercial recreational centers, non-profit hospital staff dwellings, non-profit or voluntary hospitals, philanthropic or non-profit institutions without sleeping accommodations, proprietary hospitals, seminaries, welfare centers.

(b) STATUS OF CONSTRUCTION: – Building is currently under construction

(1) Construction started 9/3/03
(2) Class of construction is I-C (Fireproof, Non-Combustible Building)
(3) Certificate of Occupancy has not yet been issued as the project is still under construction
(4) Building plans have been approved by the Building Department of the city of New York on July 29, 2003 under new building application # 401696134.

(c) SITE:

(1) The area of the site is 15,028.21 s.f.
(2) One building is proposed.
(3) No private street is owned by this condominium. The property is fronting 55th Avenue , which is a public city owned street with one way traffic. Street is paved with asphalt. Curbs and sidewalks are concrete. The street is well illuminated with pole mounted lights.

(4) Drives, walks and ramps

(i) Paving will be asphalt concrete

(ii) Walks will be concrete and City sidewalk will be new poured concrete

(iii) There will be area drains located in front of the building connected to City sewer and in the rear yard will have lighting attached to building

(iv) Street lighting-pole mounted area light is provided by City of New York, driveway and rear yard will have lighting attached to building.

(v) All items in conformance with NYC Building Code and regulations.

(d) UTILITIES:

Water - Water is obtained from tap to water main in street maintained by N.Y.C. Department of Environmental Protection. There will be a water meter. Charges for water will be a common payment.

Sewer - There is a 12" combined City Sewer in the street maintained by the N.Y.C. Department of Enviromental Protection. Connection will been made to this sewer for disposal of all sewage and some storm water.

Gas - Gas service will be from a tap to a gas main street in the street owned and maintained by Keyspan Services of New York.

Electric - Electric service will be as supplied by a Con Edison connection to electric main in street owned and maintained by Con Edison Co. of New York. There will be a meter for each unit, one for common areas and for the community facilities.
The architect has reviewed the electricity and indicates the capacity as adequate for modern usage. The electrical contractor indicates that the proposed electric is designed and adequate for modern usage.
Note: Incoming 3 Phase 800 AMPS for meter banks which supplies power for all apartments and Laundry Room, 3 Community Facility Spaces, 3 Phase 200 AMPS each. Public lighting panel: 3 Phase 400 amps for elevators and public areas.

Telephone - Telephone service is by Verizon Telephone Co. Phone Jacks to be installed at all kitchens and bedrooms.

Cable - Cable wiring for jacks will be installed at bedrooms and living rooms

Drywells - A percentage of the storm water (as dictated by the Department of Environmental Protection) will be discharged to drywells in the rear yard, the remaining will be discharged into the combined sewer in the street.

(e) SUB-SOIL CONDITIONS – Test borings were taken which indicates the load bearing capacity of the soil is sufficient to support the building. This was confirmed at the time the site was excavated for the foundation. No moisture or seepage has been noted through the foundation. There is no danger of seepage or flooding due to the water table or from other bodies of water.

(f) LANDSCAPING AND ENCLOSURES

(1) Grass cover – there will be some grass cover
(2) Planting – some planting at front of building and small section at left side of building
(3) Trees – there are no trees proposed for this project .
(4) Fence – there will be some fencing at sides and rear. Cyclone fencing will be 5' high vinyl
(5) Gate – there are no gates proposed for this project
(6) There are no garden walls proposed for this project
(7) There are retaining walls proposed for this project. Walls will be poured concrete – walls and they are at the driveway to cellar.
(8) There are no fountains proposed for this project
(9) Sidewalks will be new of poured concrete where required

(g) BUILDING SIZE: The proposed building has overall dimensions of approx. 95' x 65.67'

(1) Total height of building is approximately 38 feet
(2) There are no crawl spaces
(3) There is one cellar level (garage)
(4) There are three (3) habitable floors plus-(1) floor community facility
(5) Equipment rooms – the mechanical room, meter room, sprinkler rooms are located in the cellar
(6) There is a raise seam roofing mansard structure acting as a parapet on the front and sides of the building only.

(h) STRUCTURAL SYSTEM: Foundations and footings for the building are poured in place reinforced concrete. Walls above grade are 6" metal studs, and the building is constructed of a structural steel frame and metal decking with lightweight concrete floors.

(a) Exterior of Buildings:

(i) Walls - Exterior 4" Brick Veneer system on 6" metal studs with one layers of G-P Gold Denz-Glas exterior sheating and min. of R-11 batt craft face insulation meeting 2 hr or 1 hr fire rating as per U.L. approved design. Interior finish will be two (2) layers of 5/8" fire coded gymsum board on the side walls and one (1) layer on the front and rear wall

(j) Windows - Windows will be insulated glass with screens. Windows as selected by owner developer color: beige – (2) two windows at roof will be operable skylight units. All windows will be caulked from the outside. Capital windows, double hung with screens, beige with grids, windows have a limited warranty from manufacturer.

(ii) There is no landmark status as regards the proposed building or property.
(iii) Handicap Parking – There is one designated space # 14 – at rear of building as indicated on the site plan. This space will not be for sale or rent, and will be for the use of any handicap person.
(iv) All parking spaces (other than the handicap space) are designated spaces and 20 spaces are designated for the residential units.
(v) Steel Lintels at windows, and cast stone stills.
(vi) There are no lot line windows.

(1) Parapets and coping: Not applicable
(2) Chimneys and caps: The chimney for the gas heating system consist of an approved metal flue chimney installed in a two hour shaft enclosure at every floor and will be extended above the roof at the height as required by NYC Building Code.

(3) Balconies and Terraces: there are balconies on this building for some units. Balconies are framed with steel and metal decking with concrete above. The railings will be painted steel 42" high.

(4) Exterior entrances: the main entrance door from the garage parking area will be hollow metal with a metal frame, there is also a hollow metal door and frame to the cellar side yard stairs.

(5) Roof and roof structure:

(i) Material

(a) The roof of the building consists of steel framing with steel decking and light weight concrete and Class A roofing material above.

(b) Insulation – min. of R-19 - 6" batt insulation

(c) Surface finish – Roofing Material

(d) Bond or Guarantee – min. of 15 years

(e) Flashing – typical metal base and counter flashing at all roof penetrations, and valley flashing where typically required.

(ii) Drains

(a) Gutters and Leaders – continuous aluminum gutters with leaders to building storm line and to drywells where indicated. Interior drains piping are of cast iron.

(iii) Skylights: located above the stair hall will be fixed glass with wire over and under as required. Sky lights at units 3C and 4E will be acrylic.

(iv) Bulkheads: Walls - Exterior 4" Brick Veneer system on 6" metal studs with one layer of G-P Gold Denz-Glas exterior sheating and min. of R-11 batt craft face insulation meeting 2 hr. or 1 hr. fire rating as per U.L. approved design. Interior finish will be two (2) layers of 5/8" fire coded gypsum board on the side walls

(v) Metal work at roof level: raised seam roofing on front and side parapet. Rear of roof to have 42" metal railing.

(vi) Rooftop facilities: there are no rooftop facilities

(7) Fire escapes: not applicable

(8) Yards and Courts: not applicable

(9) Interior stairs:

(i) Number of stairs: two interior fire exit stairs are provided

(ii) Enclosure: 2 hr fire-rated enclosure

(iii) Stair construction: structural steel with concrete filled treads and platforms

(iv) Stringers: structural steel

(v) Risers: solid sheet steel

(vi) Guard Rail: steel painted

(vii) Balustrade: steel painted where required

(10) Interior doors & frames –

(i) Unit entrances: Hollow metal doors and steel frames, 1 ½ hr. fire rating, self-closing hinges, with peephole and chime and keyed lockset.

(ii) Corridor doors & frames: hollow metal and steel frames

(iii) Stair hall doors: hollow metal and steel frames, 1 ½ hr. fire rating with self closing hinges

(iv) Unit interior doors will be 1 ⅜" thick hollow core masonite as selected by builder/sponsor

(11) Elevators – There is one elevator in this building – Manufacturer: Thyssen Krupp Elevator, Model: Fleetwood 21, Capacity of people: 8-10 people depending on size, Weight Capacity: 2100 Pounds. Location – off main lobby and corridor – servicing cellar, 1, 2, 3, 4th floors, net travel: 37' – 0", Speed: 125 FPM Up, 150 FMP Down max.

(12) Elevator cabs – standard design as per manufacturer, Model: TKLP

(13) Carpeting - will be installed on second, third and fourth floor corridors and in all units, carpeting to be Bigelow Breathless Royale or equal with padding. Cost of carpet installed will be $ 14.25 per square yard.

(14) Garage Door – Manufactured by Gadco (Freedom Series #9001) constructed of high density polyethelene. Garage door will be motor controlled with remote controlled units to purchasers of garage. Garage will not be heated.

(15) Laundry Equipment – There will be four (4) commercial gas dryers: Kenmore coin metered Model # 26-70012 or equal. There will be four (4) commercial washers: Kenmore coin operated Model # 26-20112 or equal.

(i) AUXILARY FACILITIES: a laundry room is provided for use by the unit owners on first floor. There will be plumbing and electric hook up for four washing machines and four dryers, which will be owned and operated and remain the property of the sponsor: Henry J. Fabian, who will pay the condominium association a fee to compensate for gas, water, and electric, or pay the utility charges directly to suppliers.

(j) PLUMBING AND DRAINAGE:

(1) Water Supply: domestic water is provided by NYC Water Board, Department of Environmental Protection. There are no pumps, storage, etc. Water supply is at street pressure. Water piping is copper.

(2) Fire Protection System: Building will be fully sprinklered in accordance with applicable codes. Sprinkler piping is black steel.

(i) Standpipes: not required

(ii) Hose racks: not applicable

(iii) Sprinkler Heads: fully recessed pendant sprinkler heads with ceiling plots are located in all units. Sprinkler piping is black steel.

(iv) Siamese connection: is required. A single inlet is provided

(3) Water Storage tanks - not applicable

(4) Water pressure - residual= 35 PSI static=38 PSI flow= 500 GPM

(5) Sanitary sewage system – sanitary disposal is by gravity to the City combined sewer in street.

(i) Piping: extra heavy cast iron

(ii) Yard drains: (3) which will discharge to a drywell

(iii) Piping: no hub cast iron

(iv) Sump pumps: not required

(k) HEATING

(1) Heating and distribution of domestic hot water – the heating systems are designed to maintain 72 degrees Fahrenheit indoor temperature at an outdoor temperature of 8 degrees F., as per New York State Energy Code. The domestic hot waters for each apartment are provided by a central four (4) hot water heaters located in the cellar.

(2) Number of Boilers – There will be four cast irons gas fired boilers manufactured by Weil McLain or Burnham.

(3) Manufacture of boiler: Burnham model # P-206 (2 units) 164,000 Btu each, Burnham model # P-208 (1 unit) 232,000 BTU, Burnham # P-204 (1unit) 96,000 BTU or equal.

Burnham models 1-P203- 62,000, BTU 1-P205 – 130,000 BTU each or equal for the Community Facilities.

(4) Manufacture of burner – not applicable

(5) Type of controls:
- (i) Zone valve for each unit
- (ii) Safeguard low water cut-off
- (iii) Operating aquastat
- (iv) Manual reset aquastat
- (v) Chimney spill switch

(6) Radiators, piping valves, pumps: copper fin tube baseboard and a thermostat will be installed in each unit. Piping for radiation will be copper.
(7) Fuel – natural gas provided by Keyspan Energy services
(8) There will be Two (2) A.O. Smith model # BTR-154 hot water heaters for a total of 308,000 BTU.
(9) Location of oil tank – not applicable
(10) Capacity of oil tank – not applicable
(11) There will be one (1) 6 gallon electric hot water for each Community Facility Toilet:
- A.O.Smith # ELJF6S.

(l) GAS SUPPLY
- (1) Type: Natural Gas
- (2) Meters: Gas meter provided as per utility company specifications
- (3) Piping: Black iron
- (4) There will be 3 gas meters (1 for public laundry & 4 gas dryers) 1 for cooking and 1 for heat and hot water
- (5) There will be approximately 1,300,00 BTU for all gas stoves, and 35,000 BTU for each dryer

(m) AIR CONDITIONING

There are thru-wall sleeves for air conditioning units which must be purchased separately by Homeowner. Sponsor will not furnish any air conditioning units or install any. Air Conditioning sleeves are in each bedroom, each living room. There will be a total of 54 sleeves. Air conditioning sleeves may be installed in the community facility areas or central air conditioning may be negotiated with the purchaser(s) of the community facilities only.

(n) VENTILATION

Kitchens, kitchenettes, bathrooms, toilets of each apartment will have ductwork through the roof with exhaust fan. Boiler room will have fresh air intake louver to outside. The garage will be ventilated through louvers as required by NYC Building Code with exhaust fan(s).

(o) ELECTRICAL SYSTEM
- (1) Service: 1400 AMP Total for building
- (2) Service to individual units: 60 AMP
- (3) Community Facilities will each have a 3 phase, 200 AMP service.
- (4) Outdoor lighting to consist of total four (4) wall pack high pressure sodium lights 100 watts at each corner of building. There will be a surface mounted 100 watt rated fixture over the rear entrance door and over the garage door. Two (2) 100 watts each coach lights at front entry or equal and one (1) surface mounted light fixture at the area of handicap parking.

(5) Electrical volts per unit

Voltage for the Condominium is 120/208

Phase per unit – is single phase

Circuits per unit:

UNIT #	CIRCUITS
A	10
B	10
C	12
D	10
E	10
F	8 to 10
G	9 to 10

(5) Outlets are as follows:

Unit #	Liv. Rm.	Kit.	Bedroom	Bath
2A	4	4	10	1
2B	5	4	10	1
2C	5	4	2	1
2D	6	4	10	1
2E	6	4	10	1
2F	6	4	10	1
2G	6	4	5	1
3A	7	4	10	1
3B	5	4	10	1
3C	8	4	16	1
3D	7	4	10	1
3E	6	4	10	1
3F	5	4	5	1
3G	6	4	5	1
4A	5	4	10	1
4B	5	4	10	1
4D	7	4	10	1
4E	5	4	10	1
4F	6	4	10	1
4G	6	4	10	1

(6) Light Fixture Schedule per each unit

Entry Foyer	1 Fixture	60W	Total: 20
Kitchen	1 Fixture	100W	Total: 20
Dining (if any)	1 Fixture	75W	Total: 20
All living rooms have 1 switch controlled outlet			
Bedroom	1 Fixture	75W	Total: 35
Bathroom & Toilets	1 Fixture	75W	Total: 36

(7) Light Fixture Schedule for Common Areas

Electric Room	1 Fixture	60W
Sprinkler Room	1 Fixture	60W
Boiler Room	2 Fixture	60W
Parking Garage	13 Fixtures	2 Light-8'Fluorescent
Front Stairs-All Floors	5 Fixtures	1 Light Fluorescent
Rear Stairs-All Floors	5 Fixtures	1 Light Fluorescent
Laundry Room	2 Fixtures	Fluorescent
Lobby Area	4 Fixtures	100 W Hi Hats
Mail Area	1 Fixture	60 W
First Floor Corridor	7 Fixtures	2 Light Circuline Fluorescent
Second Floor Corridor	6 Fixtures	2 Light Circuline Fluorescent

Emergency lighting at all stairs and corridors
Sponsor will supply and have installed emergency lights-
6 volts, Twin Heads-as follows:
Garage Hall-2-
Level Hall-3-
First Floor Level Hall-4-
Lobby-1-
Floor Hall-3-
Rear Stairs-3-
Front Stairs-3-

The electrical contractor states the electrical system is adequate for modern usage.

(p) INTERCOMMUNICATION

The building lobby will be provided with an approved intercommunication system which consists of a voice call system between each apartment and the lobby panel with button assigned to each apartment number. The sponsor will install a video intercom in all apartments connected to the lobby area.

(q) PUBLIC AREA LIGHTING

Lighting levels for all public areas including entrances, corridors, stairs, garage, outdoor parking area, etc. will be provided to meet with the minimum required standards in accordance to NYC Building Code and all applicable rules and regulations.

(r) GARAGES AND PARKING AREAS

(1) Location of garages – there is an enclosed garage in the cellar level.
(2) Location of parking areas – there is an open parking lot in the rear of the building for 14 cars. The enclosed garage will provide nine spaces.
(3) The parking area surface will be asphalt paving and will be lighted with metal halide
(4) Parking will be unattended.
(5) Garage ventilation will be provided by natural ventilation and mechanical ventilation by means of louvers and fan(s) required by NYC Building Code.
(6) A fire sprinkler system (dry system) will be provided in parking garage
(7) Interior drains and yard drains will be provided in all parking areas.
Parking is designated and 20 spaces are designated for residential units.
(8) Garage will not be heated.

(s) SWIMMING POOL – not applicable

(t) Tennis Court – not applicable

(u) Permits & Certificates –
New building permit # 401696134 also EQ Fence Permit # 401696134
Inspections by NYC Dept. of Buildings officials and other agencies having jurisdiction will be on-going during course of construction.

(v) Violations – none

(w) Unit Information:

LEGEND

CT	-	Ceramic Tile
VCT	-	Vinyl composite tile
CPT	-	Carpet
SR	-	Sheetrock
C	-	Concrete
W	-	Wood

	SUB FL.	FLOORS	WALLS	CEILING	REMARKS
Garage	-	C	C	SR	No Painting
First Floor	C	C	SR	SR	Walls & Clg. Painted
2nd Fl. Bdrm	C	CPT	SR	SR	Walls & Clg. Painted
Liv. Rm.D/R	C	CPT	SR	SR	Walls & Clg. Painted
2,3,4 Fl. Baths	C	CT	SR/CT	SR	Walls & Clg. Painted
2,3,4 Fl. Kit.	C	CT	SR	SR	Walls & Clg. Painted
2,3,4 Fl. Clos.	C	CPT	SR	SR	Walls & Clg. Painted
2,3,4 Fl. Corr.	C	CPT	SR	SR	Walls & Clg. Painted

	SUB FL.	FLOORS	WALLS	CEILING	REMARKS
Closets	C	CPT	SR	SR	Walls & Clg. Painted
Corridor	C	CPT	SR	SR	Walls & Clg. Painted

BATHROOMS:

Bathrooms shall have the following:

A) Ceramic tile floors; and walls at tub to a height of 6'-0" above floor balance of wall 4 foot high
B) Walls and Ceilings shall be sheetrock and painted
C) 5'-0" recessed steel bathtub by "American Standard" Model #0155.017 or equal
D) China tank and bowl by "American Standard" Model #2116.16 or equal
E) Formica vanity with steel and porcelain sink by "American Standard" Model #3003605 or equal
F) Medicine cabinet, towel bar, soap dish at tub and toilet paper holder.
G) Shower doors will not be provided.
H) Faucet by "Delta Model #2522 or equal
I) Shower body by "Delta" Model #1348 or equal

KITCHENS:
Kitchens shall have the following:

A) Flooring shall be ceramic tile
B) Walls shall be painted sheetrock
C) Ceiling painted sheetrock
D) Kitchens cabinets shall be plastic laminate or wood selected by owner/builder
E) 24' x 21" steel sink by "Elkay" Model # CR2522 or equal
F) Appliances: 1 – 30" gas stove – Kenmore Model # 22-61121 or equal
1 – Refrigerator – Kenmore 18 CF Model 4631612 or equal
1 – Dishwasher – Kenmore 24" Model 22-14132 or equal or Sears 18"
G) Kitchen faucet by "Delta" Model 400 or equal

LAUNDRY AREA:

Will have vinyl tile or indoor-outdoor carpeting as per decision by Builder / Owner

FINISH OF OTHER SPACES

FL.	ROOM	SUB. FL.	FL.	WALLS.	CLG.	REMARKS
Cellar	Boiler	C	C	SR & Conc.	SR	Fl. Wall & Clg. Painted
Cellar	Meter	C	C	SR & Conc.	SR	Fl. Wall & Clg. Painted
Cellar	Stair Hall	C	C	SR	SR	Wall & Clg. Painted
First Fl.	Lobby	C	CT	SR	SR	Walls Painted
First Fl.	Laundry Rm.	C	VCT	SR	SR	Walls & Ceilings Painted
			or CPT	SR		
Stair Halls -		C	C	SR	SR	Walls & Ceiling Painted

(x) SAFETY AND WARNING DEVICES – The entire building will be provided with an automatic sprinkler system.

(y) SMOKE DETECTORS: One or more ionization type hard-wired detector will be installed as per NYC Electrical Code in each apartment as required.

(z) ADDITIONAL INFORMATION

Local Law 58/1987 Handicapped Access Law
The proposed building is in full compliance with the LL 58/87 by providing (4) handicap adaptable units on the first floor unit 2A, 2B, 2C & 2D and one handicap parking space.

COMMON ELEMENTS: The common elements of the property are all areas of the land and building less the deed description of the sum of the individual units and designated parking spaces. Examples of common elements are the land, foundation, walls, floors, roof, halls, stairs, entrances, and exits, parking area, storage, laundry, meter and boiler rooms. All installation for services such as power, light, telephone, hot and cold water, sewer, including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in the common elements or in the Units, and all other mechanical equipment. In general, all parts of the property for common use or necessary or convenient to the existence, maintenance or safety of the property.

In the event the Architect's Report does not agree with the Building Department Plans the Architect will amend the plans to agree to the Architect's Report. During construction minor changes are made and the final plans are changed to as-built plans prior to a Certificate of Occupancy.

The Architect's Report is accurate, it should be noted that the sponsor will not close on any units until a Certificate of Occupancy is issued from New York City Department of Buildings.

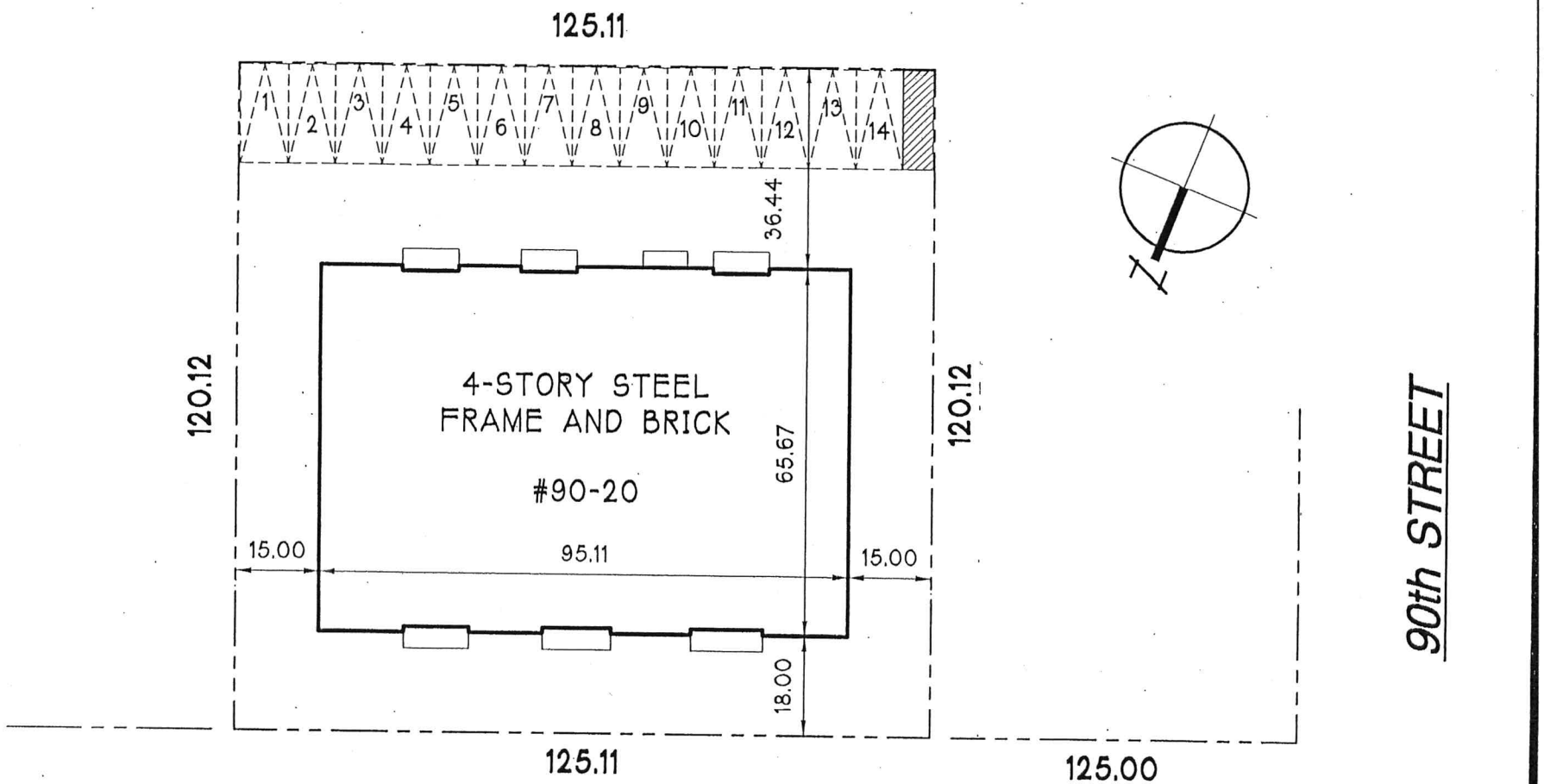
See unit plans provided by Gerald J. Caliendo Architect , P.C.

Respectfully submitted,

Gerald J. Caliendo Architect , P.C.
President

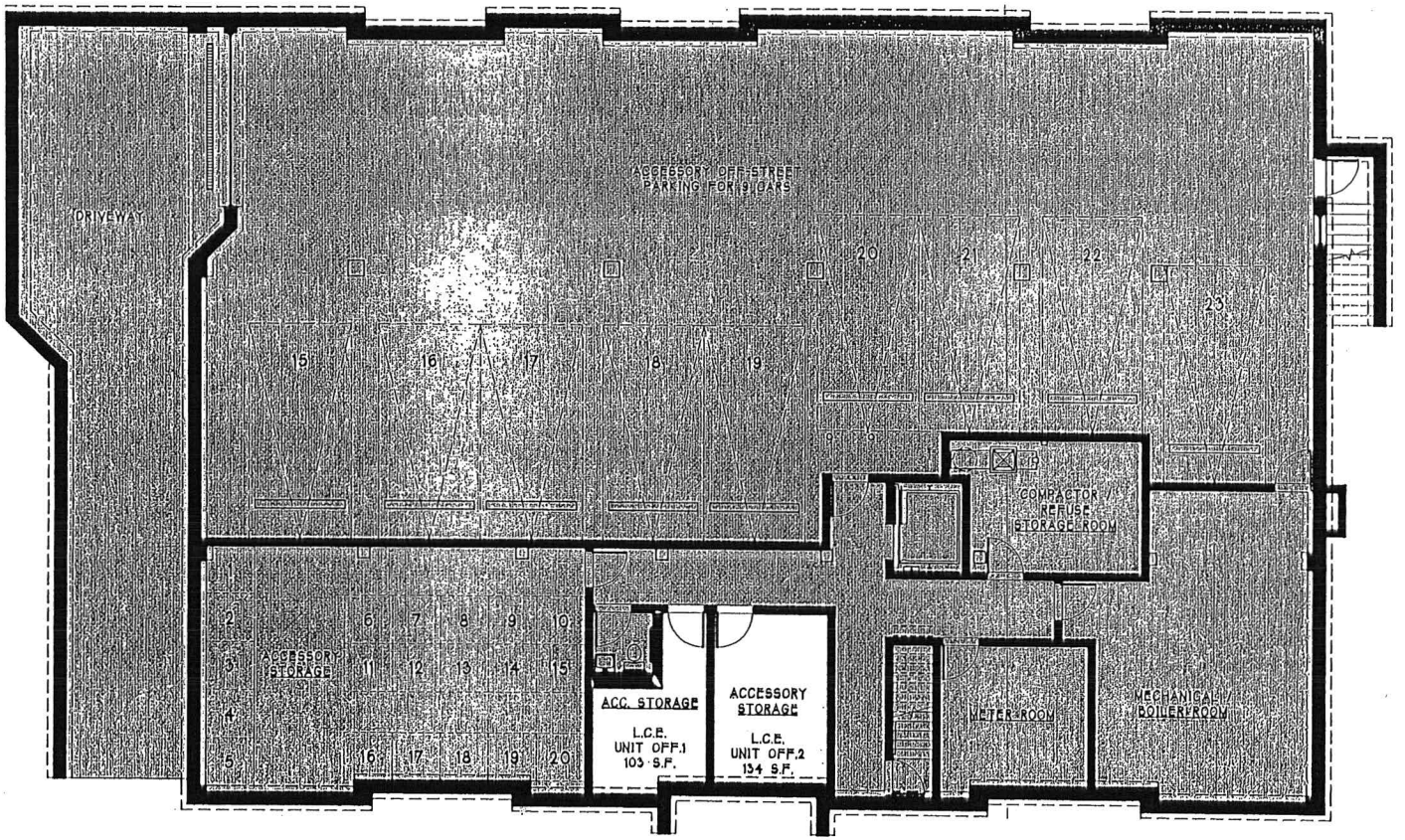
REGISTERED ARCHITECT
GERALD J. CALIENDO
020241
STATE OF NEW YORK

Dated: 6/9/04

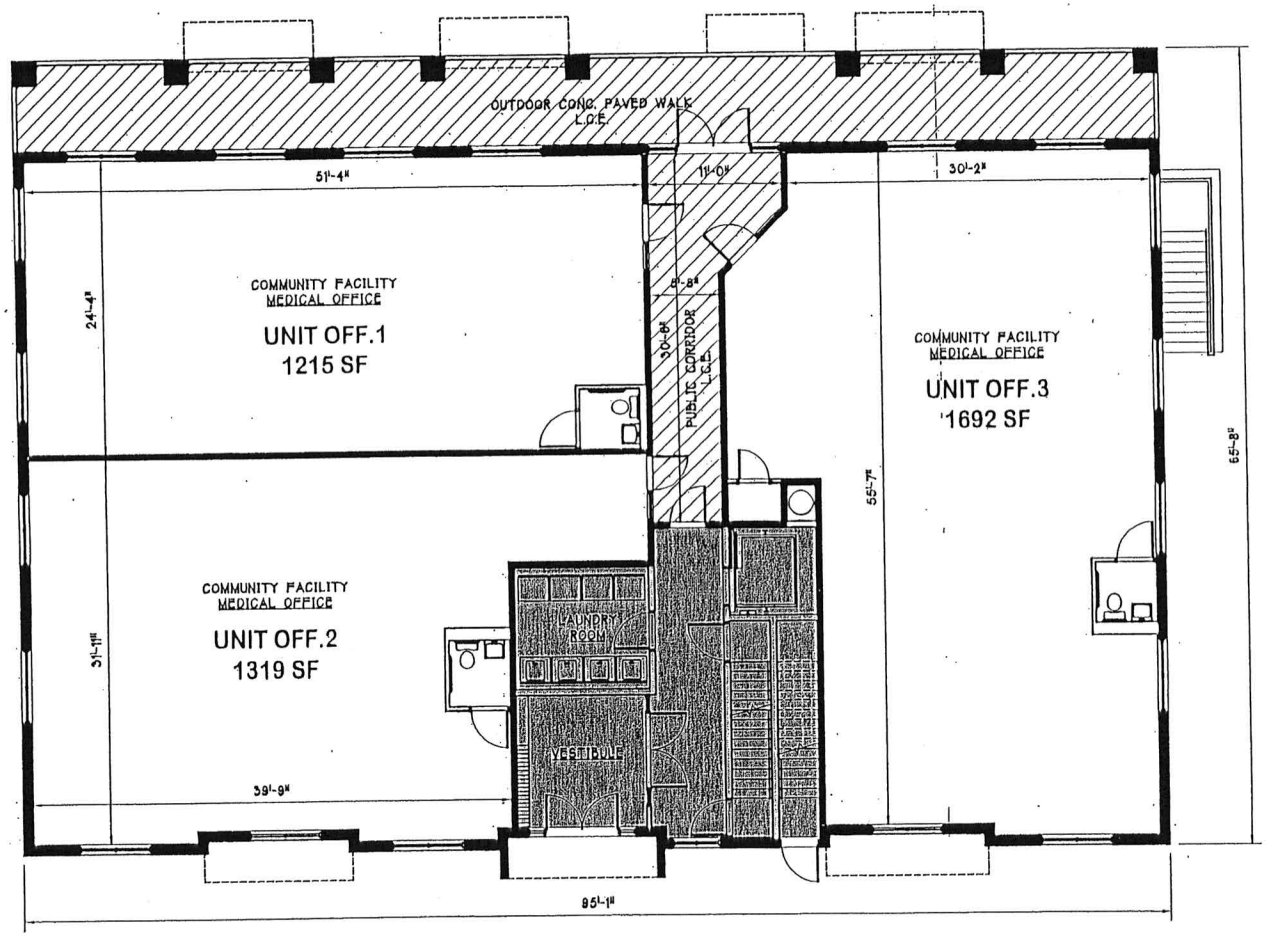


115

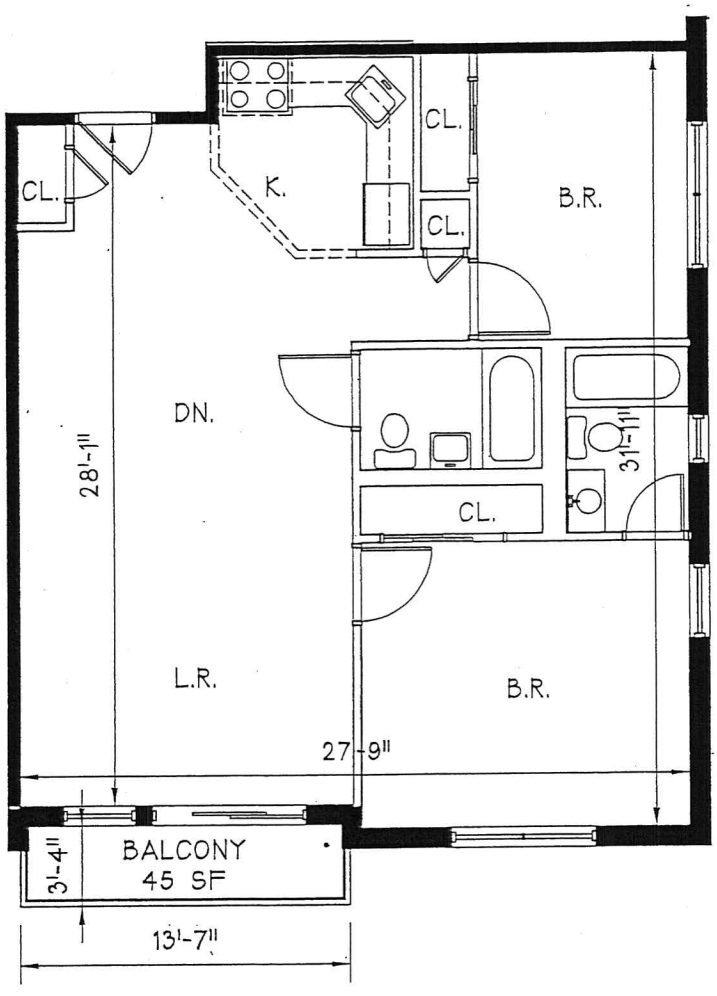
SITE PLAN


ACCESSORY OFF-STREET PARKING FOR 19 CARS
DRIVEWAY
COMPACTOR REFUSE STORAGE ROOM
ACCESSORY STORAGE
ACC. STORAGE
L.C.E. UNIT OFF.1 103 S.F.
ACCESSORY STORAGE
L.C.E. UNIT OFF.2 134 S.F.
METER ROOM
MECHANICAL / BOILER ROOM

CELLAR


OUTDOOR CONC. PAVED WALK
L.C.E.
51'-4"
11'-0"
30'-2"
COMMUNITY FACILITY
MEDICAL OFFICE
UNIT OFF.1
1215 SF
24'-4"
8'-8"
30'-0"
PUBLIC CORRIDOR
L.C.E.
COMMUNITY FACILITY
MEDICAL OFFICE
UNIT OFF.3
1692 SF
55'-7"
55'-8"
COMMUNITY FACILITY
MEDICAL OFFICE
UNIT OFF.2
1319 SF
31'-11"
LAUNDRY
ROOM
VESTIBULE
39'-9"
85'-1"

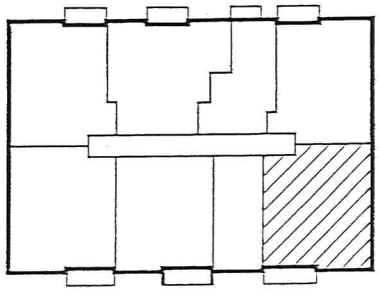
FIRST FLOOR

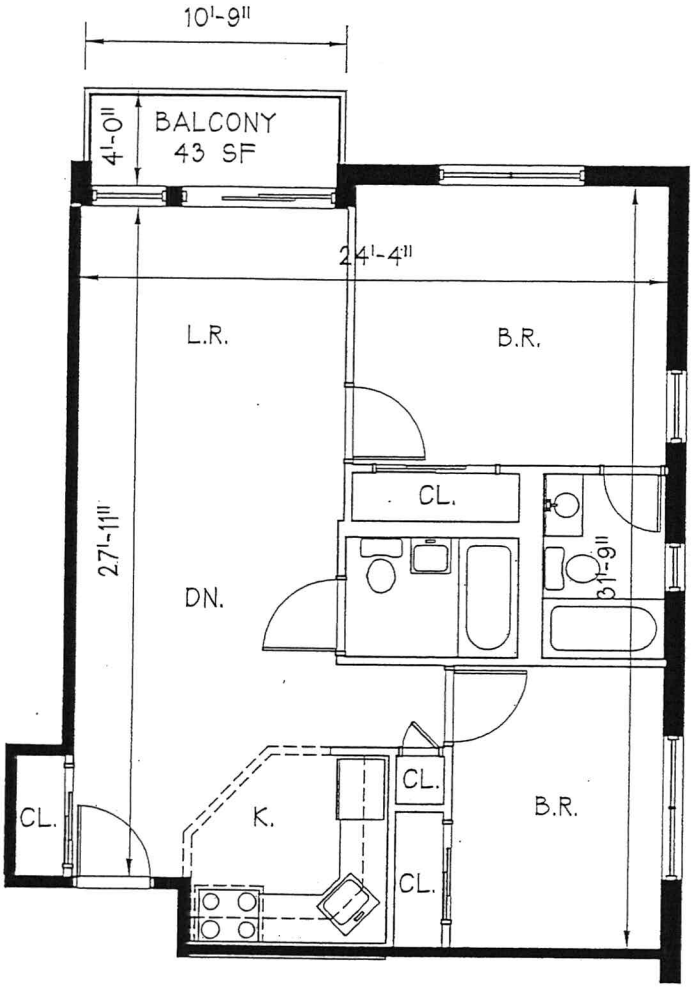


APT 2A
2 B.R.
847 SF

APT 3A
2 B.R.
847 SF

APT 4A
2 B.R.
847 SF

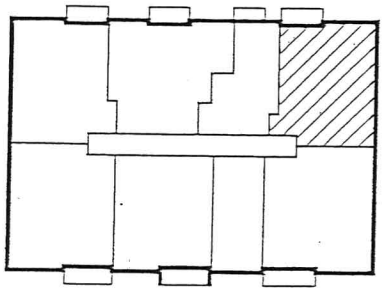




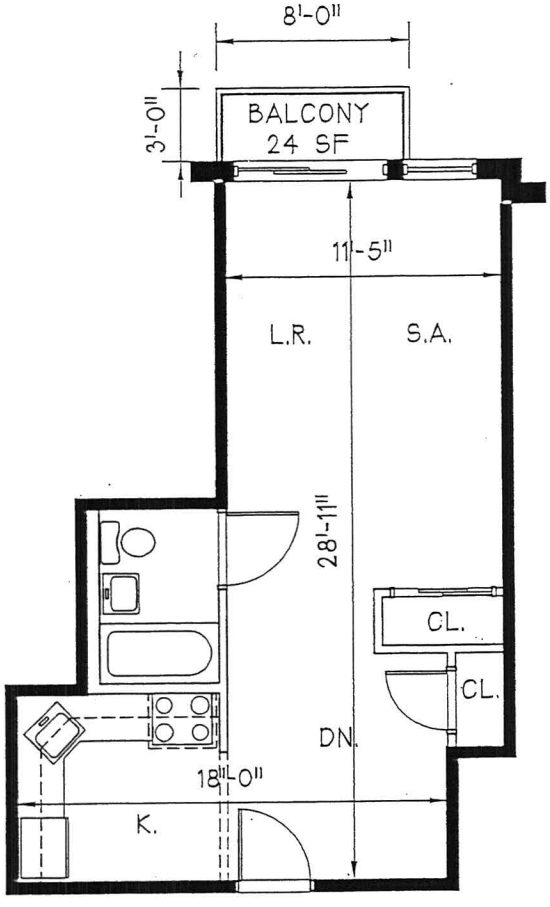
APT 2B
2 B.R.
746 SF

APT 3B
2 B.R.
746 SF

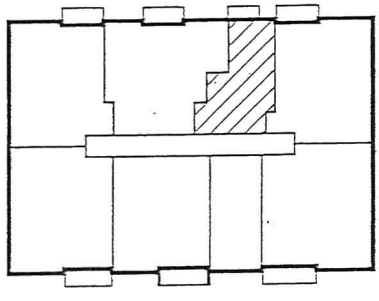
APT 4B
2 B.R.
746 SF

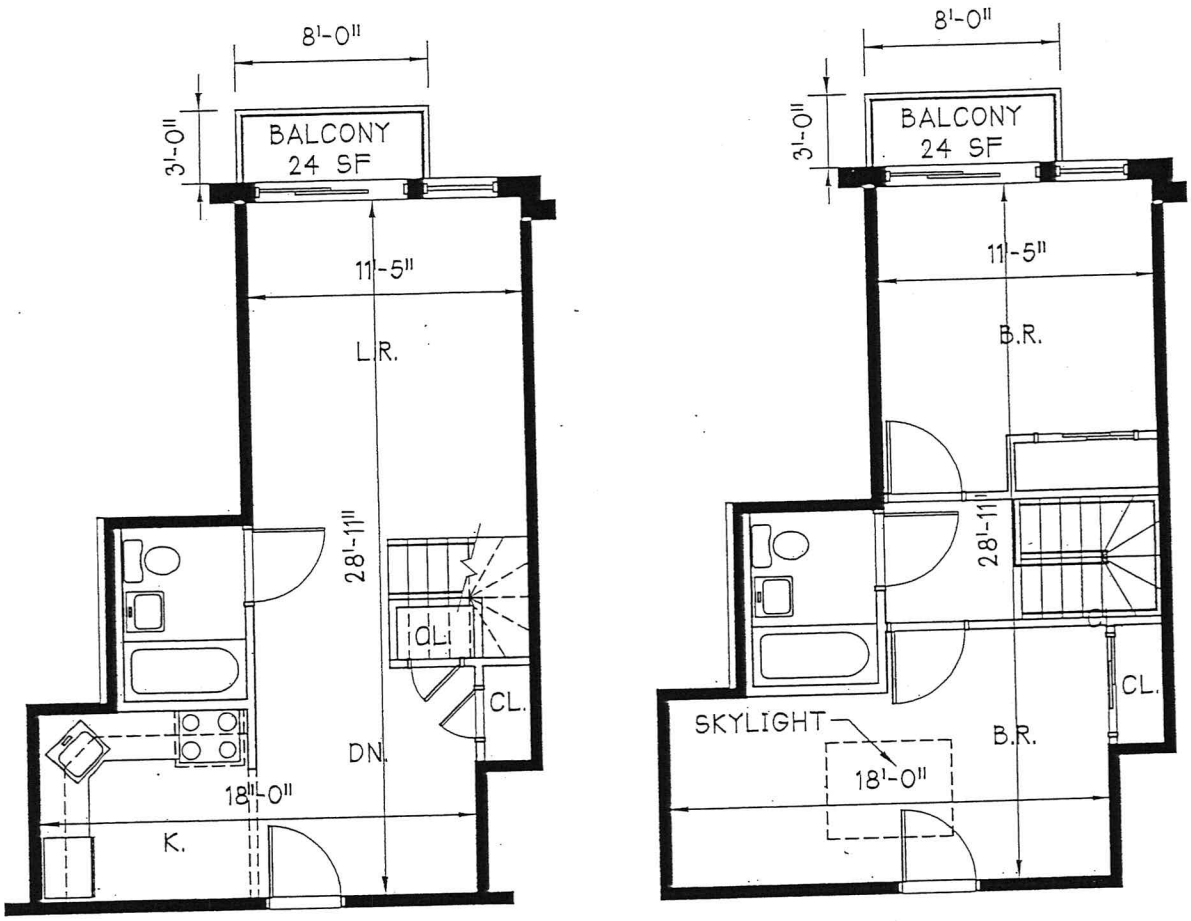


KEY PLAN

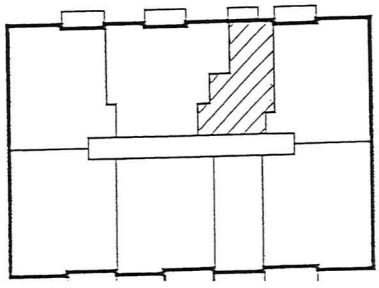


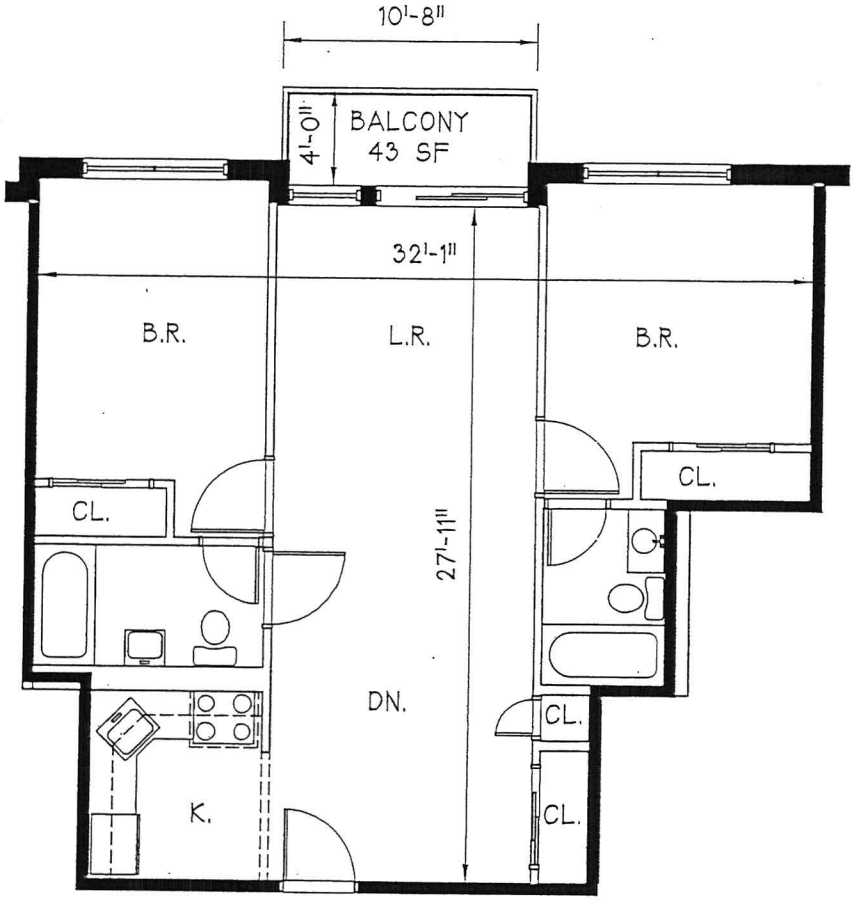
APT 2C
STUDIO
428 SF





APT 3C
2 B.R. DUPLEX
856 SF

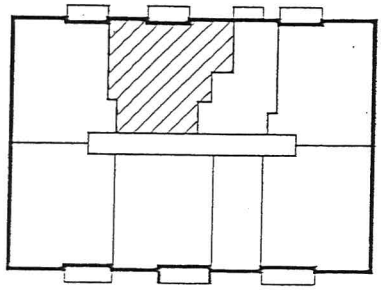




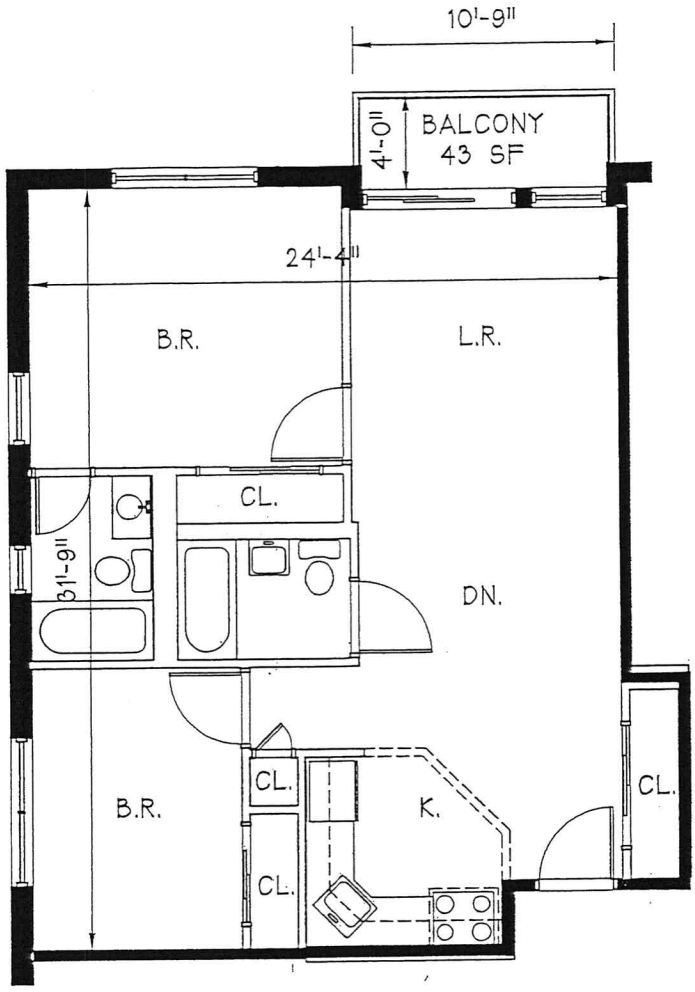
APT 2D
2 B.R.
777 SF

APT 3D
2 B.R.
777 SF

APT 4D
2 B.R.
777 SF



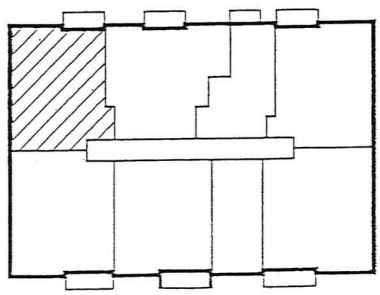
KEY PLAN



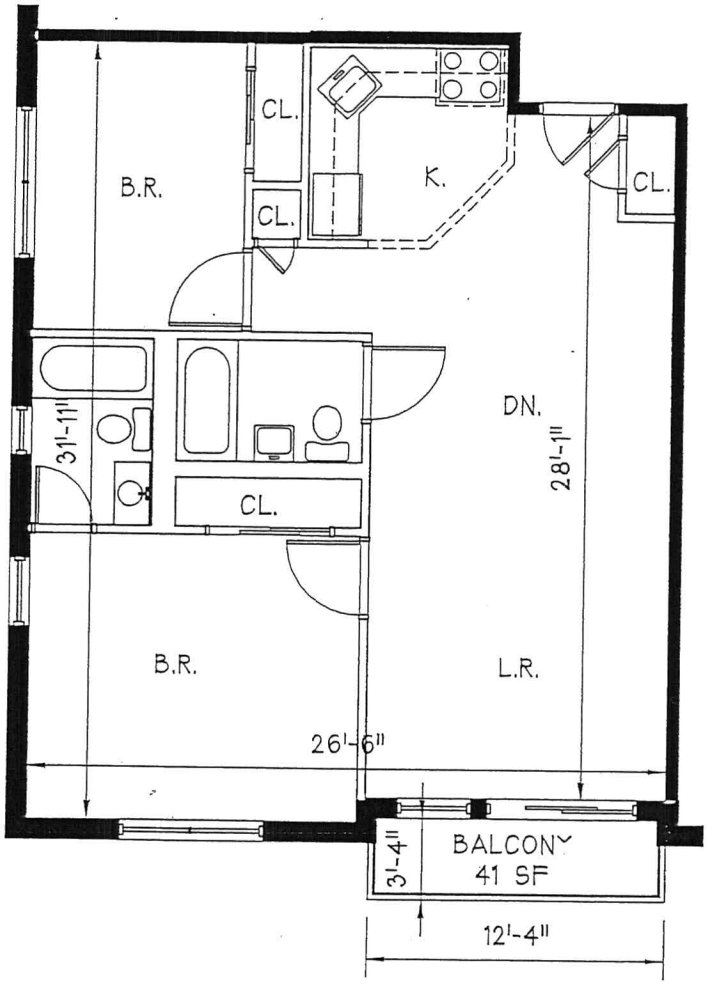
APT 2E
2 B.R.
746 SF

APT 3E
2 B.R.
746 SF

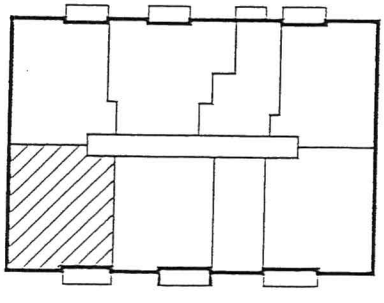
APT 4E
2 B.R.
746 SF



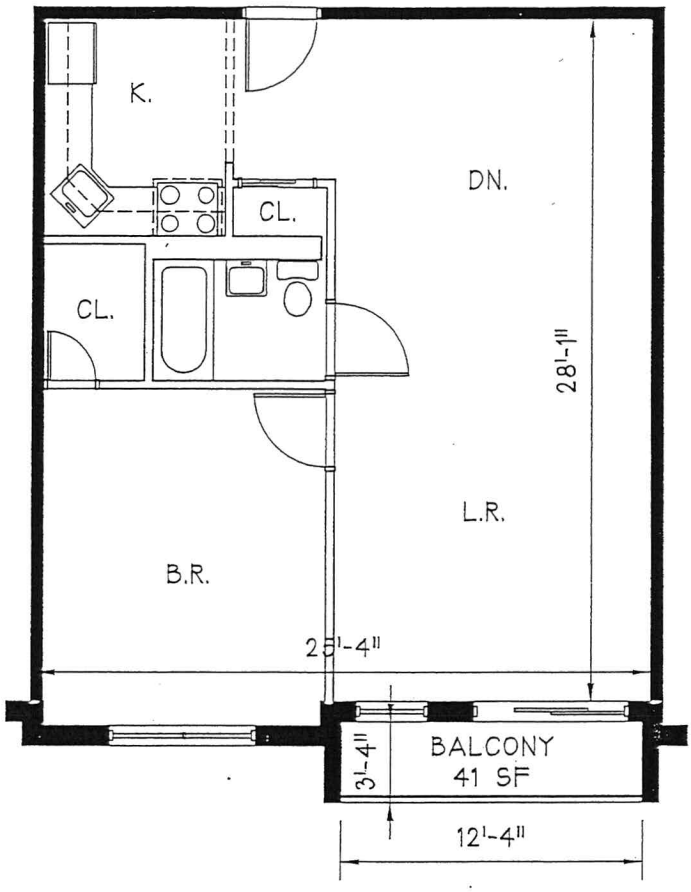
KEY PLAN



APT 2F	APT 3F	APT 4F
2 B.R.	2 B.R.	2 B.R.
812 SF	812 SF	812 SF

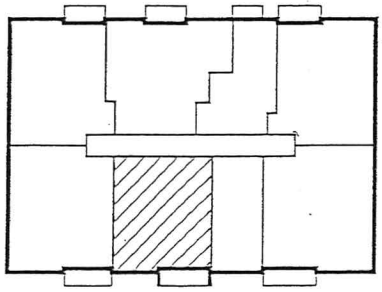


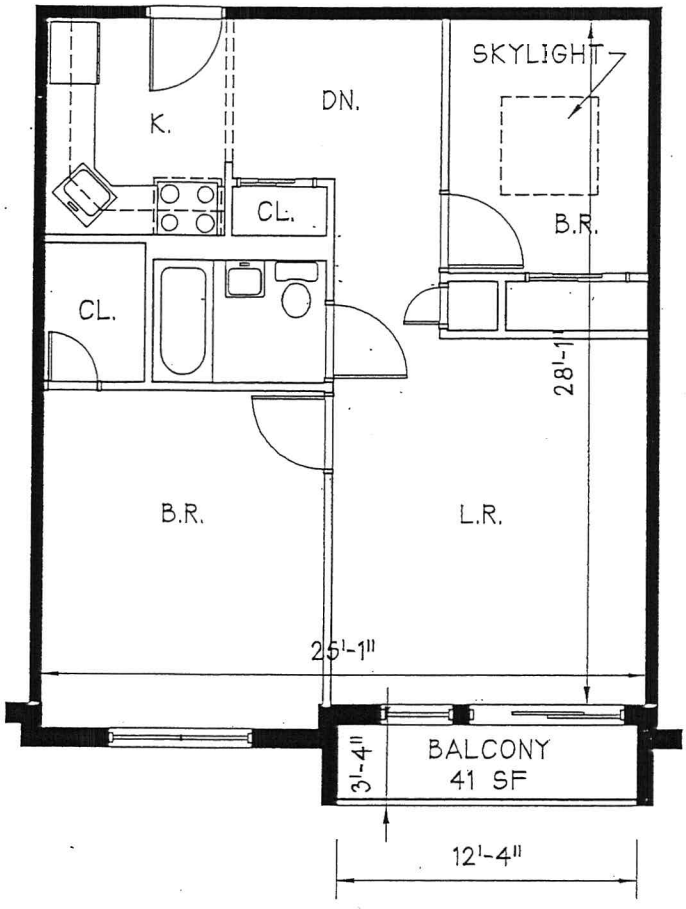
KEY PLAN



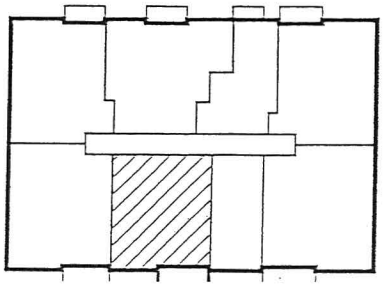
APT 2G
1 B.R.
716 SF

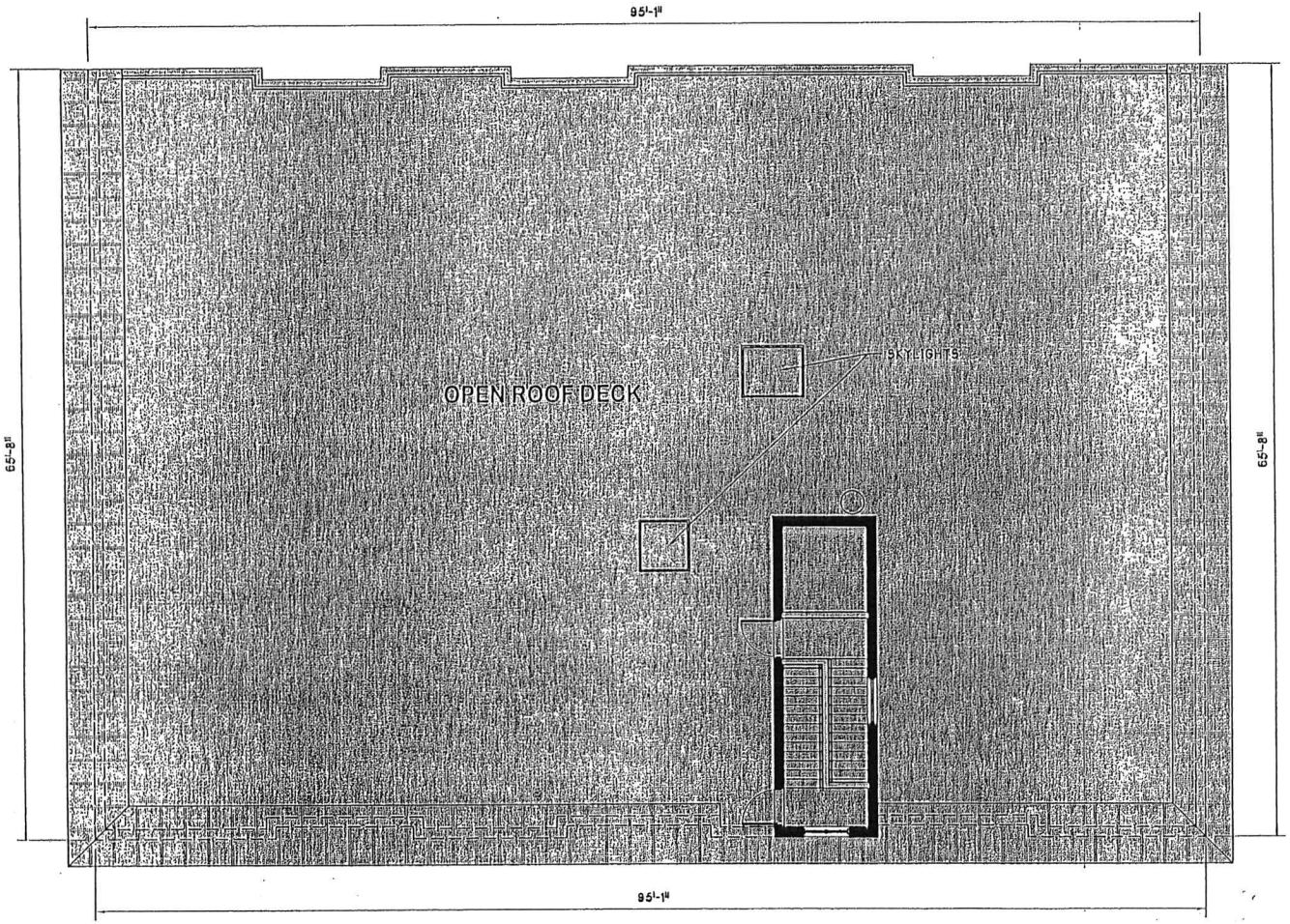
APT 3G
1 B.R.
716 SF



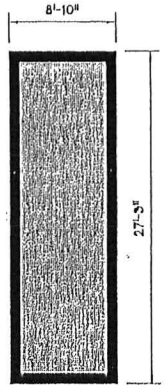


APT 4G
2 B.R.
716 SF





ROOF PLAN



BULKHEAD PLAN

FEE TITLE DESCRIPTION

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

Each Residential Unit shall consist of the area enclosed horizontally by the unexposed faces of the dry walls located at an exterior wall of the Buildings and the unexposed faces of the dry walls dividing the Unit from corridors, stairs, or other Units and vertically by the upper face of the subfloor of the unit up to the unexposed face of the dry walls forming the upper ceiling of the Unit. Doors and windows which open from a Unit and interior walls of a Unit shall be deemed to be part of the unit.

The Description of the 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 building plans to be filed simultaneously with the recording of the Declaration.

HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

WARRANTIES ON SALE OF NEW HOMES

Section 777. Definitions.
777-a Housing Merchant Implied Warranty
778-b. Exclusion or Modification of Warranties

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building Code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multiunit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit which the builder has resided in or leased continuously for three years or more following the date of completion of construction, as evidenced by the certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling, and ventilation systems" shall mean:

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

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems; all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing Merchant Implied Warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. a housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The Owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty

period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in Section 777-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in Section 777-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

777-b. Exclusion or Modification of Warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. a copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. a copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof"

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home- and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in non-binding arbitration or any mediation process;

i. any limitation on or exclusion of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under Section 5-322.1 of the General Obligations Law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES LOCATED AT 90-20 55TH AVENUE, BOROUGH OF QUEENS, QUEENS COUNTY CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

NAME: **THE ELMWOOD GARDENS CONDOMINIUM**

SPONSOR: **Fabian Builders HRPT, LLC**
59-05 59th Drive
Maspeth, New York 11378

DATE OF DECLARATION:

Henry F. Camuso, Esq.,
Attorneys for the Sponsor
147 Remsen Street
Brooklyn, NY 11201

SCHEDULE I

TABLE OF CONTENTS

		Page
ARTICLE FIRST:	Submission of Property.....	1
ARTICLE SECOND:	Description of Property.....	1
ARTICLE THIRD:	Definitions.....	1
ARTICLE FOURTH:	Community.....	2
ARTICLE FIFTH:	Common Elements.....	2
ARTICLE SIXTH:	Easements.....	3
ARTICLE SEVENTH:	Service of Process.....	4
ARTICLE EIGHTH:	Common Interest.....	4
ARTICLE NINTH:	Administration.....	4
ARTICLE TENTH:	Amendment and Withdrawal.....	4
ARTICLE ELEVENTH:	Subject to Declaration, By-Laws, etc.....	5
ARTICLE TWELFTH:	Common Charges.....	6
ARTICLE THIRTEENTH:	Units Acquired by the Board.....	6
ARTICLE FOURTEENTH:	Encroachments.....	7
ARTICLE FIFTEENTH:	Unit Ownership.....	7
ARTICLE SIXTEENTH:	Conveyance of a Unit.....	7
ARTICLE SEVENTEENTH:	Covenants and Restrictions.....	7
ARTICLE EIGHTEENTH:	Invalidity.....	9
SCHEDULE.....		10
EXHIBIT.....		

PLAN OF CONDOMINIUM HOME OWNERSHIP
DECLARATION OF THE ELMWOOD GARDENS CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

In the Borough and County of Queens, City and State of New York on this day of ,20 , Fabian Builders HRPT, LLC. whose principal office is situated in the County of Queens, State of New York, herein after referred to as the "Owner" does hereby state:

FIRST: Submission of Property. By this Declaration the Owner submits the property described in this Declaration, including the land and the Buildings and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Owner owns all that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough and County of Queens, City and State of New York, and more particularly bounded and described on Exhibit A annexed hereto and made a part hereto.

THIRD: Definitions.

(a) The Owner of each Unit is hereafter referred to as the "Unit Owner" and shall be distinguished from "Owner" as defined below. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to-in paragraph **EIGHTH** of this Declaration.

(b) a "Residential Unit" as hereinafter referred to shall be defined as follows: Each Residential Unit shall consist of the area enclosed horizontally by the unexposed faces of the dry walls located at an exterior wall of the Buildings and the unexposed faces of the dry walls dividing the unit from corridors, stairs, or other Units and vertically by the upper face of the subfloor of the unit up to the unexposed face of the dry walls forming the upper ceiling of the unit. Doors, and windows which open from a unit and interior walls of a unit shall be deemed to be part of the unit. The Description of the Residential Units set forth herein pertains to the location of the walls, floors and ceiling of the Residential Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

(c) a "Unit" as hereafter referred to shall be defined as a Residential Unit.

(d) "Owner" or "Sponsor" shall mean and refer to Fabian Builders HRPT, LLC. and its successors and assigns.

(e) a "Building" as hereafter to shall be defined as a number of Units all of which are constructed under a continuous roof.

(f) "Party Wall" as hereafter referred to shall be defined as a wall which is common to and separates two Units.

(g) "Condominium" as hereafter referred to shall mean The Elmwood Gardens Condominium which is composed of the Unit Owners.

(h) The term "Unit" and "Unit Owner" as used herein shall be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

FOURTH: Community. The Owner is constructing on the parcel of land described above a Condominium Unit Community known as The Elmwood Gardens Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Office of the Register of the City of New York, Queens County, which Plans set forth a description of the buildings stating the number of stories and number of Units and the principal materials of which they will be constructed.

The Community will consist of twenty (20) Residential Units located in a four (4) story building with a cellar, all as set forth on the floor plans filed as part of this Declaration. Each of the Units has access to a public street by means of an elevator and stairwell. For the purposes of describing the location of the building, approximate area, type and number of rooms of each Unit and the common elements to which each Unit has immediate access, each Unit is described on Schedule A annexed hereto. Each Unit will be sold to one or more Unit Owner, each Unit Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the common elements of the Condominium, as listed hereafter in this Declaration, and referred to as the "common elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Owner and the Unit Owner at the time of construction of the Unit.

The aforesaid Community has a total plot area of approximately 15,028 square feet.

FIFTH: Common Elements. The common elements of the Condominium will consist of all the Condominium, except the Units, including, but without limitation, outside walls and roofs of the Building, the land, building and improvements (other than the Units) comprising the Community (including the land under the Units and under the improvements), and all utility or other pipes and material located outside of the Units. The Condominium shall share the use of certain common areas with the other owners and occupants of the commercial space located in the Building, including the stairs and lobby area. The management, maintenance and repair of such common areas is subject to the Declaration of Easements, Use and Maintenance recorded in the Office of the Register of the City of New York, Queens County on the Day of , 2004, in CRFN .

Any portion of the common elements which is not restricted in use may be used by any Unit Owner. The common elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.

The common elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

The percentage of the undivided interest in the common elements established herein shall not be changed except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to this Declaration. Each Unit shall have the right to use the common elements, other than such portions, if any, which are by the terms of this Declaration or the annexed By-Laws irrevocably restricted in use to other Unit Owners, in accordance with the purpose for which such common elements are intended, without hindering the exercise of or encroaching upon the rights of other Unit Owners.

The undivided interest in the common elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH: Easements. All pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the common elements including electric meter banks located on the exterior of a Unit or in a limited common element of a Unit and servicing one or more other Units, will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the owners of the other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units, limited common elements of a Unit and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit and limited common element of a Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and limited common element of a Unit and servicing any other Unit. The cost of such repairs shall be a common expense. The Board of Managers shall have a right of access to all common elements for inspection, maintenance, repair or improvement whether such common elements are restricted or not.

The Owner, its successors, assigns, and purchasers, reserve the easement, licenses, rights and privileges of a right-of-way in, through, over, under and across the common elements of the Condominium for the purpose of completing construction and sale of Units and facilities in the Condominium and toward this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Owner, its successors, assigns, and purchasers, also reserve the right to connect with and make use of the utility lines, pipes, wires, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the common elements. Finally, the Owners, its successors, assigns and purchasers reserve the right to continue to use the common elements and any facilities, sales offices, model Units, and sign in its efforts to market Units constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Owner.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical shall be granted an easement of ingress and egress over, upon and through The Elmwood Gardens Condominium for ingress or egress to a public road, if necessary. This Paragraph may not be amended by the Unit Owner's in the Condominium.

This Declaration is subject to a Declaration of Easements, Use and Maintenance which provides for mutual non-exclusive easements of ingress and egress, utilities, support, maintenance, repair, replacement and operation of the building and improvements and establishes a Committee to administer the portions of both properties which will be commonly used.

SEVENTH: Service of Process: Service of process on the Unit Owners in any action with relation to the common elements shall be made upon the President of the Board of Managers of The Elmwood Gardens Condominium, 90-20 55th Avenue , Elmhurst, New York. The Board of Managers shall have the principle responsibility for curing any violations of such building or zoning laws and service upon the Board of Managers shall be deemed service upon the Owner or Owners of the Condominium Unit or Units in which any such violations exists. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any City agency successor thereto.

EIGHTH: Common Interest. Each Unit Owner shall have such percentage interest in the common elements as is set forth in Schedule a attached hereto and shall bear such percentage of the common expenses of the Condominium. Each Residential Unit Owner shall have one vote for all voting purposes at any meeting of the Unit Owners. The percentage of interest of each Unit in the common elements has been based primarily upon the Sponsors analysis of the floor space and sales price of each Unit subject to the location of such space as well as the availability of portions of the common elements for exclusive or shared use.

NINTH: Administration. The administration of the Condominium and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit "C".

TENTH: Amendments and Withdrawal.

(a) The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless 80% of the Unit Owners in number and in common interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Boars of Managers upon a vote of at least sixty-six and two-thirds percent (66-2/3%) of the Residential Unit Owners in number held at a duly-called meeting of the Residential Unit Owners, provided however, that:

(i) No amendment shall change any condominium parcel, nor a Unit Owner's proportionate share of the common charges, nor the voting rights appurtenant to any home, unless all of record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of the affected Units agree to such charge by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees. There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Residential Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

(c) The Owner, its successors and assigns shall have the right without vote or consent of the Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Register's Office of the City of New York, Queens County and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule A of this Declaration to conform the Model type, square footage and type and number of rooms and any other required information for a specified Unit, so long as the appurtenant percentage of common interest does not change for said Unit, or (v) the carrying out of other provisions of the Offering Plan of The Elmwood Gardens Condominium.

(d) Any amendment to this Declaration shall not take effect until it is recorded in the Register's Office of the City of New York, Queens County.

Irrespective of any other provision of this Declaration, no action for partition or division of the common elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ELEVENTH: Subject to Declaration, By-Laws, etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of occupancy of any of said Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any

first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit Owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of common charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of common charges will be charged to all other Unit Owners as a common expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Owner to a purchaser of a Unit or in which the Owner participates with one of the above.

Every Unit Owner shall pay the common charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Units Acquired by the Board. In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this Paragraph each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit or the common elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the common elements as aforedescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

FIFTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such until such time as he ceases to own the Unit for any reason.

SIXTEENTH: Conveyance Of a Unit. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the Grantor and such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid common charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: Covenants and Restrictions. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to any part of the common elements may be made and no structure may be built on any portion of the common elements or restricted common elements without the written consent of the Board of Managers. No alterations to the inside of a Unit which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers.

(c) Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies have jurisdiction thereof.

(d) The Owner shall have the right, without the consent of the Board of Managers, or the other Unit Owners or their mortgagees, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Residential Unit owned by it; (ii) change the layout or number of rooms in such Residential Unit; (iii) change the size and/or number or such Residential Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Residential Units or otherwise; and (iv)

reapportion among the Residential Units affected by such change their appurtenant interest in common elements, provided, however, that in each instance the Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The provisions of this subparagraph (d) may not be amended or modified without the written consent of the Owner.

(e) Any Unit Owner who mortgages his Unit shall notify the Board of Managers providing the name and address of his mortgagee.

(f) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid common charges due from the Unit of such Unit.

(g) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(h) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(i) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners, provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(j) The common charges shall be paid when due.

(k) The use for which the Units in the building are intended is residential occupancy.

Notwithstanding the foregoing, the Sponsor may, without permission of the Board of Managers, retain ownership of one or more Residential Units for use as models or sales and/or promotional offices in connection with the sale or rental of Units.

EIGHTEENTH: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

FABIAN BUILDERS HRPT, LLC

By:_____

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

On the day of ,20 , before me, the undersigned, a notary public in and for the 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 person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

SCHEDULE A

Model Type	Unit Number	Percentage of Common Interest	Approximate Area in Square Feet	Irrevocably Restricted Common Elements	Type and No. of Rooms

TO BE COMPLETED UPON RECORDING OF DECLARATION

BY-LAWS

OF

THE ELMWOOD GARDENS CONDOMINIUM

Henry F. Camuso, Esq.,
Attorneys for the Sponsor
147 Remsen Street
Brooklyn, New York 11201

SCHEDULE J

BY-LAWS
OF
THE ELMWOOD GARDENS CONDOMINIUM

TABLE OF CONTENTS

		Page
ARTICLE I.	**PLAN OF CONDOMINIUM UNIT OWNERSHIP**	1
Section 1.	Condominium Unit Ownership	1
Section 2.	By-Laws Applicability	1
Section 3.	Personal Application	1
Section 4.	Definitions	1
ARTICLE II.	**CONDOMINIUM, VOTING, QUORUM AND WAIVERS**	1
Section 1.	Condominium	1
Section 2.	Voting	1
Section 3.	Quorum	1
Section 4.	Vote Required to Transact Business	2
Section 5.	Right to Vote	2
Section 6.	Proxies	2
Section 7.	Waiver and Consent	2
Section 8.	Place of Meetings	2
Section 9.	Annual Meetings	2
Section 10.	Special Meetings	3
Section 11.	Notice of Meetings	3
Section 12.	Order of Business	3
ARTICLE III.	**BOARD OF MANAGERS**	3
Section 1.	Number and Term	3
Section 2.	Vacancy and Replacement	4
Section 3.	Removal	4
Section 4.	First Board of Managers	4
Section 5.	Powers	4
Section 6.	Repairs and Maintenance	7
Section 7.	Compensation	8
Section 8.	Meetings	8
Section 9.	Annual Statement	9
Section 10.	Fidelity Bonds	9
Section 11.	Management Agent	9
Section 12.	Liability of the Board of Managers, Officers and Unit Owners	9

		Page
ARTICLE IV.	**OFFICERS**	9
Section 1.	Elective Officers	9
Section 2.	Election	10
Section 3.	Appointive Officers	10
Section 4.	Term	10
Section 5.	The President	10
Section 6.	The Vice President	10
Section 7.	The Secretary	10
Section 8.	The Treasurer	10
Section 9.	Agreements, etc.	11
ARTICLE V.	**NOTICES**	11
Section 1.	Definition	11
Section 2.	Service of Notice Waiver	11
ARTICLE VI.	**FINANCES**	11
Section 1.	Checks	11
Section 2.	Assessments	11
Section 3.	Foreclosure of Liens for Unpaid Common Charges	12
Section 4.	Statement of Common Charges	12
Section 5.	Liability for Utilities	12
Section 6.	Operating Account	13
Section 7.	Other Accounts	13
ARTICLE VII.	**INSURANCE AND INSURANCE TRUSTEE**	13
Section 1.	Insurance to be Carried by the Board	13
Section 2.	The Insurance Trustee	14
Section 3.	Restoration or Reconstruction after Fire or Other Casualty	14
ARTICLE VIII.	**HOUSE RULES**	15
ARTICLE IX.	**DEFAULT**	19
ARTICLE X.	**AMENDMENTS**	19
ARTICLE XI.	**SELLING, MORTGAGING AND LEASING UNITS**	20
Section 1.	Selling and Leasing Units	20
Section 2.	Leasing Requirements	20
Section 3.	Tenant Bound by Declaration	21
Section 4.	Lenders	21
Section 5.	Sponsor	21

		Page
Section 6.	Waiver of Partition Rights	21
Section 7.	Mortgaging of Units	21
Section 8.	Gifts, etc.	21
ARTICLE XII.	**CONDEMNATION**	21
ARTICLE XIII.	**MISCELLANEOUS**	22
Section 1.	Insurance	22
Section 2.	Severability	22
Section 3.	Notice to Condominium	22
Section 4.	Notice of Unpaid Assessments	22
Section 5.	Examination of Books and Records	22
Section 6.	Construction	22
Section 7.	Compliance with Article 9-B	23

BY-LAWS
OF
THE ELMWOOD GARDENS CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership. The property located at 90-20 55th Avenue , Borough and County of Queens, City and State of New York as specifically set forth in the Declaration and more commonly known as The Elmwood Gardens Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the common elements and the use and occupancy thereof, the Term "Building" as hereinafter used shall be defined as the exterior walls and roof of a Unit or number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium but which does not contain any of the Units.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Community in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise indicated.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Residential Unit.

Section 2. Voting. Each Residential Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings for each Residential Unit or Residential Units owned by such Unit Owner, but in the event the Board of Managers acquires a Residential Unit on behalf of the Condominium it shall not cast any of its votes appurtenant to said Residential Unit for the election of any member to the Board.

Section 3. Quorum. So many Residential Unit Owners as shall represent at least 51% of the

total authorized votes of all Residential Unit Owners, present in person or represented by written proxy, shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Units Owners, the Residential Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Residential Unit Owners as shall represent at least 33 1/3% of the total authorized votes of all Residential Unit Owners, present in person or represented by written proxy, shall constitute a quorum. If, however, such reduced quorum shall not be present or represented at such adjourned meeting of the Condominium, the Residential Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least 5 days written notice of such adjourned meeting shall be given to all Unit Owners. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many Residential Unit Owners as shall represent at least 25% of the total authorized votes of all Residential Unit Owners, present in person or represented by written proxy, shall constitute a quorum.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Residential Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. a notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings Control Of Board Of Managers by Sponsor. The initial Board of Managers will call for the first annual meeting of the Unit Owners to elect a new Board of Managers

within one (1) year of the closing of the first Unit. At such meeting, members of the Board of Managers shall be elected by the Residential Unit Owners, other than the members of the Board the Sponsor shall have the right to designate, and the former members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Residential Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Residential Unit Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control and may designate a majority of the Board of Managers until the fifth anniversary of the closing of title to the first Residential Unit or until 95% of the Residential Units in the Condominium are closed, whichever occurs first. At the fifth annual meeting, and at all successive meetings, Sponsor may not designate a majority of the Board of Managers but may designate one (1) member so long as he owns at least one (1) Residential Unit.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five but not more than ten days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c)Reading of minutes of preceding meeting
(d) Report of officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of managers (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Managers designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Residential Unit Owners; thereafter, all Managers, other than designees or nominees of the Sponsor, shall be Residential Unit Owners. The Managers shall be elected or designated at the annual meeting of the Unit Owners. At the first annual meeting of Unit Owners called pursuant to Section 9 of Article II a total of four (4) Managers shall be elected or designated. All

managers, other than those designated by the Sponsor, shall be elected by the Residential Unit Owners. The term of office of one (1) of the Managers shall be fixed for three (3) years, the term of office of two (2) of the Managers shall be fixed at two (2) years, and the term of office of one of the Managers shall be fixed at one (1) year. Separate ballots shall be conducted for each of the four terms of office. Each Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit he owns. The one (1) or two (2) nominees on each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers until the fifth anniversary of the closing of title to the first Residential Unit or until 95% of the Residential Units in the Condominium are closed, whichever occurs first. After it turns over control of the Board to Residential Unit Owners independent of the Sponsor, the Sponsor shall have the right to designate one (1) Member so long as he owns at least one (1) Residential Unit. This Section may not be amended without the written consent of Sponsor.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article III) or any other manager who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No manager, other than a member of the First Board of Managers or a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Residential Unit Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Section 4. First Board of Managers. The first Board of Managers shall consist of Henry Fabian, Paul Fabian and Robert Fabian who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro-rata according to their respective common interest;

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Units, Buildings, and other common elements;

3. To make repairs, restore or alter any Units or the common elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

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

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

6. To insure and keep insured the common elements and Units in accordance with Article VII of these By-Laws;

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

8. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. a copy of such rules and all amendments shall be delivered to each Unit.

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

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

11. To acquire Units in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

12. To make additions, alterations, or improvements to the common elements of the Community, the cost of which addition, alteration, or improvement does not exceed $5,000. The Board of Managers may make additions, alterations or improvements to the common elements costing in excess of $5,000 only with the approval of a majority of the Unit Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, iterations, or improvements to the common elements costing in excess of $5,000 or enter into service or maintenance contracts the duration of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners.

13. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $5,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common elements without the written consent of the Owner of said Unit.

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

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

16. To elect two (2) Unit Owners to serve as members of the Committee established to impose and enforce rules and regulations governing the use and maintenance of the common areas of the Building pursuant to the Declaration of Easements, Use and Maintenance.

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to include at least one (1) manager which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of

the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Residential Units representing 5% or more in number, or five years after the date of closing of title to the first Residential Unit, whichever shall first occur, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the common elements or to any Unit, costing cumulatively more than $5,000, the foregoing not to include necessary repairs and maintenance work or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, in excess of the reserve for contingencies contained in the condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of closing of the first Residential Unit, or (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, or (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the common charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent; or (ix) utilize Condominium funds or assess the Sponsor to commence a lawsuit against the Sponsor or any of its principals.

The above provisions do not apply if there is an increase in the budget or an assessment as a result of expenses required (i) to comply with applicable laws or regulations; or (ii) to remedy any work order by an insurer. The provisions of this Article III, Section 5(c)may not be amended without the written consent of Sponsor.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any public utility lines as are located in the common elements and serve one or more Units, and exterior maintenance shall be a common expense. All maintenance (including electrical and plumbing repairs in the Units and painting and decorating of the inside of the Units), repairs and replacements to the Units including windows (including all glass breakage), doors, windows and doors which open from a Unit (except painting and maintenance of the exterior surface which is performed by the Board of Managers), and repairs to any heating/air conditioning system servicing a unit, pipes, wires and conduits located within or without the same Unit other than as set forth above shall be made by the respective Unit Owners at their own expense. All limited common elements, shall be maintained and repaired by the Unit Owner to whom such common element is restricted in use. The Board of Managers shall repair and replace any public utility lines located underground or overhead of any irrevocably restricted common element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Unit Owner to which the common element is restricted in use, in which event such Unit Owner shall make such

repairs or replacements at his own expense. Notwithstanding this provision, those areas covered by the Declaration of Easements, Use and Maintenance shall be addressed by the committee established to impose rules and regulations of the common areas subject to said Declaration.

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

All replacements, repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor.

In the event that a Unit Owner fails to make any maintenance or repair to his Unit or any common element restricted in use to a Unit Owner, which maintenance or repair is necessary to protect any of the common elements or any other Unit, or in the event a Unit Owner fails to maintain the Unit Owner's Unit or any common element restricted in use to a Unit Owner in a manner satisfactory to the Board of Managers, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after 10 days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any common element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Unit Owner shall be liable for the reasonable Attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

Section 7. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings. (a) The first meeting of each Board newly elected by the Residential Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) managers.

(d) At all meetings of the Board, a majority of the managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of managers, the managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners and their mortgagees and shall present annually (at the annual meeting, but in no event later than four months after the close of the fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 12. Liability Of the Board of Managers, Officers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Unit Owners as a group only and that no member of the Board of Managers, Officer of the Condominium nor individual Unit Owners shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his common interest bears to the common interest of all Unit Owners. The Board of Managers and Officers of the Condominium shall have no liability to the Unit Owners in the management of the Community except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of

the Board of Managers and Officers of the Condominium against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's common interest bears to the common interest of all Unit Owners.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Residential Unit Owners, members of the First Board of Managers or designated members of the Board of Managers of the Sponsor. Two or more offices may be held by the same person, except that the President may not hold more than one (1) office.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, he shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He

shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium , including 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 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued

operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interest appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the common elements restricted to the use of the Unit Owner of said Unit. Said assessments shall be payable monthly or in such other manner as ordered by the Board of Managers. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments.

The Unit Owner agrees to pay promptly when due the monthly common charges and all special assessments assessed against his own Unit. In the event any Unit Owner fails to make payment of his Common Charge, the Unit Owner who owns such Unit shall be obligated to pay (a) a "late charge" of $.04 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of 2% per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c)all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit Owner's Unit arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. In addition, in the event of a default in Payment of common charge assessments by any Unit Owner, the Board, at its sole option, may declare the common charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five day grace period in which to make his payment. The Board may take action to collect any common charges due from any Unit Owner which remains unpaid 90 days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any common charges which accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. a purchaser of a Unit (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all common charges assessed against the Unit and unpaid at the time of the purchase.

Section 3. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid common charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. a suit to

recover a money judgment for unpaid common charges shall also be obtainable separately without waiving the lien on the Unit.

Section 4. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid common charges due from such Unit Owner.

Section 5. Liability for Utilities. Any utility, including gas and electricity, consumed in the Units shall be the sole expense of each individual Unit Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fidelity insurance covering all officers, Board members, employees and the managing agent or agents who handle funds of the Condominium; fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all of the Buildings in the Condominium (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all heating, air-conditioning and other service machinery, contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if $40,000 or less, shall be payable to the Board of Managers, and if more than $40,000 shall be payable to the Insurance Trustee.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum of $2,000,000. All policies of physical damage insurance shall contain

waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insureds or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the common elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall be in a single limit of $1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

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

Section 2. The Insurance Trustee. a New York Bank or Trust Company shall be the Insurance Trustee and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the common charges.

If 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Notwithstanding this Article VII, in the event the damage addressed herein shall affect an area in the Building which is not part of the Condominium, the provisions of the declaration of Easements, Use and Maintenance shall apply to the restoration of the Building.

ARTICLE VIII. HOUSE RULES

Section 1. In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Units and the conduct of all residents thereof.

Section 2. The use for which the Residential Units is intended is residential occupancy, provided that, subject to all applicable governmental laws and regulations, any Residential Unit may be used as a professional office if the owner thereof resides therein. Notwithstanding the foregoing, the Sponsor may, without permission of the Board of Managers, retain ownership of one or more Residential Units for use as models or sales and/or promotional offices in connection with the sale or rental of Units. All rentals, other than rentals by the Sponsor, must have the prior consent in writing of the Board of Managers, and must be subject to local zoning ordinances and comply with the requirements contained in these By-Laws.

Section 3. Owners of a Unit, members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 4. The common elements shall not be obstructed, littered, defaced or misused in any manner.

Section 5. Every Unit Owner shall be liable for any and all damage to the common elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 6.

(a) Every Unit Owner must perform promptly all maintenance and repair work to his own Unit and to portions of the common elements irrevocably restricted to the Unit Owner's use pursuant to the provisions of the Declaration and these By-Laws which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the building of which his Unit forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender. See Article III, Section 6 of these By-Laws.

(b) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.

(c) Screen storm doors, if any, must conform to models installed by the builder and may not be installed without the approval of the Board of Managers.

Section 7. A Unit Owner may not make any alterations to any part of the common elements nor may any structure be built on any portion of the common elements or restricted common elements without the written consent of the Board of Managers. No alterations to the inside of a Unit which would impair the structural soundness of the building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations and zoning ordinances of any governmental agencies having jurisdiction thereof.

Section 8.

(a) No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Condominium or Unit including "For Sale" and "For Rent" signs except as authorized and approved by the Seller, during its initial control period and by the Board of Managers thereafter.

(b) It is prohibited to hang garments, rugs, etc., from the windows or from the Building or to string clothes lines on or over the common elements or limited common elements or to use any of the common elements or limited common elements for storage purposes.

(c)No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Unit.

(d) No repair of a Vehicle as referred in (e) above shall be made in any of the roadways,

driveways of the Condominium, nor shall such areas be used for storage or overnight parking of any Vehicle as referred to in (e) above without the written permission of the Board.

(e) No vehicle of any kind is permitted to be ridden, driven or parked on any portion of the common grounds which is outside the border of the road and/or driveways.

(f) No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or on the common elements unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium; such permission, if granted, shall be completely revocable by the Board without cause upon written notice. The keeping of permissible animals on the premises shall be subject to the rules and regulations adopted by the Board of Managers, provided that they are not kept, bred or maintained for any ,commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers. In no event shall any dog be permitted on any portion of the common elements not irrevocably restricted in use to the Owner of the Unit, unless carried or on a leash. Unit Owners shall be required to clean up after their pets at all times.

(g) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of a Unit without the prior written consent of the Board of Managers.

(h) No Unit Owner shall do anything to his Unit or the Common Area to alter the drainage.

(i) Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, or windows thereof, any dirt or other substance.

(j) Any Unit Owner who mortgages or sells his Unit shall immediately notify the Board of Managers, providing the name and address of his mortgagee or new Unit Owner.

(k) The Board of Managers shall, at the request of the mortgagee of the Unit, report any delinquent assessments due from the Owner of such Unit.

(l) No Unit Owner shall install or permit to be installed any window mounted or through the wall mounted air conditioning unit in his Unit, except in air conditioning sleeves and/or designated window cut-outs provided by the Sponsor.

(m) Every Unit Owner shall be liable for any and all damage to the Common Area, which shall be caused by said Unit Owner, its permitted lessees and occupants of Units, their respective family members and guests and such other person for whose conduct the Unit Owner is legally responsible.

(n) No Unit Owner shall make or permit any disturbing noises in any Unit or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners.

(o) No Unit Owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

(p) No article shall be placed in the halls, staircases, or stair landings nor shall anything be hung or shaken from the doors or windows or placed upon the window sills of the Building.

(q) No one shall ride mopeds or skateboards on any portions of the common elements.

(r) The Unit Owner shall not alter any lock or install a new lock on any door leading to his Unit without the written consent of the Board of Managers or the managing agent. If such consent is given, the Board of Managers or the managing agent shall be provided with a key.

(s) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the House Rules or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. If in their determination the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to $50.00 upon the violator; such fine is to be considered as an additional common charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium, By-Laws or Offering Plan. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to $50.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as common area, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional common charge.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation. The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the Condominium including any model Units located within the Condominium Buildings or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the common elements, and without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of common charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invites of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the common elements of the Condominium. The last two paragraphs of this Article VIII may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one or more unsold Units.

ARTICLE IX. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers, acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such sum, charge or assessment shall remain unpaid for 90 days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the assessment required to be paid by him on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI Section 2 of these By-Laws and said Unit Owner shall be liable for the Condominium's reasonable costs and a reasonable attorneys fee incurred by it incident to the collection or enforcement of such lien.

ARTICLE X. AMENDMENTS

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

In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least 51% of the votes of Units that are subject to first mortgages. a change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interests in the general or limited common areas, or rights to their use; boundaries of any Unit; convertibility of Units into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her unit; a decision by the Condominium to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner

other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors.

An addition or amendment to these By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request to approve amendments who does not deliver to the Condominium a negative written response within 30 days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XI. SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing Residential Units. Any Residential Unit may be conveyed or leased, subject to the leasing requirements contained in Article VIII, Section 2 and Article XI, Section 2 of the By-Laws, subject to local zoning ordinances, by its Unit Owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, sell or lease his Residential Unit unless and until all unpaid common charges assessed against his Residential Unit shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds from the sale of a Residential Unit, or by the Grantee. Notwithstanding the above, any Unit Owner who wishes to enter into a lease for his Residential Unit shall be required to provide the Board of Managers with a copy of the lease prior to its execution. All leases must comply with all the requirements contained in Section 2 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, a Unit Owner may convey his Residential Unit and his common interest appurtenant thereto, to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board or the Residential Unit Owners and upon such conveyance such Unit Owner shall not be liable for any common charges thereafter accruing against such Residential Unit. Any sale or lease of any Residential Unit in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Residential Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Residential Unit" is referred to in this section, it shall include the Residential Unit, the Residential Unit Owners undivided interest in the common elements and the Residential Unit Owners interest in any Residential Units acquired by the Board of Managers.

Section 2. Leasing Requirements. Except as noted in Sections 4 and 5, every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease: (a) the lease must be in writing; (b) the lease must be for the entire Residential Unit; (c)the lease must be for a minimum period of not less than twelve (12) months. Renewals can be longer, but not less than twelve (12) months; (d) the use of the premises is subject to the Declaration and the By -Laws of the Condominium; (e) within thirty (30) days of occupancy by the

tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Managing Agent or if no Managing Agent to a Member of the Board of Managers of the Condominium; (f) the Residential Unit cannot be used as a motel or hotel or otherwise for transient tenants; (g) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including any rules and regulations, the Condominium may bring an action in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is or has violated any of the provisions of the Declaration, the By-Laws, or the rules and regulations of the Condominium, the Court may find the tenant guilty of forcible detainer despite the facts that the Residential Unit Owner is not a party to the action and/or that the tenant is not otherwise in violation of tenant's lease or other rental agreements with the Residential Unit Owner. For purposes of granting the forcible detainer against the tenant, the court may consider the Residential Unit Owner a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (the Condominium). The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that shall bind the Residential Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns. The Condominium shall give the tenant and the Unit Owner written notice of the nature of the violation of the rules, and thirty (30) days from the mailing of the notice in which to cure the violation before the Condominium may file for eviction.

Section 3. Tenant Bound by Declaration. By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the other rules and regulations of the Condominium and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Condominium.

Section 4. Lenders. To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Units in the Condominium, only subsection (d) and (e) of Section 2 of this Article XI shall apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent purchaser from the first mortgage lender is subject to all the terms of Article XI.

Section 5. Sponsor. The terms of Sections 2, and 3 of this Article XI shall not be applicable to the Sponsor.

Section 6. Waiver Of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 7. Mortgaging of Units. No Unit Owner shall mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, mortgage company, union pension fund, agency of the United States Government

or agency of the State of New York or a purchase money mortgage loan granted by the Seller or in participation with one of the above institutions.

Section 8. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

ARTICLE XII. CONDEMNATION

In the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $40,000 and to the Board of Managers if the award is $40,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) so much of the award as is applicable to unrestricted common elements, to the Unit Owners pro rata according to the respective common interest appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted common elements to the Unit Owner having general use of such common element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocably restricted common element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates on his Unit or any other Unit or on the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. a Unit Owner who mortgages his Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

APP-1

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

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

Re: _____
Address of Building or
Name of Project

File Number: _____

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

1. Name of Applicant _____

2. Address of Applicant _____

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

_____

_____

4. This is an application for

[ ] return of downpayment.
[ ] forfeiture of downpayment.
[ ] other: _____

_____

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

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

   [ ] other: _____

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

   (a) Name of account _____

   (b) Name and address of bank _____

   (c) Account number (if known) _____

   (d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

   (a) Name and address of bond issuer or surety: _____

_____

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

_____

_____

_____

_____

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

_____

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

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or ~~purchase~~ agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

_____

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

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

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

_____

_____

_____

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

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

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____

ESCROW AGREEMENT

AGREEMENT made this day of ,2004 , between FABIAN BUILDERS HRPT, LLC, ("SPONSOR") as Sponsor of the offering plan for The Elmwood Gardens Condominium and HENRY F. CAMUSO, ESQ., 147Remsen Street, Brooklyn, New York, ("ESCROW AGENT") AS ESCROW AGENT.

WHEREAS FABIAN BUILDERS HRPT, LLC is the SPONSOR of an offering plan to develop to a condominium, the premises located at 90-20 55th Avenue, Elmhurst, New York which premises are known as The Elmwood Gardens Condominium; and

WHEREAS, HENRY F. CAMUSO , ESQ. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the New York State Attorney General's ("Attorney General") regulations promulgated thereunder; and

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

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

1. **ESTABLISHMENT OF THE ESCROW ACCOUNT**

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Signature Bank (depository bank) at its branch located at 26 Court, Brooklyn, New York. The account number is

1.2 The name of the account is " HENRY F. CAMUSO, ESQ. IOLA ACCOUNT FOR THE BENEFIT OF THE ELMWOOD GARDENS CONDOMINIUM".

1.3 A member or members of the ESCROW AGENT are the sole signatories on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan or an amendment thereto.

1.5 The escrow account is/ is not (cross out inapplicable provision) an Interest-on-Lawyer-Account ("IOLA") account established pursuant to Judiciary Law Section 497.

2. **DEPOSITS INTO THE ESCROW ACCOUNT**

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow shall be made payable to, or endorsed by the purchaser or subscriber to the order of Henry F. Camuso, Esq. as escrow agent for The Elmwood Gardens Condominium offering plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 SPONSOR shall deliver to the escrow agent all deposits submitted pursuant to a subscription or purchase agreement, within three (3) business days after tender of the

deposit by a prospective purchaser to the SPONSOR or any agent engaged by the SPONSOR, along with the form of tender of deposit attached hereto as Exhibit a to this Escrow Agreement, executed by the SPONSOR.

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

3. **RELEASE OF FUNDS**

3.1 ESCROW AGENT shall not release the escrowed funds deposited by a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both SPONSOR and purchaser or (b) a determination of the Attorney General or (c)a judgment or order of a court of competent jurisdiction or (d) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made an application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

3.5 ESCROW AGENT shall disburse the purchaser's deposit(s) escrowed under this Escrow Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Agreement.

4. **RECORD KEEPING**

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was the ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT**

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 a fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

5.3 No disbursement need or will be made by ESCROW AGENT until the deposit has actually and finally cleared ESCROW Agents account.

5.4 ESCROW AGENT shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

5.5 ESCROW AGENT may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertions contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so.

5.6 ESCROW AGENT undertakes to perform only such duties as are expressly set forth in this Agreement and the Escrow Regulations promulgated by the New York State Attorney General's Office and no implied duties or obligations shall be read into this Agreement against ESCROW AGENT.

6. **RESPONSIBILITIES OF SPONSOR**

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall within three (3) business days of receipt of all deposits and payments deliver to ESCROW AGENT all such deposits and payments received by them prior to closing of an individual transaction.

6.2 SPONSOR agrees that it shall not interfere with ESCROW Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. **INDEMNIFICATION**

7.1 ESCROW AGENT shall not be liable for SPONSOR's failure to tender the purchasers' funds to ESCROW AGENT within three (3) business days, for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence, and SPONSOR agrees to indemnify and hold ESCROW AGENT harmless from any claims, demands, causes of action, liability, damages, judgments, including the cost of defending any action against it together with any reasonable attorneys' fees incurred therewith and/or reasonable value of services rendered by ESCROW AGENT's litigation attorneys representing ESCROW AGENT pro se, in connection with ESCROW AGENT's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of ESCROW AGENT.

7.2 ESCROW AGENT shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

7.3 The duties of ESCROW AGENT shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Agreement.

8. **TERMINATION OF AGREEMENT**

8.1 This Agreement shall remain in effect unless and until it is canceled, by either:
(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c)All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

(d) ESCROW AGENT shall have no responsibility to verify qualifications of any successor escrow agent.

8.2 Upon termination of the duties of ESCROW AGENT as described in Paragraph 8.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent designated in the duly filed amendment related thereto.

8.3 Upon delivery of all funds held by the ESCROW AGENT to the new escrow agent pursuant to 8.2 supra, this Agreement shall be terminated and the ESCROW AGENT shall be released from all liability hereunder.

8.4 Upon ESCROW AGENT disbursing the deposit of an individual purchaser in accordance with the provisions of this Agreement, the escrow obligation's shall terminate as regards said purchaser's deposit, and ESCROW AGENT shall thereafter be released of all liability in connection with said purchaser.

9. **MISCELLANEOUS**

9.1 In the event of a good faith disagreement about the interpretation of this Agreement, or about the rights and obligations, or the propriety, of any action contemplated by ESCROW AGENT hereunder, ESCROW AGENT may, at its sole discretion, retain purchasers' deposits and payments in escrow and apply to the Attorney General for a determination on the disposition of the down payment or file an action and deposit any applicable funds in court to resolve said disagreement. ESCROW AGENT shall be indemnified by SPONSOR for all costs, including reasonable attorneys' fees or reasonable value of services rendered by ESCROW Agent's litigation attorneys representing ESCROW AGENT pro se, in connection with the aforesaid action. No such action shall be filed where the ESCROW AGENT's required course of action is clearly dictated within this Agreement.

10. **SUCCESSORS AND ASSIGNS**

10.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

11. **GOVERNING LAW**

11.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

12. **ESCROW AGENT'S COMPENSATION**

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

13. **SEVERABILITY**

13.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the

fullest extent permitted by law.

14. **ENTIRE AGREEMENT**

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

15. **NOTICES**

15.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, Federal Express or similar overnight courier, facsimile transmission, messenger service (with proper receipt therefor), addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:
Henry F. Camuso, Esq.
147 Remsen Street
Brooklyn, New York 11201

IF TO SPONSOR:
Fabian Builders HRPT, LLC.
59-05 59th Drive
Maspeth, New York 11378

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

16. **CAPTIONS AND HEADINGS**

16.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

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

ESCROW AGENT

By:_____
Henry F. Camuso, Esq.

SPONSOR:
FABIAN BUILDERS HRPT, LLC

By:_____

_____
Print Name & Title

DECLARATION OF EASEMENTS, USE AND MAINTENANCE

Declaration of Easements, Use and Maintenance (hereinafter referred to as the "Declaration") made this day of , 2004 by Fabian Builders HRPT, LLC., a New York Limited Liability Company with offices at 59-05 59th Drive, Maspeth, New York (hereinafter referred to as the "Declarant").

WHEREAS, The Declarant is the owner of certain land and the building and improvements erected thereon known as 90-20 55th Avenue, Elmhurst, New York (the "Premises") and more particularly described in Schedule A annexed hereto and by this reference made a part hereof; and

WHEREAS, the Declarant desires to develop as a residential condominium on the third and fourth floors of the Premises which will be known as The Elmwood Gardens Condominium (hereinafter referred to as "the Condominium") which will have title to such portions of the common elements of the Premises and defined elsewhere herein as its "Respective Portion" of the Common Area which is more particular described in Schedule B annexed hereto and by this reference made a part here of; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities on the Premises, for the common use and benefit of certain portions on the Premises as more particularly described on Schedule B (the "Common Area") and for the maintenance, repair, replacement and operation of the Premises; and, to this end, desires to subject the Premises to the covenants, restrictions and easements, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

NOW THEREFORE, the Declarant, for itself, its successors and assigns, declares that the real property described in Schedule A is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions and easements (sometimes referred to as "covenants and restrictions") hereinafter set forth.

1. **Ingress and Egress Easements**. The Declarant does hereby establish and create to the benefit of Declarant, all owners of condominium units at the Premises ("Owners") and tenants of the Premises, their successors and assigns, their permitees, licensees, invitees and guests, non-exclusive

easements over and across the portions of the Common Area described on Schedule C annexed hereto and by this reference made a part hereof, for pedestrian ingress and egress.

2. **Utility Easements**. The Declarant does hereby establish and create for the benefit of Declarant, Owners and tenants at the Premises, their successors and assigns non-exclusive easements over and across the portions of the Common Area described in Schedule D annexed hereto and by this reference made a part hereof for utility services; including without limitation, water, sewer, sprinkler systems, electric, gas, telephone, cable television, garbage disposal, air conditioning, and heating; including without limitation the right to connect with, maintained, repair and replace utility lines, ducts, chutes and equipment. Owners, tenants and all other persons shall do nothing which interferes with or impairs utility services using such easements.

3. **Support Easements**. The Declarant does hereby establish and create for the benefit of Declarant, Owners and Tenants at the Premises, their successors and assigns non-exclusive easements on and across the portions of the Common Area described on Schedule E annexed hereto and by this reference made a part hereof, for support of buildings and improvements.

4. **Maintenance, Repair and Replacement**. Declarant and the Condominium, their successors and assigns, shall be obligated to maintain, repair and replace the respective portions designated on Schedule B of the Common Area in which they retain ownership ("Respective Portions"). The cost of such maintenance, repair and replacement shall be apportioned and collected in accordance with the provisions of Paragraph 7 below. Declarant and the Condominium, their successors and assigns, shall keep their Respective Portions and their building and improvements in good repair and in a clean and sanitary condition. Declarant and the Condominium, their successors and assigns, shall use and keep their Respective Portions and their building and improvements in compliance with all laws, statutes, rules, regulations, ordinances, codes, orders, and mandates of all federal, state, local and other governmental and quasi-governmental bodies having jurisdiction.

5. **Use Regulations**. Declarant and the Condominium, their successors and assigns shall, (a)

upon mutual consent, impose and enforce reasonable rules and regulations governing the use and enjoyment of the Common Area and, upon mutual consent, may modify or rescind any such rules and regulations; and (b) each designate two (2) representatives to the 90-20 55th Avenue Common Area Committee (the "Committee"). The Committee shall consist of four (4) representatives. The Committee shall have the right to incorporate in accordance with applicable law. In the event of incorporation, Declarant and the Condominium, their successors and assigns shall each be shareholders and shall each have the right to elect two (2) directors of the Corporation. The Board of Directors of any such Corporation shall consist of four (4) directors. The Committee shall have the authority to impose, modify, or rescind rules and regulations governing the use and enjoyment of the Common Area. The Committee shall only have authority to take action approved by majority vote of its members at meetings duly noticed to all members in writing at least two (2) days prior to such meeting. The latest addition of Roberts Rules of Order shall control the meeting and conduct of the Committee with respect thereto. It is the intention of the parties hereto that the Committee's authority shall be limited to the imposition, modification and rescission of rules and regulations concerning the use and enjoyment of owners, tenants, their permitees, licensees, invitees and guests. The Committee shall enforce and administer all such rules and regulations and the obligations imposed under this Agreement for maintenance, repair and replacement of the Common Area.

6. **Common Area Expenses**. The following constitutes Common Area expenses, which shall be apportioned and collected as provided in Paragraph 7 below.

A. Taxes. Declarant and the Condominium, their successes and assigns, will pay, prior to the date of imposition of any interest or other penalty, any and all taxes, tax liens, charges, assessments, in positions, water and sewer taxes, charges and rents, and liens for public improvements which may be assessed against their respective portions of the Property as said term is hereinafter defined and any personal property thereon. If any tax or assessment is payable in installments, it may be paid at each installment falls due. It is anticipated that the Premises will be divided into it least two (2) tax lots by the City of New York. One or more tax lots will consist of the portion of the Premises owned by the

Condominium and all owners of condominium units therein and the other tax lot will consist of the portion of the Premises owned by the Declarant and its successors and assigns. Once such division has been made, it will no longer be necessary to apportion real estate taxes.

B. Liability Insurance. In the event that Declarant and the Condominium shall be unable to obtain separate public liability insurance covering any and all claims for injuries received in connection with the operation and maintenance of the Premises with limits of no less than $1,000,000.00 per occurrence covering all claims for bodily injury and $2,000,000.00 for property damage arising out of any one occurrence, the Committee shall obtain same with the cost being borne in accordance with Paragraph 7 below. The Committee may by rule or regulation increase the minimum limits of the required public liability insurance policy.

C. Utility Charges. Declarant and the Condominium, their successors and assigns shall pay when due, all utility charges for utility services furnished to their Respective Portions including without limitation, electric, heat, air conditioning, gas and telephone.

D. Casualty Insurance. In the event the Declarant and the Condominium shall be unable to obtain separate casualty insurance policies covering their respective portions of the Building, (1) the Committee shall obtain, maintain and pay the premiums for an " all risk" casualty insurance policy covering loss or damage to the building and improvements on the Premises. Such policy must include malicious mischief, vandalism and wind storm endorsements, and be in an amount equal to the maximum insurance replacement value or contain an agreed amount clause. In the event of destruction or any damage or loss to a building or improvement, Declarant and the Condominium, their successors or assigns, shall repair or rebuild the same or construct new facilities at least equal in value similar to the former facilities and for this purpose, shall use the insurance proceeds. Declarant and the Condominium, their successors and assigns, shall diligently reconstruct or repair their Respective Portions and improvements therein promptly and in an expeditious fashion but in no event later than one-year from the

date the insurance proceeds are available. If the time of completion should be delayed beyond one-year by strikes, walk out, acts of war and insurrection, fire, unusual delay in transportation, unavoidable casualties, or any cause beyond the reasonable control of either party hereto or the Committee, as the case may be, or the general or independent contractor retained in connection with such reconstruction or repair, the aforesaid one-year period shall be extended for such reasonable time as may be required to effect completion of said construction.

(2) If the casualty insurance proceeds paid or to be paid exceed the sum of $75,000, all proceeds and repair and replacement shall be subject to the following provisions:

(a) the owner of the damaged building or improvement, or the board of managers in the case of any building or improvement subject to the condominium form of ownership (the "Restorer") shall promptly submit building plans and specifications to the Committee, for approval, prior to commencing the repair or replacement. The Committee shall by majority vote promptly approve or disapproved the building plans and specifications. The approval of the Committee shall not be unreasonably withheld.

(b) The Restorer shall promptly commence and diligently pursue the repair or replacement, in compliance with any building plans and specifications approved by the Committee.

(c) The Restorer shall be solely responsible for all costs of repair or replacement.

(d) The proceeds of casualty insurance shall be held by (I) the "institutional holder", if any, of the first mortgage, if any, affecting the most seriously damaged portion of the improvements, or otherwise (ii) the Committee, to be used solely for paying the actual and direct costs of repair or replacement. The proceeds shall not be commingled with any other money. The proceeds shall be held in a special, segregated escrow account in a bank in Kings County, New York. No money shall be disbursed from such account until the Restorer presents the Committee with satisfactory proof:

(I) that Restorer has sufficient funds in addition to the proceeds of casualty insurance to cover the entire cost of repair or replacement;

(ii) of the cost, payment and performance of repair or replacement, in the form of

architect's certificates, waivers of lien, contractor's affidavits and/or such other proof as the Committee may reasonably require.

Disbursements shall not be sought more often than once each month. Satisfactory proofs shall be submitted prior to each disbursement. The Committee may retain an architect or engineer to assist the Committee and assure compliance by the Restorer with the provisions of this Section. The reasonable expense of retaining an architect or engineer shall be the demand obligation of the Restorer, payable out of the insurance proceeds held hereunder, or in the event such proceeds are exhausted, by other funds of the Restorer.

As used herein, the terms "institutional holder" shall mean a Federally or state-chartered, regulated or licensed commercial bank, savings bank, savings and loan association, insurance company, pension fund, trust company or other lending institution as same is defined in Section 274-a of the Real Property Law of the State of New York.

(3) Notwithstanding the foregoing, if any building or improvement is subject to the condominium form of ownership and seventy-five (75%) percent of the unit owners do not resolve to proceed with repair or restoration, the property comprising such condominium shall be subject to an action for partition at the suit of any unit owner or lienor as if owned in common, in which event the net proceeds of insurance policies shall be divided by the board of managers of such condominium pursuant to the terms of its By-laws and Declaration.

E. Maintenance, Repair and Replacement. Declarant and the Condominium, their successors and assigns, shall pay the cost of maintenance, repair and replacement of their Respective Portions.

F. Additional Expenses. Declarant and the Condominium, their successors and assigns, shall hire and employ such persons and purchase and maintain such equipment and materials as a reasonably be necessary to manage, supervise, and secure the Common Areas.

7. APPORTIONMENT AND COLLECTION OF EXPENSES

A. Apportionment: the Common Area referred to in Paragraph 6 will be apportioned between

Declarant and the Condominium, their successors and assigns on the following basis (even though disbursements for such expenses will be made during the course of the fiscal period directly by Declarant and the Condominium, as incurred) within ten (10) days of the end of the fiscal period (as hereinafter defined in Paragraph 19 hereof). Copies of bills, invoices canceled checks or other evidence of Common Area expenses shall be exchanged within five (5) days after the end of the fiscal period. The expenses will be apportioned based upon the respective usable square footage of the building and improvements owned and/or leased by the Declarant and the Condominium, respectively, there successors and assigns. In the event all or any portion of the Premises is subject to condominium form of ownership, the board of managers will be deemed to the owner of the building for this purpose. For the purposes of this Declaration, the Elmwood Gardens Condominium will be deemed to contain 11,795.50 usable square feet and the remainder of the building will be deemed to contain 6967.91 usable square feet. Therefore, the Condominium will be responsible for 61.40% of Common Area expenses and the commercial space will be responsible for 38.60 %. A condominium's respective share of the Common Area expenses shall be assessed among unit owners as common expenses of the condominium. Declarant and the Condominium, their successors and assigns shall bear a portion of the Common Area expenses equal to the ratio that the usable square footage attributable to their respective interests in the Premises bears to the aggregate usable square footage of the Premises. The party shall, within thirty (30) days of the end of the fiscal period, make payment accordingly. In the event of any dispute, the matter shall be resolved promptly by resort to arbitration pursuant to the rules of the American Arbitration Association or any successor organization.

B. Collection. Declarant and the Condominium, their successors and assigns, shall be entitled to secure and collect any portion of the Common Expenses owed to them in accordance with the following provisions. Any sum owed pursuant to the apportionment formula set forth in Subparagraph A above, but not paid within forty (40) days of the end of the fiscal period, shall be a charge and a continuing lien upon the portion of the Premises owned by the party, successor or assign who owes such sums. If any sum owed is not paid within fifty (50) days of the end of the fiscal period, there shall be added to the sum owed, interest running from a date thirty (30) days after the end of the fiscal year at the highest rate permitted by

the laws of the State of New York and any and all collection of the sum owed or enforcement of the lien, including, without limitation, attorneys fees and disbursements, all of which, e.g. interest and costs of collection, shall be deemed secured by the lien created by this Agreement. The lien created by this Agreement shall be prior to all other liens except: (a) tax or assessment liens for the property by any governmental authority, including but not limited to, State and City taxing agencies; and (b) all sums unpaid of any mortgages of record encumbering the portion of the Property in question. Any sum owed may be collected by the other party in an action at law or by an action to foreclose the lien.

8. Enforcement. Declarant and the Condominium, their successors and assigns may properly be compelled to fulfill their obligations hereunder as follows. In the event of a violation or threatened violation of this Agreement, an affected party will be entitled to judicial relief compelling compliance with this Declaration. In such an action the prevailing party shall be entitled to attorneys fees, costs and disbursements. In the alternative, the other party may upon ten (10) days prior notice, or in the case of emergency without notice, perform the obligations of the party who failed to fulfill its obligations. In such event, the party who failed to fulfill its obligations shall pay the other party the costs incurred upon demand. If the costs are not paid within ten (10) days of the demand there shall be a charge and a continuing lien upon the portion of the Premises owned by the party, successor or assign who owes such costs. If any costs are not paid within twenty (20) days of the demand, there shall be added to the sum owed, interest running from a date ten (10) days after the demand at the highest rate permitted by the laws of New York and any costs of collection of the costs owed or enforcement of the lien, including without limitation, attorneys fees and disbursements, all of which, e.g. interest and costs of collection or enforcement, shall be deemed secured by the lien created by this Declaration. The lien created by this Declaration shall be prior to all other liens except:(a) tax or assessment liens for the property by any governmental authority, including but not limited to, State and City taxing agencies; and (b) all sums unpaid of any mortgages of record encumbering the portion of the Property in question. Any sum owed may be collected by the other party in an action at law or by an action to foreclose the lien.

9. Mortgages. The right of Declarant and the Condominium and their successors and assigns to grant any mortgage or security interest encumbering any portion of the Common Area, shall be subordinate to the easements, covenants, and restrictions created in this Declaration.

10. Estoppel Certificates. Declarant and the Condominium, their successors and assigns shall upon request by the other party, their successors or assigns, certify by a writing duly acknowledged in form for recording, to the other party, any mortgagee or proposed mortgagee, or proposed assignee of a mortgagee, a statement including the following information:

A. Whether they have any knowledge of any violation of this Declaration.

B. The nature of any alleged violation of this Declaration.

C. Whether they have any knowledge that any sum is due and payable under this Declaration.

D. the amount of any sum allegedly due and payable under this Declaration.

The certification shall be made and sent a within ten (10) days of the request.

11. Indemnification. The Declarant and the Condominium, their successors and assigns shall indemnify and hold harmless the other party subject to this Declaration, from and against any loss, cost, damages or expenses occasioned by or arising out of any breach or default in the performance or observance of any of the provisions, covenants and agreements contained in this Declaration.

12. Term of Easements. The easements granted herein shall be perpetual and shall constitute covenants running with the land and shall be binding upon Declarant, the Condominium, their successors and assigns, as well as upon all persons claiming under them and each and all subsequent owners, their heirs, personal representatives, successors or assigns of any interest in the Premises.

13. Binding Effect. The Premises are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, charges and liens set forth herein and the same shall be binding upon Declarant, the Condominium, their successors and assigns, as well as upon all persons claiming under them and each and all subsequent owners their heirs, personal representatives, successors or assigns of any interest in the Premises.

14. Waiver. The failure by Declarant or the Condominium, their successors and assigns, to enforce any easement, covenant, restriction, charge or lien in, or created by, this Declaration shall not be

deemed a waiver of the right to enforce the same thereafter as to the same breach, nor as to one occurring prior or subsequent thereto. Any waiver made by any party subject to this Declaration must be duly made in writing in order to be considered a waiver, and the waiver of one provision shall not be considered a waiver of any other provision unless specifically made in writing as aforementioned.

15. Amendment and Modification. This Declaration may be amended, or modified, in whole or in part, only by written instrument, in recordable form, executed by Declarant and the Condominium or their successors and assigns. If any portion of the Premises subject to this Declaration is subject to the condominium form of ownership, any such amendment or modification shall not require the approval or consent of the condominium unit owners. The consent of the board of managers of any condominium shall be sufficient. If any portion of the Premises subject to this Declaration is to be subject to the condominium form of ownership, prior to any conveyance of condominium units, the prospective unit owner must deliver to the board of managers an irrevocable power of attorney granting the board complete authority to act on behalf of the unit owner under this Declaration.

16. Invalidity. The invalidity, in whole or in part, of any covenant or restriction, or any section, subsection or other provision of this Declaration, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof.

17. Interpretation. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of plural shall include the singular, and the singular shall include the plural. Provisions of this Declaration shall be liberally construed to effectuate its purposes.

18. Captions. Captions used in this Declaration are inserted solely as a matter of convenience, and shall not be relied upon and/or used in construing the effect or meaning of the text of this Declaration.

19. Definitions. For purposes of this Declaration, the following terms shall have the meanings indicated below:

(a) "fiscal period" Shall mean a three calendar month period, namely January through March, April through June, July through September, October through December.

(b) "Premises" shall mean the land with a building and improvements erected thereon known as 15 Bay 29th Street, Brooklyn, New York.

20. Communications. All notices, demands, requests or other communications which may be or are required to be given, served or sent under this Declaration shall be in writing and shall be deemed to have been properly given or sent (a) if personally served upon Declarant, the Condominium or any other party subject to this Agreement (or an officer, director, general partner or a member of the board of managers thereof) or (b) if mailed by registered or certified mail with postage prepaid, return receipt requested, addressed to the other party at the following address:

(i) Declarant:

59-05 59th Drive
Maspeth, NY

(ii) the Condominium:

90-20 55th Avenue
Elmhurst, NY

Either party, their successors or assigns or any other party subject to this Declaration may designate by notice or writing as aforesaid a new address to which any notice, demand, request or communication should thereafter be so given, served or sent. Each notice, demand, request or communication which shall be mailed to the other party in the manner provided in this Paragraph shall be deemed sufficiently given, served or sent for all purposes hereunder on the earlier of: (I) receipt or (ii) five (5) days after the mailing thereof by certified registered mail in any Post Office or branch Post Office regularly maintained by the United States Postal Service in the continental United States.

21. Subordination of Mortgages. Declarant and the Condominium, and their successors and assigns (a) shall use their best efforts to obtain the subordination of any mortgage presently a lien on the Premises to the provisions of this Declaration, and (b) shall not agree to place or grant hereafter any mortgage, lien or to other encumbrance on the Premises unless the same, by their terms, are expressly subordinate to this Declaration and the provisions hereof.

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

FABIAN BUILDERS HRPT, LLC.

By: _____

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

On the day of ,20 , before me, the undersigned, a notary public in and for the 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 person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE A

SCHEDULE B

Common Area

Elevators and shafts; stairways; public areas; sidewalk, outside yards; building facade; building superstructure; roof; meter and pump rooms; utility lines, meters, pipes, conduits, closets, shafts, chutes, ducts and all similar items and equipment used in connection with the provision of utility service, including, without limitation, those described in paragraph 2 of this Agreement.

The "Respective Portion" shall be those portions of the Common Area as are located within each party's buildings and improvements, except that the sidewalk is the Respective Portion of Declarant and the roof, elevator and shaft and machinery.

SCHEDULE C

Easements for Ingress and Egress.

Lobby and entrances, elevators and shafts, stairways, basement and cellar public areas, meter and pump rooms, sidewalk and outside yards.

SCHEDULE D

Utility Easements

Utility lines, meters, pipes, conduits, closets, shafts, chutes, ducts and all similar items and equipment used in connection with the provision of utility services, including, without limitation, those described in paragraph 2 of this Declaration.

SCHEDULE E

Easements of Support

Building superstructure

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO 13 NYCRR 20.4 (b)

Dated: March 8, 2004

Department of Law
120 Broadway 23rd Floor
New York NY 10271

RE: THE ELMWOOD GARDENS CONDOMINIUM

Gentlemen:

I am the Sponsor and the principal of 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, and the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as they may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan, does, and that documents submitted hereafter by us which amend or supplement the Offering Plan, will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where we : (a) knew the truth; (b) with reasonable effort could have known the truth; (c)made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

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

Very truly yours,

SPONSOR

Fabian Builders HRPT, LLC

By: _____

Henry J. Fabian, Member
Print Name and Title

SPONSOR'S PRINCIPALS:

_____
Henry J. Fabian

_____
Robert H. Fabian

_____
Paul J. Fabian

_____
Thomas L. Fabian

Sworn to before me this
9th day of March, 2004

_____
Notary Public

HENRY F. CAMUSO
Notary Public, State of New York
No. 4875447
Qualified in Kings County
Commission Expires October 14, 2006

Gerald J. Caliendo, R.A., A.I.A
Architect, P.C.
108-18 Queens Boulevard
Forest Hills, N.Y. 11375

Tel. (718) 268-9098
Fax (718) 268-9097
www.caliendoarchitects.com

July 20, 2004

Re: Elmwood Gardens Condominium

The sponsor of the offering plan for condominium ownership of the captioned property retained us to prepare a report describing the construction of the property (the "Report"). We prepared the building plans and specifications on June 29, 2003 for the above mentioned project which were approved by the New York City Department of Buildings, July 29, 2003 and prepared the report dated November 27, 2002 a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are registered architects in the state where the property is located. We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in part 20 insofar as they are applicable to this report.

We have read the entire report and investigated the facts set forth in the report and the facts underlying with due diligence in order to form a basis for the certification. This certification is made for the benefit of all persons to whom this offer is made. We certify that the report does:

(I) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we prepared;

(II) In my professional opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we prepared.

(III) Does not omit any material facts;

(IV) Does not contain any untrue statement of a material fact;

(V) Does not contain any fraud, deception, concealment, or suppression;

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

(VII) 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 (as certain) to the truth; or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property

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

Very truly yours,

Gerald J. Caliendo, R.A.

Sworn to before me this
30 day of July 2004.

LORNA R. SATCHELL
Notary Public, State of New York
No. 01SA6020093
Qualified in Queens County
Commission Expires 02-22-2007

KANE REALTY

72-01 Grand Avenue - Maspeth, NY 11378 - Office: (718) 779 - 1111 - Fax: (718) 335 - 7137

November 19th 2003

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

RE: Elmwood Gardens Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained my firm to review or prepare Schedule B containing projections of income and expenses for the first year of Condominium operation. My experience in this field includes:

See Attached

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 Schedule B.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

(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 (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

O'KANE REALTY

Very truly yours,

James F. O'Kane

James F. O'Kane
President

Sworn to before me this
19 day of Dec, 2003

Notary Public

JOAN M. SAMMON
Notary Public, State of New York
No. 41-5009145
Qualified in Queens Count
Commission Expires March 8, 2007

O'KANE REALTY
72-01 Grand Avenue - Maspeth, NY 11378 - Office: (718) 779 - 1111 - Fax: (718) 335 - 7137

July 16th, 2004

State Of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE: ELMWOOD GARDENS CONDOMINIUM

Dear Sir or Madam:

I, JAMES F. O'KANE, attest and confirm, that I reside at 72-03 Grand Avenue, Maspeth, New York 11378.

That I am a duly Licensed Real Estate Broker of the State of New York, and Active Board Member of the Long Island Board of Realtors, and a graduate of Suffolk county Community College with a A.A.S. Degree in Real Estate, Business and Banking. I am also the President of a Maspeth Based Realty Company for over fifteen (15) years, which maintains its office at 72-01 Grand Avenue, Maspeth, New York, 11378 and am familiar with the following Counties: Queens, Brooklyn, Manhattan, Nassau and Suffolk.

I am familiar with the managing of properties in these counties.

Our firm presently manages mixed use, commercial, residential and condominium properties for the Maspeth Federal Savings and Loan Association and private investors. This management includes the preparation of the operating budgets containing projections of income and expenses. We are also responsible for operating the properties in a clean, safe, well maintained condition. We currently manage eleven (11) properties and have done so for the past twelve (12) years.

+

Respectfully submitted,

James F. O'Kane

JAMES F. O'KANE